

From: [Brankin, Bernie](#)
To: [Cooper, Trevor](#)
Subject: FW: OCTOBER MONITORING
Date: 04 October 2011 16:38:07
Attachments: [Note to DFP - October Monitoring 2011 12.DOC](#)
[Note to DFP - October Monitoring 2011 12 \(with Bid\).DOC](#)

[Trevor](#)

Two versions of letter to DFP for your consideration.

[Bernie](#)

Bernie Brankin

Finance
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
Belfast, BT4 2JP
Tel: 028 9052 9417 (ext: 29417)
Textphone: 028 9052 9304
Web: www.detini.gov.uk

Please consider the environment - do you really need to print this e-mail?

From: Partridge, Jeff
Sent: 04 October 2011 14:46
To: Brankin, Bernie
Subject: RE: OCTOBER MONITORING

[Bernie,](#)

Please see attached draft notes to DFP on October Monitoring. The second note includes the £3m bid with additional £3m receipts.

[Jeff](#)

From: Brankin, Bernie
Sent: 04 October 2011 12:34
To: Partridge, Jeff
Subject: OCTOBER MONITORING
Importance: High

Jeff

You are working on the DFP letter on October monitoring which is due with DFP today. We should have two versions. The first with the £7.7m reallocation and the second with reduced requirements increased by £3m which will require a separate para to explain and a bid for £3m. The latter is looking the most likely version we will issue. Can you forward to me urgently as Trevor and Colin has to clear.

Bernie

Bernie Brankin

Finance

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Mr Jack Layberry
 Department of Finance and Personnel
 Rathgael House
 Balloo Road
 BANGOR
 BT19 7NA

3 October 2011

Dear Jack

OCTOBER MONITORING 2010-11

1. This letter covers the DETI contribution to the October monitoring exercise. Finance Branch will forward the detailed supporting information to Central Expenditure Division.
2. We have consulted all DETI business areas. The key DETI monitoring proposals are summarised in **Table 1** below:

Table 1: Summary of proposed adjustments

£ millions	Resource	Capital Grant	Capital	Total
INVEST NI				
Reduced Requirements (A)	(9.4)	(0.4)	(7.7)	(17.5)
DETI HQ				
Interreg IVA match funding	(0.4)	(1.0)		(1.4)
PMS Loan repayment			(8.7)	(8.7)
De minimis easements (net)	(1.1)	(0.1)	(0.5)	(1.7)
Reduced Requirements (B)	(1.5)	(1.1)	(9.2)	(11.8)
TOTAL (A+B)	(10.9)	(1.5)	(16.9)	(29.3)
Reclassification of incorrect PMS budget allocation	(50.0)		50.0	0
<u>TOTAL ADJUSTMENTS</u>	<u>(60.9)</u>	<u>(1.5)</u>	<u>33.1</u>	<u>(29.3)</u>
<u>Reduced Requirements</u>				

Invest NI - £17.5 million

3. The department's letter of 9 September on proposed October Monitoring reductions and proactive reallocations advised you that Invest NI had identified £17.5m budget reductions in 2011/12. We are confirming these reductions.

4. Invest NI has also specifically highlighted risks around a number of projects for which it is currently holding Capital budget totalling £14m within the 2011/12 year. Whilst it has indicated that it is taking all reasonable steps to manage the projects so as to incur expenditure this year, Invest NI has indicated that there are uncertainties around timing and amounts of some expenditure. The projects concerned are summarised below:-

	£m
(i) <i>Newry/Strabane site development</i>	8.0
(ii) <i>Titanic Studio</i>	3.4
(iii) <i>Creagh – uncertainty ref tribunal</i>	2.5
Total	£13.9

DETI HQ: Interreg IVa match funding - £1.4 million

5. This represents a reduction in ring-fenced match funding which is held within DETI for transfer to SEUPB, who are the Managing Authority for the Interreg IV Programme. Following consultation with SEUPB, it is clear that a number of large scale projects that have already been approved have yet to commence or incur expenditure. Accordingly its budget requirements are lower than had been forecast by project promoters.

DETI HQ: Presbyterian Mutual Society - £8.7 million

6. This relates to the Loan Capital repayment this year arising from the PMS rescue package. In addition, a payment of £1.211m will be made to Consolidated Fund Extra Receipts in respect of loan interest.

DETI HQ: Net de minimis easements - £1.7 million

7. DETI has a number of de minimis (under £1m) reduced requirements, which include the following:
- £0.6m Resource relating to additional Insolvency Service fees;
 - £0.2m Resource due to the reprioritisation to the workplan of MATRIX and its Secretariat in DETI's Foresight and Horizon Scanning Unit and a reclassification of an element of the Unit's budget;
 - £0.1m Resource due to unfilled vacancies and associated reduction in training and staff costs within HSENI;
 - £0.1m Resource reduction relating to a reassessment of resources required for Corporate Services Division;
 - £0.1m Resource comprising a number of small reductions across a number of DETI business areas;

- £0.1m Capital Grant relating to match funding for the Northern Ireland Broadband Fund; and
- £0.5m Capital relating to an over-allocation of Interreg funding.

Reclassification

8. A reclassification of £50m from Resource to Capital is required to correct the budget allocation made available by the NI Executive for the Presbyterian Mutual Society. The initial allocation was allocated to DETI as Resource in Budget 2010 but as this is a repayable loan we are seeking reclassification to Capital.

Proactive actions to manage emerging pressures

9. Our letter of 9 September also proposed proactive reallocations from Invest NI to meet pressures in TIL and NITB.
10. DFP has agreed to consider the proposed proactive reallocation of £4.7m Resource from Invest NI to Tourism Ireland Limited for marketing campaigns related to NI2012 and golf.
11. DFP has also agreed to consider the proposed proactive reallocation of £3m Capital Grant from Invest NI the NITB for additional work on the surrounding public realm and buildings to Titanic Belfast.

De Minimis Pressures and Adjustments (individual amounts below £1m)

12. We are proposing to meet a number of de minimis pressures comprising £310k Administration and £1,163k Resource from de minimis reductions. The de minimis bids include the following:
 - £310k Administration to meet minor pressures across the department, to be funded from corresponding reductions in Administration budgets;
 - £319k Resource for Minerals Branch in respect of British Geological Survey services;
 - £210k Resource is required to implement the Renewable Heat Incentive Scheme in Northern Ireland for this year;
 - £275k Resource to meet pressures across a range of front line business areas including Consumer Affairs and Insolvency Service;
 - £100k Resource is required by the Insolvency Service to cover company inspections costs for the current financial year;
 - £94k Resource for NITB to support the Foyle and Milk Cup tournaments;

- £60k Resource is required by Tourism Policy branch to cover an inescapable bid to meet the cost of Tourism Ireland North South Pension costs for 2011/12; and
- £105k Resource is required to meet a number of smaller pressures across the department.

Mainstream Internal Reallocations

13. Significant internal reallocations include:

- Reallocating £8.8m from Capital Grant to Capital to align capital budget control totals to Invest NI requirements;
- Increasing both the receipts and expenditure budgets for Minerals Branch by £1.7m Resource as funding is being made available by DOE and SEUPB to fund the Tellus Border EU Interreg IVA project;
- Increasing both the receipts and expenditure budgets for Minerals Branch by £0.3m as funding is being made available by DOE to undertake a project to produce a minerals map of Northern Ireland;
- £0.6m Current expenditure receipts from NIAER to fund the Consumer Council's consumer representation role in relation to water;
- A number of small reallocations totalling £0.1m across Consumer Council budgets to realign budgets with expected outturn and to fund the Consumer Council's consumer representation role in relation to energy;
- A number of small reallocations totalling £0.2m to realign the department's non cash budgets in line with expected outturn; and
- A reduction in both the receipts and expenditure Resource budgets for seconded staff costs due to a smaller number of staff now on secondment.

EU Internal Reallocations

Competitiveness Programme

14. A number of self-financing EU internal reallocations increasing and reducing EU expenditure supported by EU receipts are as follows:

- £5.7m Resource and £5.8m Capital decreases in Invest NI expenditure and receipts due to a downturn in market conditions;
- £4.4m Resource and 0.3m Capital Grant reductions in European Support Unit expenditure and receipts as the LED measure has been slow to spend due to a lack of applications coming forward from Councils;

- £3m increase in NITB EU Capital Grant expenditure and receipts due to the realignment of match and EU funding for the Giant's Causeway Visitor Facility in line with the ERDF funding application;
- £0.1m Resource and £0.1m Capital Grant reductions in EU expenditure and receipts for Telecoms projects.

Interreg Programme

- £1.0m Resource and £3.1m Capital Grant decreases in European Support Unit EU expenditure and receipts as expenditure in approved projects is slower than anticipated.

Technical Transfers

15. A number of technical transfers to and from other departments need to be effected in this monitoring round. This will have the net effect of reducing DETI's budget by £11.6m, and include the following transfers:

- £11.340m in respect of Capital Launch Investment from Invest NI to BIS with regard to the Bombardier C Series project;
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- £132k Administration from DEL for the provision of audit services;
- £65k Resource from DRD to Consumer Council for work on public transport issues;
- 42k Administration from NISRA for a Grade 7 post in Analytical Services Unit;
- £25k Administration from DFP in respect of the return of budget for IBWG secondments to the EU;
- A range of smaller transfers from the department totalling £48k Resource, and
- £18k Capital Grant into the department from DFP in respect of transfer of responsibility for the Ministerial car.

Assurance Statement

16. I can confirm that the Accounting Officer is satisfied that the forecasts represent the most robust and accurate assessment that can be prudently provided at this stage of the year.
17. However, as noted in paragraph 4, Invest NI has risks around a number of capital projects for which it is currently holding Capital budget totalling £14m within the 2011/12 year. There is also a clear risk of further changes in the macro-economic environment that would result in reduced activity within

Invest NI client companies. The consequence of such a risk crystallising would be further reduced requirements within Invest NI later in the year. These cannot be ruled out.

18. The October monitoring return has been cleared with the DETI Minister.

TREVOR COOPER

cc David Sterling
Colin Lewis
David Thomson
Alastair Ross, MLA, Assembly Private Secretary
Bernie Brankin
David Beck
Stuart Stevenson
Sylvia Sands
Jeff Partridge



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<u>TOTAL (A+B)</u>	<u>(10.9)</u>	<u>(4.5)</u>	<u>(16.9)</u>	<u>(32.3)</u>
BID for NITB NI2012		3.0		3.0
Reclassification of incorrect PMS budget allocation	(50.0)		50.0	0
<u>TOTAL ADJUSTMENTS</u>	<u>(60.9)</u>	<u>(1.5)</u>	<u>33.1</u>	<u>(29.3)</u>

Reduced Requirements

Invest NI - £20.5 million

3. The department's letter of 9 September on proposed October Monitoring reductions and proactive reallocations advised you that Invest NI had

identified budget reductions in 2011/12 totalling £17.5m. We are now confirming these reductions along with a further £3m Capital Grant that Invest NI had originally proposed to reallocate to NITB for additional work on the surrounding public realm and buildings to Titanic Belfast.

4. Invest NI has also specifically highlighted risks around a number of projects for which it is currently holding Capital budget totalling £14m within the 2011/12 year. Whilst it has indicated that it is taking all reasonable steps to manage the projects so as to incur expenditure this year, Invest NI has indicated that there are uncertainties around timing and amounts of some expenditure. The projects concerned are summarised below:-

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Mainstream Bids

8. 2012 offers a major and unique opportunity for Northern Ireland. The launch of the Titanic Signature Building, the Cultural Olympiad, the completion of several key physical projects such as the Metropolitan Arts Centre, the Lyric Theatre and the Giant's Causeway Visitor Centre, and major local anniversaries such as the Queen's Diamond Jubilee, the 100th Anniversary of Titanic and the 50th Anniversary of Belfast Festival at Queens, offer the chance to challenge and change perceptions of Northern Ireland as a place to live, learn, work and visit.
9. **£3m Capital Grant is required by NITB** for additional work on the surrounding public realm and buildings to Titanic Belfast. The funding would be spent on the completion of the public realm that was originally the slipway where the Titanic was built, and to allow some access to, and improve the presentation of, the H&W Headquarters and Drawing Offices.

Reclassification

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TREVOR COOPER

cc David Sterling
Colin Lewis
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Alastair Ross, MLA, Assembly Private Secretary
Bernie Brankin
David Beck
Stuart Stevenson
Sylvia Sands
Jeff Partridge

From: [Brankin, Bernie](#)
To: [Cooper, Trevor](#)
Subject: FW: ETI Committee - Further Info Oct Mon
Date: 05 October 2011 16:58:07
Attachments: [ETI Committee - Further Info Oct Mon.DOC](#)
Importance: High

[Trevor](#)

Futher info that you had requested in relation to de minimis bids at our earlier meeting with Colin.

[Bernie](#)

Bernie Brankin

Finance
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
Belfast, BT4 2JP
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Web: www.detini.gov.uk

Please consider the environment - do you really need to print this e-mail?

From: Donaldson, Linda
Sent: 28 September 2011 15:42
To: Brankin, Bernie
Subject: FW: ETI Committee - Further Info Oct Mon
Importance: High

[Bernie,](#)

Please see attached with info iro Insolvency & resource admin pressures.

[Linda](#)

Linda Donaldson

Finance
Department of Enterprise, Trade & Investment
Netherleigh
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Belfast, BT4 2JP
Tel: 028 9052 9446 (ext: 29446)
Textphone: 028 9052 9304
Web: www.detini.gov.uk

Please consider the environment - do you really need to print this e-mail?

From: Donaldson, Linda
Sent: 28 September 2011 14:15
To: Brankin, Bernie
Subject: ETI Committee - Further Info Oct Mon
Importance: High

Bernie,

Please see attached responses iro further info on bids and reductions. I'm still waiting on Insolvency to respond but thought you might want to review.

Linda

Linda Donaldson

Finance
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
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Minerals Bid £319k – Further info on BGS (GSNI)

The mission of the Geological Survey of Northern Ireland (GSNI) is to provide advice and technical services in the earth sciences to government, industry and the public in Northern Ireland, with the goal of promoting economic development and sustainable development of earth resources.

GSNI is an office of the Department of Enterprise, Trade and Investment (DETI) of Northern Ireland and its remit, priorities and work programme is set within the context of the DETI Corporate Plan and other relevant policy statements, such as the Regional Innovation Strategy for NI Action Plan.

GSNI directs and provides geological advice to the work of DETI's Mineral Branch, which administers Mineral Prospecting and Hydrocarbons Licences. Under separate Service Level Agreements, GSNI advises the NIEA on management of groundwater resources and the Planning Service on land-use issues.

GSNI is staffed by scientists, technicians and administrators seconded under this Service Level Agreement (SLA) by the British Geological Survey, a component body of the Natural Environment Research Council (NERC). Accordingly, GSNI follows and promotes UK government policy for environmental research as promulgated through NERC.

Energy Bid £210k – Further info on NI Renewable Heat Incentive**Renewable Heat Incentive AME Budget**

2011/12 - £2m

2012/13 - £4m

2013/14 - £7m

2015/16 - £12m

Total - £25m

DETI is proposing to introduce a Northern Ireland Renewable Heat Incentive (RHI) and is currently consulting on the design of such a scheme. The Northern Ireland RHI aims to incentivise the uptake of renewable heat technologies to support the achievement of targets set by the Executive and obligations set by the European Union. Further to this the increase of renewable heat in Northern Ireland will assist in increasing fuel security, reduce carbon emissions and provide opportunities for 'green jobs'. Her Majesty's Treasury has provided £25m over the next 4 years for the introduction of a Northern Ireland RHI.

For the scheme to be successful, accessible and not subject to fraudulent activities, it is vital that an administrator is put in place to monitor the scheme, make payments, enforce standards and eligibility and ensure accessibility.

Ofgem have been appointed to administer the GB RHI and DETI wish to also appoint them to administer the Northern Ireland RHI. Ofgem is the energy regulator in GB and is governed by an Authority, consisting of non-executive

and executive members and a non-executive chair. For funding, Ofgem recover costs from the licensed companies it regulates. Licensees are obliged to pay an annual licence fee which is set to cover Ofgem's running costs. Ofgem is independent of the companies it regulates. Ofgem has vast experience in administering large scale energy programmes and has a dedicated team, known as E-Serve, which currently deals with a range of energy schemes including the Feed-in-tariff, Smart Metering, the Renewables Obligation and the GB RHI. E-Serve is also responsible for the administration of the Northern Ireland Renewables Obligation (NIRO).

Further to this, the legislative position determines that Ofgem can act as the administrator and provides powers for Ofgem to make payments enforce standards and deliver the RHI.

A feasibility study is now being undertaken to advise on technical and legal requirements, consider the most appropriate method of administrations and to allow costs to be estimated.

Consumer Affairs & Insolvency Bid £275k – Further info on Resource Admin pressure

Insolvency £130k bid - During the 10/11 financial year there was a 20% increase in the number of insolvencies administered. This trend has continued with an 11% increase in bankruptcies in the first two quarters of the 11/12 financial year. As a result the Insolvency Service requires additional staff in order to adhere to its legislative requirement to administer insolvencies and take bankruptcy restrictions proceedings against those found culpable.

Failing this Official Receiver will be unable to properly police the market place and confidence in the commercial market would be undermined.

Business Regulation £145k bid - the 2011-12 budget allocation within Resource Admin to cover the costs of Insolvency and Consumer Affairs is understated, which resulted in a budget deficit at the start of the financial year. The budget allocation is to be corrected at the next Budget exercise.

Telecoms RR £250k – Further info on reduction & expenditure

Telecoms have an allocation of £500k for the NI Broadband Fund in the 2011/12 year. This is a competitive fund with project proposals requested through open Calls. A call for projects went out in July with a closing date of 12 August. Four applications were received by the closing date and, following evaluation, only one project was deemed eligible for support (of around £215k). Some clarifications were required in relation to the successful project meaning that the Letter of Offer has only just been confirmed (although not yet signed). Due to the length of time that it takes to get these infrastructure projects up and running and, as here is no possibility of EYF, it has been decided that there would be insufficient time to run another Call for applications which would allow for spend to be completed by 31 March, hence the surrender of £250k under the October Monitoring Round.

Telecoms Policy Unit has an allocation of £500k under the NI Broadband Fund for the 2012/13 year, which, at this stage, it fully expects to deploy.

From: [Brankin, Bernie](#)
To: [Smith, Rae](#)
Cc: [Cooper, Trevor](#); [Partridge, Jeff](#)
Subject: FW: OCTOBER MONITORING
Date: 06 October 2011 18:06:12
Attachments: [Note to DFP - October Monitoring 2011 12.DOC](#)
Importance: High

[Rae](#)

Please issue when Trevor has cleared wording in para 11.

[Bernie](#)

Bernie Brankin

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Mr Jack Layberry
 Department of Finance and Personnel
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6 October 2011

Dear Jack

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Invest NI - £17.5 million

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4. Invest NI has also specifically highlighted risks around a number of projects for which it is currently holding Capital budget totalling £14m within the 2011/12 year. Whilst it has indicated that it is taking all reasonable steps to manage the projects so as to incur expenditure this year, Invest NI has indicated that there are uncertainties around timing and amounts of some expenditure. The projects concerned are summarised below:-

	£m
(i) <i>Newry/Strabane site development</i>	8.0
(ii) <i>Titanic Studio</i>	3.4
(iii) <i>Creagh – uncertainty ref tribunal</i>	2.5
Total	£13.9

DETI HQ: Interreg IVa match funding - £1.4 million

5. This represents a reduction in ring-fenced match funding which is held within DETI for transfer to SEUPB, who are the Managing Authority for the Interreg IV Programme. Following consultation with SEUPB, it is clear that a number of large scale projects that have already been approved have yet to commence or incur expenditure. Accordingly its budget requirements are lower than had been forecast by project promoters.

DETI HQ: Presbyterian Mutual Society - £8.7 million

6. This relates to the Loan Capital repayment this year arising from the PMS rescue package. In addition, a payment of £1.211m will be made to Consolidated Fund Extra Receipts in respect of loan interest.

DETI HQ: Net de minimis easements - £1.7 million

7. DETI has a number of de minimis (under £1m) reduced requirements, which include the following:
- £0.6m Resource relating to additional Insolvency Service fees;
 - £0.2m Resource due to the reprioritisation to the workplan of MATRIX and its Secretariat in DETI's Foresight and Horizon Scanning Unit and a reclassification of an element of the Unit's budget;
 - £0.1m Resource due to unfilled vacancies and associated reduction in training and staff costs within HSENI;
 - £0.1m Resource reduction relating to a reassessment of resources required for Corporate Services Division;
 - £0.1m Resource comprising a number of small reductions across a number of DETI business areas;

- £0.1m Capital Grant relating to match funding for the Northern Ireland Broadband Fund; and
- £0.5m Capital relating to an over-allocation of Interreg funding.

Reclassification

8. A reclassification of £50m from Resource to Capital is required to correct the budget allocation made available by the NI Executive for the Presbyterian Mutual Society. The initial allocation was allocated to DETI as Resource in Budget 2010 but as this is a repayable loan we are seeking reclassification to Capital.

Proactive actions to manage emerging pressures

9. Our letter of 9 September also proposed proactive reallocations from Invest NI to meet pressures in TIL and NITB.
10. DFP has agreed to consider the proposed proactive reallocation of £4.7m Resource from Invest NI to Tourism Ireland Limited for marketing campaigns related to NI2012 and golf.
11. Discussions are ongoing on the proposed proactive reallocation of £3m Capital Grant from Invest NI the NITB for additional work on the surrounding public realm and buildings to Titanic Belfast. When the situation is resolved we will forward the necessary forms for this or forms for alternative transactions.

De Minimis Pressures and Adjustments (individual amounts below £1m)

12. We are proposing to meet a number of de minimis pressures comprising £310k Administration and £1,163k Resource from de minimis reductions. The de minimis bids include the following:
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Mainstream Internal Reallocations

13. Significant internal reallocations include:

- Reallocating £8.8m from Capital Grant to Capital to align capital budget control totals to Invest NI requirements;
- Increasing both the receipts and expenditure budgets for Minerals Branch by £1.7m Resource as funding is being made available by DOE and SEUPB to fund the Tellus Border EU Interreg IVA project;
- Increasing both the receipts and expenditure budgets for Minerals Branch by £0.3m as funding is being made available by DOE to undertake a project to produce a minerals map of Northern Ireland;
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- A number of small reallocations totalling £0.1m across Consumer Council budgets to realign budgets with expected outturn and to fund the Consumer Council's consumer representation role in relation to energy;
- A number of small reallocations totalling £0.2m to realign the department's non cash budgets in line with expected outturn; and
- A reduction in both the receipts and expenditure Resource budgets for seconded staff costs due to a smaller number of staff now on secondment.

EU Internal Reallocations

Competitiveness Programme

14. A number of self-financing EU internal reallocations increasing and reducing EU expenditure supported by EU receipts are as follows:

- £5.7m Resource and £5.8m Capital decreases in Invest NI expenditure and receipts due to a downturn in market conditions;
- £4.4m Resource and 0.3m Capital Grant reductions in European Support Unit expenditure and receipts as the LED measure has been slow to spend due to a lack of applications coming forward from Councils;

- £3m increase in NITB EU Capital Grant expenditure and receipts due to the realignment of match and EU funding for the Giant's Causeway Visitor Facility in line with the ERDF funding application;
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Interreg Programme

- £1.0m Resource and £3.1m Capital Grant decreases in European Support Unit EU expenditure and receipts as expenditure in approved projects is slower than anticipated.

Technical Transfers

15. A number of technical transfers to and from other departments need to be effected in this monitoring round. This will have the net effect of reducing DETI's budget by £11.6m, and include the following transfers:
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 - £132k Administration from DEL for the provision of audit services;
 - £65k Resource from DRD to Consumer Council for work on public transport issues;
 - 42k Administration from NISRA for a Grade 7 post in Analytical Services Unit;
 - £25k Administration from DFP in respect of the return of budget for IBWG secondments to the EU;
 - A range of smaller transfers from the department totalling £48k Resource, and
 - £18k Capital Grant into the department from DFP in respect of transfer of responsibility for the Ministerial car.

Assurance Statement

16. I can confirm that the Accounting Officer is satisfied that the forecasts represent the most robust and accurate assessment that can be prudently provided at this stage of the year.
17. However, as noted in paragraph 4, Invest NI has risks around a number of capital projects for which it is currently holding Capital budget totalling £14m within the 2011/12 year. There is also a clear risk of further changes in the

macro-economic environment that would result in reduced activity within Invest NI client companies. The consequence of such a risk crystallising would be further reduced requirements within Invest NI later in the year. These cannot be ruled out.

18. The October monitoring return has been cleared with the DETI Minister.

TREVOR COOPER

cc David Sterling
Colin Lewis
David Thomson
Alastair Ross, MLA, Assembly Private Secretary
Bernie Brankin
David Beck
Stuart Stevenson
Sylvia Sands
Jeff Partridge
Lind Donaldson

From: [Partridge, Jeff](#)
To: [Cooper, Trevor](#)
Subject: FW: OCTOBER MONITORING
Date: 07 October 2011 11:00:26
Attachments: [Note to DFP - October Monitoring 2011 12.DOC](#)
Importance: High

[Trevor,](#)

Please see attached revised note to DFP which now includes additional Invest NI RR of £3m and NITB bid of £3m.

[Jeff](#)

From: Cooper, Trevor
Sent: 07 October 2011 10:31
To: Partridge, Jeff
Subject: FW: OCTOBER MONITORING
Importance: High

Trevor Cooper

Senior Management
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
Belfast, BT4 2JP
Tel: 028 9052 9423 (ext: 29423)
Textphone: 028 9052 9304
Web: www.detini.gov.uk

Please consider the environment - do you really need to print this e-mail?

From: Brankin, Bernie
Sent: 06 October 2011 18:06
To: Smith, Rae
Cc: Cooper, Trevor; Partridge, Jeff
Subject: FW: OCTOBER MONITORING
Importance: High

[Rae](#)

Please issue when Trevor has cleared wording in para 11.

[Bernie](#)

Bernie Brankin

Finance

Department of Enterprise, Trade & Investment

Netherleigh

Massey Avenue

Belfast, BT4 2JP

Tel: 028 9052 9417 (ext: 29417)

Textphone: 028 9052 9304

Web: www.detini.gov.uk

Please consider the environment - do you really need to print this e-mail?



Mr Jack Layberry
 Department of Finance and Personnel
 Rathgael House
 Balloo Road
 BANGOR
 BT19 7NA

67 October 2011

Dear Jack

OCTOBER MONITORING 2010-11

1. This letter covers the DETI contribution to the October monitoring exercise. Finance Branch will forward the detailed supporting information to Central Expenditure Division.
2. We have consulted all DETI business areas. The key DETI monitoring proposals are summarised in **Table 1** below:

Table 1: Summary of proposed adjustments

£ millions	Resource	Capital Grant	Capital	Total
INVEST NI				
Reduced Requirements (A)	(9.4)	(03.4)	(7.7)	(1720.5)
DETI HQ				
Interreg IVA match funding	(0.4)	(1.0)		(1.4)
PMS Loan repayment			(8.7)	(8.7)
De minimis easements (net)	(1.1)	(0.1)	(0.5)	(1.7)
Reduced Requirements (B)	(1.5)	(1.1)	(9.2)	(11.8)
TOTAL (A+B)	(10.9)	(43.5)	(16.9)	(3229.3)
<u>BID for NITB Titanic</u>		<u>3.0</u>		<u>3.0</u>
Reclassification of incorrect PMS budget allocation	(50.0)		50.0	0
<u>TOTAL ADJUSTMENTS</u>	<u>(60.9)</u>	<u>(1.5)</u>	<u>33.1</u>	<u>(29.3)</u>

Reduced Requirements***Invest NI - £17.5 million***

3. The department's letter of 9 September on proposed October Monitoring reductions and proactive reallocations advised you that Invest NI had identified £17.5m budget reductions in 2011/12. We ~~can~~ are confirming that these reductions now total £20.5m.
4. Invest NI has also specifically highlighted risks around a number of projects for which it is currently holding Capital budget totalling £14m within the 2011/12 year. Whilst it has indicated that it is taking all reasonable steps to manage the projects so as to incur expenditure this year, Invest NI has indicated that there are uncertainties around timing and amounts of some expenditure. The projects concerned are summarised below:-

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DETI HQ: Presbyterian Mutual Society - £8.7 million

6. This relates to the Loan Capital repayment this year arising from the PMS rescue package. In addition, a payment of £1.211m will be made to Consolidated Fund Extra Receipts in respect of loan interest.

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- £0.1m Resource reduction relating to a reassessment of resources required for Corporate Services Division;
- £0.1m Resource comprising a number of small reductions across a number of DETI business areas;
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Mainstream Bids

8. NITB £3m Capital Grant: This funding is required for additional work on the surrounding public realm and buildings to Titanic Belfast to safeguard the tourism benefits that we are hoping to achieve from Titanic Belfast, which will open in April next year. It is a £76m project with government contributing £36.7m. The building is aimed at becoming a world class visitor attraction. The tourism benefits identified in the original appraisal estimated that the total annual value added revenue from non UK visitors from Year 5 onwards would be £3.2m.

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9. The £3m capital grant would be spent on the completion of the public realm that was originally the slipway where the Titanic was built. This is a critical piece of public realm as it is hoped to hold major events at it next year and the view down the slipways from Titanic Belfast is a key feature of the attraction. Some of the grant would also be used to tidy up and allow some access to the H&W Headquarters and Drawing Offices. These are listed buildings that are located very close to Titanic Belfast. They are currently in a very run down state and it is important that they are improved in time for the opening of Titanic Belfast so that the visitor experience is not negatively impacted.

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Reclassification

8-10. A reclassification of £50m from Resource to Capital is required to correct the budget allocation made available by the NI Executive for the Presbyterian Mutual Society. The initial allocation was allocated to DETI as Resource in Budget 2010 but as this is a repayable loan we are seeking reclassification to Capital.

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Proactive actions to manage emerging pressures

9-11. Our letter of 9 September also proposed proactive reallocations from Invest NI to meet pressures in TIL and NITB.

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Competitiveness Programme

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~~48.19.~~ The October monitoring return has been cleared with the DETI Minister.

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TREVOR COOPER

cc David Sterling
Colin Lewis
David Thomson
Alastair Ross, MLA, Assembly Private Secretary
Bernie Brankin
David Beck
Stuart Stevenson
Sylvia Sands
Jeff Partridge
Lind Donaldson

From: [Smith, Rae](#)
To: [Layberry, Jack](#)
Cc: [Sterling, David](#); [Lewis, Colin](#); [Thomson, David](#); [Ross, Alastair](#); [Brankin, Bernie](#); [David Beck](#)
Irrelevant information redacted by the RHI Inquiry; [Stevenson, Stuart](#); [Sands, Sylvia](#); [Partridge, Jeff](#); [Donaldson, Linda](#)
Subject: OCTOBER MONITORING 2010-11
Date: 07 October 2011 11:31:15
Attachments: [LAYBERRY - OCTOBER MONITORING 2011-12.DOC](#)

Jack

Please see attachment from Trevor Cooper.

Rae

Rae Smith

Senior Management
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
Belfast, BT4 2JP
Tel: 028 9052 9464 (ext: 29464)
Textphone: 028 9052 9304
Web: www.detini.gov.uk

Please consider the environment - do you really need to print this e-mail?



Mr Jack Layberry
 Department of Finance and Personnel
 Rathgael House
 Balloo Road
 BANGOR
 BT19 7NA

7 October 2011

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Technical Transfers

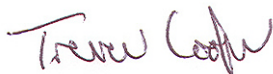
16. A number of technical transfers to and from other departments need to be effected in this monitoring round. This will have the net effect of reducing DETI's budget by £11.6m, and include the following transfers:

- £11.340m in respect of Capital Launch Investment from Invest NI to BIS with regard to the Bombardier C Series project;

- £0.445m Capital Grant from Invest NI to DARD for the Marketing Grant Scheme;
- £132k Administration from DEL for the provision of audit services;
- £65k Resource from DRD to Consumer Council for work on public transport issues;
- 42k Administration from NISRA for a Grade 7 post in Analytical Services Unit;
- £25k Administration from DFP in respect of the return of budget for IBWG secondments to the EU;
- A range of smaller transfers from the department totalling £48k Resource, and
- £18k Capital Grant into the department from DFP in respect of transfer of responsibility for the Ministerial car.

Assurance Statement

17. I can confirm that the Accounting Officer is satisfied that the forecasts represent the most robust and accurate assessment that can be prudently provided at this stage of the year.
18. However, as noted in paragraph 4, Invest NI has risks around a number of capital projects for which it is currently holding Capital budget totalling £14m within the 2011/12 year. There is also a clear risk of further changes in the macro-economic environment that would result in reduced activity within Invest NI client companies. The consequence of such a risk crystallising would be further reduced requirements within Invest NI later in the year. These cannot be ruled out.
19. The October monitoring return has been cleared with the DETI Minister.

**TREVOR COOPER**

cc David Sterling
Colin Lewis
David Thomson
Alastair Ross, MLA, Assembly Private Secretary
Bernie Brankin
David Beck
Stuart Stevenson
Sylvia Sands
Jeff Partridge
Lind Donaldson