

From: [Brankin, Bernie](#)
To: [Cooper, Trevor](#)
Cc: [Partridge, Jeff](#); [Parkhill, David](#)
Subject: FW: May Outturn and Forecast Outturn
Date: 13 June 2012 13:18:54
Attachments: [May 2012-13 Actual and Forecast Outturn.DOC](#)
[DETI Forecast Outturn May 2012 - Return to DFP.XLS](#)
Importance: High

Trevor

I am content that the actual and forecast outturn seems reasonable at this point in time. Please consider and, if content, forward to David for clearance.

Bernie

Bernie Brankin

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

From: Partridge, Jeff
Sent: 13 June 2012 11:21
To: Brankin, Bernie
Cc: Parkhill, David
Subject: May Outturn and Forecast Outturn
Importance: High

Bernie,

Revised submission attached as discussed.

Jeff



Copy Distribution List Below

From: Jeff Partridge

Date: 13 June 2012

To: 1. Bernie Brankin [BB 13 June 2012]
2. Trevor Cooper
3. David Sterling

**MAY ACTUAL OUTTURN & FORECAST OUTTURN FOR THE REMAINDER
OF THE 2012/13 FINANCIAL YEAR**

- Issue:** DFP require Permanent Secretaries and Finance Directors to sign off on actual and forecast outturn to ensure accuracy of information.
- Timing:** Immediate. The return was due with DFP by close 12 June. An uncleared version was submitted yesterday at 5.00 pm.
- Need for referral to the Executive:** No need for referral to the Executive.
- Presentational Issues:** Treasury, the Enterprise Trade and Investment and Finance and Personnel Committees take a keen interest in this return.
- Freedom of Information:** Fully disclosable.
- Programme for Government /PSA Implications:** Progress against PSA/PfG targets is broadly on track at this stage, although the downturn in the global economy and the impact of the credit crunch are likely to affect overall achievement of some PSA targets in the longer term.
- Financial Implications:** Departments are required to identify reduced requirements as early as possible.
- Legislation Implications:** Not Applicable.
- Statutory Equality:** Not Applicable
- Recommendation:** That you consider and clear the return.

BACKGROUND

1. DFP require Permanent Secretaries and Finance Directors to sign off on monthly actual and forecast outturn to ensure accuracy of information.
2. Heads of Divisions in DETI and Chief Executives in NDPBs approve actual and forecast outturn at the lowest level of expenditure on a monthly basis.
3. I attach the May actual outturn and forecast outturn for the remainder of the 2012/13 financial year. The return reflects the reduced requirements identified in June monitoring.
4. All remaining budgets are profiled to be fully utilised. As this is the first Actual and Forecast Outturn exercise of the 2012/13 financial year, no forecast for information is available for May 2012 for comparison purposes.
5. For the first 2 months of this financial year 7% of the opening DEL budget has been accrued, compared to 6% and 8% for 2011/12 and 2010/11 respectively (PMS budgets were not included in the opening budget position in any financial year, therefore there is no distortion of figures).

Invest NI

6. After June monitoring adjustments, in which Invest NI's budget was reduced by £9.1m Resource, £3.2m Capital and £1.5m Non Cash through a combination of reductions, reallocations and transfers, there is a net increase of £20.8m in 2012/13 budgets compared to 2011/12 Provisional Outturn (excluding £10m ring fenced. Invest to Save budget).
7. The 2012/13 net Capital budget increase of £16.5m allows a similar level of activity to last financial year and enables new Capital projects to be undertaken including Loan and Co-investment Financing £6.5m, the purchase of land at Lisburn at circa £2.6m, the development of lands at Newry and Strabane at circa £4.5m, the Painthall £3.4m, Granville £2m and Competence Centres £2.5m.
8. The modest net Resource budget increase of £4.3m enables some growth which Invest NI is evidencing in its work in progress. Invest NI are also holding ring fenced Invest to Save budget cover of £10m in 2012/13 for the Executive priority to deal with the EU Directive in relation to Nitrates and the disposal of waste litter from the chicken industry. At this point in time, it is still not clear how the nitrates issue will be resolved, and is retained in Invest NI's budget pending the outcome of a planning decision. However, there is a potential risk that this may need to be released at a later stage.

9. Invest NI performance in the first two months of 2012/13 has increased compared to 2011/12 and is shown in the table below:

Expenditure Period	Expenditure / £m	% of Invest NI June Monitoring Budget
Apr/May 2012/13	9.6	6.2
Apr/May 2011/12	6.8	3.7

10. Comparison of Invest NI actual expenditure in 2011/12 and profiled expenditure in 2012/13 is shown in the table at Appendix A.
11. In terms of net expenditure Invest NI is ahead of the position for the same period in 2011/12. However capital receipts of £3.3m received in April and May 2011 reduced capital expenditure markedly. In gross terms the year on year comparison shows £1.7 million capital expenditure in 2011/12 compared with £1.2 million in 2012/13.
12. Forecast expenditure for 2012/13 reflects Invest NI's budget analysis outlined in paragraphs 6 to 9 above, with a sizeable increase in forecast capital expenditure compared to last year. Capital expenditure is also forecast to be increased in June and July, which includes expenditure on capital projects such as the Lisburn land purchase and the Paint Hall loan, which were deferred towards the end of the last financial year.
13. While there may be some slippage in capital projects as the financial year progresses and there may be risks outside of Invest NI's control, the forecast of expenditure put forward by Invest NI seems reasonable at this point in time. Finance Branch will continue to closely monitor the position as the year progresses.
14. I am available to discuss further.



Jeff Partridge

cc: David Parkhill

APPENDIX A

Comparison of Invest NI 2011/12 Actual Expenditure to 2012/13 Forecast Expenditure

	2011/12 Actuals											
	Apr/May	June	July	August	September	October	November	December	January	February	March	Total
Resource	8,403	5,745	11,120	4,631	6,972	8,265	11,199	8,589	9,510	11,759	21,223	107,416
Capital	(1,587)	538	(1,628)	1,057	4,948	1,087	615	262	1,745	3,183	5,386	15,606
Total	6,816	6,283	9,492	5,688	11,920	9,352	11,814	8,851	11,255	14,942	26,609	123,022
	Forecast	2012/13 Forecast										
	Apr/May	June	July	August	September	October	November	December	January	February	March	Total
Resource	8,620	7,491	10,586	6,717	9,039	8,264	9,039	12,133	9,812	10,586	29,474	121,761
Capital	973	2,062	3,063	1,582	2,168	2,241	2,582	4,378	2,961	3,351	6,718	32,079
Total	9,593	9,553	13,649	8,299	11,207	10,505	11,621	16,511	12,773	13,937	36,192	153,840

£3.3 million capital receipt distorts Apr-May expenditure in 2011/12. Gross capital expenditure in Apr and May 2011/12 is £1.7 million compared to £1.2 million in the same period 2012/13