| | |
|---|---|
| **From:** | Lewis, Colin |
| **To:** | Sterling, David |
| **Cc:** | Cooper, Trevor; Partridge, Jeff; Hill, Janice; Smith, Rae |
| **Subject:** | FW: January 2012-13 Actual & Forecast Outturn |
| **Date:** | 08 February 2013 13:49:47 |
| **Attachments:** | January 2012-13 Actual & Forecast Outturn.DOC<br>DETI Forecast Outturn January 2013 - Return to DFP.XLS |
| **Importance:** | High |

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David,

Please see below.

The biggest risk remains NITB ability to spend out.

Much improved performance this year from Invest. That being said it still has expenditure of £38m to incur in 8 weeks. Given the sheer size of this it therefore warrants a careful eye.

I recommend sign off.

**Colin Lewis**
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**From:** Cooper, Trevor
**Sent:** 08 February 2013 13:34
**To:** Lewis, Colin
**Cc:** Partridge, Jeff; Parkhill, David
**Subject:** FW: January 2012-13 Actual & Forecast Outturn
**Importance:** High

Copy Distribution List Below

From: Jeff Partridge

Date: 8 February 2013

To: 1. Trevor Cooper
2. Colin Lewis **[CL 8 February – content to recommend sign off.]**
3. David Sterling

**JANUARY 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:** | Urgent. An uncleared version will issue to DFP by close 8 February. |
| **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 Implications** | Divisions, and NDPBs have not indicated any PFG implications |
| **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. I attach the January actual outturn and forecast outturn for the remainder of the 2012/13 financial year collated with input from Heads of Division and NDPB CEOs.

3. Actual DEL outturn for January 2012 was £21.2m compared to forecast outturn of £22.7m, an underspend of £1.5m:

| Business Area | Variance / £m | Description |
|---|---|---|
| ***Resource*** | | |
| Minerals & Petroleum Branch | -0.1 | Anticipated NERC invoice not received in January but will be paid in this quarter |
| NITB Resource | -0.5 | Promotion & Marketing underspend has been reprofiled to February and March |
| Invest NI Resource | -2.3 | Delay in anticipated claims from Collaborative Networks and BITP. Receipt of these claims is expected by year end. |
| ***Capital*** | | |
| Invest NI Capital | 1.4 | Delay in loans to companies in December paid in January but reprofiled in March 2013 in error plus unanticipated receipt of proceeds from property sales |
| **Total** | **-1.5** | |

4. DETI profiles of actual and forecast expenditure are based on the approved January Monitoring position.

5. For the first ten months of this financial year 70.8% of DETI's January Monitoring DEL budget has been accrued, compared to 63.5% (excluding £225m PMS expenditure) in 2011/12 and 64.4% (December Monitoring position) in 2010/11.

**Invest NI**

6. Invest NI outturn in the first ten months of 2012/13 is significantly ahead of the 2011/12 position, and is shown in the following table:

| Expenditure Period | Expenditure / £m | % of Invest NI January Monitoring Budget |
|---|---|---|
| **Apr-Jan 2012/13** | 102.2 | 72.9 |
| **Apr-Jan 2011/12** | 81.5 | 65.0 |

7. Comparison of Invest NI actual expenditure in 2011/12 and profiled expenditure in 2012/13 is shown in the table at **Appendix A.**

8. Invest NI's current expenditure budget is £0.5m more than last year's outturn. Year to date expenditure at 31 January is 72.3% of budget and £3.8m ahead of the amount for the same period last year: - £78.2m versus £74.4m.

9. In terms of capital expenditure, Invest NI is ahead of the position for the same period in 2011/12, with £23.9m capital expenditure in 2012/13 versus £7.0m capital expenditure in the same period in 2011/12.

10. Forecast expenditure for 2012/13 displays a sizeable increase in forecast capital expenditure compared to last year - £32.1m versus £15.6m but it is reassuring that 75% of the Capital budget is spent. Invest NI has stated that there is little contingency should projects not proceed as expected but have not identified any capital reduced requirements in January monitoring. We will continue to closely monitor the position.

**NITB**

11. NITB senior executives have met with DETI senior management to discuss capital grant allocations, commitments and expenditure year to date. Additional monthly meetings have been set up to keep the department informed of developments as the year progresses.

12. NITB recorded just £249k additional TDS Capital Grant expenditure in January 2013, bringing year to date spend to £1.1m against a budget of £5.45m. This leaves 80% of the remaining budget forecast to be spent in the final two months. While NITB believe that the level of expenditure is deliverable, the possibility of underspending in the TDS budget still causes significant concern in the absence of complete management information.

13. Promotion and Marketing expenditure in NITB currently stands at 52% of budget with £6.7m budget remaining, compared with 45% for the same period in 2011/12.

**DETI (excluding Invest NI and NITB)**

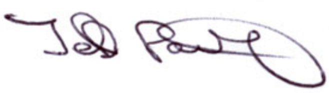
14. The department is profiled to fully spend budget allocations, with no significant areas of risk evident at present.

15. The risk surrounding the Harland & Wolff utilisation of provisions budget was reduced following adjustments made in January Monitoring. Payments

totalling £3.1m have now been made to date, and the remaining £1.3m budget is on line to be expended this financial year.

**Conclusion**

16. I recommend that you sign off on this return to DFP.



**Jeff Partridge**

cc: Bernie Brankin
David Parkhill

**APPENDIX A**

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

| | 2011/12 Actual | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | *Apr/May | June | July | August | September | October | November | December | January | YTD Actual | Remaining Budget | February | March | Total |
| **Resource** | 8,403 | 5,745 | 11,120 | 4,631 | 6,972 | 8,265 | 11,199 | 8,589 | 9,510 | 74,434 | 35,072 | 11,759 | 21,223 | 107,416 |
| **Capital** | -1,587 | 538 | -1,628 | 1,057 | 4,948 | 1,087 | 615 | 262 | 1,745 | 7,037 | 8,869 | 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** | **81,471** | **43,941** | **14,942** | **26,609** | **123,022** |
| | Actual | | | | | | | | | | | 2012/13 Forecast | | |
| | Apr/May | June | July | August | September | October | November | December | January | YTD Actual | Remaining Budget | February | March | **Total |
| **Resource** | 8,620 | 8,516 | 11,660 | 7,475 | 6,135 | 8,844 | 9,301 | 9,196 | 8,468 | 78,215 | 29,767 | 10,484 | 19,283 | 107,982 |
| **Capital** | 973 | 4,086 | 1,729 | 4,467 | 2,633 | 1,878 | 2,400 | 1,837 | 3,971 | 23,974 | 8,105 | 824 | 7,281 | 32,079 |
| **Total** | **9,593** | **12,602** | **13,389** | **11,942** | **8,768** | **10,722** | **11,701** | **11,033** | **12,439** | **102,189** | **37,872** | **11,308** | **26,564** | **140,061** |

*£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