

From: [Cooper, Trevor](#)
To: [Rooney, Eugene](#)
Cc: [Brankin, Bernie](#); [Partridge, Jeff](#); [Parkhill, David](#)
Subject: FW: OTAFOT
Date: 08 November 2013 11:50:00
Attachments: [October Outturn Forecast Outturn.DOCX](#)
[Brand-Derry-Londonderry2.jpg](#)
[DETI Forecast Outturn October 2013 - Return to DFP.XLSX](#)

Eugene

As mentioned - attached forecast outturn. Some risks highlighted in background around end year loading of AFLS which you will be aware of, end loading of a telecoms project but no major red flags at this point. Im content with input, but happy to discuss.

Trevor

Trevor Cooper

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From: Bernie Brankin

Date: 08 November 2013

To: 1. Trevor Cooper
2. Eugene Rooney
3. David Sterling

**OCTOBER ACTUAL OUTTURN & FORECAST OUTTURN FOR THE
REMAINDER OF THE 2013/14 FINANCIAL YEAR**

Issue: DFP require Permanent Secretaries and Finance Directors to sign off on actual and forecast outturn to ensure accuracy of information.

Timing: This is due with DFP by close Friday 8th November. An uncleared return will be sent to DFP this evening if approvals are not in place.

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: Progress against PfG targets is broadly on track at this stage.

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 October actual outturn and forecast outturn for the remainder of the 2013/14 financial year.
4. Actual DEL outturn for October 2013 was £17.3m compared to forecast outturn of £19.5m, an underspend of £2.2m versus that previously forecast for the month. The areas responsible for this underspend are set out in the table below:

Table 1 – Areas Responsible for Underspend

Business Area	Underspend / £million	Description
Invest NI Resource	0.8	Relates to delayed receipt of SFA and BITP grants (£500k) and higher than anticipated receipts from property rental (£300k)
Harland & Wolff	0.7	Pay over deferred until November
Minerals	0.4	Late receipt of invoices for NERC, payment to be made in November
Invest NI Capital	0.1	Capital receipts higher than anticipated
Interreg IV	0.1	Late revision to drawdown from SEUPB due to delay in implementation of several projects
Miscellaneous	0.1	Minor underspending across DETI business areas
Total	2.2	

5. For the first seven months of this financial year 44.7% of the October Monitoring DEL budget has been accrued, compared to 48.4% and 39.7% for 2012/13 and 2011/12 respectively (2011/12 percentage excludes PMS budget allocations and expenditure). At this stage in the year, expenditure is broadly on track.

Invest NI

6. Invest NI performance in the first seven months of 2013/14 remains comparable to the same period in 2012/13 and significantly ahead of April to October 2011/12, as shown in the following table:

Table 2 – Invest NI YTD Performance Comparison

Expenditure Period	Expenditure / £m	% of Invest NI Oct Monitoring Budget
Apr/Oct 2013/14	66.1	40.2
Apr/Oct 2012/13	67.0	49.4
Apr/Oct 2011/12	49.6	33.6

7. Invest NI actual expenditure in 2012/13 and profiled expenditure for 2013/14 is shown in the table at Appendix A.
8. Invest NI Capital budgets include a £17 million allocation for the purchase of Invest NI HQ, profiled to be expended in December 2013. Removing this budget from profiles, Invest NI expenditure to the end of October 2013 would amount to 44.9% of budget.
9. Invest NI Capital budgets also include a £10m ring fenced allocation for the Agri-Food Loan Scheme which is parked in March 2014 while work continues to establish a likely profile of spend. There is some risk around this allocation as, although a number of producers wish to access the loan fund, the process surrounding the set-up and administration of the fund may make full disbursement in this financial year challenging. Talks are ongoing with Invest NI which may result in a release in budget as part of January Monitoring.
10. The remainder of the Invest NI other Resource and Capital budget does not give serious cause for concern at this stage of the financial year, and is profiled on a similar basis to last year. Finance Branch will monitor and work closely with Invest NI.

NITB

11. Latest profiles of outturn and forecast outturn indicate that 41.5% of NITB's other Resource budget is forecast to be utilised in the final quarter of 2013/14. However, this is not a cause for concern at present as the nature of NITB campaign spending is that it historically spends heavily against other Resource in the last quarter of the year (45% in 2012/13).
12. The NITB bid for £690k Capital budget in October monitoring to cover the 5 projects that slipped from last year into this year (claims have been received by NITB) was not approved by DFP, and NITB has resubmitted this bid in

January monitoring. In the interim NITB can use its remaining £400k TDS capital budget to meet the pressure as a contingency measure should the bid not be met. NITB also has European Capital funding which is on track to be spent.

13. NITB's January monitoring input will be subject to further discussion and interaction.

Telecoms

14. Telecoms Branch hold a £2.25 million budget for the 2 Mbps USC Project, which is currently all forecast for the final quarter of 2013/14. Telecoms Branch is concluding procurement this week, with the contract expected to be awarded in December 2013. Telecoms Branch has confirmed that expenditure is on track at this point in time. Any slippage would escalate the risk of underspending.
15. Finance Branch will continue to monitor and challenge all areas of concern.
16. I am available to discuss further.

Bernie Brankin

cc: Jeff Partridge
David Parkhill

APPENDIX A

Comparison of Invest NI 2012/13 Actual Expenditure to 2013/14 Forecast Expenditure

	2012/13 Actual														
	Apr/May	June	July	August	September	October	YTD Actual	Remaining Budget (Oct Mon)	November	December	January	February	March	Total	
Resource	8,620	8,516	11,660	7,475	6,135	8,844	51,250	57,781	9,301	9,196	8,468	9,536	18,077	105,828	
Capital	973	4086	1,729	4,467	2,633	1,878	15,766	16,313	2400	1837	3,971	2,426	3,548	29,948	
Total	9,593	12,602	13,389	11,942	8,768	10,722	67,016	74,094	11,701	11,033	12,439	11,962	21,625	135,776	
	2013/14 Actual								2013/14 Forecast						
	Apr/May	June	July	August	September	October	YTD Actual	Remaining Budget (Prop Oct Mon)	November	December	January	February	March	Total YTD + Forecast	
Resource	12,086	10,028	8,454	8,328	8,054	10,265	57,215	58,214	10,599	10,365	10,724	10,406	16,120	115,429	
Capital	1,175	399	568	2,857	2,625	1,273	8,897	40,069	382	20,019	159	2,756	16,753	48,966	
Total	13,261	10,427	9,022	11,185	10,679	11,538	66,112	98,283	10,981	30,384	10,883	13,162	32,873	164,395	