From: Cooper, Trevor
To: Sterling, David
Cc: Rooney, Eugene; Thomson, David; Partridge, Jeff; Parkhill, David; Thompson, Mike
Subject: FW: December Actual Outturn and Forecast Outturn
Date: 09 January 2014 14:51:00
Attachments: December Outturn Forecast Outturn (2).DOCX
DETI Forecast Outturn December 2013 - Return to DFP.XLSX

David
Attached outturn for december vs that forecast and forecast expenditure to y/e.
With removal of £10m capital for agri-loan fund in Jan monitoring expenditure is broadly on track with percentages expended in prior years in Invest NI and NITB. So no specific risks to highlight at this time in these areas.
Telecoms Branch holds a £2.25 million capital budget for the 2 Mbps USC Project - they remain hopeful that a contract will be awarded end January enabling full expenditure by y/e (previous month there was an expectation of an award by end December).
From information provided, award of contract is key as to whether we will spend out this year.
I recommend that you approve return.
Trevor

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From: Jeff Partridge

Date: 09 January 2014

To: 1. Trevor Cooper
2. David Sterling

DECEMBER 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 Thursday 9th January. 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 December actual outturn and forecast outturn for the remainder of the 2013/14 financial year.

4. Actual DEL outturn for December 2013 was £35.5m compared to forecast outturn of £37.8m, an underspend of £2.3m 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	0.6	Delay in payment of resource grants and delay in accounting for advertising expenditure re-profiled into January
NITB Resource	-0.7	Earlier than forecast promotion and marketing spend
CCNI Resource	0.1	Programme underspend re-profiled in January
HSENI Resource	0.1	Expected small number of high value invoices relating to legal fees delayed until January
Invest NI Capital Grant	0.8	Delayed receipt of 2 SFA Capital Grant claims, now expected in March
Invest NI Direct Capital	2.1	Delay in processing Loan Fund claims, reprofiled across the final quarter 2013/14
Invest NI Capital Receipts	-0.7	Delay in receipt of share redemptions
Total	**2.3**	

5. For the first nine months of this financial year 64.3% of the proposed January Monitoring DEL budget has been accrued, compared to 61.0% and 53.8% 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 nine months of 2013/14 is comparable to the same period in 2012/13 and significantly ahead of April to December 2011/12, as shown in the following table:

Table 2 – Invest NI YTD Performance Comparison

Expenditure Period	Expenditure / £m	% of Invest NI Jan Monitoring Budget (Proposed Jan Monitoring in 13/14)
Apr to Dec 2013/14	104.8	67.3
Apr to Dec 2012/13	89.8	64.1
Apr to Dec 2011/12	70.2	56.0

7. Invest NI actual expenditure in 2012/13 and profiled expenditure for 2013/14 is shown in the table at **Appendix A**.

8. The figures reflect the surrender of the £10m ring fenced capital allocation for the Agri-Food Loan in January Monitoring.

9. Invest NI Capital budgets include a £17 million allocation for the purchase of Invest NI HQ, expended in December 2013. Removing this budget from profiles for comparison purposes, Invest NI expenditure to the end of December 2013 would amount to 63.3% of budget.

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 35.0% of NITB's proposed January Monitoring other Resource budget is forecast to be utilised in the final quarter of 2013/14. This is not a significant 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. Finance Branch will continue to monitor the NITB expenditure profile throughout the remainder of the financial year.

Telecoms

13. Telecoms Branch holds a £2.25 million capital budget for the 2 Mbps USC Project, which is currently all forecast for the final quarter of 2013/14. BT has formally bid to deliver the project, and contract negotiations are continuing. Award of contract was originally expected by 31st December 2013, however, a revised target of 31st January 2014 has been set, due to ongoing negotiations with BT regarding the services delivered under the contract. . Telecoms branch remain confident that award of contract by the end of this month would allow full budget expenditure to be accrued by financial year end, however any further slippage in the award of this contract would present a very real risk of underspending.

14. Telecoms Branch also holds a £980k capital budget for the Super-Connected Cities Programme, with a further £4.8m to be transferred from DCMS in January monitoring. Treasury has confirmed full end year flexibility with DFP, and accordingly any underspend in this budget will not score against the DETI outturn position.

15. Finance Branch will continue to monitor and challenge all areas of concern.

16. I am available to discuss further.

Jeff Partridge

cc: Eugene Rooney O/R
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	November	December	YTD Actual	Remaining Budget (Jan Mon)	January	February	March	Total
Resource	8,620	8,516	11,660	7,475	6,135	8,844	9,301	9,196	**69,747**	**38,235**	8,468	9,536	18,077	105,828
Capital	973	4086	1,729	4,467	2,633	1,878	2400	1837	**20,003**	**12,076**	3,971	2,426	3,548	29,948
Total	**9,593**	**12,602**	**13,389**	**11,942**	**8,768**	**10,722**	**11,701**	**11,033**	**89,750**	**50,311**	**12,439**	**11,962**	**21,625**	**135,776**
	2013/14 Actual								**2013/14 Forecast**					
	Apr/May	June	July	August	September	October	November	December	YTD Actual	Remaining Budget (Jan Mon Proposed)	January	February	March	Total YTD + Forecast
Resource	12,086	10,028	8,454	8,328	8,054	10,265	10,071	9,673	**76,959**	**39,657**	10,759	10,345	18,553	116,616
Capital	1,175	399	568	2,857	2,625	1,273	313	18,592	**27,802**	**11,164**	1,647	2,340	7,177	38,966
Total	**13,261**	**10,427**	**9,022**	**11,185**	**10,679**	**11,538**	**10,384**	**28,265**	**104,761**	**50,821**	**10,986**	**12,806**	**33,251**	**155,582**