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**DEPARTMENTAL BOARD  
FINANCE PAPER 35/3**

# 1. FINANCE REPORT

## Current Risk Assessment of Forecast Expenditure by major business area set out at Appendix 1

DETI Heads of Division have given assurance that the forecast expenditure information provided is the most accurate and up to date as possible at this time. Risks impacting the ability of DETI to meet departmental spending targets are summarised as follows.

**Key - Forecast RAG Status**

Green - Target met or on track to be achieved

Amber / Green - Broadly on track to be achieved

Amber - Going off track, significant corrective action needed, or significant risks around delivery

Red - Unlikely to be achieved, substantial action needed

Business Area	Status	Description of Risk	Owner
DETI Core Admin and Resource Admin	G	<ul style="list-style-type: none"> <li>DETI Administration and Resource Administration budgets encountered under spending in 2011/12 and 2012/13.</li> <li>Finance Branch has challenged Administration profile returns during the course of the year, and around £1.2m has been released by business areas including £0.8m in January Monitoring. As the initial January Monitoring returns were due with Finance Branch in early November, a second opportunity to release budget was extended to business areas in December to ensure the most up to date position was reflected in budgets.</li> </ul>	DETI Heads of Division
Finance Division - Harland and Wolff Provision	G	<ul style="list-style-type: none"> <li>Accounts Branch has released £0.95m against the £9m budget for Asbestosis and Pleural Plaques in January Monitoring. It is expected that the remaining budget will be fully utilised based on current expenditure profiles.</li> </ul>	H&W Board

Energy & Telecoms Divisions	A	<ul style="list-style-type: none"> <li>In the recent AME forecasting exercise, Energy Division reduced the AME budget by £0.85m to £1.65m for payment of RHI grants to householders and businesses, expenditure against which is dependent on the successful launch of the scheme. The AME expenditure does not impact on DEL expenditure targets for provisional outturn.</li> <li>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. Telecoms are assessing a proposal from BT, with the project Board set to meet on 16 January and a casework committee on 17 January. It is expected that DFP and Ministerial approval will be sought later in the month, with a contract scheduled to be in place by the end of January. The BT bid document indicates a spend profile showing full expenditure by the end of the financial year based on a contract signing by the end January.</li> <li>Telecoms Branch also holds a £5.8m Capital budget for the Super-Connected Cities Programme. Treasury has confirmed full end year flexibility with DFP, and accordingly any underspend in this budget will not score against the DETI outturn position.</li> </ul>	<p>John Mills</p> <p>Mike Thompson</p>
Invest NI	G	<ul style="list-style-type: none"> <li>Invest NI expenditure 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.</li> <li>The figures reflect the surrender of the £10m ring fenced capital allocation for the Agri-Food Loan in January Monitoring.</li> </ul>	Mel Chittock
NITB Resource	G	<ul style="list-style-type: none"> <li>NITB expenditure profiles indicate that 35.0% of the Resource budget is forecast to be utilised in the final quarter of 2013/14. The nature of NITB campaign spending is that it historically spends heavily against Resource</li> </ul>	Kathryn Thomson

		in the last quarter of the year (45% in 2012/13).	
NITB Capital	A/G	<ul style="list-style-type: none"> <li>NITB has released £0.2m ring-fenced Capital budget, and no longer require the additional £0.7m mainstream Capital budget that they unsuccessfully bid for in the two previous monitoring exercises.</li> <li>£354k (59%) of the mainstream Capital budget and all of the £1,136k Ring-fenced JEI Capital budget is profiled for spend in the last quarter. However, NITB remains confident that the Capital budget will be fully utilised.</li> </ul>	Kathryn Thomson
Business Regulator Services	G	<ul style="list-style-type: none"> <li>Budget allocations include £6.5m receipts relating to PMS loan repayments (Capital) and £3m loan interest (Resource), which were received in November 2013.</li> </ul>	Jackie Kerr
HSENI	G	<ul style="list-style-type: none"> <li>HSENI has released £0.25m in January Monitoring and forecast to fully spend their budgets in 2013/14. 47% of the programme budget is profiled for the last quarter, which follows trends in previous years, and HSENI has provided assurance that this budget will be fully expended. In addition, Admin and GAE spend is greater in the last quarter due to the recruitment of 8 trainee inspectors in November and the planned filling of other vacancies.</li> </ul>	Keith Morrison