

**From:** [Cooper, Trevor](#)  
**To:** [Rooney, Eugene](#)  
**Cc:** [Brankin, Bernie](#)  
**Subject:** FW: JANUARY ACTUAL OUTTURN & FORECAST OUTTURN FOR THE REMAINDER OF THE 2013-14 FINANCIAL YEAR  
**Date:** 11 February 2014 15:25:00  
**Attachments:** [January Outturn Forecast Outturn.DOCX](#)

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## Eugene

Attached forecast outturn. You will note £100k underspending forecast within DETI core at this stage (total DETI Core Resource budget is £29.4m and total DETI Resource budget £161m). At this stage this is not considered significant.

NITB Capital gives some cause for concern in as much around the project/claims management processes that may be being adopted as around the potential for underspending.

Reported NITB spend year to date is £0.26m out of £1.736m. They have stated that they have 26 claims with CPD and 58 to go to CPD for Feb/March a significant number of claims being vouched and on way which together with an overcommitment of £0.5m ensures they have scope to spend out. However the mainstream TDS budget was for 5 TDS projects, for which letters of offer were made by NITB in 2012/13 and were originally scheduled to complete by 31 March, that slipped into 2013/14 due to technical and weather difficulties late in the financial year so in-year spend ytd should logically be higher than reported on mainstream TDS- so project and claims management/accrual of expenditure will again require to be further discussed with NITB.

I am however content that the forecast is the best estimate at this point and that it should be submitted to DFP.

Trevor

## **Trevor Cooper**

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From: Bernie Brankin

Date: 11 February 2014

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

**JANUARY 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:** An uncleared return has been submitted to DFP last night.

**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 January actual outturn and forecast outturn for the remainder of the 2013-14 financial year.
4. Actual DEL outturn for January 2014 was £17.0M compared to forecast outturn of £19.9M, an underspend of £2.9M 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**

<b>Business Area</b>	<b>Underspend / £M</b>	<b>Description</b>
Invest NI Resource	2.5	Delay in receipt of expected grant claims and delay in accounting for advertising expenditure. Both items expected to be accrued to 2013/14.
Business Regulatory Services	0.4	Advice NI payment for Jan- actually paid February 2014 (£0.2M) but not accrued in January by Division. Insolvency Service also brought in early receipts and underspent on Admin (profiles are currently being challenged)
HSENI Resource	0.1	Delayed receipt in invoices still expected by year end, and reduced travel expenditure in March
Invest NI Capital	-0.6	Large SFA Capital Grant paid earlier than expected
NITB Capital	0.2	JEI TDS Open Call underspend re-profiled in March 2014
Miscellaneous	0.3	Cumulative minor underspending across DETI business areas of which £0.2M has been reprofiled and £0.1M is

		underspending.
<b>Total</b>	<b>2.9</b>	

5. For the first ten months of this financial year 71.7% of the January Monitoring DEL budget has been accrued, compared to 71.4% and 63.5% 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 ten months of 2013-14 is comparable to the same period in 2012-13 and significantly ahead of April to January 2011-12, as shown in the following table:

**Table 2 – Invest NI YTD Performance Comparison**

<b>Expenditure Period</b>	<b>Expenditure / £M</b>	<b>% of Invest NI Jan Monitoring Budget</b>
<b>Apr to Jan 2013/14</b>	115.4	74.2
<b>Apr to Jan 2012/13</b>	102.2	72.9
<b>Apr to Jan 2011/12</b>	81.5	65.0

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 £17M 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 January 2014 would amount to 71.0% of budget which is broadly comparable to 2012/13 spend to the same period.
9. 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

10. Latest profiles of outturn and forecast outturn indicate that 27.6% of NITB's January Monitoring other Resource budget is forecast to be utilised in the final two months 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 (37.9% for February – March in 2012-13).
11. The NITB Capital budget totals £1.736M and comprises £0.6m for mainstream TDS, £0.829M for JEI TDS, £0.057 JEI budget for Tail End

Signature Projects and £0.250 for JEI Titanic Walkways. As at the end of January NITB has reported mainstream TDS spend of £0.260M (15%). There has been no spending against the £1.136M JEI ring fenced Capital budget allocation.

12. NITB have indicated that they are on track to spend the mainstream TDS budget of £0.6M along with the full £0.829M TDS Open Call budget. NITB has overcommitted TDS by £0.5M to ensure that the budget is fully spent, and will accelerate/decelerate projects accordingly.
13. £0.027M of the £0.057M JEI budget allocated to TDS Tail End Signature Projects may not be spent. In addition £0.05m of Titanic Walkways £0.25M budget may not be spent but there may be the potential to redirect these monies to public realm works at Nomadic.
14. Further slippage on this end year loaded Capital expenditure could negatively impact NITB's Capital outturn. Finance Branch will continue to monitor the NITB expenditure profile throughout the remainder of the financial year.

### **Telecoms**

15. Telecoms Branch holds a £2.25M Capital budget for the 2 Mbps USC Project, which is currently all forecast for the final quarter of 2013-14. BT has been awarded the contract to deliver the project, and Telecoms Division has confirmed that BT has a procurement plan in place which should allow full budget expenditure in 2013/14. Finance Branch will continue to liaise with Telecoms Branch colleagues to monitor progress.
16. Telecoms Branch also holds a £5.78M 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.

### **Underspending**

17. Underspending of around £0.1M has been reported in DETI Core. This underspending comprises £66k RHI, £12k Social economy, and £18k economic pact.
18. Finance Branch will continue to monitor and challenge all areas of concern.
19. 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	November	December	January	YTD Actual	Remaining Budget (Jan Mon)	February	March	Total
<b>Resource</b>	8,620	8,516	11,660	7,475	6,135	8,844	9,301	9,196	8,468	<b>78,215</b>	<b>29,767</b>	9,536	18,077	105,828
<b>Capital</b>	973	4086	1,729	4,467	2,633	1,878	2400	1837	3,971	<b>23,974</b>	<b>28,108</b>	2,426	3,548	29,948
<b>Total</b>	<b>9,593</b>	<b>12,602</b>	<b>13,389</b>	<b>11,942</b>	<b>8,768</b>	<b>10,722</b>	<b>11,701</b>	<b>11,033</b>	<b>12,439</b>	<b>102,189</b>	<b>194,785</b>	<b>11,962</b>	<b>21,625</b>	<b>135,776</b>
	2013/14 Actual											2013/14 Forecast		
	Apr/May	June	July	August	September	October	November	December	January	YTD Actual	Remaining Budget (Jan Mon Proposed)	February	March	Total YTD + Forecast
<b>Resource</b>	12,086	10,028	8,454	8,328	8,054	10,265	10,071	9,673	8,250	<b>85,209</b>	<b>31,407</b>	10,348	21,059	116,616
<b>Capital</b>	1,175	399	568	2,857	2,625	1,273	313	18,592	2,377	<b>30,179</b>	<b>8,787</b>	2,340	6,447	38,966
<b>Total</b>	<b>13,261</b>	<b>10,427</b>	<b>9,022</b>	<b>11,185</b>	<b>10,679</b>	<b>11,538</b>	<b>10,384</b>	<b>28,265</b>	<b>10,627</b>	<b>115,388</b>	<b>40,194</b>	<b>12,688</b>	<b>27,506</b>	<b>155,582</b>