

From: [Cooper, Trevor](#)
To: [Rooney, Eugene](#)
Cc: [Brankin, Bernie](#); [Partridge, Jeff](#)
Subject: FW: Monthly Profile of Forecast Expenditure 2014-15
Date: 17 April 2014 16:38:00
Attachments: [april outturn forecast.docx](#)
[DETI Forecast Outturn - Monthly Spend 2014-15 - Return to DFP.XLSX](#)
Importance: High

Eugene

See attached forecast expenditure for april and remainder of year. The return highlights the Energy Capital reduced requirement on gas to the west and north west.

You will note Bernie's comments at paragraph 8 which highlight that following challenge by finance, invest NI has confirmed that their forecast Programme expenditure should be circa £3m higher. We therefore expect that this will be evident when actual for april is reported in the return next month.

Trevor



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From: Bernie Brankin

Date: 16 April 2014

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

**MONTHLY PROFILE OF FORECAST EXPENDITURE FOR THE 2014-15
 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 was forwarded 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 and Energy Division has identified a reduction of £9.5M Capital against its £10M allocation for the gas extension project to the West and North-West.
- 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 profile of forecast expenditure for the 2014-15 financial year to ensure accuracy.
2. Previously forecast expenditure has not been sought until early June when we would be providing actual expenditure for April and May and forecasting expenditure for the remainder of the financial year.
3. I attach the DETI initial monthly profile of forecast expenditure for 2014-15, compiled from input from Heads of Division and NDPB CEOs who have provided assurances that the information is as accurate as possible at this point in time.
4. The monthly profile of forecast expenditure is against the opening budget position. As this return is the first profiling of expenditure for the first month of a financial year, and the first time such an exercise has taken place, no comparison information is available.
5. Energy Division has identified a reduction of £9.5M Capital against its £10M allocation for the gas extension project to the West and North-West. The Regulator will not now formally award a licence to the successful developer before this autumn. It is hoped that the developer will then complete design works, planning consent etc. to allow some eligible spend on project design and planning before the end of March 2015. Actual construction work should commence later in 2015.
6. The Department and its NDPBs are planning to spend £8.3M in April which is 3.7% of the overall DEL budget of £225.8M or 3.8% of the reduced forecast budget of £216.3M.
7. Expenditure forecast for April 2014 by business area is as follows:

Business Area	Forecast Expenditure £M	Budget £M	%
DETI Core	2.5	41.0	6.2
Invest NI	2.8	137.1	2.1
NITB	0.8	22.2	3.4
CCNI	0.1	1.6	8.3
HSENI	0.5	6.9	6.7
InterTradeIreland	0.2	3.1	7.4
Tourism Ireland	1.4	13.9	10.1
	8.3	225.8	3.7%

This represents reasonable forecast expenditure for April with the exception of Invest NI and NITB.

8. Invest NI forecast expenditure for April 2014 relates almost exclusively to administration. The initial profile shows £2.8M forecast expenditure in April 2014, which equates to 2.1% of the Invest NI opening DEL budget. Invest NI has confirmed that there should be a higher programme spend figure

reported in April (circa £3m) due to an underaccrual. Therefore at this stage we expect that actual expenditure for April will be higher than that forecast for April, but the overall annual forecast expenditure would not be impacted.

9. NITB profiles show no capital expenditure until August 2014, with 78% of the £7.4M capital budget profiled to be expended in the final quarter. NITB'S rationale for this is that the capital projects which they will fund in 2014-15 will in the main not commence until later in the year. Additionally 39% of the promotion and marketing budget is forecast to be expended in the final quarter, consistent with the historic profile of NITB spend. Accordingly, percentage expenditure in the first forecast month is relatively low.
10. I recommend that you approve the overall outturn for the year forecast in the return and note the position for invest ni as detailed at 8 above. I am available to discuss further.



Bernie Brankin

cc: Jeff Partridge
David Parkhill