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**Subject:** Departmental Board February 2016 - Finance Paper  
**Date:** 12 February 2016 17:23:58  
**Attachments:** [DB Finance Paper 56-5 16 February 2016.docx](#)  
[DB 56 5 Synopsis.doc](#)  
[image001.gif](#)

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Dear all,  
Please see attached the Finance paper for the February Departmental Board meeting.  
Hard copies will follow on Monday.

Regards

**Paul Ferris**

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**DEPARTMENTAL BOARD  
FINANCE REPORT DB 56/5**

**JANUARY MONITORING TECHNICAL EXERCISE 2015-16**

- 1.1 All easements declared by DETI in the January Monitoring Technical Exercise were accepted under Urgent Procedures to offset the NI Block over-commitment. This has eased the risk of significant underspending in 2015-16 against DETI business areas.
- 1.2 £2.8 of Tourism NI's £3.35M Capital is profiled against February and March, although Tourism NI is still providing assurances that their Capital budget will be accrued in full.
- 1.3 Finance Branch will continue to closely monitor all expenditure against budgets.

**RENEWABLE HEAT INITIATIVE SCHEME**

- 1.4 An increase of £7.2M in the Renewable Heat Incentive (RHI) AME budget was confirmed in 2015-16 as part of January Monitoring bringing the budget allocation to £30.4M in this financial year.
- 1.5 The AME allocation to the RHI Scheme has been capped from 2016-17 onwards, and Treasury has advised that all shortfalls in AME allocations are to be funded in full from the Resource DEL budget.
- 1.6 The cost that NI will have to make up is estimated to be around £27m in 2016/17 falling to around £11m by 2020/21, because the budget that Treasury will provide will grow gradually over the next few years.
- 1.7 The estimated forecast requirements depend on the final level of expenditure that is eligible before closure – the figure for 2016-17 could be £33m if a higher projection of take up is used.
- 1.8 The Minister has agreed that, subject to Assembly approval, both the Domestic and Non-Domestic RHI Schemes will be closed by 29 January 2016.
- 1.9 Internal Audit will review the RHI Scheme but funding is also required in 2015-16 for additional auditing and checks on the RHI Scheme by an independent body. Therefore we propose to overcommit the 2015-16 Resource budget by up to an estimated £100k to fund this work which is considered manageable as DETI Core underspending was just under £200k last financial year

## CASEWORK UPDATE

1.1 The following caseworks have been considered, Departmental/DFP approval being progressed:

NDPB	Project Title	Casework Date	Support	Outputs	Status
Invest NI	Amendment to Opening doors Strategy - NI Screen	10 December 2015	£0	Invest NI is seeking approval to amend the opening doors strategy to enable NI Screen to use £1.3m of funds allocated for large scale productions to be used to sublet the Britvic studio and approval for the resulting changes to the Letter of offer.	Approved by casework. Conditional DFP approval on 18/1/16. DETI to respond to DFP on conditions – in process. To be submitted to Minister following DFP approval.
DETI HQ	Energywise Scheme (previously known as HEAT)	First casework on 17 December 2015. Casework postponed to 8 March 2016	Support sought for phase 1 - £12,655,500 of loans to be funded through a Capital DEL or FTC bid and £6,707,500 Customer Energywise Grant.	HEAT will replace Northern Ireland sustainable energy Programme (NISEP) & the Boiler Replacement Scheme (BRS) in the provision of insulation and heating system upgrades to domestic households; HEAT will also provide support to businesses (complimenting the Invest NI loan scheme) & to the voluntary and community sector for the delivery of energy efficiency improvements.	The casework panel considered the case and has sought further information. Action points are with Energy branch. A further casework has been scheduled for 8 March 2016. Case will then go to DFP for consideration.

1.2 The following caseworks were approved since the last board meeting in Jan 2016:

NDPB	Project Title	Casework Date	Support	Outputs	Status
Tourism NI	St Anne's Court – lease expiry.	21 October 2015	Resource £3,085k, Capital £902k totalling £3,987k.	The preferred option is to relocate Tourism NI to Linum Chambers (owned by Invest NI). The proposed lease term is 5 years.	Approved by the DETI casework panel on 21/10/2015 and by DFP on 16/11/15. Submitted to Minister for approval on 26 January 2016.
DETI HQ	Re-financing of Concourse II NISP	12 November 2015	£6.1m FTC (loan)	The Northern Ireland Science Park (NISP) has requested a £6.1m loan from DETI in order to refinance one of their buildings – Concourse II. This has been requested from FTC. Under the terms of that loan NISP have to give formal notice to BHC in January 2016 of their intentions.	Approved by the Casework Committee. DFP have issued further queries and DETI has responded to these on 21/1/16. Ministerial approval given on 29/12/15.
Invest NI	FM Procurement	26 January 2016	£28m	This business case outlines the requirement and options to procure a FM Contractor to provide the support services including Hard FM and Soft FM to the Bedford Square Building, Bedford Street, Belfast. The existing contract expires in October 2016.	Approved by Invest NI/DETI casework. Next steps - to be submitted to DFP and the Minister for approval.

1.3 The following cases are scheduled for **February 2016**.

NDPB	Project Title	Casework Date	Support	Outputs	Status
Tourism NI	HMS Caroline	TBC	Capital costs to increase from £10.4m (excl vat) to £12.6m (excl VAT) plus £2,204,554 of additional costs associated with delays.	To assess an amendment and an increase in costs to the HMS Caroline business case that was originally approved by the Minister on 15/10/2014.	Currently with DETI economists for consideration. DFP approval not required. Ministerial only.
Tourism NI	Youth Commonwealth Games	21 January 2016	£2.7m	Economic Appraisal to assess a request for funding for the Commonwealth Youth Games 2021 from Tourism NI.	Casework not content at this stage to approve to go to FBC stage. NI Bid for YCG successful. TNI currently reworking business case. Casework will be required in March 2016.
Invest NI	SUPL	20 January 2016	£8m	The SUPL project commenced as a joint initiative between DARD, DETI, Invest NI and the Strategic Investment Board (SIB), in order to meet the strategic objective of delivering a solution to the sustainable treatment of NI poultry litter, and a reduction in phosphorous surpluses arising as a result of application of this litter to land. The second and current project comprises a second AD plant, to be situated on a five acre site in a former quarry,	The Joint DETI/Invest NI Board conditionally approved the business case. The panel requires a subsequent update in respect of several issues including timescales and the £4.4m equity contribution. A further casework to be scheduled in February 2016.

				east of Ballymena.	Case will then be submitted to DFP for consideration.
Invest NI	North Foreshore amendment	18 February 2016	Original cost approved by DFP was £9,510,653 in 25 June 2014 but subsequently there was an overspend and total costs increased to £10,281,653 in June 2015	The Addendum will seek approval to: Build 1505 meters of road infrastructure within the 75 acre Giants Park ERP at the North Foreshore by 30 June 2016 Prepare the Site to provide 25 acres of Serviced Sites by 30 June 2016 Provide 15 acres of unprepared Serviced Sites for light infrastructure projects by 30 June 2016 To market the Serviced Sites to Clean Tech businesses by 30/06/16	Addendum currently with DETI economists. SECC being carried out by correspondence . Joint Invest NI/ DETI casework to be held on 18 February 2016.
TNI	Programming Services	TBC	c. £910k	Tourism NI (TNI) contract to deliver Programming Services to include the delivery of programmers to maintain TNI's existing code base for its tourism database, support for its existing Quality and Standards system delivering legislative objectives and bespoke applications to support TNI's intranet and collaboration environment.  Current contract expires in mid April 2016.	Business case with DETI Economist and TNI.

1.4 The following cases are with DFP/the Minister for approval but did not require casework.

NDPB	Project Title	Support	Outputs	Status
DETI	HILS Hub	£170,000	Consultancy support for the development of a Health innovation & Life Sciences (HILS) hub for Northern Ireland	Conditionally approved by DFP on 9 February 2016.
Invest NI	BSDL Insurances	£232,299	Approval to tender for the three insurances required (building insurance including public liability, plant and equipment insurance and terrorism and sabotage insurance) for the Bedford Street Building, as required under the PFI and Senior Loan Agreement. Also retrospective approval for tendering for the three insurances for the year to 28 Feb 2016.	Approved by DFP on 5 February 2016 with no 10% tolerance included.
Invest NI	PSU Insurances	£285,092	Approval being sought to continue insuring the property portfolio, including the loss of rent during any rebuild period, and public liability insurance on Invest NI's industrial estates.	Approved by DFP on 27 January 2016.
Invest NI	Schrader amendment	£0	Schrader Electronics Limited spent an additional £3,780,906.52 prior to the date of the Letter of Offer which was not included in the Letter of Offer and has requested that Invest NI provide written consent to include this sum. Approval being sought from DETI and DFP to allow this retrospective element. No additional assistance being sought.	Approved by the Minister on 10 February 2016.



### Prompt Payment Report – January 2016

1. Prompt payment performance for the Department and its NDPBs for the month of January 2016 is shown in detail in the attached table.
2. The Department paid 97% within target. The NICS average for January was 91%.
3. The NDPBs paid 91% within the target.

	Month	No. of Invoice Paid	Total Amount (£)	No. of Invoices Paid within 10 Working Days	Amount Paid within 10 Working Days (£)	No. Of Invoices Not Paid within 10 working Days	% of invoices Paid within 10 Working Days
DETI	Jan	247	£248,201	239	£180,223	8	97%
DETI	Dec	213	£252,933	209	£252,332	4	98%
DETI	Nov	204	£175,303	194	£172,855	10	95%
InvestNI	Jan	458	£2,081,987	413	£1,938,808	45	90%
InvestNI	Dec	456	£2,463,233	433	£2,303,583	23	95%
InvestNI	Nov	512	£2,040,718	495	£1,954,238	17	97%
Tourism NI	Jan	200	£510,742	181	£494,620	19	91%
Tourism NI	Dec	225	£546,599	222	£536,327	3	99%
Tourism NI	Nov	288	£1,001,260	284	£991,461	4	99%
GCCNI	Jan	44	£39,588	44	£39,588	0	100%
GCCNI	Dec	38	£203,186	38	£203,186	0	100%
GCCNI	Nov	34	£37,074	30	£27,758	4	88%
HSENI	Jan	16	£13,421	15	£12,104	1	94%
HSENI	Dec	31	£31,128	31	£31,128	0	100%
HSENI	Nov	41	£51,797	40	£50,447	1	98%
<b>Total</b>	Jan	965	£2,893,939	892	£2,665,343	73	92%
<b>Total</b>	Dec	963	£3,497,079	933	£3,326,556	30	97%
<b>Total</b>	Nov	1,079	£3,306,152	1043	£3,196,759	36	97%

**DEPARTMENTAL BOARD**

**DB 56/5**

**TITLE: FINANCE REPORT**

**Paper presented by: Trevor Cooper**

**KEY ISSUES:**

**JANUARY MONITORING TECHNICAL EXERCISE 2015-16**

- DFP has uses easements surrendered to offset the NI Block overcommitment, thereby easing the risk of DETI underspending in 2015-16.

**TELECOMS – SUPER CONNECTED CITIES PROGRAMME**

- Potential for £1.7M underspend in 2015-16 and corresponding Capital pressure in 2016-17.

**RENEWABLE HEAT INITIATIVE SCHEME**

- Potential significant shortfall in Resource DEL funding in future years.

**CASEWORK**

- An update on casework has been provided.

**ACTION REQUIRED:**

**ALL ITEMS**

- Departmental Board to note.

**TIMESCALE:**

- N/A.