

**From:** [Donaldson, Linda \(DfE\)](#)  
**To:** [Mills, John \(DETI\)](#)  
**Subject:** Budget Allocations 2015/16 - Energy  
**Date:** 10 March 2015 14:10:00  
**Attachments:** [image001.jpg](#)  
[Budget Allocations 2015-16 - HOD Letter.docx](#)  
[Energy - Annex A-C - Resource & Capital - 2015-16.xlsx](#)  
[Energy 15-16 Budgets To Issue.xlsx](#)  
**Importance:** High

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I attach confirmation of your 2015-16 budget which reflects the application of a 15% reduction to the Department's baseline. You should note that the admin savings you identified have been taken from your budget and are detailed at **Annex 3** and the resource savings are detailed on **Annex A**.

You will wish to meet with your Heads of Branch to discuss the position before disseminating the budget information. I would suggest you and/or your Heads of Branch meet with the teams to advise that budgets have been reduced, which includes the identification of certain posts and work areas as savings. At this point, in terms of posts we are treating the identified posts as indicative, however, the expectation is that the related paybill reduction identified will be delivered from within your Division. This will provide a level of flexibility in the overall position and help us to be better able to respond when the outcome of the Voluntary Exit Scheme is known.

The practical outworking of the planned reductions will require careful oversight by the Senior Management Team as we need to deliver the savings. It is unlikely that the posts you have identified for suppression in 2015-16 will wholly align with the posts that will be vacated from those who accept an offer to leave under the Scheme. Internal redeployment on an ongoing basis, and also cross departmental redeployment, will in all probability be necessary to ensure Departmental priorities can continue to be met.

Heads of Divisions will shortly receive a note, including a timeline, on the process to be followed within DETI for responding to the anticipated outworking of the VE Scheme. The note will set out the nature of work that needs to be undertaken in terms of developing contingency/succession plans within their respective Divisions, and inputting into the Departmental processes to deliver priorities and live within the 2015-16 Budget allocations.

DHR will be working closely with Divisions to help them manage the staffing aspects within their particular Divisions.



Trevor Cooper

Finance Branch  
Netherleigh,  
Massey Avenue,  
Belfast BT4 2JP

10 March 2015

To: Heads of Divisions, DETI

Andrew McCormick  
Eugene Rooney  
Chris Stewart  
Bernie Brankin  
Jeff Partridge  
Thomas Wardlow

} without attachments

From: Trevor Cooper, Finance Branch

## BUDGET ALLOCATIONS 2015-16

1. I am writing to confirm Administration, Resource and Capital budgets for 2015-16, which you should disseminate to branches within your division.
2. I attach:

### Administration

- **Annex 1** which sets out details of salary, GAE and Admin external consultancy budgets for 2015-16; and
- **Annex 2** which set out details of budget you have been allocated for vacant posts at 28 February 2015;
- **Annex 3** which sets out reductions applied to salary, GAE and Admin external consultancy budgets for 2015-16;

### Programme

- **Annex A** which sets out your Resource budget for 2015-16 including Resource external consultancy;
- **Annex B** which sets out your mainstream Capital and Financial Transaction Capital budget for 2015-16; and
- **Annex C** which sets out your Annually Managed Expenditure (AME) budget for 2015-16.

3. Budgets have eleven distinct elements, which must be controlled **independently**. The budget controls comprise:

**Resource Budget**

1. Administration
2. Other resource
3. DEL Resource Depreciation/Impairments

**Capital Budget**

4. Capital Grant
5. Capital
6. Financial Transactions Capital

**Ring Fenced Budget**

7. EU Investment for Growth & Jobs (IGJ) Programme
8. EU Interreg Programme
9. Delivering Social Change
10. Change Fund
11. Annually Managed Expenditure (AME)

4. Any proposed in year movement between the above components of the budget should be submitted for the required approvals in monitoring rounds which in most cases will involve DETI, DFP and the Executive. You should also bear in mind that Treasury constraints exist to prevent movement from Capital to Resource budgets.
5. For further guidance which sets out the principles on managing public expenditure, Finance Branch will be issuing the HM Treasury Consolidated Budgeting Guidance as soon as it becomes available and Managing Public Money NI (MPMNI) is available at <http://www.dfpni.gov.uk/index/finance/afmd/afmd-key-guidance/afmd-mpmni.htm>

**Administration Budgets 2015-16**

6. Your Administration budget is confirmed in **Annex 1** including budget for vacancies set out at **Annex 2**. The Administration budgets have been calculated by using February 2015 salary actual costs and projecting these over 12 months. These have then been uplifted to reflect the 1.5% estimated costs of pay uplift from August 2015. This percentage has been used for planning purposes, as the actual amount of any pay uplift has not been agreed.
7. You should note that savings from the posts you identified for suppression in your 2015-16 Administration budget have been taken from your budget

and are detailed at **Annex 3**. Your Admin budget has been adjusted to reflect twelve months savings from non filling of vacant posts and three months savings [January 2016 to March 2016] from suppressed posts in 2015-16. GAE budgets reflect the opening budget position for 2015-16 less any savings identified.

8. It is unlikely that the posts you have identified for suppression in 2015-16 will wholly align with the posts that will be vacated from those who accept an offer to leave under the Voluntary Exit Scheme. In addition staff may be released in tranches at the end of September 2015, December 2015 and March 2016. Internal redeployment on an ongoing basis and also cross departmental redeployment will in all probability be necessary to ensure business priorities can be met. Therefore, it is likely that you will be required to make further in year adjustments to your Administration budget.
9. The departmental Administration budget is already under pressure in 2015/16. **It is therefore very important that you thoroughly check your Administration budgets for the coming year to ensure that they reflect the needs of your division, and notify Finance Branch as soon as possible of any potential over/under provision. Any adjustments to Administration budgets should also be formally submitted for consideration as part of the monthly actual and forecast outturn exercise and the in-year monitoring process.**

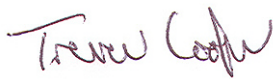
### Programme Budgets 2015-16

10. Your Resource budget for 2015-16 is set out at **Annex A**. The reductions you identified in the Budget 2015-16 exercise have been taken from your budget and are detailed at the bottom of **Annex A**. The Annually Managed Expenditure budget is set out at **Annex C**. In the current public expenditure environment, it is unlikely that additional resources will be secured in year. Consequently, it is important that you plan to live within your proposed Resource budget. You should plan to address any pressures through reprioritising within your Resource budget. In particular, you should monitor non-cash costs closely as pressures in this area will have to be absorbed and will impact on spending power.
11. Your mainstream Capital and Financial Transactions Capital budget is set out at **Annex B**. It is vital that budget holders seek to maximise Capital expenditure while ensuring value for money from all expenditure. **There is a danger that, if budgets are not used in the allocated financial year, this could result in the loss of funding for projects. It is therefore essential that budget holders consider the accuracy of Capital expenditure profiles.** Where slippage is identified you should seek to manage this by accelerating other projects/programmes where possible.

12. I would remind you that **under no circumstances should commitments be entered into without budget cover.**
13. It is important that you review your budgets to ensure they are classified correctly under the headings given in paragraph 3 above. Details of relevant Unit of Service, Unit of Business, HMT Record Number and ISNI Project ID Code have been provided to assist in completion of the proformas for monitoring purposes.

### **EU Interreg IVA Programme**

14. EU Interreg IVA & VA Programme budgets (including match funding) have been centralised and are held by European Support Unit. Should a Division have a proposal to take forward an Interreg project in the future where DETI is the lead partner, the funding arrangements should be discussed in advance with European Support Unit.
15. Please contact Linda Donaldson (ext 29446) in relation to Programme Budgets and Adrian Goodman for Administration Budgets (ext 29643) if you have any points you wish to raise or require clarification.



**Trevor Cooper**

Enc.

**2017 02 17 17.28 Energy - Annex A-C - Resource & Capital - 2015-16** – saved as a separate spreadsheet

**2017 02 17 17.28 Energy 15-16 Budgets To Issue** – saved as a separate spreadsheet