

From: [Partridge, Jeff](#)
To: [Donaldson, Linda \(DfE\)](#)
Subject: FW: DETI Forecast for OBR Autumn 2015 Commissioning
Date: 23 September 2015 09:59:34
Attachments: [Forecast for OBR Autumn 2015 Commissioning Note.docx](#)
[DETI AME Template.xlsx](#)

Linda,

Please see attached AME exercise.

Grateful if you could draft a commissioning letter.

Jeff

From: CED CFG
Sent: 23 September 2015 09:56
To: Brankin, Bernie
Cc: Partridge, Jeff; Coordination PSD
Subject: DETI Forecast for OBR Autumn 2015 Commissioning

Please see attached from Agnes Lennon.

Mark Millican
Central Expenditure Division
Department of Finance & Personnel
Room S1, 2nd Floor
Rathgael House
Bangor BT19 7PR
Internal ☎: 68129 External ☎: 02891858129

FROM: AGNES LENNON
CENTRAL EXPENDITURE DIVISION

TO: GRADE 7s IN FINANCE BRANCHES

DATE: 23 SEPTEMBER 2015

Issue: To commission AME Autumn 2015 Forecast.
Timescale: Returns to DFP by COB 7 October 2015.

1. CED is required to provide details of AME forecasts on behalf of the Northern Ireland Executive to the Office for Budget Responsibility (OBR). This note now commissions the AME Non Pensions forecast for Autumn 2015 and sets out the requirement for departmental input into this exercise.
2. Please see attached a copy of your Department's template for this exercise. The starting point is the forecast provided for the March Budget 2015 return. The template covers years 2015-16 to 2021-22, as required by OBR. Please note record lines created to split transferring budgets for the Departmental restructure have been excluded. A further exercise will be commissioned to forecast the split of the departmental budget lines transferring to other Departments along with keying to the Database. Your forecast for these lines should be scored against the original AME Line. Please ensure that all other AME lines are included. If there are any omissions, or you are aware of new lines which need to be created for the forecast please contact CED to discuss.
3. Please note this Forecast is a **paperwork return only at this time**, keying to the Resource Budget Management Database (RBM) and setting of a new financial position is not required within this timescale. RBM will be updated at the next available opportunity.
4. You are asked to provide a forecast up to 2021-22 by inserting the change applicable to each RBM record line, this will then update the AME by programme type and category at the bottom of the template.

5. Forecasting Requirement

2014-15

The 2014-15 year has been excluded from your template, CED will update 2014-15 using your Department's latest 2014-15 Outturn data supplied.

Current year 2015-16 to 2021-22

Years 2015-16 to 2021-22 should be forecast using your latest figure work available. Where budget lines are due to transfer to another Department due to

Departmental restructuring these still should be forecast as if these lines were not transferring.

Explanation of changes since the last Budget Forecast

6. As OBR have responsibility for public expenditure forecasts, they undertake significant scrutiny of the inputs that they receive. It is critical that your assumptions, methodology and forecasts stand up to this scrutiny. OBR regard the reasons for adjustments to be as important as the adjustment itself and it is important that they understand your assumptions, methodology and profile. We must, therefore, emphasise the importance of ensuring that all information provided is accurate and quality assured at a senior level as we may be asked to fully explain and defend the forecasts to OBR.
7. Departments are therefore asked to provide robust explanations of **any** adjustments to their revised forecasts, the assumptions made and methodology used in the calculation of the adjustment. The more robust your explanations, the less likely the OBR are to raise queries. **Annex A** shows the key areas your explanations should cover.
8. Please do not attempt to change the template or recreate it in any way. The template includes hidden formula to assist CED with the collation of all Departments' returns. If you have any difficulty with completing the template, please contact Mark Cuthbertson on ext 68084 or Mark Millican on ext 68129.
9. Completed templates along with explanations of changes as detailed in Annex A should be returned to Mark Cuthbertson, Mark Millican and your Supply team by **COB 7 October 2015**. There is no scope for an extension to this deadline therefore Departments should put plans in place to ensure this deadline is achieved.

Summary of Requirements for AME Pension Forecast

You are now asked to:-

- **Complete the AME Forecast Template and return by COB 7 October;**
- **Provide robust explanations on changes since the last forecast based on the headlines in Annex A;**

**AGNES LENNON****Copy Distribution List**

Joanne McBurney
CED Grade 7s & DPs
Supply Division
Department DPs
Mark Millican
Mark Cuthbertson

Annex A – Methodology note content

The forecast methodology note for each AME forecast should cover the following key areas:

- **The methodology** behind the forecast including all key assumptions, data sources, modelling approach etc.
- **The changes** since the previous Budget 2015 forecast and the reasons why (e.g. in year data in 2015-16)
- **Main factors influencing the long-term and year on year changes in the forecast**, and any recent significant changes in those factors (e.g. policy announcement)
- The **main risks and key judgements in your forecast numbers**, if these have been incorporated into your forecast return and, if so, how.