

**From:** [Partridge, Jeff](#)  
**To:** [Donaldson, Linda \(DfE\)](#)  
**Subject:** FW: DfE - Budget 2016 AME Commissioning Letter  
**Date:** 20 January 2016 16:26:15  
**Attachments:** [AME Commissioning Letter Budget 2016 - DfE.docx](#)  
[DfE - AME Budget 2016.xlsx](#)

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Linda,

Please see attached AME exercise.

We can discuss tomorrow.

Jeff

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**From:** CED CFG  
**Sent:** 20 January 2016 16:24  
**To:** Brankin, Bernie  
**Cc:** McBurney, Joanne; Barrett, Stephen; Galloway, Pamela; McGuinness, Jeff; McMillan, Kirsty; Weir, Karen; DG\_DFP GRP\_PSD All Supply; Partridge, Jeff; Millican, Mark; Cuthbertson, Mark  
**Subject:** DfE - Budget 2016 AME Commissioning Letter

Please see attached from Pamela Galloway.

*Margaret Sinton*

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**FROM: Pamela Galloway**

**TO: Bernie Brankin**

**DATE: 20 January 2016**

**Issue: To commission AME forecast for Chancellor's Budget 2016.**

**Timescale: To DFP by COB Tuesday 2 February 2016.**

1. CED is required to provide details of AME forecasts on behalf of the Northern Ireland Executive to the Office for Budget Responsibility (OBR). OBR have formally commissioned the Budget 2016 return, this note therefore commissions our local AME forecast to meet that requirement. Economic Determinants will issue on Monday 1 February 2016.
2. Please see attached a copy of your Department's template for this exercise. The starting point is the forecast provided for the Autumn Statement return which has now been recorded on RBM. The template includes all years from 2016-17 up to 2021-22. Please ensure that all your Department's 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 immediately to discuss.
3. As is usual practice access has been restricted on the template to the fields in which the plus or minus change is to be made. The greyed out area on the template will then automatically show the outcome of the amended AME forecast on a record line basis. Please ensure the outcome is as you intend before submitting your return.
4. 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.
5. Release of provisions, except those where spend is also in AME, will continue to be treated as an in year issue, therefore these lines are not in the templates.

**Year 2015/16**

6. Due to the timing of this Exercise and to ensure that the information contained in the forecast provided to OBR aligns to the January Monitoring/Spring Supplementary Estimates Position the forecast for 2015-16 will be taken from the Monitoring structure. It is for this reason that 2015-16 year is not included in the AME template attached

**Explanation of changes since the last Budget Forecast**

7. 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.
8. 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.
9. Completed templates for AME along with explanations of changes as detailed in Annex A should be returned to Mark Millican and your Supply Team by **COB Tuesday 2 February 2016**. If you have any questions please contact CED Mark Cuthbertson on Ext 68084 or Mark Millican on Ext 68129 immediately to discuss.

### **Policy Announcements**

10. Your return should include all policies already announced and should exclude any policies that have not been formally announced.

### **Keying information to RBM Database**

11. In addition to completing the AME templates and providing explanations, departments are also required to key the forecast adjustments onto the RBM database and an exercise has been opened for this purpose called AME 2016. The codes to use are TAAME for categories 7, 8 14 and 22, and TAOTHAME for categories 12 and 13. This should include updates to Pension Scheme lines to reflect the Pension forecast return due on 21 January.
12. The departmental dashboard (AME tab) contains a report which you can run to check what you have keyed. Once you are content with the transactions keyed please submit all records to your Supply Team.
13. Please bear in mind that the net effect of plus and minus changes within a UOB **must not** be keyed as one transaction as this will prevent the detail being keyed. Plus and minus changes must be keyed as separate transactions. Please contact your Supply Team if further clarification of this point is required.
14. The RBM database will also stay open until COB Tuesday 2 February 2016 to allow the forecast adjustments to be keyed and submitted by Departments.

### **Summary of AME Forecast Requirements**

You are now asked to:-

- a. Check that all necessary AME lines are included on the template attached;

- b.** Complete the AME Forecast Template and return by **COB Tuesday 2 February 2016**;
- c.** Provide robust explanations on changes since the last forecast based on the headlines in Annex A;
- d.** Key the forecast adjustments onto the RBM database and submit to your Supply team by **COB Tuesday 2 February 2016**.
- e.** Note that dates provided may be subject to change to ensure the OBR timetable is achieved.

*Pamela Galloway*

**Pamela Galloway**

**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 Autumn 2015 forecast and the reasons for these.
- **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.