

From: [Sterling, David](#)
To: [Cooper, Trevor](#); [Thomson, David](#)
Cc: [Brankin, Bernie](#); [Hill, Janice](#)
Subject: FW: December Outturn & Forecast Outturn
Date: 12 January 2012 10:11:39
Attachments: [December Actual & Forecast Outturn.DOC](#)
[DETI Forecast Outturn December 2011 - Return to DFP.XLS](#)
Importance: High

Trevor

I am content.

David/Trevor

As previously discussed, can you and Trevor explore with DFP whether it would be possible to make a down payment for the Irish Open in-year (say £1m) either from the monies just surrendered or from anticipated underspend that may arise before the year-end. The ideal would be to come up with some arrangement which did not require a formal monitoring bid (ie an arrangement similar to the one we agreed for the TIL marketing campaigns).

David

David Sterling

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Please consider the environment - do you really need to print this e-mail?

From: Cooper, Trevor
Sent: 11 January 2012 18:41
To: Sterling, David
Cc: Brankin, Bernie
Subject: FW: December Outturn & Forecast Outturn
Importance: High

David

In Colin's absence at TMT training course, I attach for your consideration our December Outturn and Forecast Outturn input - which has been given to DFP on an "uncleared basis".

The return reflects forecast spend against the reduced Jan Mon Budget position. You will see that Invest NI spend forecast in the last three months represents 44% of the overall Budget (as reduced), with March spend representing circa 24%. Given this profile, there remains a risk around Invest NI's ability to spend out against profile however Invest NI has provided assurances around their forecast position at this point in time, and the return has been accepted on this basis.

You will also note the Backloading of NITB forecast expenditure - this relates to Resource funding retained ref the launch of their Spring Marketing Campaign, and Capital funding for the slipways, Guildhall, Walled City and tails of other Signature projects. The Guildhall project has now received DFP approval which will enable funding to be released, assurances have been received from NITB and Mike Thomson on spend on the other Signature Projects and the Slipways project.

I am available to discuss.

Trevor

Copy Distribution List Below

From: Bernie Brankin

Date: 11 January 2012

To: 1. Trevor Cooper
2. Colin Lewis
3. David Sterling

**DECEMBER ACTUAL OUTTURN & FORECAST OUTTURN FOR THE
REMAINDER OF THE 2011/12 FINANCIAL YEAR**

- Issue:** DFP require Permanent Secretaries and Finance Directors to sign off on actual and forecast outturn to ensure accuracy of information.
- Timing:** Due with DFP by close this evening.
- 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 /PSA Implications:** Invest NI has not indicated that any targets should be amended on foot of its proposed January Monitoring budget or its variance to planned spend in December.
- Financial Implications:** Departments are required to identify reduced requirements as early as possible.
- 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 actual and forecast outturn to ensure accuracy of information.
2. Heads of Divisions in DETI and Chief Executives in NDPBs approve actual and forecast outturn at the lowest level of expenditure on a monthly basis.
3. I attach the December actual outturn and forecast outturn for the remainder of the 2011/12 financial year.
4. Actual DEL outturn for December 2011 was £13.3M compared to forecast outturn of £25.4M, resulting in an underspend of £12.1M. The areas responsible are summarised below:

Business Area	Underspend / £M	Description
Invest NI Capital Expenditure	4.3	Underspending due to delayed payment of grant claims which Invest NI is now reprofiling.
Invest NI Other Resource	7.0	Underspending due to delayed payment of grant claims which Invest NI is now reprofiling.
NITB Resource	0.3	Delay in processing invoices for General Admin Expenditure and Promotion & Marketing
NITB Capital Grants	0.6	Delay in processing Capital Grants related to St Patricks, Causeway Masterplan and Walled City projects.
Miscellaneous Overspending	-0.1	Minor overspends across DETI
Total	12.1	

Invest NI

5. In August Invest NI informed us that following further engagement with client companies with active Financial Assistance Agreements it had re-profiled its forecast expenditure for the remainder of the year. The exercise was designed to provide a more robust and reliable profile than that adopted in the first six months of the year, which was based on historical expenditure patterns.

6. Since the last profile exercise Invest NI has increased its reduced requirements by £7.5M which comprises £1.9M university funding and £5.6M for the Lisburn development project and the Painthall where there are risks with spend in March.
7. Comparison of actual against forecast for the year to date is as follows:

	Expenditure / £000						
	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Forecast	12,494	12,670	12,389	16,543	10,300	12,138	20,124
Actual	6,283	9,492	5,688	11,922	9,352	11,814	8,851
Underspend	6,211	3,178	6,701	4,621	948	324	11,258

8. Actual expenditure in the year to date is shown in the table below.

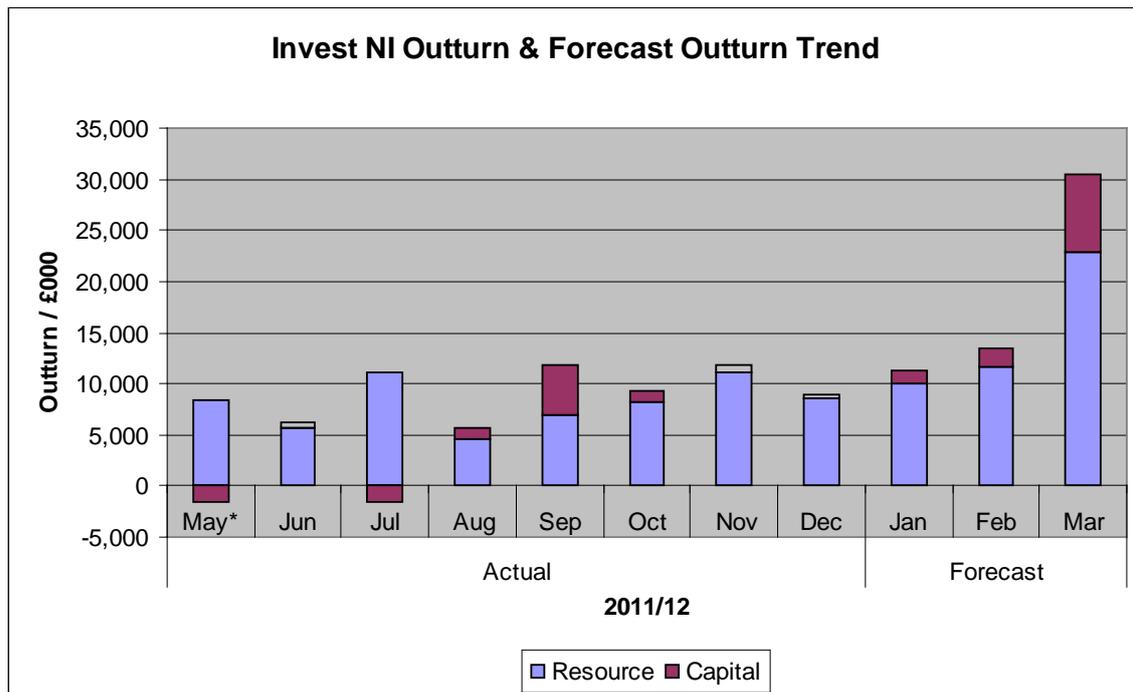
	Actual									Total
	£000s									£000s
	Apr	May*	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Resource	-	8,403	5,745	11,120	4,631	6,972	8,265	11,199	8,589	64,924
Capital	-	-1,587	538	-1,628	1,057	4,948	1,087	615	262	5,292
Total	-	6,816	6,283	9,492	5,688	11,920	9,352	11,814	8,851	70,216

* April and May combined expenditure

9. Invest NI has submitted a revised forecast budget for the remainder of the financial year, which is outlined in the table below. Reductions totalling £17.5M Capital and £4.1M Resource have been included in January Monitoring.

	Forecast					
	£000s			£000s	£000s	£000s
	Jan	Feb	Mar	Total Forecast	Total Profiled	Jan Mon Budget
Resource	9,999	11,663	22,920	44,582	109,506	109,506
Capital	1,233	1,800	7,581	10,614	15,906	15,906
Total	11,232	13,463	30,501	55,196	125,412	125,412

10. The following chart shows Invest NI's actual outturn to November and forecast outturn for the remainder of this financial year in graphical form.



* April and May combined expenditure

11. Concerns remain over Invest NI's ability to deliver the level of expenditure required to fully utilise its DEL budget allocation given the level of year end loading.
12. Invest NI's remaining budget after January Monitoring totals £55.2M, which is 44% of the overall budget. Of the £55.2M budget for the last quarter of the financial year, £30.5M (55%) is forecast to be expended in March 2012. Actual year expenditure by Invest NI in the final quarter of 2010/11 was £69.9 million but this included a year end accrual of £53M. Invest NI's latest forecast assumes a 2011/12 year end accrual of £35M.
13. Invest NI accrue expenditure monthly based on claims received, and the accrual for claims not yet processed at the end of December stood at around £17M. The year end accrual of £35M represents the claims expected in March but not processed until after 31 March plus all claims received up until 15 April. Invest NI closely monitor outstanding claims and make every effort to ensure that claims are submitted by 15 April.
14. We will continue to work closely with Invest NI to monitor financial performance in year to maximise outturn, and to examine its future budgetary needs.

DETI (excluding Invest NI and PMS)

15. Disregarding Invest NI and the £225m PMS capital expenditure, which would distort comparisons with previous years, for the first nine months of the financial year 58.2% of DETI's overall DEL budget has been accrued,

which would appear to be slightly behind 65.2% and 66.4 % for 2010/11 and 2009/10 respectively.

Period	Expenditure / £m	% of DETI DEL Budget
Apr-Dec 11/12	52.1	58.2
Apr-Dec 10/11	68.4	65.2
Apr-Dec 09/10	62.9	66.4

16. NITB are the main contributors to DETI's underspend, with only 36% of budget expended to date, compared to 62% and 77% for 2009/10 and 2010/11 respectively. 85% of NITB's capital budget for Tourism Signature projects has been profiled to be spent or accrued in March 2012 and 46.4% resource budget remains unspent at 31 December.
17. The NITB resource budget will be fully utilised on agreed promotion and marketing campaigns, with the launch of NITB's spring marketing campaign and a ramp up in relation to additional marketing on NI 2012 activities. There is heavy end-year loading of Capital Grant, with £8.5m remaining to be spent. Of this, £2.5m relates to the Guildhall project which has now been approved by DFP and will be fully spent in this financial year. NITB has also confirmed that the tails of a number of activities relating to signature projects and the Walled City are also expected to complete by the end of the year, which amount to £3m.
18. The remaining £3m relates to the Titanic Signature project for additional infrastructure works and a lease on the H&W headquarters and Drawing Offices. Mike Thompson has confirmed that this will be fully spend by year end.
19. I am available to discuss further.

Bernie Brankin

Copy: Jeff Partridge
David Parkhill

2012 01 12 10.12 DETI Forecast Outturn December 2011 - Return to DFP – saved as a separate spreadsheet