



Department of
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Our Ref: SUB/296/2010

FROM: SAMMY WILSON MP MLA

DATE: 3 AUGUST 2010

TO: MLAs

2010-11 JUNE MONITORING ROUND

I am writing to inform you that the Executive agreed the outcome of the 2010-11 June Monitoring round at its meeting on 22 July 2010. In line with normal practice Ministerial colleagues have been asked to avoid making any announcements on the outcome until the Assembly has been formally notified.

It is my intention to make a full statement to the Assembly in early September on both the outcome of the June Monitoring round and also the 2009-10 Provisional Outturn position.

However, due to the delay between Executive agreement and the opportunity to make a statement to the Assembly it is inevitable that some details will become public before it is possible to make a statement. Therefore I would like to take this opportunity to provide you with a short summary of the June Monitoring outcome.

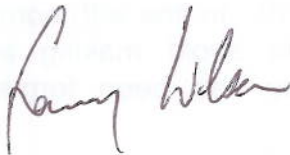
The main issue facing the Executive in this round was how best to address the £127.8 million reduction in funding arising as a consequence of the announcement made by the UK Coalition Government on 24 May 2010 to reduce public spending by £6 billion in this financial year. In addition to this there were also some significant pressures identified by departments. In view of the option available to defer some, or all, of the reduction to next year it was considered practical to first look at addressing key pressures before determining how to address the £127.8 million required reduction.

To this end some £31.6 million of current expenditure and £263 million of capital investment allocations have now been made in this round. Details of these allocations are provided in the attached table.

The Executive also agreed that, in view of the constrained financial position expected next year, every effort should be made to address the full £127.8 million reduction this year. On the capital investment side this results in a remaining overcommitment of £10.6 million (which represents a reasonable position for this stage in the financial year). On the current expenditure side the residual pressure now stands at £64.2 million. This is too large to be addressed in the remaining 2010-11 monitoring rounds. Therefore it was agreed that this amount should be addressed by means of a pro-rata reduction to departmental budgets.

However, DHSSPS and DE would be exempt from these reductions on the condition that the respective Ministers engage with me to commission work, through PEDU, on the scope for, and delivery of, significant cost reductions. This approach leaves a pressure of £45.1 million to be addressed in the remaining monitoring rounds.

I will, of course, address the outcome of the June Monitoring round in more detail in my statement to the Assembly. However, I hope you find this summary useful in the interim.



SAMMY WILSON MP MLA
Minister of Finance and Personnel

Proposed Allocations (£ million)

| DEPARTMENT | DESCRIPTION | | | Total | |
|-----------------------------------|--|------------|-------------|-------------|--------------|
| | | Admin | Resource | Current | Capital |
| | Devolution of Policing and Justice | 1.5 | 0.1 | 1.6 | 0.3 |
| | of which - AOCC | | 0.1 | 0.1 | 0.0 |
| | - DFP | 0.4 | | 0.4 | |
| | - OFMDFM | 1.1 | 0.0 | 1.1 | 0.3 |
| DARD | Animal Disease Compensation | | 2.0 | 2.0 | |
| | Crossnacreevy Shortfall in Receipts | | | | 200.0 |
| | Modulation Match Funding | | 1.0 | 1.0 | 3.6 |
| TOTAL DARD | | | 3.0 | 3.0 | 203.6 |
| DE | Capital Works | | | | 13.0 |
| DETI | Bombardier C Series Launch Investment | | | | 28.0 |
| DFP | Census 2011 | | 2.0 | 2.0 | |
| | NICS Office Estate | 3.0 | | 3.0 | 3.1 |
| TOTAL DFP | | 3.0 | 2.0 | 5.0 | 3.1 |
| DHSSPS | First Call on Available Resources | | 20.0 | 20.0 | |
| DOE | ePIC | | | | 1.6 |
| | Planning Receipts Shortfall | | 2.0 | 2.0 | |
| | Recycling and Composting | | | | 2.0 |
| TOTAL DOE | | | 2.0 | 2.0 | 3.6 |
| DSD | Urban Regeneration Contractual Commitments | | | | 10.0 |
| OFMDFM | Fermanagh Floods Taskforce | | | | 1.4 |
| TOTAL PROPOSED ALLOCATIONS | | 4.5 | 27.1 | 31.6 | 263.0 |

Totals may not add due to roundings

