Northern Ireland Assembly

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Research Paper

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# Financial forecasting by Northern Ireland departments 2012-13: an analysis

This paper presents from the Assembly's perspective an analysis of Northern Ireland departments' financial forecasting performance for the years 2011-12 and 2012-13. It seeks to identify whether performance improved in 2012-13 compared to the previous year. Particular attention is paid to the forecasting performance of the Department of Finance and Personnel. In addition, this paper provides the Committee for Finance and Personnel with an update following its recommendation that the Assembly's statutory committees may wish to receive regular briefings from RaISe on the subject.

# Key points

**DFP**

- DFP spent nearly 20% more on capital than originally planned (section 2.1.);
- DFP spent over 10% less on non-ringfenced resource than originally planned (section 2.2.);
- It appears that DFP might have surrendered non-ringfenced resource earlier in the year to allow for pressures to be addressed by another department; and,
- DFP's forecasting for 2012-13 was less accurate in all expenditure categories than in 2011-12 (section 4.).

**NICS**

- There appears to have been an immaterial underspend in non-ringfenced resource at the Northern Ireland block level (section 3.2.);
- The monitoring totals for capital and non-ringfenced resource were adjusted in March, outside the usual cycle for in-year reallocations and adjustments (sections 3.1. and 3.2.);
- There is some evidence that the monitoring in-year monitoring reallocations could have been more effective. For example, DCAL, DE, DEL, DHSSPS, DOE and DOJ all received additional non-ringfenced resource which they subsequently did not spend. DETI, however, appears to have breached its monitoring control total in this category (Appendix A).

# Contents

# Introduction

This paper follows on from RaISe paper 190/12 *Financial Forecasting performance data: scrutiny by committees*[1]. Following a presentation of that paper by RaISe, the Committee for Finance and Personnel (CFP) Clerk wrote to the clerks of the other statutory committees. This letter advised that:

> *Members considered that other committees may also wish to avail of oral briefings by RaISe, given the complexity of the subject matter addressed in the paper. The Committee therefore requested that I write to notify you that appropriate arrangements can be made directly with RaISe to facilitate such a briefing, focussing on the most recent departmental figures applicable to your Committee that are available.*[2]

Since then, RaISe has delivered briefings to the Committee for Employment and Learning, the Committee for the Office of the First and deputy First Minister, the Committee for Justice, the Committee for Education, and the Committee for the Environment. A number of the statutory committees concerned have subsequently posed any questions raised through the briefings to their respective departments. This is a further step towards enhancing the financial scrutiny and accountability of the Northern Ireland Executive and its departments within the Northern Ireland Assembly.[3]

This Research Paper is presented in the following way:

- Section 1 revisits the purposes of analysing and scrutinising departmental financial forecasting to provide context for the findings presented in this paper;
- Section 2 presents analysis of the Department of Finance and Personnel's (DFP) Total Forecast Outturn for 2012-13, and raises points of scrutiny for CFP to consider;
- Section 3 presents Total Forecast Outturn for 2012-13 at the Northern Ireland level. This is provided because of CFP's remit to hold DFP accountable for its function of managing the wider finances of the Northern Ireland Block as a whole. Again, relevant scrutiny issues are highlighted;
- Section 4 examines the available data for assessing the accuracy of departmental financial forecasting in 2012-13 in the context of previous figures for 2011-12;
- Section 5 draws together scrutiny issues for CFP that arise from the analysis of data in relation to DFP, at the Northern Ireland level, and from the department-by-department analysis provided in Appendix A to this paper; and,

[1] RaISe (2012) 'Financial Forecasting performance data: scrutiny by committees' available online at: http://www.niassembly.gov.uk/Documents/RaISe/Publications/2012/finance_personnel/19012.pdf (accessed 26 April 2013)
[2] Letter from CFP Clerk to all statutory committee clerks, 11 December 2012
[3] CFP made a number of recommendations in relation to enhancing budgetary scrutiny in the Assembly in its *Third Report on the Inquiry into the Role of the Northern Ireland Assembly in Scrutinising the Executive's Budget and Expenditure* available online at: http://archive.niassembly.gov.uk/finance/2007mandate/reports/report_61_10_11R.htm#3 (accessed 13 June 2013)

- Appendix A provides analysis of each Northern Ireland department's Total Forecast Outturn. This will be of interest to other statutory committees as well as to CFP. Again, specific scrutiny issues are highlighted so that the appropriate statutory committees may decide if they wish to pursue them with their respective departments.

The primary purpose of this paper is to provide analysis of the financial forecasting returns that are made by departments to DFP. Although some commentary is provided in relation to possible departmental over- or underspend, the paper's focus is to support legislative scrutiny of:

- Forecasting accuracy; and,
- What the pattern of forecasts might reveal to committees.

The paper is not therefore intended to be a specific or detailed review of Northern Ireland's compliance with the Budget Exchange Scheme.

# 1. Why is financial forecasting important to Assembly Members?

RaISe paper 190/12 *Financial Forecasting performance data: scrutiny by committees*[4] explained the forecasting data that DFP provides to CFP on a monthly basis. That paper suggested a number of reasons why the Assembly's statutory committees should consider and scrutinise departmental financial forecasting and outturn data. These were:

- Scrutiny of departments' financial performance is a fundamental accountability function of the Assembly;
- Through scrutiny of these data, Assembly committees should become more able to fulfil their statutory functions under the Public Finance Framework – such as, section 29(1) of the *Northern Ireland Act 1998* to scrutinise the departmental budgets as set out in paragraph 9 of Strand One to the *Belfast/Good Friday Agreement*;
- The Minister of Finance has previously highlighted the importance of departmental forecasting in statements to the Assembly in relation to the in-year monitoring rounds;
- The importance of financial forecasting in relation to the Budget Exchange Scheme which allows the Northern Ireland Executive to carry forward limited unspent resources into the following financial year. A focus on departmental underspends is therefore important, because any unspent resources in excess of the Budget Exchange limits will be lost to Northern Ireland; and,
- Poor financial control by departments (such as overspending) leads to additional expenditure pressure on the Northern Ireland Block as a whole, which could potentially impact other departments' budgets or their ability to access in-year allocations in monitoring rounds.

RaISe uses the data supplied by DFP to produce charts, diagrams and analysis (such as those provided in this paper) to provided added-value briefings to the Assembly's committees to support them in their scrutiny functions.

## 1.1. Improving Spending Control Indicators

In addition to the points above, DFP officials have recently confirmed that the United Kingdom (UK) Treasury intends to publish spending benchmarks for UK departments and the devolved administrations:

> *The Treasury plans to publish some new 'Improving Spending Control Indicators'. These will focus on 4 metrics:*
>
> *1. Timeliness test (spending forecast submitted on time)*

[4] RaISe (2012) 'Financial Forecasting performance data: scrutiny by committees' available online at: http://www.niassembly.gov.uk/Documents/RaISe/Publications/2012/finance_personnel/19012.pdf (accessed 26 April 2013)

*2. Usability score (fairly subjective measure on the quality of information provided)*

*3. Arrears test (looks at whether outturn submitted was subsequently revised)*

*4. Forecast Accuracy (measures difference between outturn and forecast for most recent month)*

*As we understand it HMT will use these metrics to score all Whitehall departments and Devolved Administrations, which will then result in a league table being produced. They will publish this league table and we understand that the first will be in May. HMT also indicated that they will produce a paper, which explains how each metric is derived and measured.*[5]

CFP should note that the timetable for publication of the indicators has already passed. It is suggested that CFP will wish to consider the Treasury benchmark publication for the following reasons:

- It will reveal how well the Northern Ireland Executive's performance against the listed metrics compares with UK departments and the other devolved administrations. This information will help CFP to assess DFP's effectiveness in managing the Northern Executive's returns to the UK Government;
- The Treasury uses the forecasting data for three main purposes:
  - Monitoring the overall fiscal position to inform fiscal policy;
  - Reporting the state of the public finances to the public and other wider users; and,
  - Monitoring individual departments budgeting positions as part of the Treasury's oversight of public spending.

  **There is, therefore, a reputational risk to the Northern Ireland Executive if the Treasury publication indicates poor performance relative to other departments/devolved administrations.**
- RaISe paper 196/12 *The quality of financial forecasting and Improving Spending Control*[6] noted that the Treasury's *Improving Spending Control* policy placed some requirements on the Northern Ireland Executive. As such, the forthcoming Treasury publication should demonstrate how well Northern Ireland is complying with those requirements.

**CFP may wish to seek an update from DFP on the timetable for the Treasury publication.**

[5] Correspondence from DFP official, 24 April 2013
[6] Available online at: http://www.niassembly.gov.uk/Documents/RaISe/Publications/2012/finance_personnel/19612.pdf

## 1.2. DFP guidance

DFP produces guidance for Northern Ireland departments on outturn and forecast outturn. DFP has previously informed CFP that:

> *The DFP guidance on outturn and forecast outturn emphasizes the need for accurate, timely information. This issue was also highlighted in a recent HM Treasury publication "Improving Spending Control" […] improved forecasting performance should lead to better financial management and spending outcomes.*[7]

DFP's guidance states that it uses the data

> *…to inform decision making during the in-year monitoring process. Therefore, the importance of timely and realistic actual and forecast outturn cannot be overstated. It is essential that departments provide up to date [sic] and accurate information in their monthly returns.*
>
> *Forecast Outturn information is routinely provided to the Committee for Finance and Personnel on a monthly basis. It may also be included in Executive papers in respect of the latter In-Year Monitoring rounds of the financial year.*[8]

From CFP's perspective, then, consideration of the financial forecasting data should provide an insight into the effectiveness of DFP's guidance and any associated training programmes with departmental officials, as well as illustrating how well DFP performs in respect to its own financial forecasting.

**CFP may wish to ask DFP to confirm what training it provides to departments to support the implementation of the guidance on outturn and forecast outturn.**

[7] DFP letter to CFP, 6 September 2012 (ref: MISC72/11-15)

[8] DFP (2012) '2012-13 Outturn and Forecast Outturn Guidance' (see paragraphs 2.1. and 2.2.)

# 2. Total Forecast Outturn: DFP

This section of the paper presents information on DFP's Total Forecast Outturn (TFO) for 2012-13 for the three expenditure categories: capital; non-ringfenced resource; and, ringfenced resource. Suggested points for scrutiny are drawn to CFP's attention where they appear relevant.

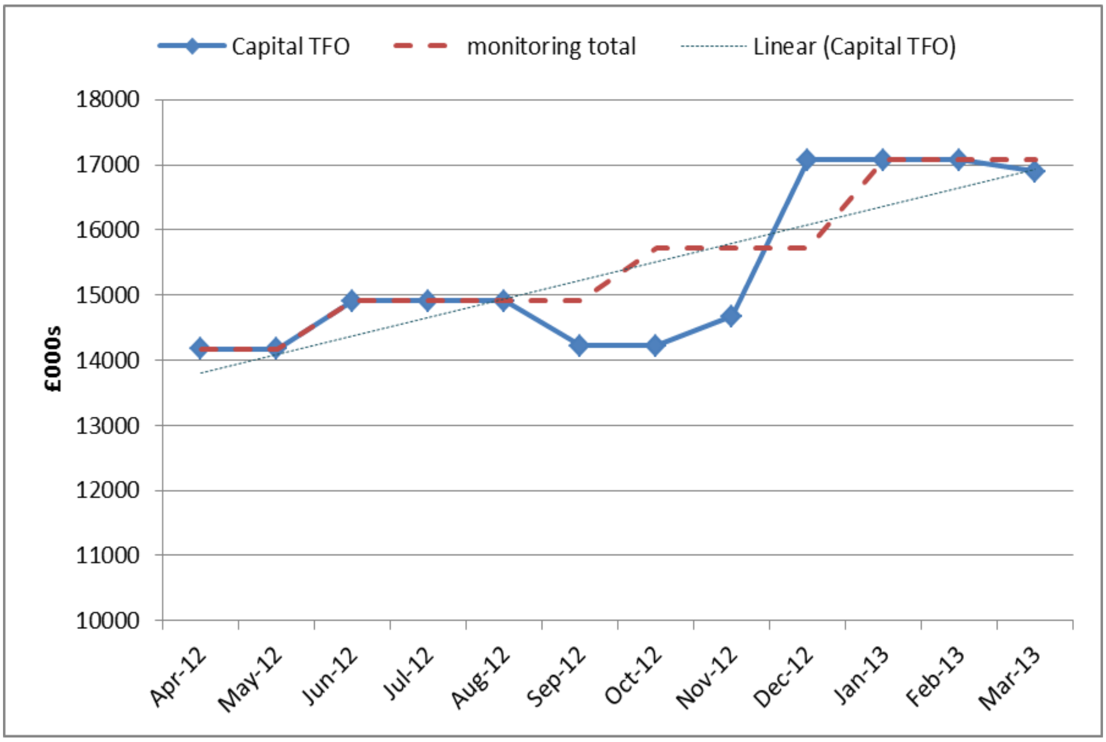
**What is TFO?**

TFO is an estimate by departments of the money they will have spent by the end of the financial year. It is also divided into a monthly profile – to show how much of the Total will be spent in each month of the year. These forecasts are monitored by DFP as part of the management of the Northern Ireland Block. The forecasts inform the Executive's consideration during monitoring rounds of any reallocations of funding that are possible.[9]

## 2.1. DFP's capital TFO 2012-13

Figure 1 shows how DFP's TFO for capital expenditure developed over the course of the 2012-13 year.

**Figure 1: DFP capital TFO 2012-13**




[9] For further detail on TFO, please refer to RaISe paper 190/12 *Financial Forecasting performance data: scrutiny by committees* available online at: http://www.niassembly.gov.uk/Documents/RaISe/Publications/2012/finance_personnel/19012.pdf

The following observations may be made about this chart:

- The final capital TFO (provided by DFP May 2013, for March 2013) was £16,897,000. The opening capital TFO for the year was £14,175,000: an increase of 19.2% in capital expenditure by DFP over the course of the year;
- The final capital TFO (provided by DFP May 2013, for March 2013) was £16,897,000: this is £180,000 below the final monitoring total for the year. This suggests that a minor (1.05%) underspend may have occurred; it also suggests a relatively effective financial forecasting performance in this category for the year as a whole.

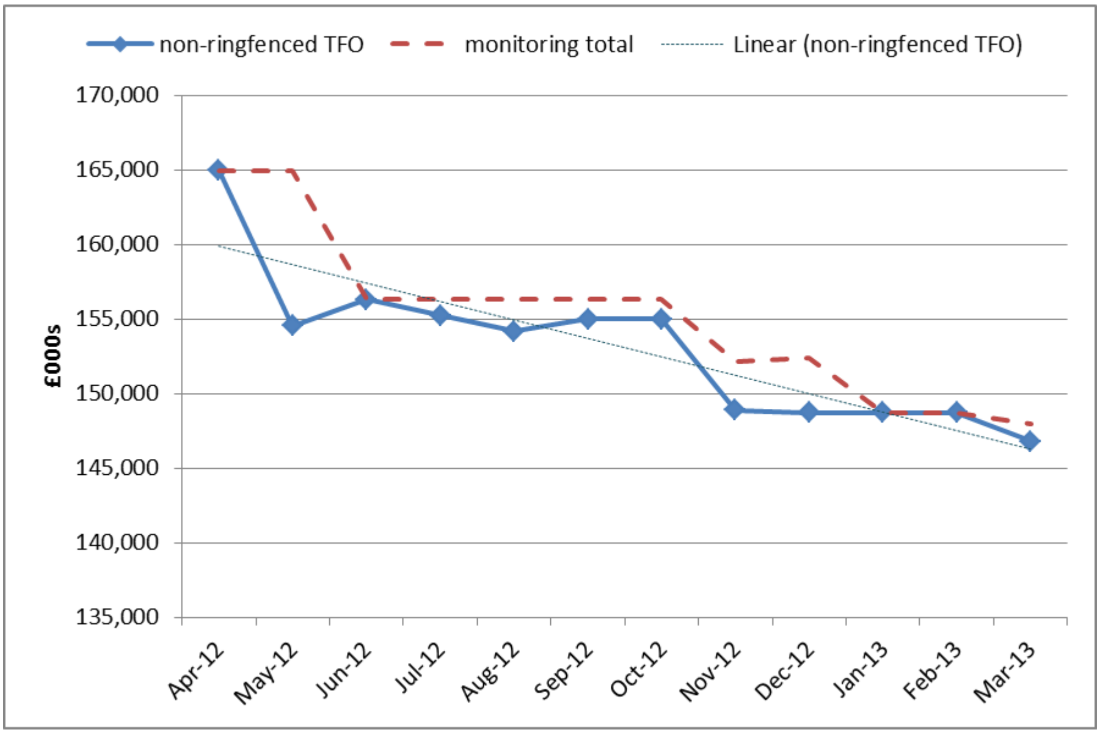
**CFP may wish to seek explanations of the following points from DFP:**

- **Why did capital TFO increase by nearly 20% (one-fifth) during the course of the year?**
- **Did DFP undertake additional capital works, did the cost of planned works overrun, or was there another explanation? What action did DFP take to control costs?**
- **If additional works were undertaken, how were projects selected/prioritised?**
- **Did implications arise for departmental objectives or Programme for Government commitments? If so, what were they?**

## 2.2. DFP's non-ringfenced resource TFO 2012-13

Figure 2 shows how DFP's TFO for non-ringfenced resource expenditure developed over the course of the 2012-13 year.

**Figure 2: DFP non-ringfenced resource TFO 2012-13**




The following observations may be made about this chart:

- The final non-ringfenced resource TFO (provided by DFP May 2013, for March 2013) was £146,788,000. The opening non-ringfenced resource TFO was £164,941,000: a decrease in non-ringfenced resource expenditure of 11% by DFP over the course of the year;
- The final non-ringfenced resource TFO (£146,788,000) was £1,192,000 below the monitoring total: a difference of 0.81%. This suggests that a relatively insignificant underspend might have occurred;
- The non-ringfenced resource TFO provided by DFP for October was £155,016,000. The TFO provided for November 2012 was £148,887,000: £6,129,000 lower. DFP surrendered £4m in October Monitoring; a further £3.6m in January Monitoring; followed by a further £0.75m in March.

**Please note: there is a time lag between a department submitting its forecast to DFP and the subsequent monitoring round when the monitoring total is adjusted.**

**For example, in the case of DFP's non-ringfenced resource, the reduced forecast submitted in November was not shown until after January Monitoring, after Executive approval had been given.**

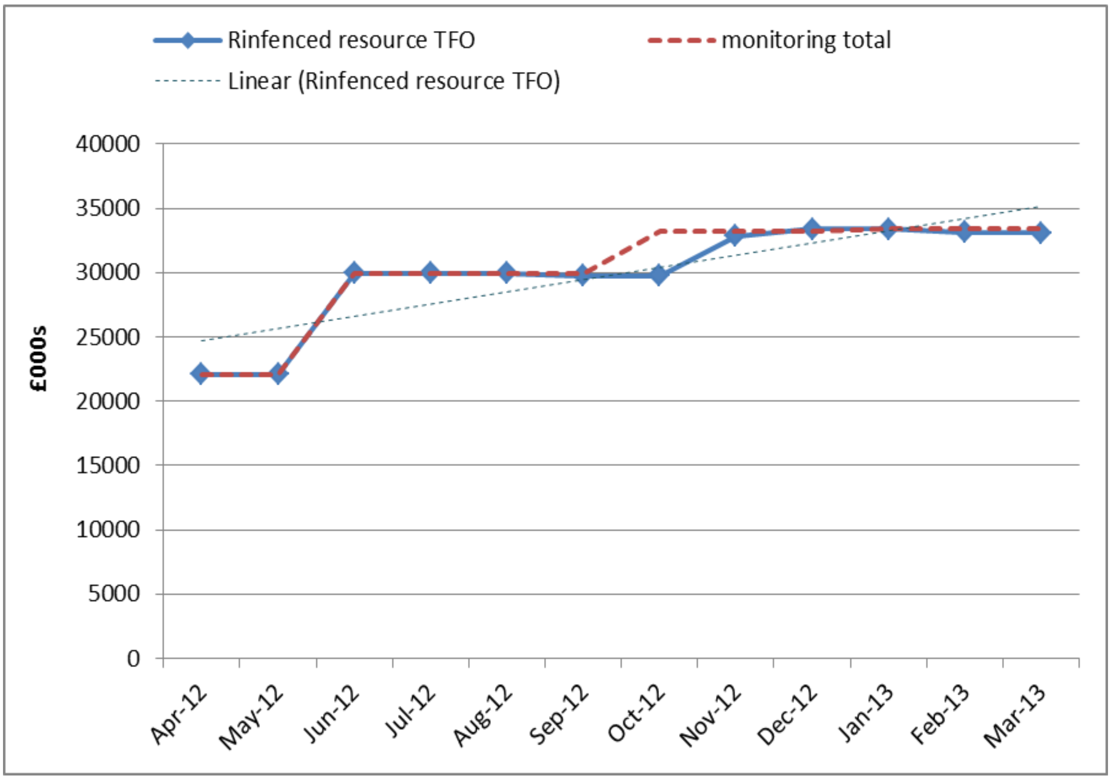
**In this context, CFP may wish to seek explanations from DFP about the following points:**

- **Why did non-ringfenced resource TFO decrease by 11% (more than one-tenth) during the course of the year?**
- **Did implications arise for its departmental objectives or Programme for Government commitments? If so, what were those implications?**

## 2.3. DFP's ringfenced resource TFO 2012-13

Figure 3 shows how DFP's TFO for ringfenced resource expenditure developed over the course of the 2012-13 year.

**Figure 3: DFP ringfenced resource TFO 2012-13**




The following observations may be made about this chart:

- The final ringfenced resource TFO (provided by DFP May 2013, for March 2013) was £33,086,000. The opening ringfenced resource TFO was £29,932,000: an increase in ringfenced resource expenditure of 10.5% by DFP over the course of the year.

# 3. Total Forecast Outturn: NICS

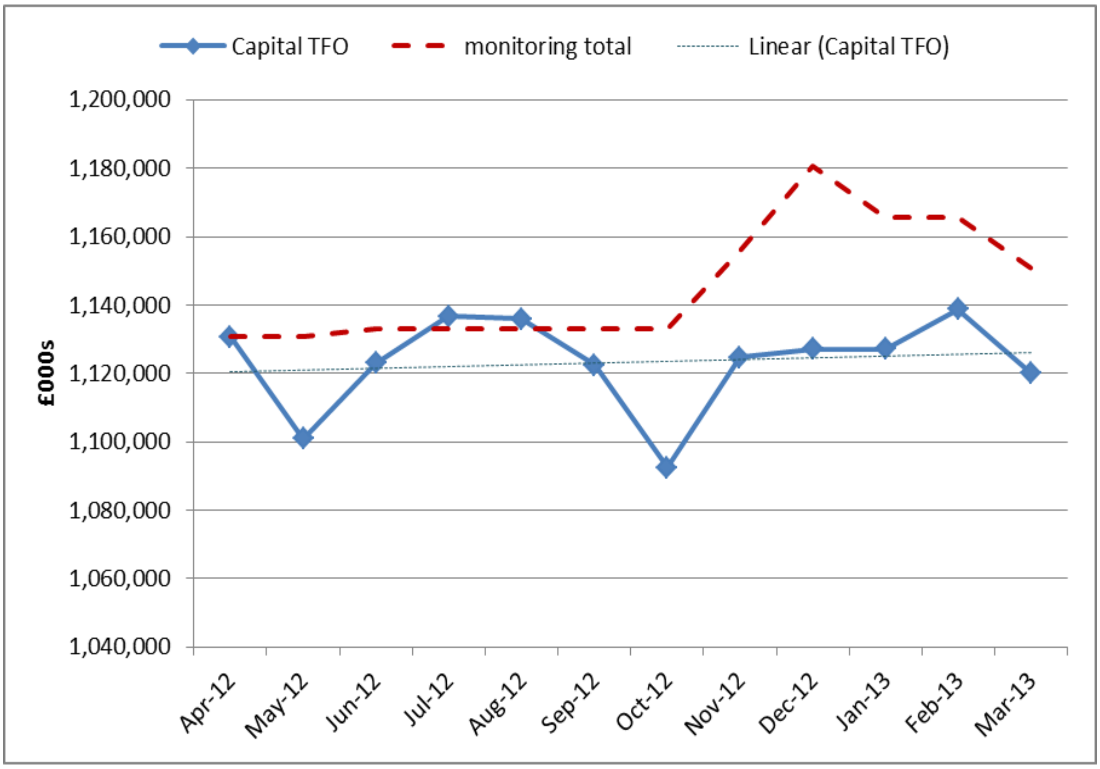
This section of the paper presents information on the NICS' Total Forecast Outturn (TFO) for 2012-13 for the three expenditure categories: capital; non-ringfenced resource; and ringfenced resource. Again, suggested points for scrutiny are drawn to CFP's attention where they appear relevant.

Secondly, a comparison between each department's final monitoring position and final TFO is presented for each expenditure category.

## 3.1. NICS capital TFO 2012-13

Figure 4 shows how the NICS TFO for capital expenditure developed over the course of the 2012-13 year.

**Figure 4: NICS capital TFO 2012-13**




The following observations may be made about this chart:

- The final capital TFO (provided by DFP May 2013, for March 2013) was £1,119,916,000. The opening capital TFO was £1,130,586,000: a slight decrease in capital expenditure of £10,670,000 (0.95%) by the NICS over the course of the year. This suggests that a minor (in percentage terms) underspend may have occurred;
- The final monitoring total for the year was £1,150,720,000: this is £30,804,000 greater than the final capital TFO. This suggests that the Executive's policy of carrying forward capital overcommitment may have successfully contributed to the

delivery of a close-to-complete (99.05%) usage of the capital resources available (see note below in section 3.1.1).

- It is clear that the capital monitoring total was adjusted in March 2013. This is outside the usual monitoring cycle. RaISe asked DFP officials to explain, but they were unable to provide an explanation in advance of the Minister's statement to the Assembly on provisional outturn. Officials did confirm that the Minister will make reference to the changes in his statement, and note that this is scheduled for 1 or 2 July.[10]

In reference to the last bullet point, it may be relevant that DFP's in-year monitoring guidance states that:

> *…it may be necessary, in light of emerging public expenditure issues throughout the year the, to commission ad hoc monitoring rounds or to adjust the timing of planned monitoring rounds.*[11]

**CFP may wish to ensure that the Minister:**

- **explains fully the reasons for the adjustments in March; and,**
- **sets out any implications for the future in-year monitoring system – i.e. whether the current system fully meet the needs of public expenditure management in Northern Ireland, and how it might be improved.**

### 3.1.1. Overcommitment

In his statement to the Assembly on the Final Budget 2011-15, on 4 March 2011, the Minister of Finance and Personnel said:

> *Also, the Executive has agreed to introduce a measure of over-commitment on both the current and capital side. The overcommitment of £30 million per annum on both current and capital is really a 'self-help' facility, made possible by better financial management across the public sector and the many revenue generating opportunities identified by departments. I believe that, in this context, this is a prudent level at which to set the overcommitment.*[12]

[10] Correspondence from DFP official, 10 June 2013

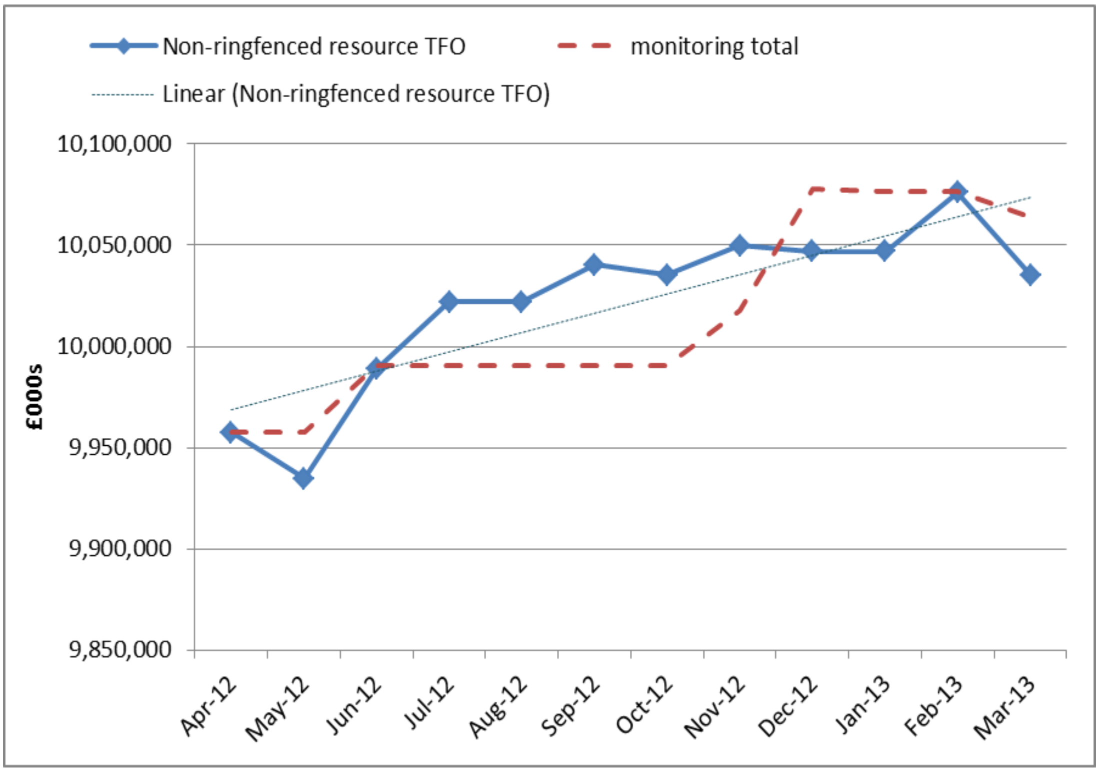
[11] DFP (2012) *In-year monitoring of public expenditure 2012-13 Guidelines* available online at: http://www.dfpni.gov.uk/publications-foi/publications-browse/publication-scheme-what-we-spend-how-we-spend-it/in-year-monitoring-of-public-expenditure-2012-2013.htm (accessed 14 June 2013) (see page 6)

[12] Statement available online at: http://www.northernireland.gov.uk/final_budget_2011___8211__15.pdf (see page 11)

## 3.2. NICS non-ringfenced resource TFO 2012-13

Figure 5 shows how the NICS TFO for non-ringfenced resource expenditure developed over the course of the 2012-13 year.

**Figure 5: NICS non-ringfenced resource TFO 2012-13**




The following observations may be made about this chart:

- The final non-ringfenced resource TFO (provided by DFP May 2013, for March 2013) was £10,035,279,000. The opening non-ringfenced resource TFO was £9,957,570,000: an increase in non-ringfenced resource expenditure of 0.78% by the NICS over the course of the year;
- The final non-ringfenced resource TFO (provided by DFP May 2013, for March 2013) was £10,035,279,000: this was £28,609,000 (0.28%) less than the monitoring total of £10,063,888,000. This suggests that only 0.28% more non-ringfenced resource could have been spent. This represents effective management of resources at the Northern Ireland level; and,
- It is clear that the non-ringfenced resource monitoring total was adjusted in March 2013. This is outside the usual monitoring cycle. RaISe asked DFP officials to explain, but they were unable to provide an explanation in advance of the Minister's statement to the Assembly on provisional outturn. Officials did confirm that the Minister will make reference to the changes in his statement, and note that this is scheduled for 1 or 2 July.[13]

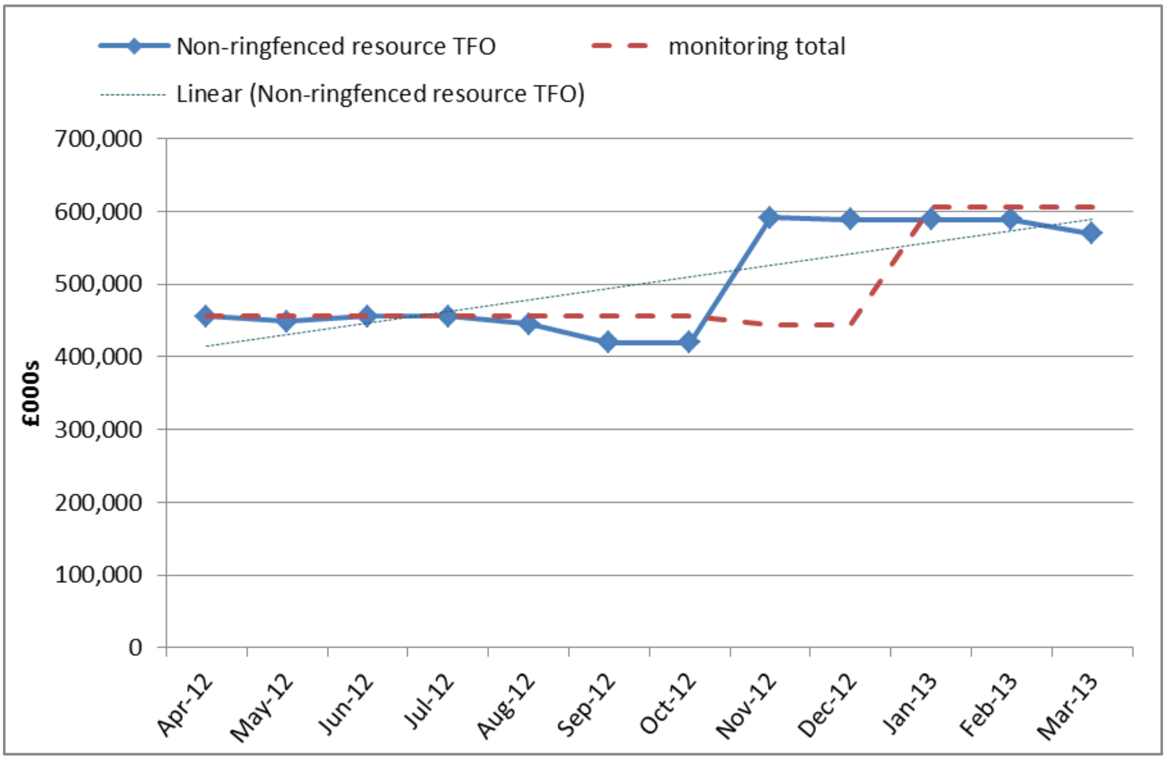
[13] Correspondence from DFP official, 10 June 2013

**CFP may note that an underspend of £28.6m, while a significant sum, is immaterial in terms of the total non-ringfenced resource expenditure of the NICS. That said, it remains a significant sum of public money that could have been spent in support of the Executive's priorities. What steps can DFP take to attempt to secure an even smaller underspend in future years?**

## 3.3. NICS ringfenced resource TFO 2012-13

Figure 6 shows how the NICS TFO for ringfenced resource expenditure developed over the course of the 2012-13 year.

**Figure 6: NICS ringfenced resource TFO 2012-13**




The following observations may be made about this chart:

- The final ringfenced TFO total for the year was £569,579,000 compared to a starting position of 455,579,000 – an increase of a quarter. Note that much of this difference is accounted for by a single high-impact alteration to DEL's ringfenced resource (see Appendix A4).

## 3.4. Final TFO compared with final monitoring totals for the year, by category and department

Tables 1 to 3 show the difference between each Northern Ireland department's final monitoring total and final TFO for each expenditure category. The difference is also expressed as a percentage.

**Table 1: difference between final monitoring total and final TFO – capital (£000s)**

| Capital | March monitoring (restated) total | March TFO restated | difference | % |
|---|---|---|---|---|
| DARD | 22259 | 22010 | -249 | -1.12% |
| DCAL | 25178 | 24653 | -525 | -2.09% |
| DE | 108221 | 107785 | -436 | -0.40% |
| DEL | 16875 | 16503 | -372 | -2.20% |
| DETI | 29351 | 26615 | -2736 | -9.32% |
| DFP | 17077 | 16897 | -180 | -1.05% |
| DHSSPS | 320434 | 317631 | -2803 | -0.87% |
| DOE | 7558 | 7523 | -35 | -0.46% |
| DOJ | 79391 | 65029 | -14362 | -18.09% |
| DRD | 385070 | 379102 | -5968 | -1.55% |
| DSD | 130556 | 128790 | -1766 | -1.35% |
| OFMDFM | 5626 | 5618 | -8 | -0.14% |

The following observations may be made about Table 1:

- The final TFO for DE, DHSSPS, DOE and OFMDFM was less than one per cent different from the final monitoring total for the year;
- The final TFO for DARD, DFP, DRD and DSD was between one and two per cent different from the final monitoring total for the year;
- The final TFO for DCAL and DEL was between two and three per cent different from the final monitoring total for the year; and,
- The final TFO for DETI and DOJ was significantly different from the final monitoring total for the year – at over 9% and over 18% respectively.

**Table 2: difference between final monitoring total and final TFO – non-ringfenced resource (£000s)**

| Non-ringfenced resource | March monitoring (restated) total | March TFO restated | difference | % |
|---|---|---|---|---|
| DARD | 207873 | 207753 | -120 | -0.06% |
| DCAL | 111532 | 110530 | -1002 | -0.90% |
| DE | 1899792 | 1886587 | -13205 | -0.70% |
| DEL | 746868 | 745757 | -1111 | -0.15% |
| DETI | 183014 | 197391 | 14377 | 7.86% |
| DFP | 147980 | 146788 | -1192 | -0.81% |
| DHSSPS | 4400010 | 4392328 | -7682 | -0.17% |
| DOE | 127749 | 127143 | -606 | -0.47% |
| DOJ | 1195640 | 1187826 | -7814 | -0.65% |
| DRD | 405455 | 403913 | -1542 | -0.38% |
| DSD | 468178 | 462811 | -5367 | -1.15% |
| OFMDFM | 77032 | 76486 | -546 | -0.71% |

The following observations may be made about Table 2:

- The final TFO all departments except DETI and DSD was less than one per cent different from the final monitoring total for the year;
- The final TFO for DSD was less than two per cent different from the final monitoring total for the year; and,
- The final TFO for DETI was nearly 8% above the final monitoring total for the year, suggesting that a relatively significant overspend may have occurred.

**Table 3: difference between final monitoring total and final TFO – ringfenced resource (£000s)**

| Ringfenced resource | March monitoring (restated) total | March TFO restated | difference | % |
|---|---|---|---|---|
| DARD | 12416 | 12091 | -325 | -2.62% |
| DCAL | 5561 | 5525 | -36 | -0.65% |
| DE | 711 | 487 | -224 | -31.50% |
| DEL | 266360 | 264547 | -1813 | -0.68% |
| DETI | 2074 | 1952 | -122 | -5.88% |
| DFP | 33406 | 33086 | -320 | -0.96% |
| DHSSPS | 106564 | 98151 | -8413 | -7.89% |
| DOE | 3877 | 3794 | -83 | -2.14% |
| DOJ | 82797 | 59587 | -23210 | -28.03% |
| DRD | 83786 | 82652 | -1134 | -1.35% |
| DSD | 1673 | 1751 | 78 | 4.66% |
| OFMDFM | 720 | 714 | -6 | -0.83% |

The following observations may be made about Table 3:

- The final TFO for DCAL, DEL, DFP and OFMDFM was less than one per cent different from the final monitoring total for the year;
- The final TFO for DRD was less than two per cent different from the final monitoring total for the year;
- The final TFO for DARD and DOE was between two and three per cent different from the final monitoring total for the year;
- The final TFO for DSD was nearly five per cent above the final monitoring total for the year;
- The final TFO for DETI and DHSSPS was between more than five per cent different from the final monitoring total for the year; and,
- The final TFO for DE and DOJ was around thirty per cent different from the final monitoring total for the year.

CFP should note that ringfenced resource funding (which includes depreciation and impairments) **cannot be reallocated** by the Northern Ireland Executive during monitoring rounds, apart from technical reclassification exercises.[14]

**CFP may, however, wish to ask DFP to explain the implications of variance between forecast outturn and monitoring totals in the ringfenced resource expenditure category – especially in the light of the forthcoming Treasury benchmark publication (see section 1.1.).**

[14] DFP (2012) *In-year monitoring of public expenditure 2012-13 Guidelines* available online at: http://www.dfpni.gov.uk/publications-foi/publications-browse/publication-scheme-what-we-spend-how-we-spend-it/in-year-monitoring-of-public-expenditure-2012-2013.htm (accessed 14 June 2013) (see paragraph 5.39)

# 4. Forecasting Accuracy 2011-12 and 2012-13

DFP has now provided CFP with two full years' analysis of departmental forecasting accuracy. This section looks at the performance of the NICS as a whole, and of DFP in particular.

In a letter to CFP in September 2012, DFP advised that the forecasting analysis of the 2011-12 year may be used as a baseline:

> *An analysis of departmental performance during the 2011-12 financial year in terms of forecasting accuracy has been carried out. This was done to establish how the Northern Ireland departments performed relative to each other over the last year. This analysis may also serve as a baseline comparator against which to measure future performance. The analysis showed that there was significant variation between departments.*[15]

There are, however, some important considerations that apply to the RaISe analysis of the DFP data that follows, provided in Box 1.

**Box 1: limitations of forecasting performance analysis.**

- **It is not possible to draw conclusions from two years' data. If a department has shown improved forecasting accuracy in 2012-13 over the previous year, it cannot be assumed that this is indicative of a trend that might continue into the future. Equally, if a department has shown reduced accuracy in 2012-13 over the previous year it cannot be assumed that this indicative of a trend;**
- **There is an absence of comparative benchmarks. Data on the forecasting accuracy of the other devolved administrations or UK Government departments is not currently available. It is therefore impossible to assess whether NICS departments' forecasting accuracy is relatively good or poor;**[16]
- **As noted in RaISe paper 190/12 *Financial forecasting performance data: scrutiny by committees,*[17] the size and structure of expenditure by NICS departments varies widely; a variance of £10m will be significant relative to a small department's overall expenditure. But that same variance of £10m will be much less significant relative to a large department's overall expenditure.**

As RaISe's process of interpreting DFP's forecasting analyses continues into the future, the first bullet point will become a less significant consideration. Once a time series of data becomes available, it will be possible to examine trends and patterns over a number of years.

With these data limitations firmly in mind, the following section presents the forecasting accuracy analysis and makes some general observations.

[15] DFP letter to CFP, 6 September 2012 (ref: MISC72/11-15)
[16] DFP has advised that the Treasury intends to publish a league table on forecasting accuracy. This had been expected prior to the end of May but appears to have been delayed (see section 1.1 of the paper above).
[17] http://www.niassembly.gov.uk/Documents/RaISe/Publications/2012/finance_personnel/19012.pdf

Members are asked to note that the accuracy analysis is conducted on a monthly, not an annual basis. This means that the accuracy assessment shown in this section is not necessarily reflective of how close each department's final TFO is to the final monitoring total for the year. The analysis measures in aggregate how accurately departments' monthly expenditure profile has been forecast.

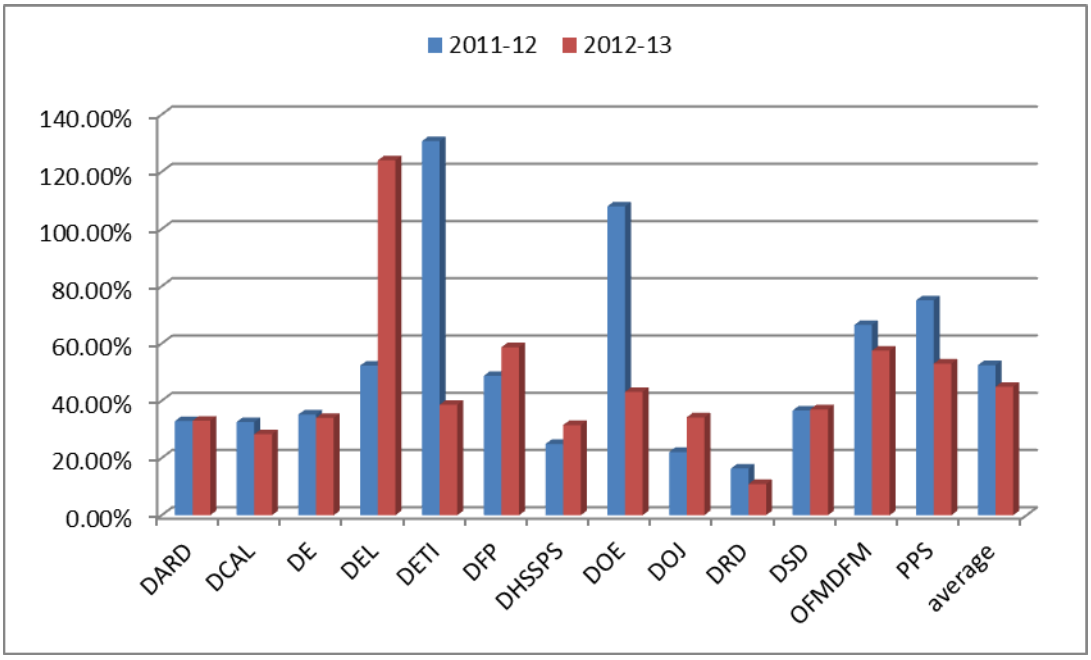
In other words, forecasting errors seem to relate more to timing and sequencing than to overall over- or underspend at year end. For example, it is possible for a department to perform poorly in terms of its monthly forecasting but still submit a final TFO for the year which is close to its monitoring total. For example, DEL's final TFO for capital was only 2.2% off its final monitoring total. But DEL's average absolute forecasting error for the 2012-13 year for capital was over 120% - see section 4.1.

**This apparent anomaly suggests a weakness in the forecasting accuracy analysis which DFP conducts. CFP may, therefore, wish to ask DFP for its assessment of the analytical processes. For example, do the analyses serve other purposes in addition to supporting Assembly scrutiny?**

## 4.1. Forecasting accuracy analysis: capital

Figure 7 shows DFP's analysis of forecasting accuracy for both 2011-12 and 2012-13 for capital. Data tables are at Appendix B.

**Figure 7: forecasting accuracy 2011-12 and 2012-13 - capital**



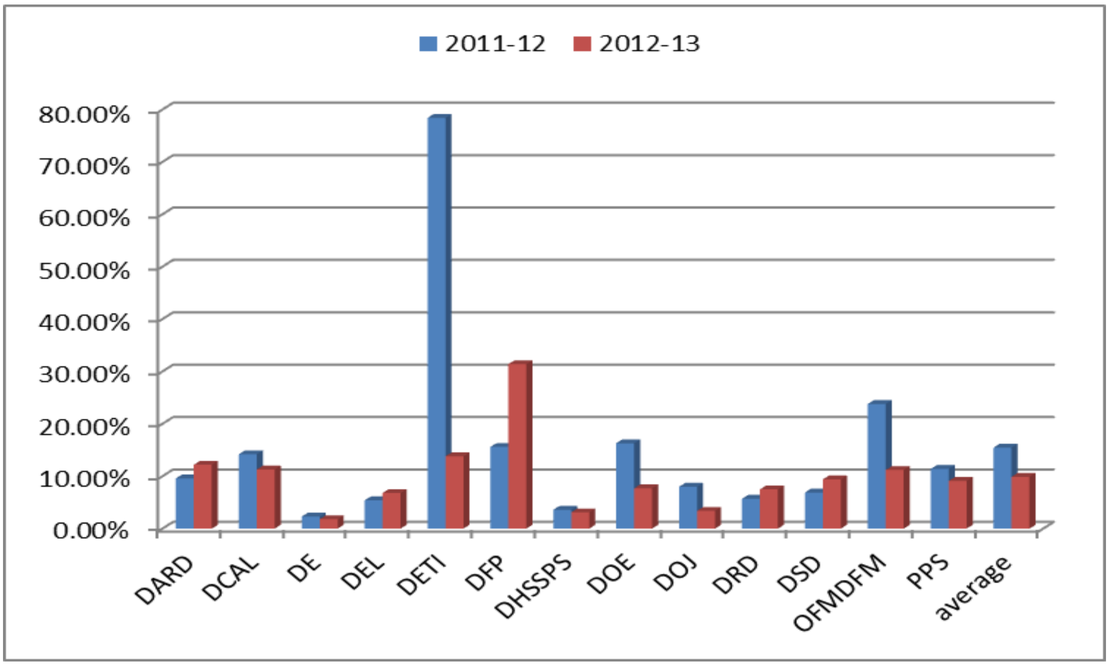

The following observations may be made about the chart:

- On average, there was a lesser degree of forecasting error in 2012-13 than in the previous year;
- DCAL, DE, DETI, DOE, DRD and OFMDFM showed less forecasting error (i.e. their forecasting was more accurate) in 2012-13 than in the previous year;
- DARD and DSD showed tiny increases (less than half a percentage point) in forecasting error in 2012-13 on the previous year;
- DFP, DHSSPS and DOJ showed relatively significant increases in forecasting error on the previous year – at 10, 6.6 and 12.1 percentage points less accurate respectively; and,
- DEL showed a very significant increase in forecasting error – from 52.30% in 2011-12 to 124.00% in 2012-13. At the same time, DEL's final capital TFO for 2012-13 was only 2.2% different from its final monitoring total for the year.

## 4.2. Forecasting accuracy analysis: non-ringfenced resource

Figure 8 shows DFP's analysis of forecasting accuracy for both 2011-12 and 2012-13 for non-ringfenced resource. Data tables are at Appendix B.

**Figure 8: forecasting accuracy 2011-12 and 2012-13 – non-ringfenced resource**




The following observations may be made about the chart:

- On average, there was a lesser degree of forecasting error in 2012-13 than in the previous year;
- DCAL, DE, DETI, DHSSPS, DOE, DOJ, and OFMDFM showed less forecasting error (i.e. their forecasting was more accurate) in 2012-13 than in the previous year;
- DARD, DEL, DRD and DSD showed marginally more forecasting error (i.e. their forecasting was less accurate) in 2012-13 than in the previous year; and,
- DFP showed significantly more forecasting error (an increase from 15.6% error to 31.4% error) in 2012-13 than in the previous year.

## 4.3. Forecasting accuracy analysis: ringfenced resource

Figure 9 shows DFP's analysis of forecasting accuracy for both 2011-12 and 2012-13 for non-ringfenced resource. Data tables are at Appendix B.

**Figure 9: forecasting accuracy 2011-12 and 2012-13 – ringfenced resource**

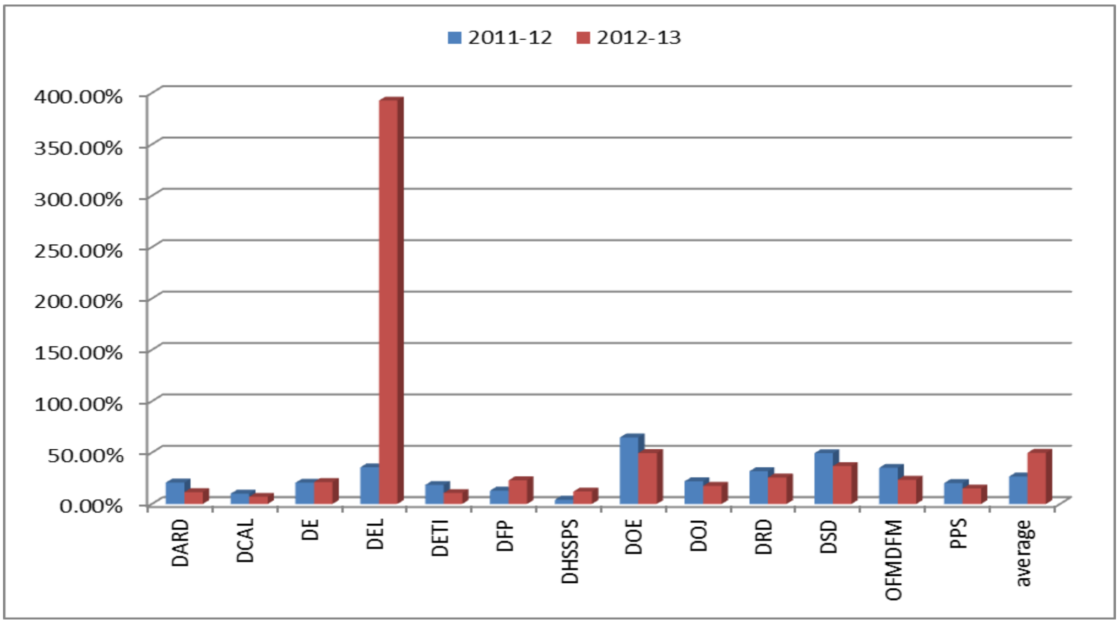
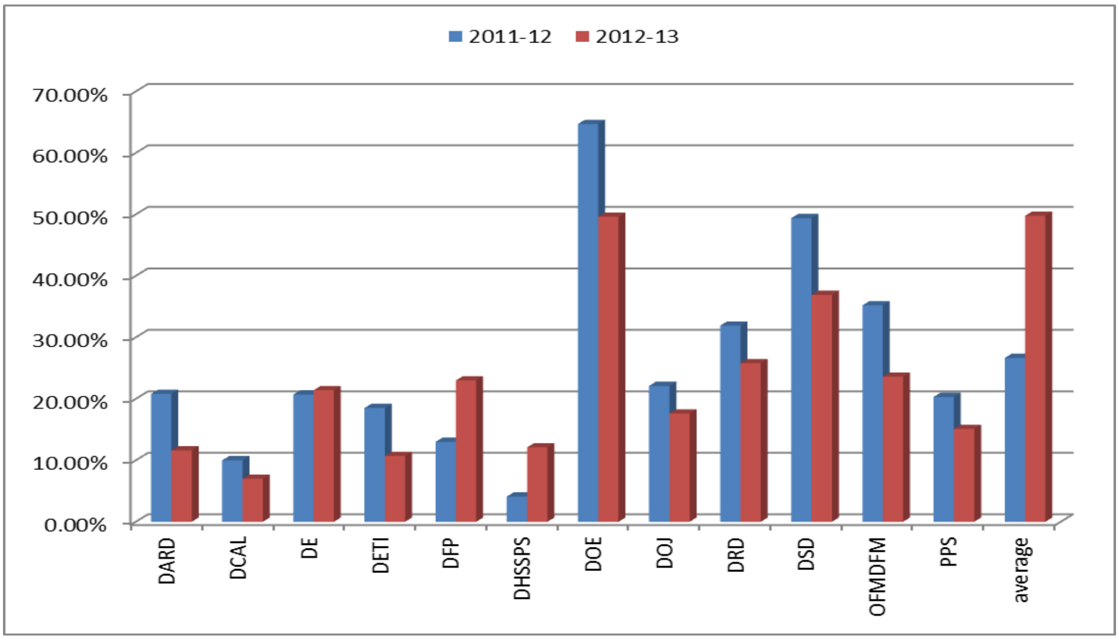



**Figure 10: forecasting accuracy 2011-12 and 2012-13 – ringfenced resource excluding DEL**



The following observations may be made about Figures 9 and 10:

- On average, there was a greater degree of forecasting error in 2012-13 than in the previous year but this is mainly caused by a high-value variation in DEL's forecast expenditure. DFP has previous explained that this was due to impairment of student loans[18] (an accountancy issue); and,
- Once this exceptionally large variance is excluded (see Figure 10), it is easier to see that all departments - except DE, DFP and DHSSPS - showed less forecasting error (i.e. their forecasting was more accurate) in 2012-13 than in the previous year.

[18] DFP 'Forecast Outturns (November position)' submission to the Committee for Finance and Personnel and RaISe, 10 January 2012

# 5. Points for further scrutiny and/or clarification

This section draws together higher level scrutiny issues for CFP that arise from the detailed analysis of data in relation to DFP and from the department-by-department analysis provided in Appendix A.

## 5.1. Changes to monitoring totals

Section 3.1. of the paper highlighted that the NICS monitoring totals (and consequently those for individual departments) were adjusted in March. As noted this is outside the usual monitoring round cycle, and therefore represents an alteration in common practice.

**CFP may wish to seek briefing to explain the reasons for, and impacts of, alterations to monitoring totals for the final month of the financial year. In particular, CFP may wish to know if the late adjustment is likely to impact on Northern Ireland's performance in the Treasury's forthcoming publication on Improving Spending Control Indicators.**

## 5.2. Effectiveness of the in-year monitoring system

From studying the figures presented in Appendix A, it is apparent that there is some evidence that the monitoring in-year monitoring reallocations could have been more effective. For example, DCAL, DE, DEL, DHSSPS, DOE and DOJ all received additional non-ringfenced resource which they subsequently did not spend. DETI, on the other hand, appears to have breached its monitoring control total in this category (see Appendix A5).

**CFP may wish to ask DFP if there are measures it could take to further improve the effectiveness (or, 'allocative efficiency') of the in-year monitoring process. Again, CFP is asked to note the absence of comparable benchmarks which might have a bearing on the necessity for this point. In other words, if the Treasury's forthcoming benchmark publication shows that Northern Ireland is performing well against its chosen indicators, it may be arguable that there is not a pressing need to alter the current system.**

## 5.3. Forecasting accuracy

Although it is not possible to draw conclusions about trends in forecasting accuracy from the two years of data available, CFP may wish to recognise that the average forecasting error for both the capital and non-ringfenced resource expenditure categories was lower in 2012-13 than in 2011-12. Conversely, the average forecasting error for ringfenced resource expenditure increased – primarily as a result of a high-value alteration to DEL's alteration.

It was noted earlier in the paper that the Treasury is due to publish a benchmarking document which should enable an assessment of Northern Ireland departments' forecasting relative to UK departments and the other devolved administrations. At this stage, it is still not possible to assess whether an average error of just over 40% in capital, for example, is a relatively strong or a relatively weak performance.

**CFP may wish to ask DFP to provide an assessment of what constitutes an acceptable level of forecasting error in each of the expenditure categories. This would allow the Committee to assess whether some form of remedial action at a Northern Ireland level may be required.**

## 5.4. Variance between final monitoring total and final TFO

Section 3.4. showed the level of variance between the final monitoring total for the year and the final TFO for each expenditure category. The majority of departments' final TFO in the capital and non-ringfenced resource expenditure categories show less than 2% difference from the final monitoring total (19 out of 24). At face value, this seems to represent a good forecasting performance by departments: any apparent underspend is therefore low in relative terms. But the same problem remains regarding an absence of comparable benchmarks.

It is also notable that there was more variance in relation to ringfenced resource expenditure – with only 5 of the 12 departments' final TFO falling beneath a 2% threshold for variance.

**CFP may wish to ask DFP for an assessment of what constitutes an acceptable level of variance between the final monitoring total for the year and the final TFO in each of the expenditure categories.**

# Appendix A: Total Forecast Outturn 2012-13, by department

In this Appendix, RaISe has produced charts for each Northern Ireland department showing how TFO for each expenditure category has developed over the course of the 2012-13 year. These are provided for the purpose of making information available to the wider Assembly. Where potential points for scrutiny by committees have been identified by RaISe, these are highlighted in the relevant section of the Appendix.

**Please note: for analysis of DFP's total forecast outturns for 2012-13, please refer to section 2 of the paper.**

**For analysis of all departments' forecasting accuracy, please refer to section 4 of the paper.**

### How statutory committees might use this information

Observations and issues for clarification have been drawn to the attention of CFP in section 5 of the paper.

Other statutory committees may use the figures below in the following ways:

- If the TFO for a particular spending category has reduced, committees may wish to seek briefing in relation to the reasons for decreases, including any potential impacts on service delivery or Programme for Government commitments. Committees may also wish to know if particular projects have been cancelled or postponed until later years;
- If the TFO for a particular spending category has increased, committees may wish to seek briefing in relation to the reasons for the increases, including whether they were, in retrospect, reasonably foreseeable at the start of the year. In particular, were increases expenditure due to planned additional services being delivered, to cost overruns, or is there some other explanation; and/or,
- Committees may wish to pay attention to the observations provided by RaISe. These highlight issues such as the potential for earlier surrender of resources during the year to help alleviate pressures on other departments, and where it appears a department may have over or underspent.

**Please note: there is a time lag between a department submitting its forecast to DFP and the subsequent monitoring round when the monitoring total is adjusted. In practical terms, this means the charts provided in this briefing may in some instances show a delay between a department's reduced forecast and the subsequent formal recording of a monitoring total adjustment following Executive approval.**

# A1. DARD

**Figure A1.1: DARD capital TFO 2012-13**

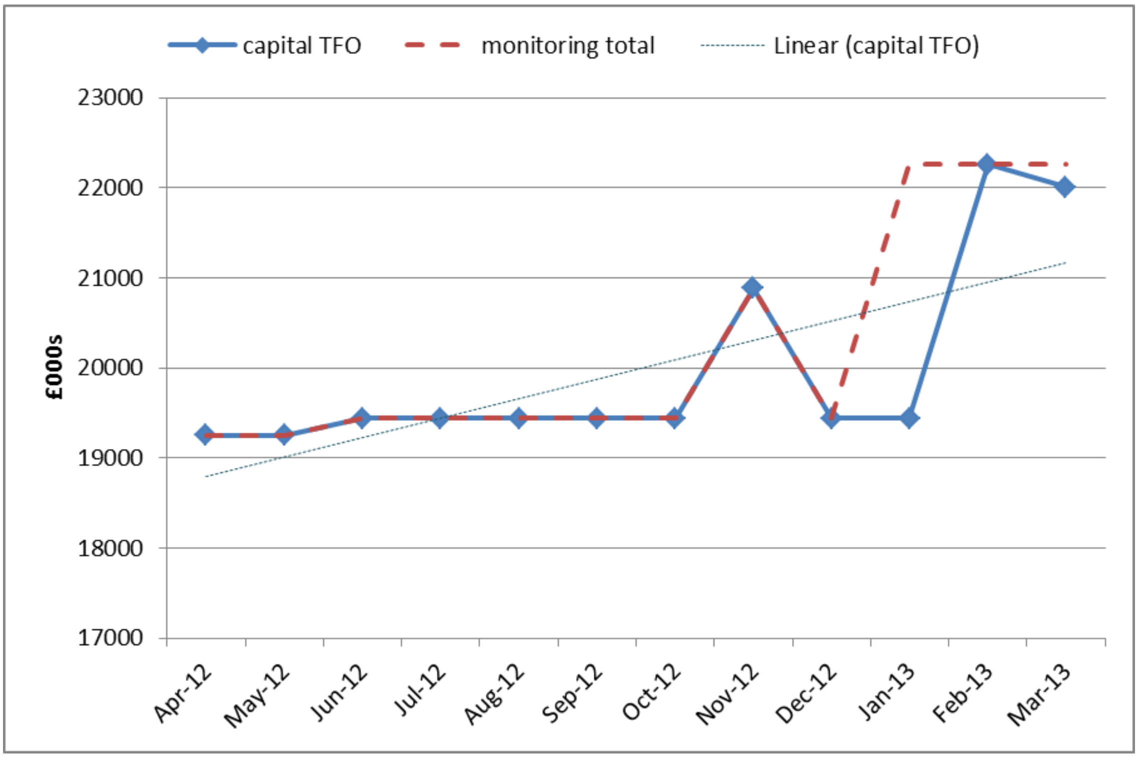



**Figure A1.2: DARD non-ringfenced resource TFO 2012-13**

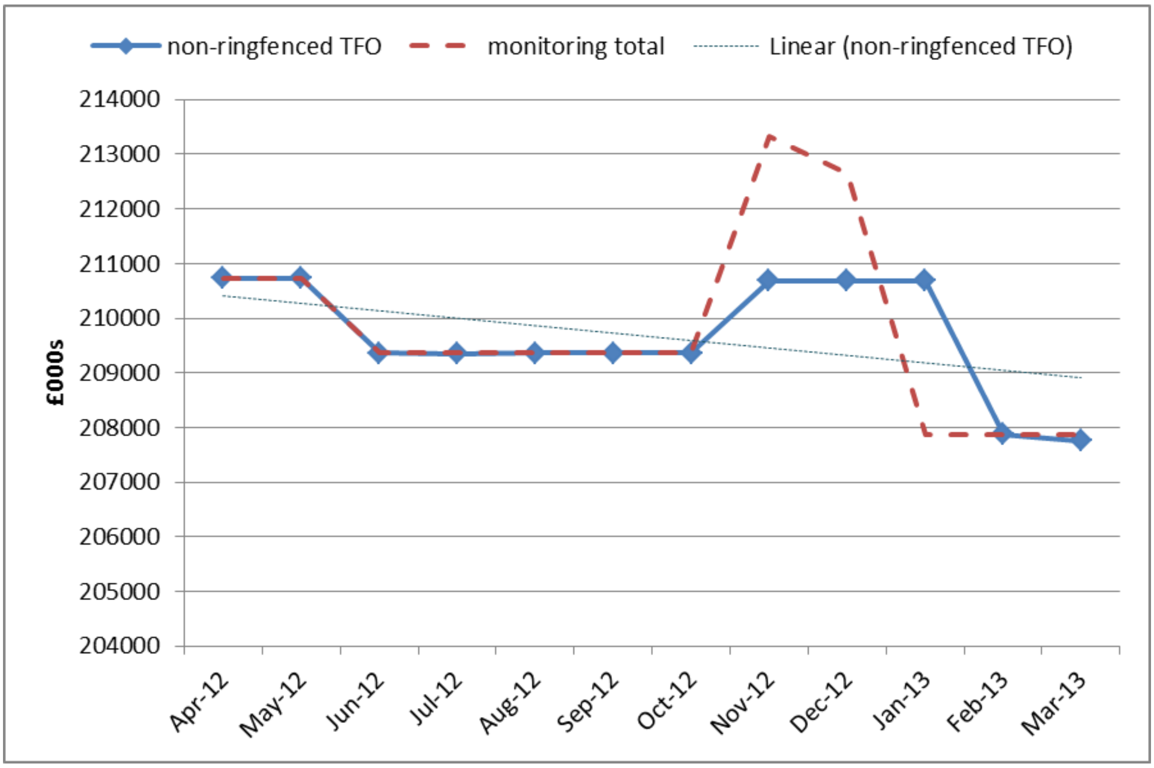
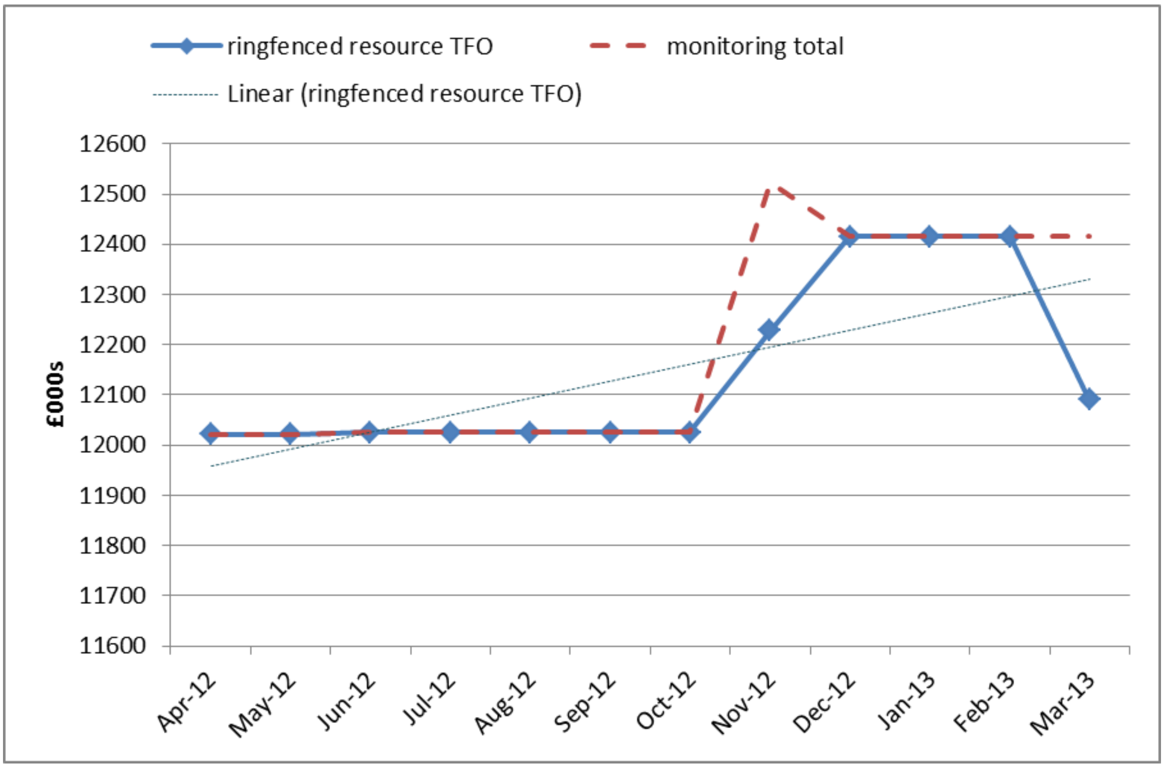


**Figure A1.3: DARD ringfenced resource TFO 2012-13**




### Potential points for scrutiny

- Figure A1.1 shows that the capital TFO provided by DARD in May 2013 was £249,000 below the final monitoring position for the year, suggesting a small underspend (1.12%) might have occurred; and,
- Figure A1.2 shows that at October monitoring DARD's non-ringfenced resource monitoring total was increased by £3.97m to £213,338,000. The final TFO provided by DARD in May 2013 was £207,873,000 – the same as the monitoring figure established by January monitoring. This suggests that DARD did not require the additional resources allocated to it in October monitoring; these might have been better used by another department. More accurate forecasting, therefore, might have released a small amount of scarce resources to meet another expenditure need.

# A2. DCAL

**Figure A2.1: DCAL capital TFO 2012-13**

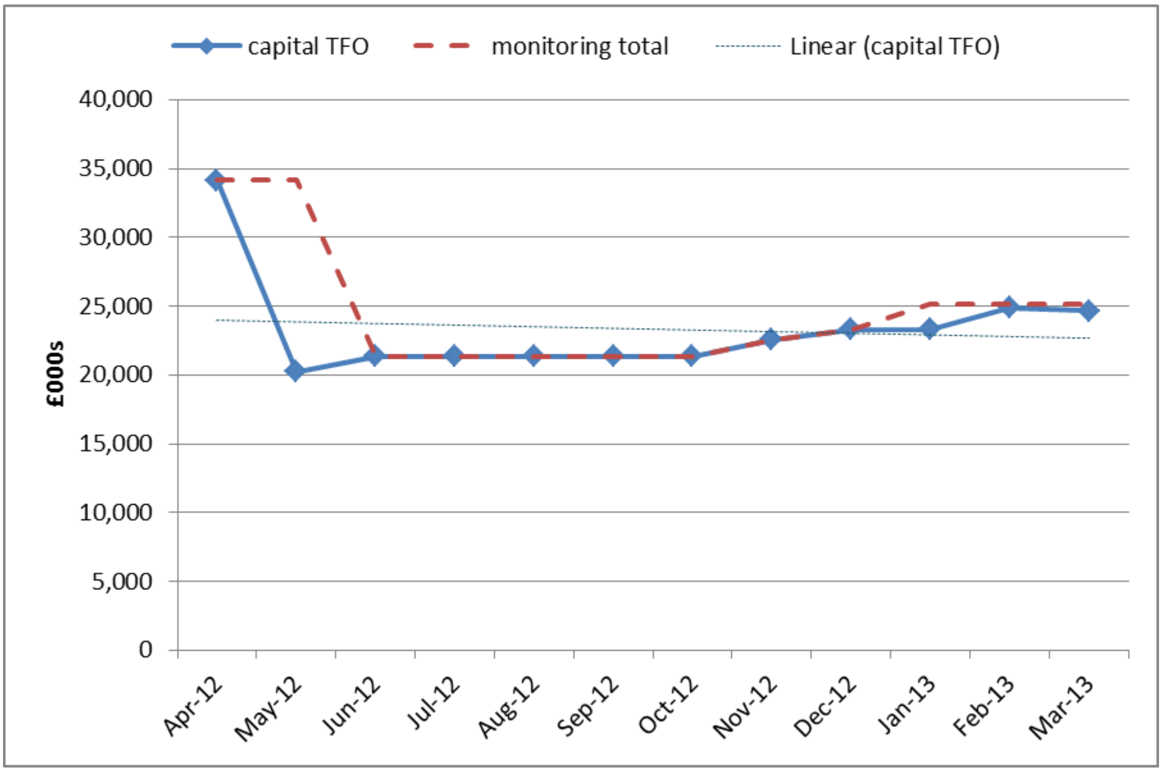



**Figure A2.2: DCAL non-ringfenced resource TFO 2012-13**

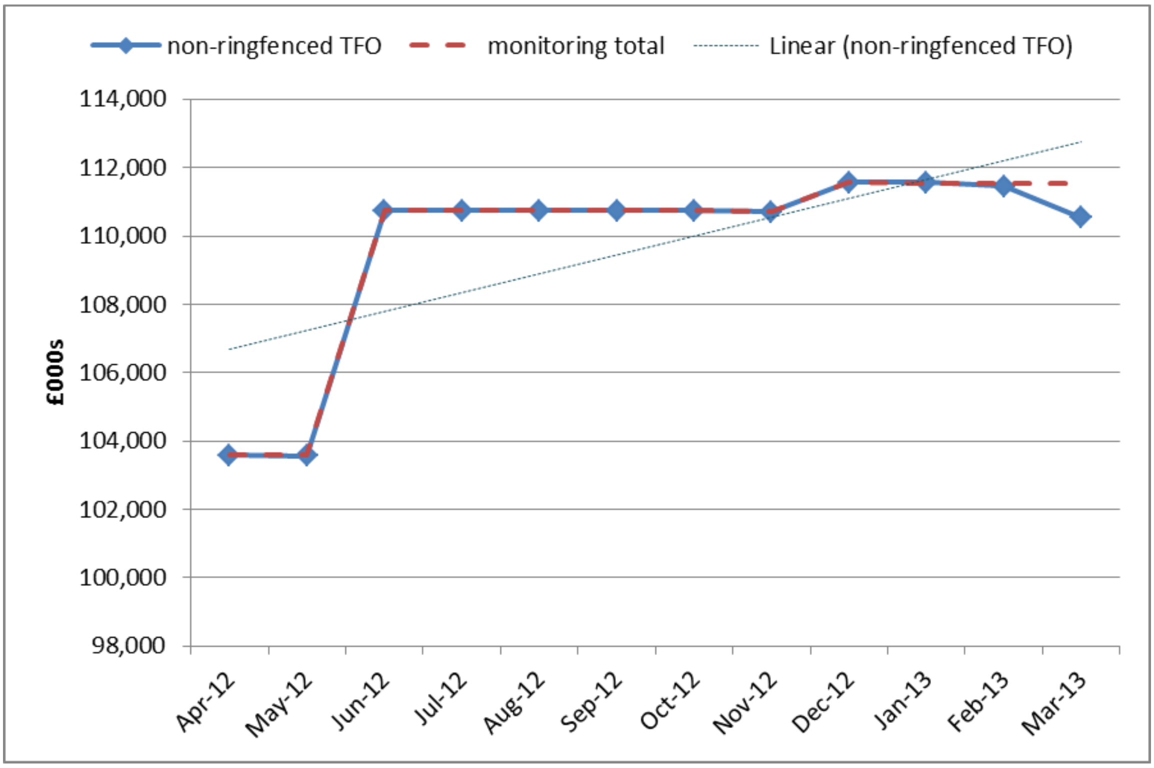
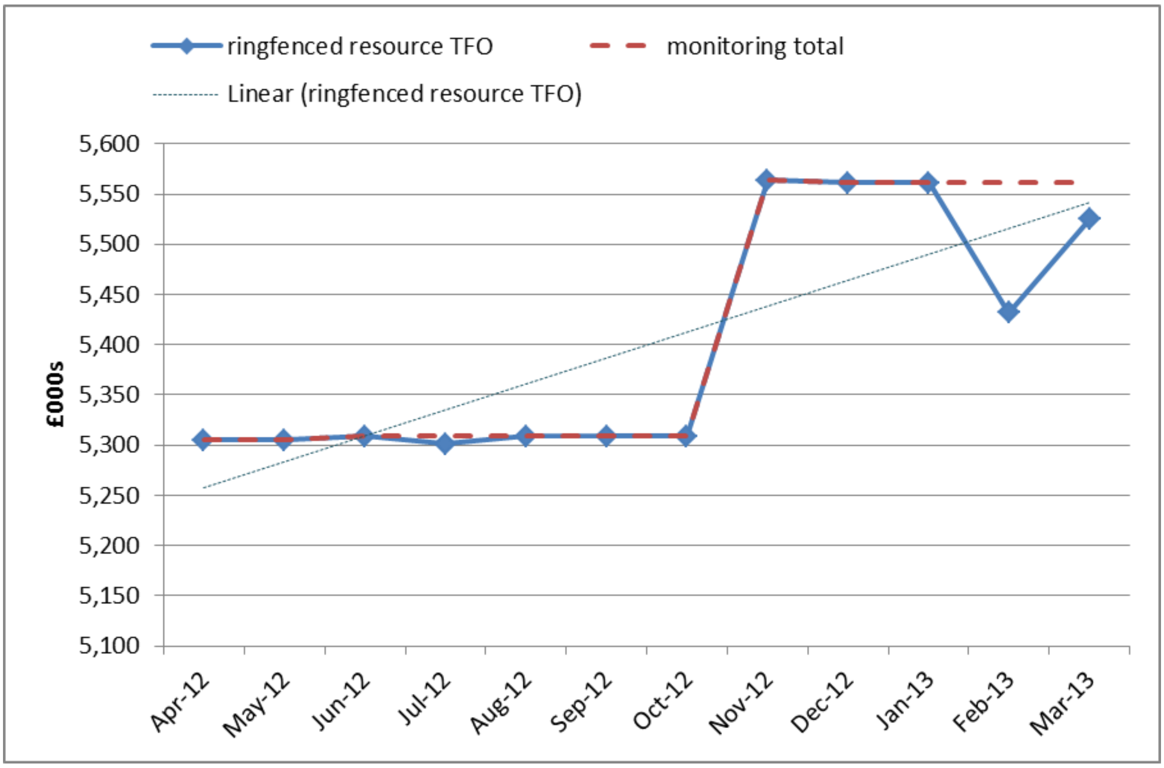


**Figure A2.3: DCAL ringfenced resource TFO 2012-13**




## Potential points for scrutiny

- Figure A2.1 shows that the capital TFO provided by DCAL in May 2013 was £525,000 below the final monitoring position for the year, suggesting a small underspend might have occurred (2.09%); and,
- Figure A2.2 shows that at October monitoring DCAL's non-ringfenced resource monitoring total was increased by £853,000 to £111,562,000. The final TFO provided by DCAL in May 2013 was £110,530,000 – below the increased monitoring figure established by January monitoring. This suggests that DCAL did not require the additional resources allocated to it in January monitoring; these might have been better used by another department. More accurate forecasting, therefore, might have released a small amount of scarce resources to meet another expenditure need.

# A3. DE

**Figure A3.1: DE capital TFO 2012-13**

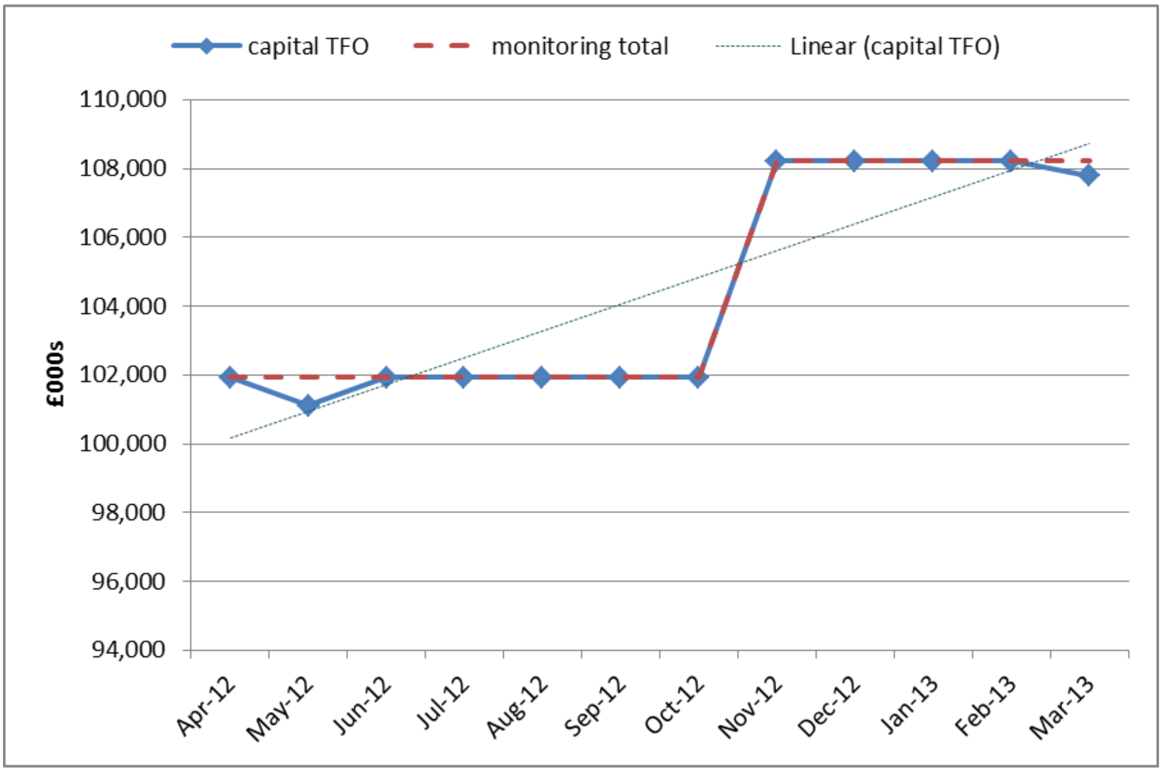



**Figure A3.2: DE non-ringfenced resource TFO 2012-13**

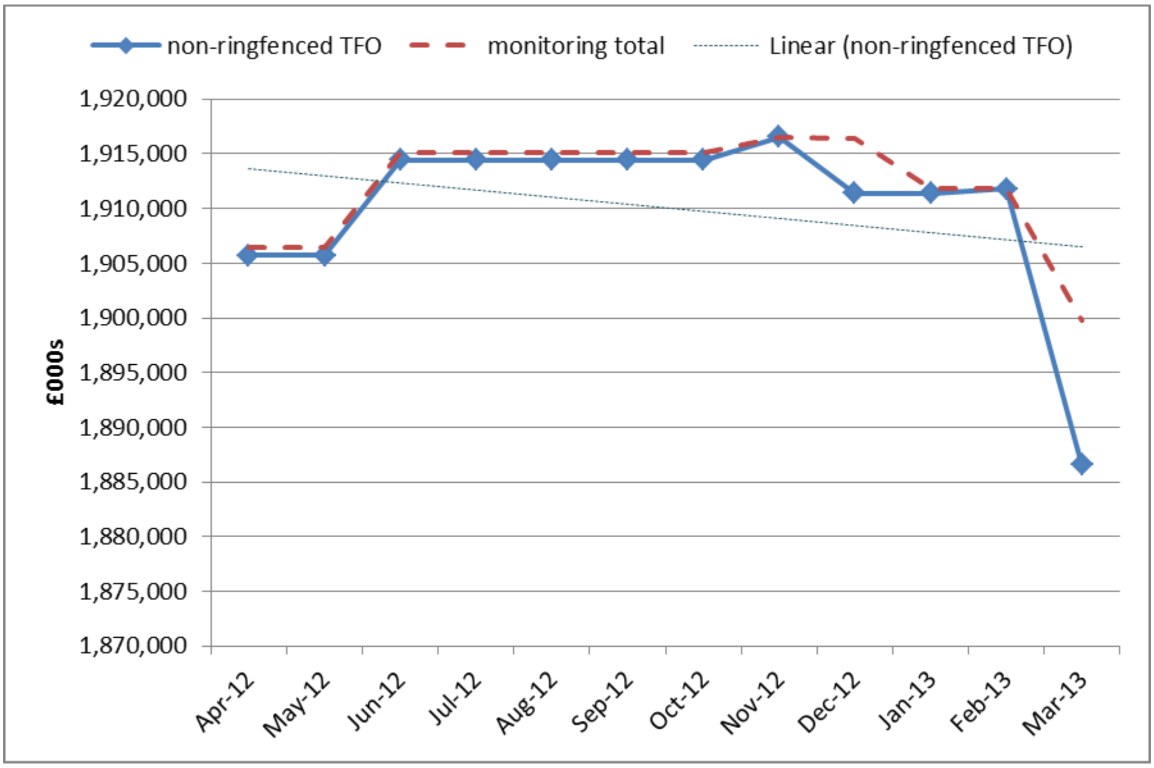
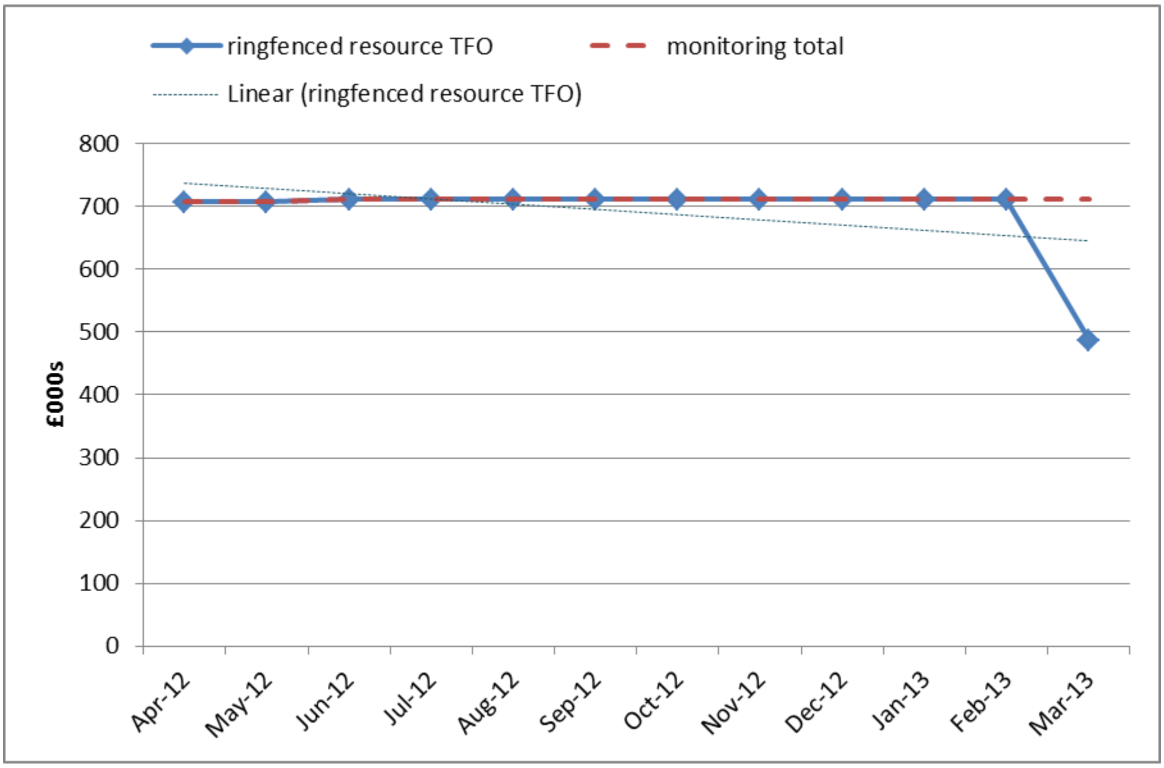


**Figure A3.3: DE ringfenced resource TFO 2012-13**




## Potential points for scrutiny

- Figure A3.2 shows that at June monitoring DE's non-ringfenced resource monitoring total was increased by £8,771,000 to £1,915,166,000. At October monitoring it was increased by a further £1,384,000 to £1,916,550,000. The final TFO provided by DE in May 2013 was £1,886,587,000 – below the opening monitoring figure for the year. This suggests that DE did not require the additional resources allocated to it in June and October monitoring; these might have been better used by another department. Indeed, it appears that DE could have surrendered resources for reallocation during one of the monitoring rounds. More accurate forecasting, therefore, might have released scarce resources to meet another expenditure need;
- The final non-ringfenced resource TFO provided by DE in May 2013 was £1,886,587,000. This is £13,205,000 below its final monitoring total. Although small in percentage terms (0.70%) in relation to DE's overall budget, this is nevertheless a significant sum which other departments may have been better able to utilise; and,
- Figure A3.3 shows that DE's ringfenced resource TFO remained consistent for 11 months at over £700,000, before falling dramatically to £487,000 in the final TFO provided by DE in May 2013.

# A4. DEL

**Figure A4.1: DEL capital TFO 2012-13**

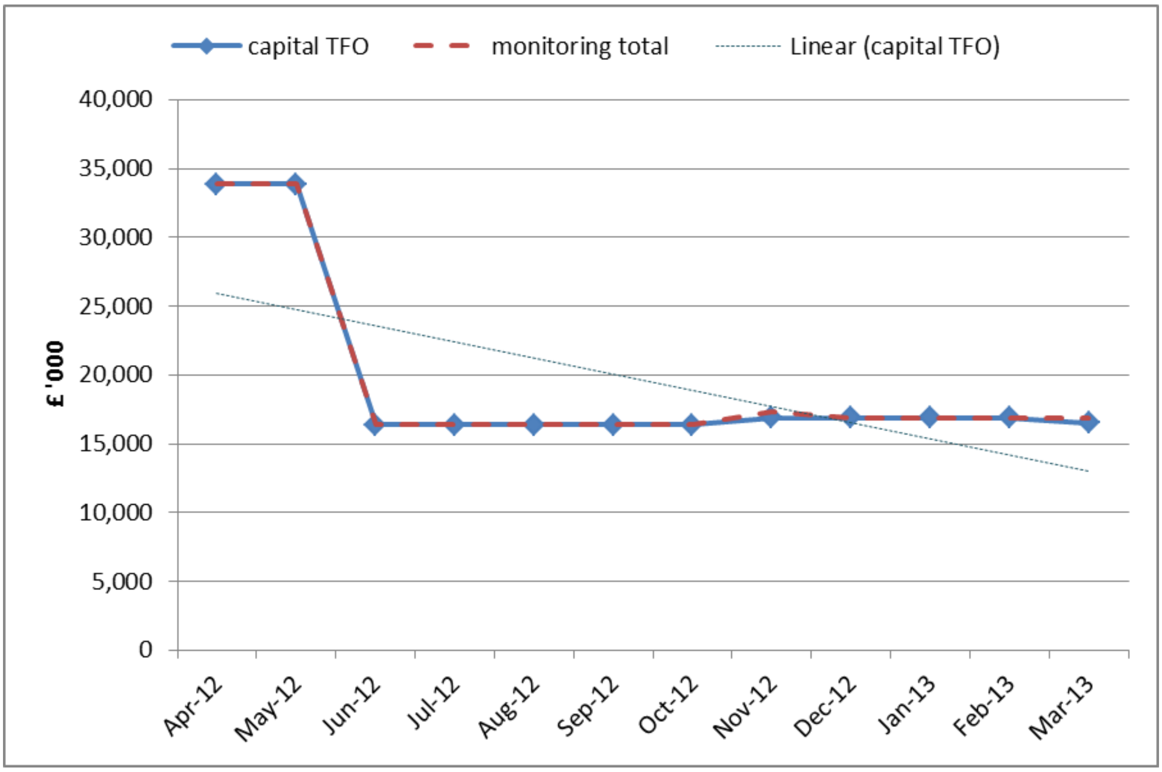



**Figure A4.2: DEL non-ringfenced resource TFO 2012-13**

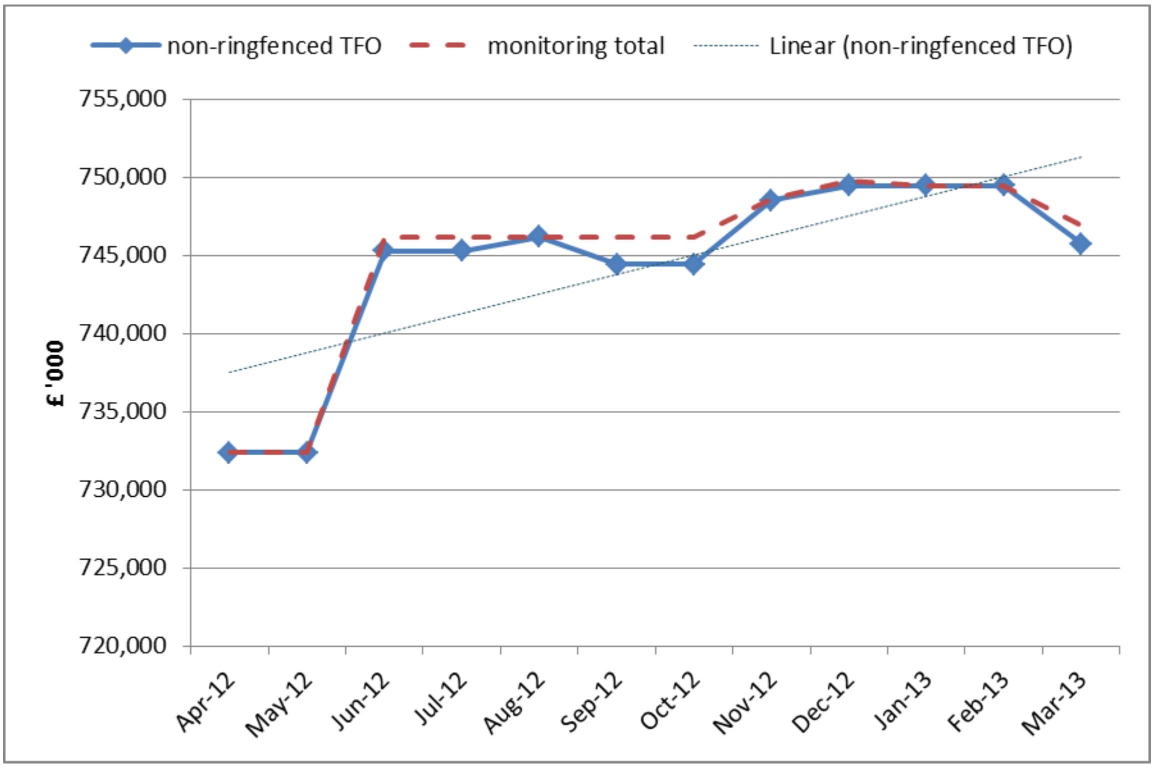
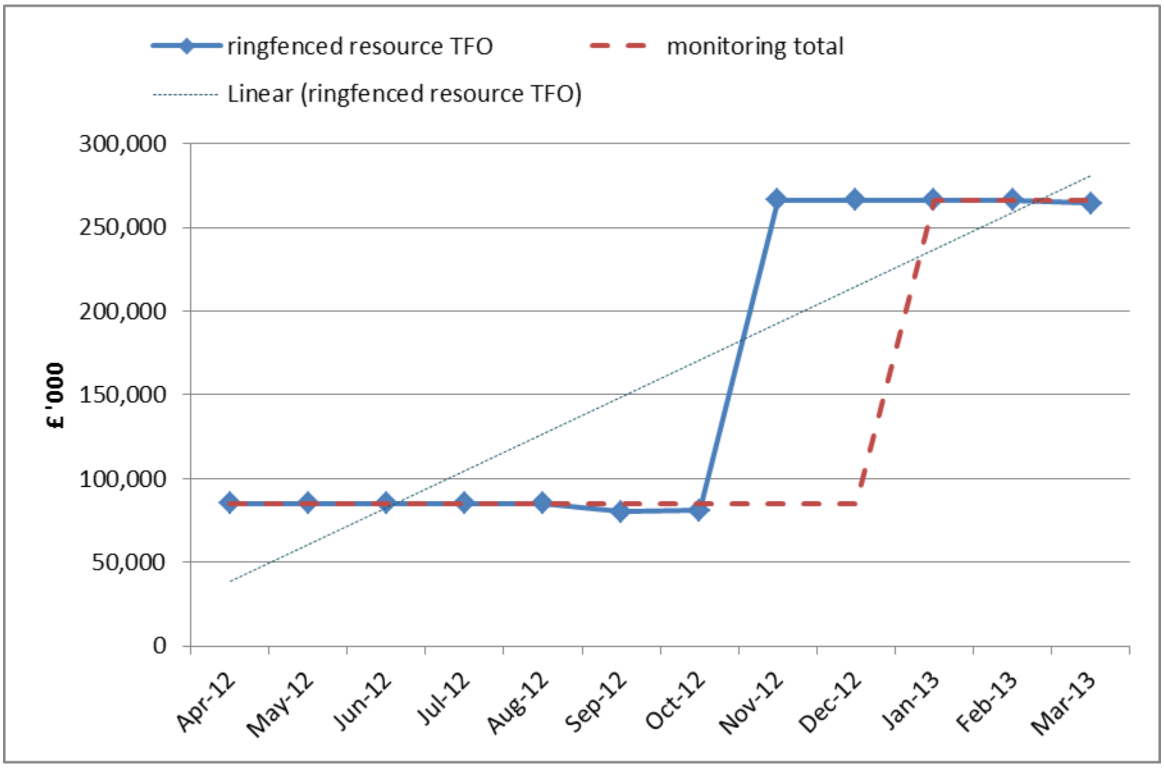


**Figure A4.3: DEL ringfenced resource TFO 2012-13**




## Potential points for scrutiny

- Figure A4.1 shows that DEL's TFO for capital expenditure has remained significantly unchanged since a decrease of around £17m (over 50%) in June. The predicted TFO has remained within the monitoring total throughout the year. If the Committee for Employment and Learning has not yet received briefing they may be interested in confirming why there was a decrease in expected capital expenditure during the year, and whether these projects are likely to be revisited in future;
- Figure A4.2 shows that the Department's non-ringfenced TFO decreased from around £749m in February to around £746m in March – a decrease of approximately £3m: this adjustment is outside the normal cycle of monitoring rounds. As discussed in the body of the Research Paper (see section 5.1) this has also occurred in other departments' monitoring totals, and the Committee for Employment and Learning may wish to seek relevant briefing from DEL; and,
- The TFO for ringfenced resource expenditure increased from £85m to £266m between October and November. This increase was covered by an increase in the monitoring total, and the final TFO was within the monitoring total limit. As noted in previous RaISe briefing on forecasting, the reason for this increase was that "overspend by DEL is in advance of receiving Student Loan impairment reserve claim from HM Treasury". If the Committee is unaware of the reasons for this increase, further clarification should be sought from the Department.

# A5. DETI

**Figure A5.1: DETI capital TFO 2012-13**

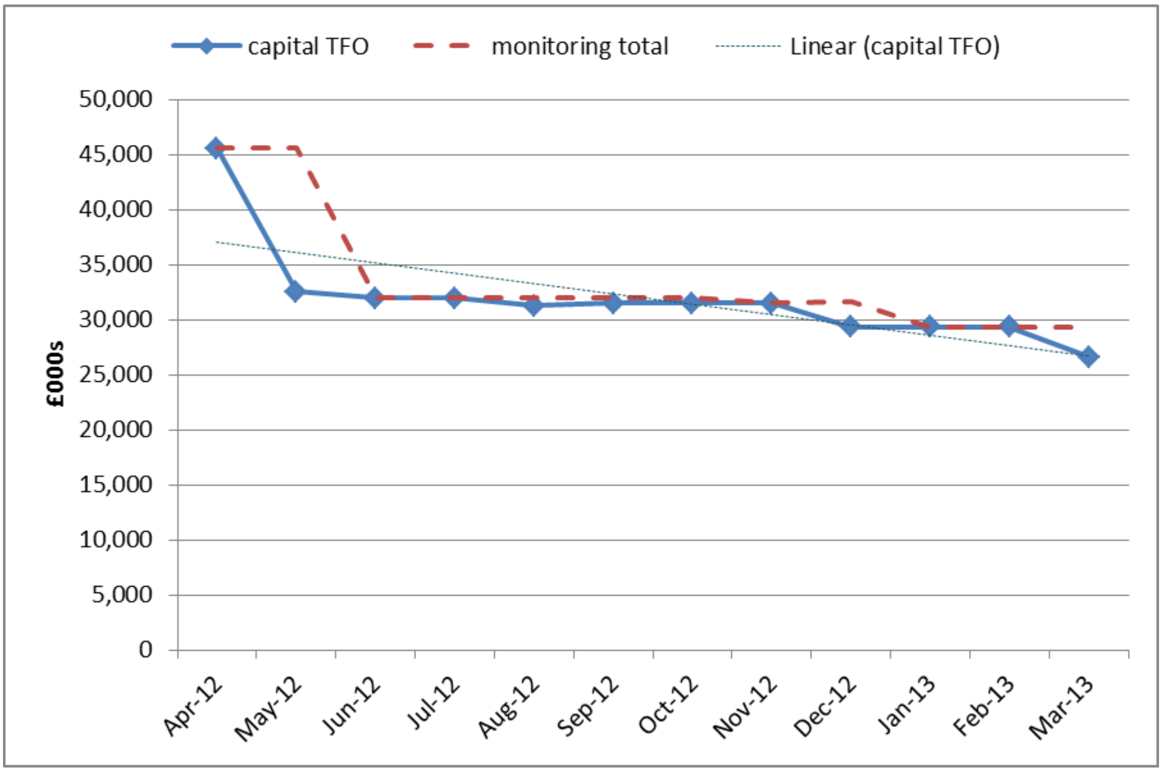



**Figure A5.2: DETI non-ringfenced resource TFO 2012-13**

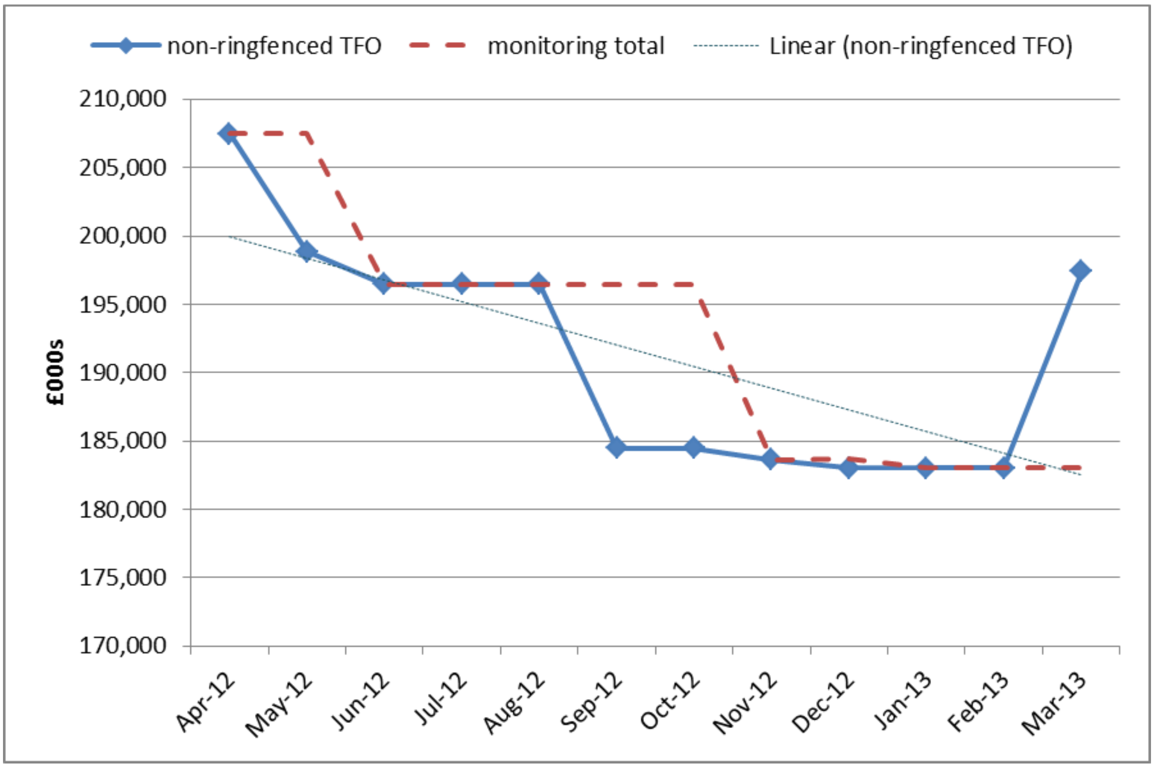
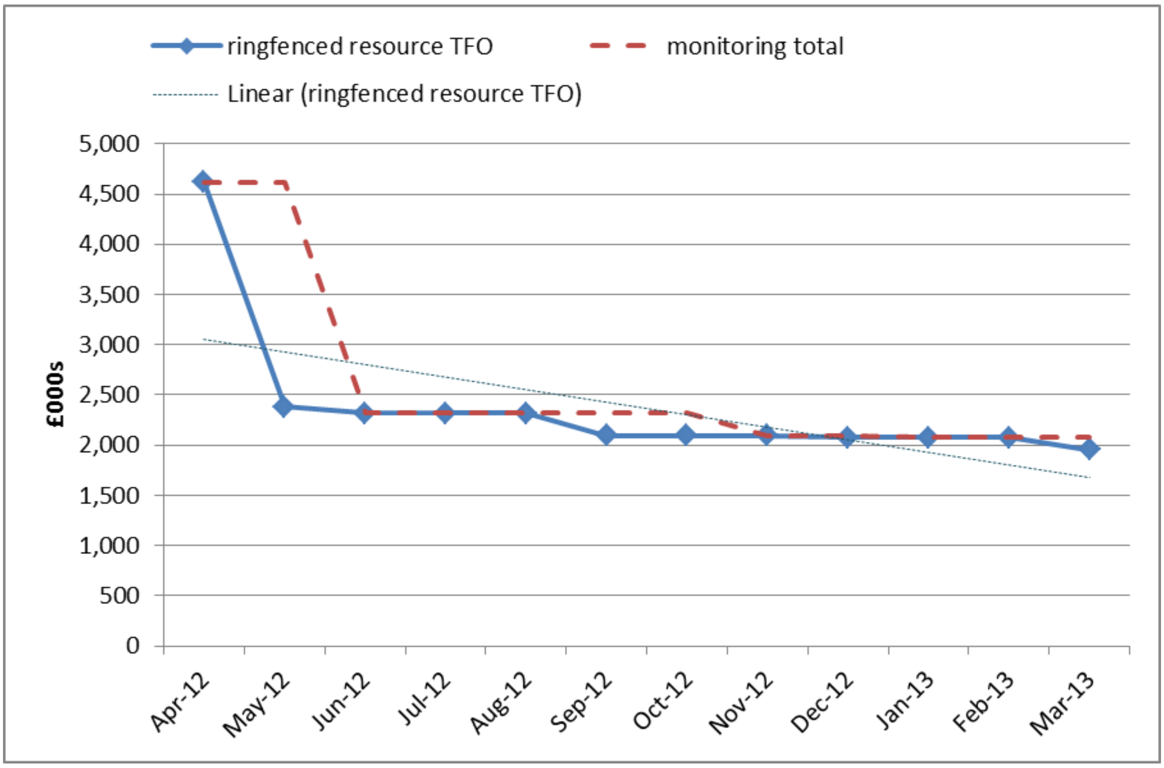


**Figure A5.3: DETI ringfenced resource TFO 2012-13**




## Potential points for scrutiny

- Figure A5.1 shows that the capital TFO provided by DETI in May 2013 was £2,736,000 below the final monitoring position for the year, suggesting a relatively significant underspend (9.32%) might have occurred; and,
- Figure A5.2 shows that the non-ringfenced resource TFO provided by DETI in May 2013 forecast was £14,377,000 above the final monitoring position for the year, suggesting a relatively significant (7.86%) overspend might have occurred. This figure is close to the reduction in DETI's monitoring total prior to October monitoring. This implies that resources were surrendered that - with hindsight - were required by the department. More accurate forecasting might have prevented this apparent difficulty.

# A6. DHSSPS

**Figure A6.1: DHSSPS capital TFO 2012-13**

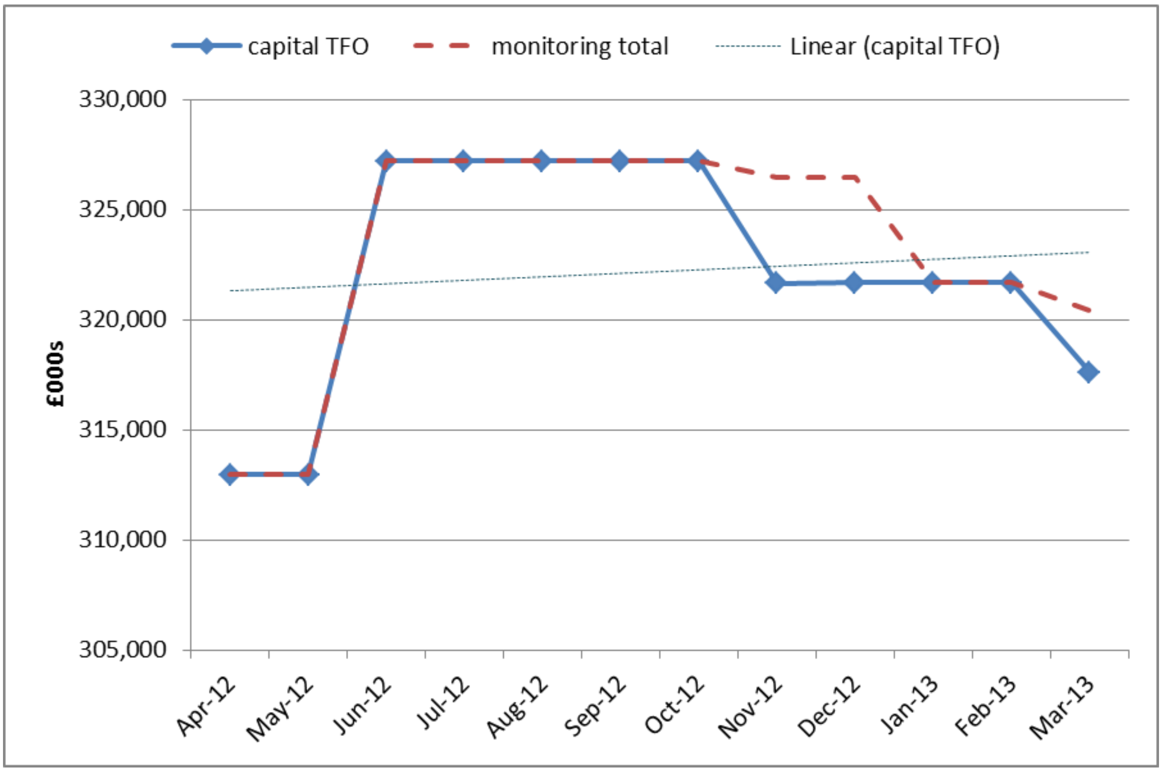



**Figure A6.2: DHSSPS non-ringfenced resource TFO 2012-13**

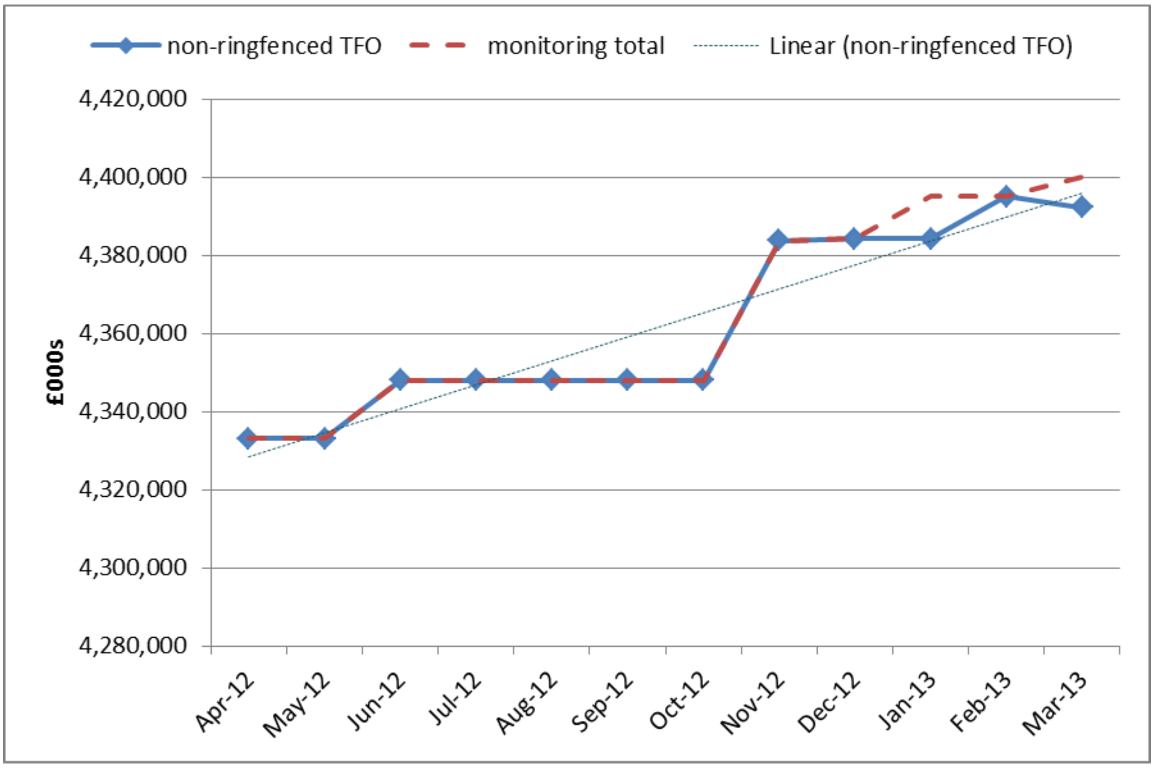
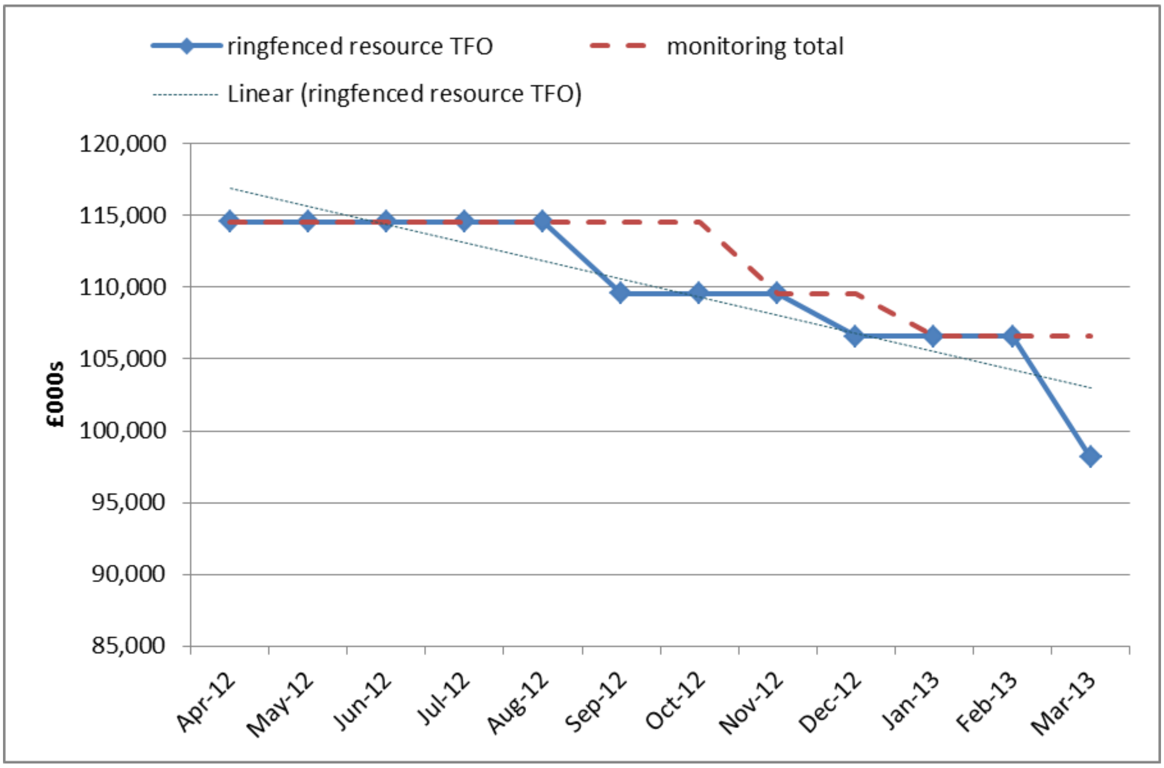


**Figure A6.3: DHSSPS ringfenced resource TFO 2012-13**




## Potential points for scrutiny

- Figure A6.1 shows that the capital TFO provided by DHSSPS in May 2013 was £2,803,000 below the final monitoring position for the year. This suggests a relatively insignificant underspend (0.87%) might have occurred. Nevertheless, it does appear that more robust forecasting might have allowed some capital resources to have been surrendered for use by other departments at monitoring rounds earlier in the year. It should be noted that the DHSSPS capital monitoring total *was* reduced in January 2013. It is therefore a question of whether it should have been reduced by a larger amount;
- Figure A6.2 shows that in March DHSSPS' non-ringfenced resource monitoring total was increased by £5m to £4,400,010,000. The final TFO provided by DHSSPS in May 2013 was £4,392,328,000. This is £7,682,000 below its final monitoring total. This suggests that the additional £5m could possibly have been better allocated to another department.
- The difference of £7,682,000 (0.17%) between the final non-ringfenced resource TFO provided by DHSSPS and its monitoring control total – whilst a considerable sum of resources – is immaterial relative to DHSSPS overall allocation; and,
- Figure A6.3 shows that the final TFO for ringfenced resource was 7.89% below its final monitoring total for the year. This suggests that there may be scope for improved forecasting in this expenditure category.

# A7. DOE

**Figure A7.1: DOE capital TFO 2012-13**

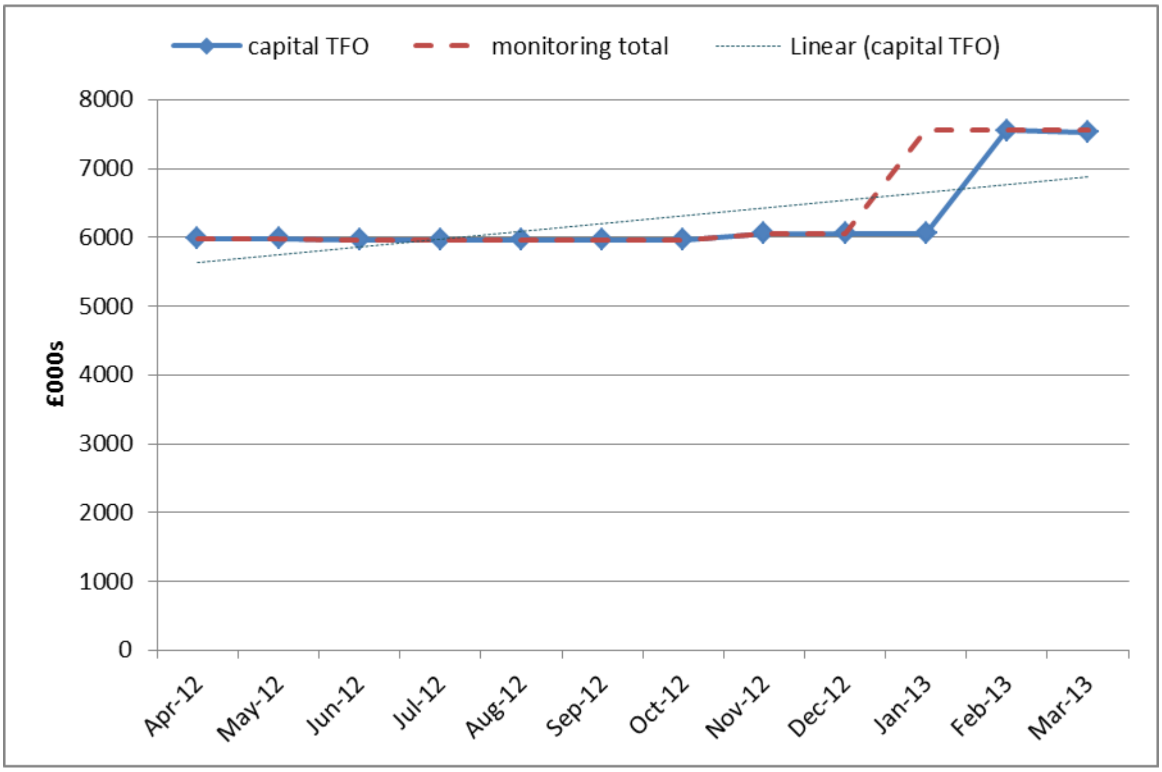



**Figure A7.2: DOE non-ringfenced resource TFO 2012-13**

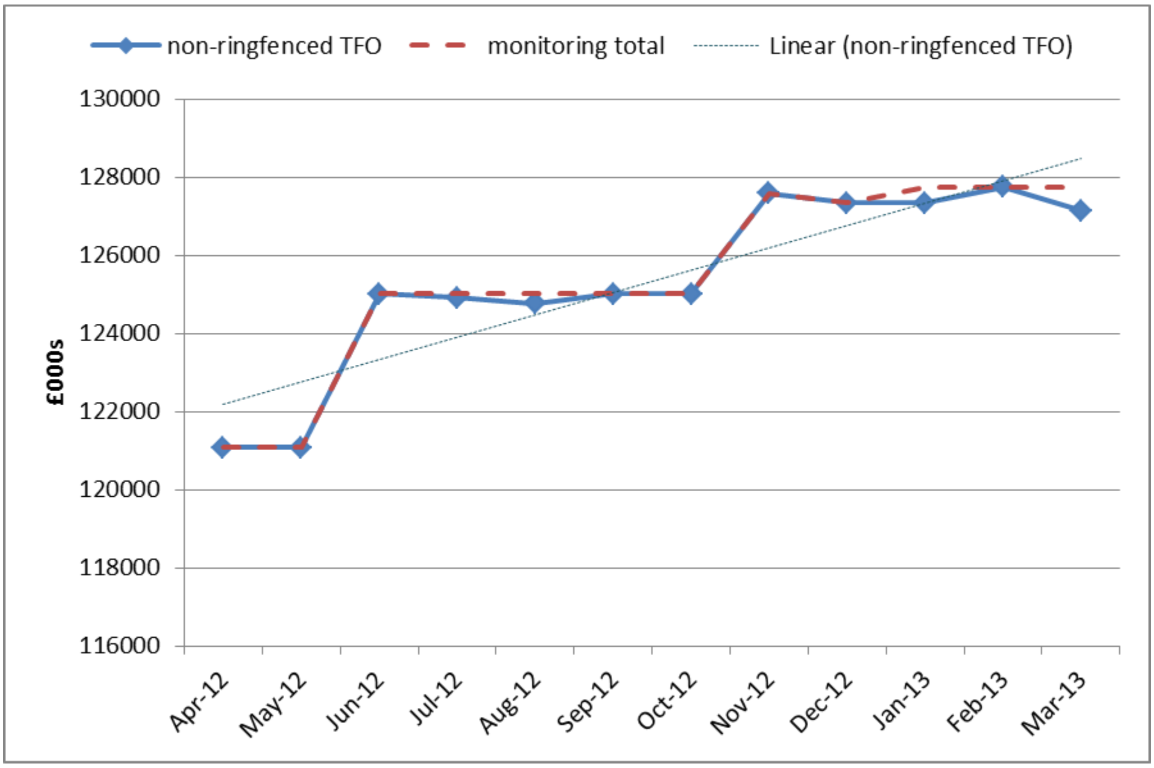
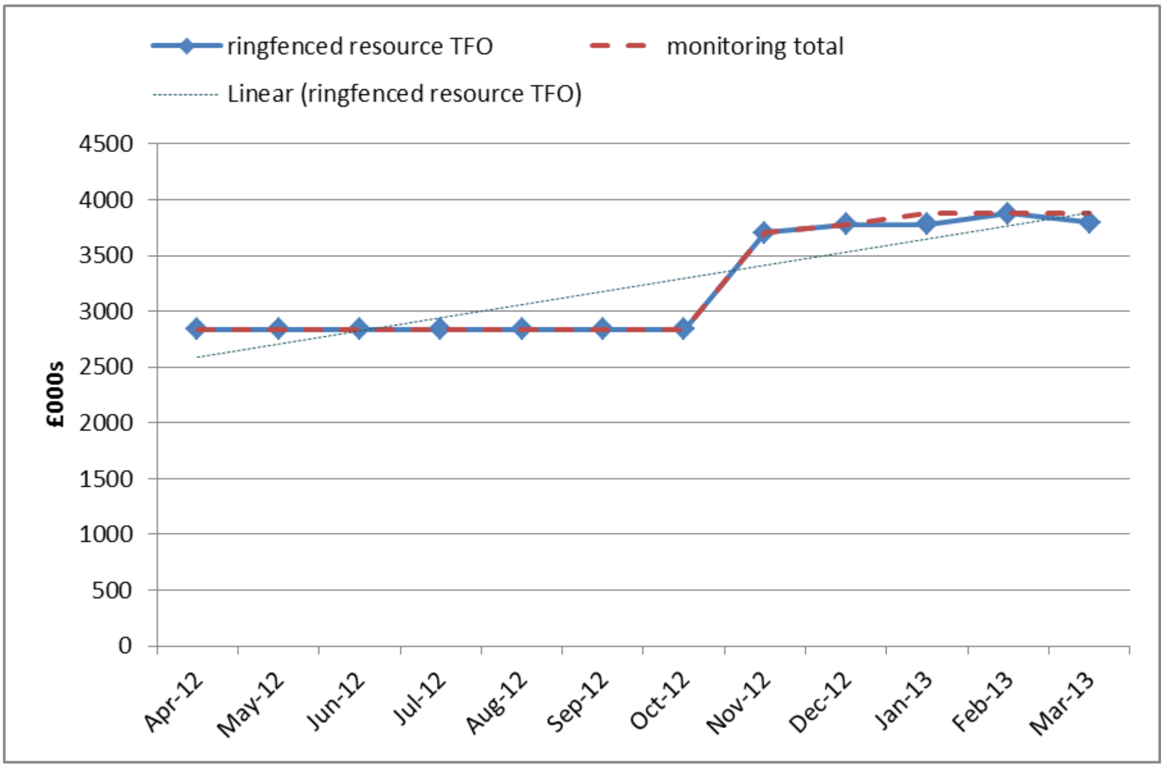


**Figure A7.3: DOE ringfenced resource TFO 2012-13**




## Potential points for scrutiny

- No particular points for committee scrutiny occur. The Committee for the Environment may, however, wish to note that DOE's forecasting appears to have been good: the final capital and non-ringfenced resource TFOs submitted in May were both within 0.5% of the final monitoring totals for the year (see also Tables 1 to 3 in section 3.4. of the research paper).

# A8. DOJ

**Figure A8.1: DOJ capital TFO 2012-13**

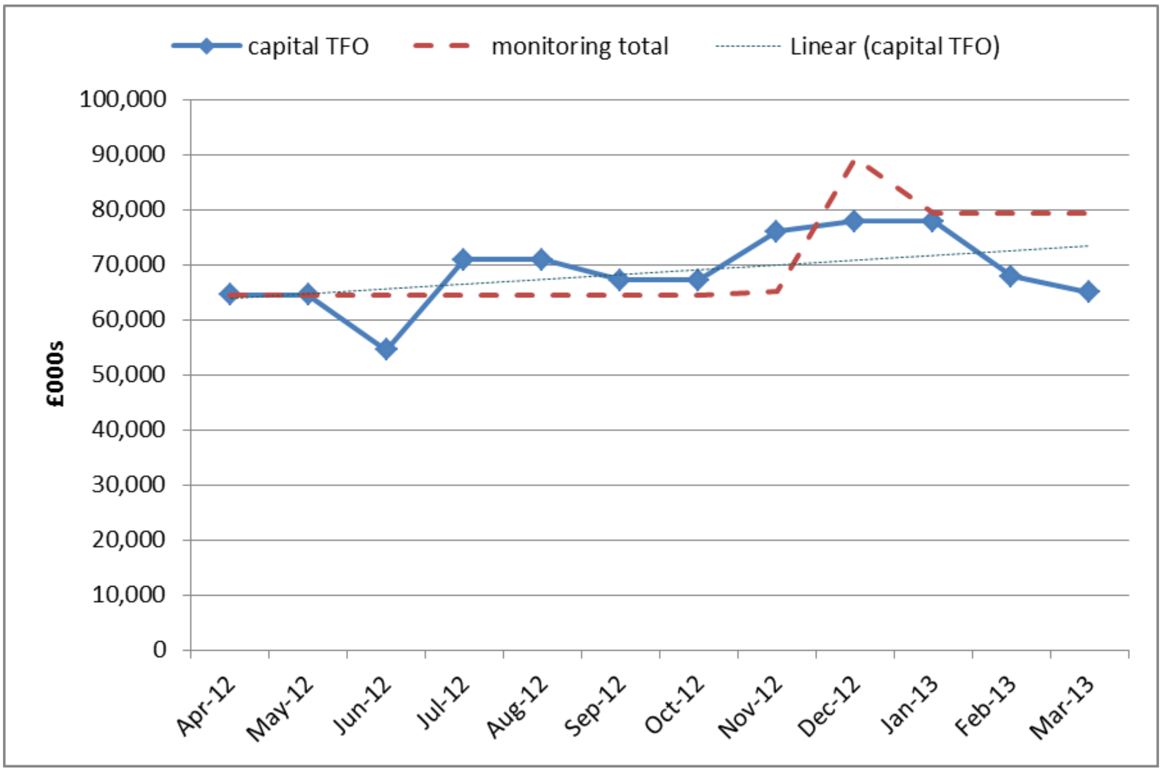



**Figure A8.2: DOJ non-ringfenced resource TFO 2012-13**

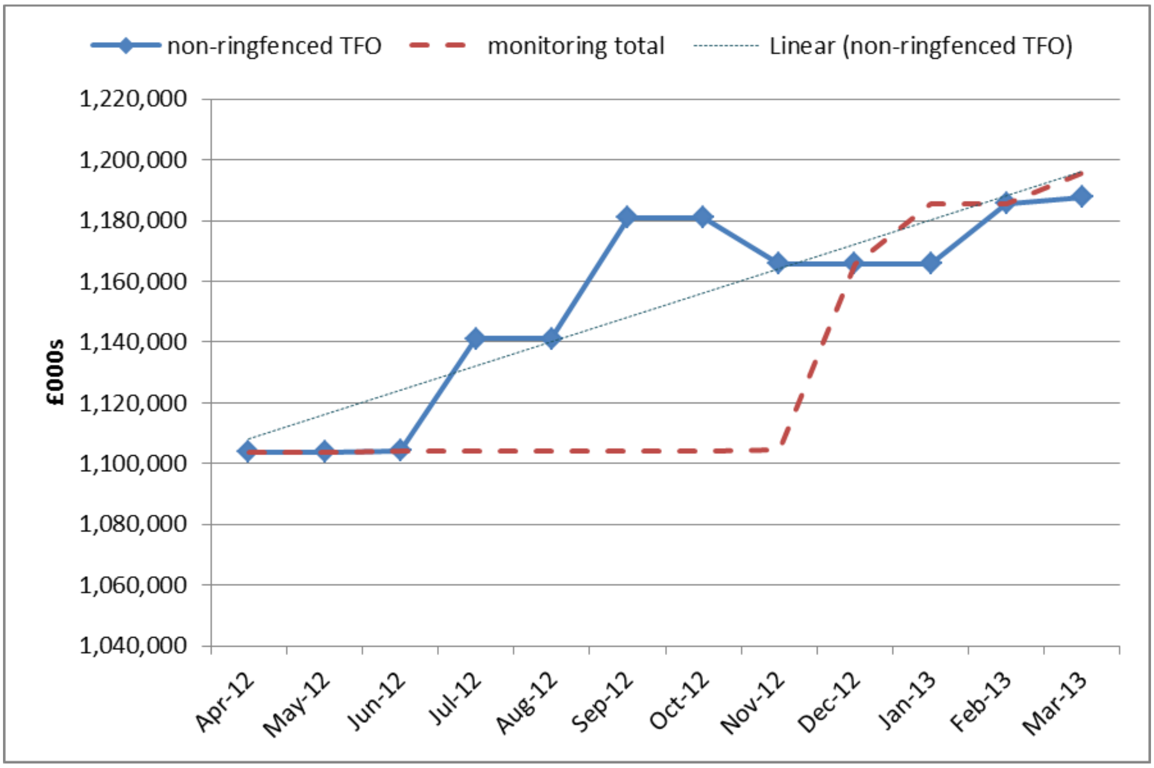
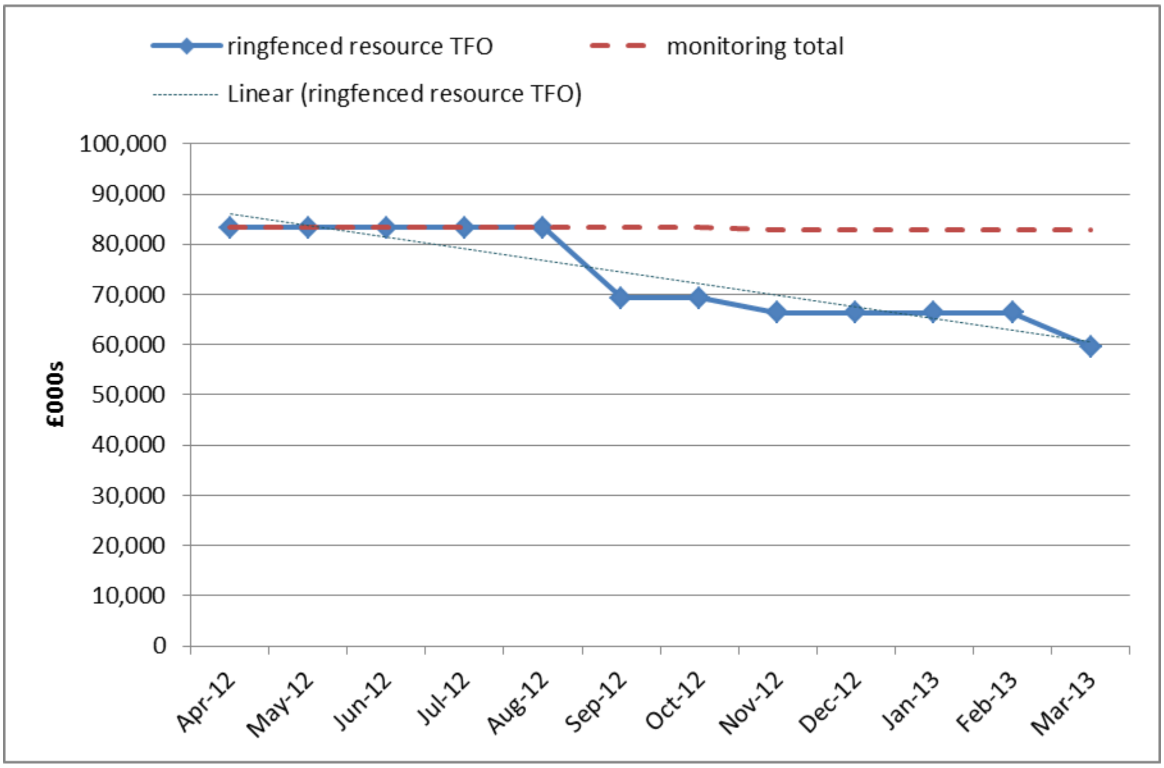


**Figure A8.3: DOJ ringfenced resource TFO 2012-13**




## Potential points for scrutiny

- Figure A8.1 shows that the capital TFO provided by DOJ in May 2013 was £14,362,000 below the final monitoring position for the year, suggesting a significant underspend might have occurred (18.09%). The Committee for Justice may wish to note that the final capital TFO provided by DOJ was £65,029,000: this is only slightly above DOJ's opening position for the year. This may suggest that the additional £24,094,000 DOJ was allocated in the first part of January monitoring was not fully required by the department. This is supported by the subsequent reduction by £10m to the capital monitoring total. A question therefore arises: whether further capital could have been surrendered by DOJ to another department in January monitoring. It should be noted, however, that DOJ has greater end-year flexibility to carry forward underspends than other Northern Ireland departments;[19]
- Figure A8.2 shows that DOJ's monitoring total for non-ringfenced resource was increased by £10m in March 2013 – outside of the usual cycle of monitoring rounds. As discussed in the body of the Research Paper (see section 5.1.) this has also occurred in other departments' monitoring totals, and the Committee for Justice may wish to seek relevant briefing from DOJ;
- Figure A8.2 also shows that the non-ringfenced resource TFO provided by DOJ in May 2013 was £7,814,000 below the final monitoring position for the year. This sum

[19] NIO statement 11 January 2011 'End-of-Year Funding', available online at: http://www.nio.gov.uk/Media-Centre/News/Article/END-YEAR-FUNDING (accessed 12 June 2013)

– though relatively immaterial in relation to DOJ's total (0.65%) – could have been better allocated to another department to meet other expenditure pressures; and,

- Figure A8.3 shows that DOJ's ringfenced resource TFO was considerably below its monitoring total for more than half of the year. It should be noted that ringfenced resource funding cannot be reallocated to other Northern Ireland departments. The Committee for Justice may, however, wish to seek an explanation of why the monitoring total was not reduced in line with DOJ's forecasts.

# A9. DRD

**Figure A9.1: DRD capital TFO 2012-13**

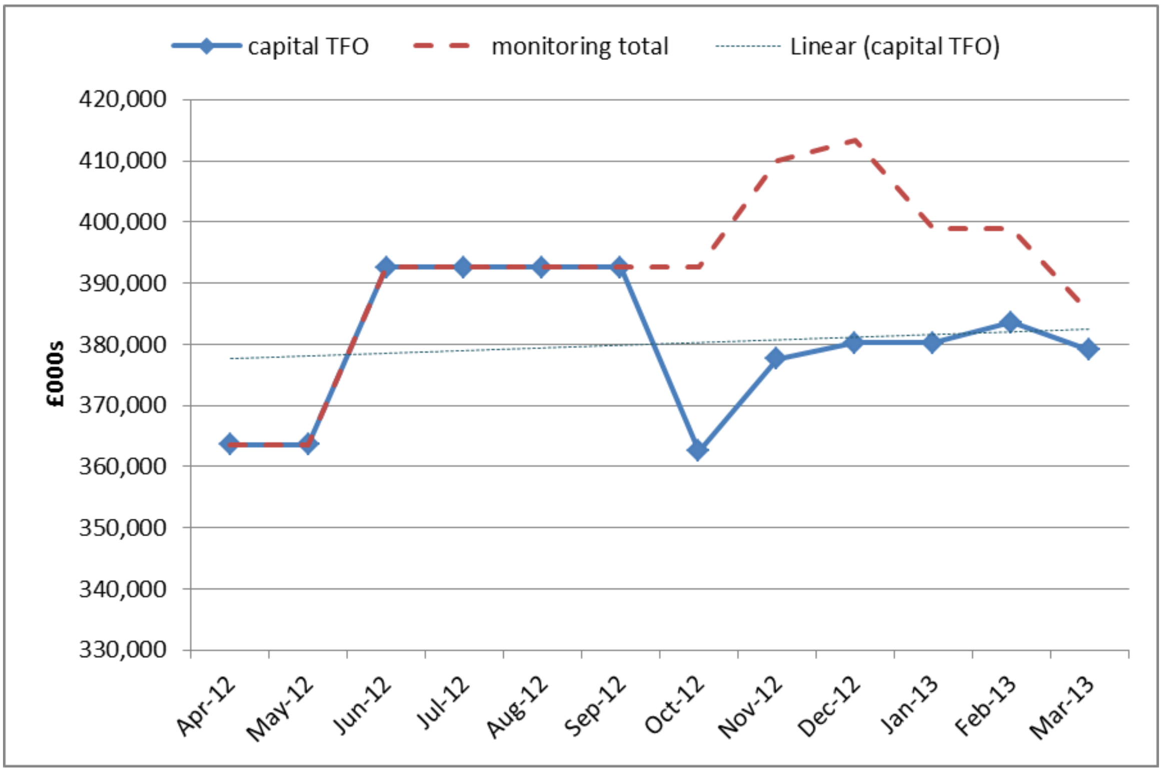



**Figure A9.2: DRD non-ringfenced resource TFO 2012-13**

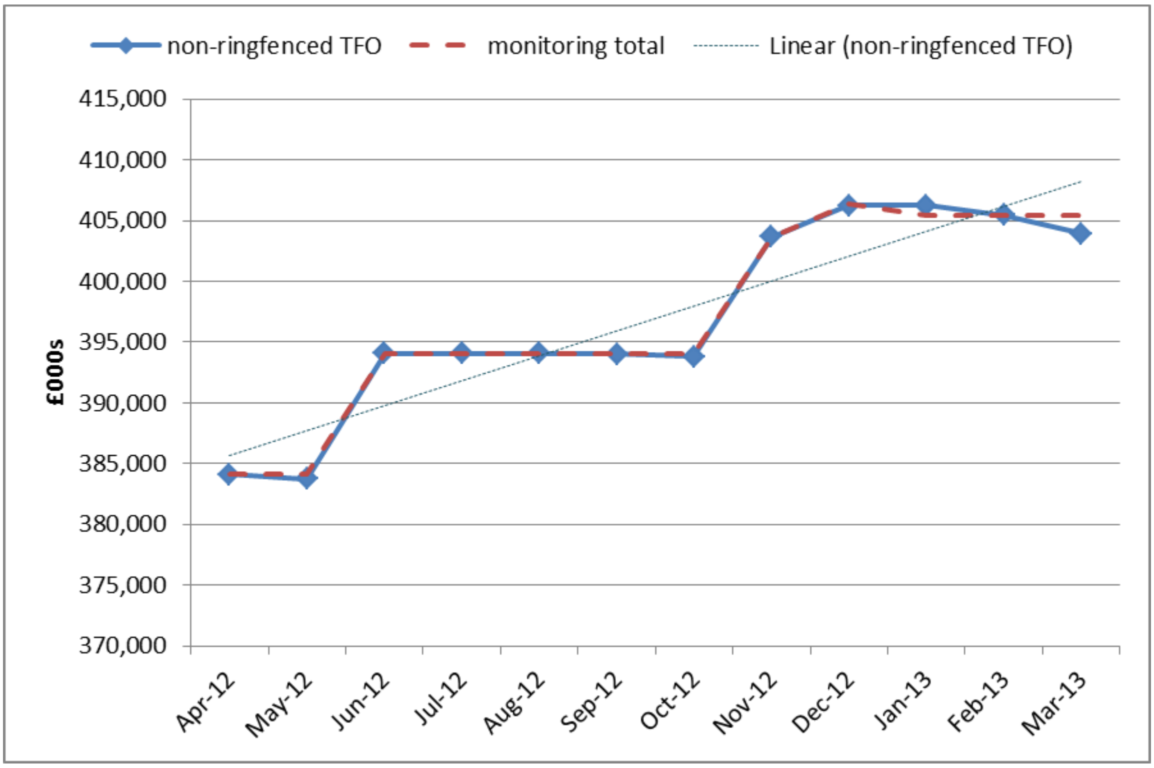
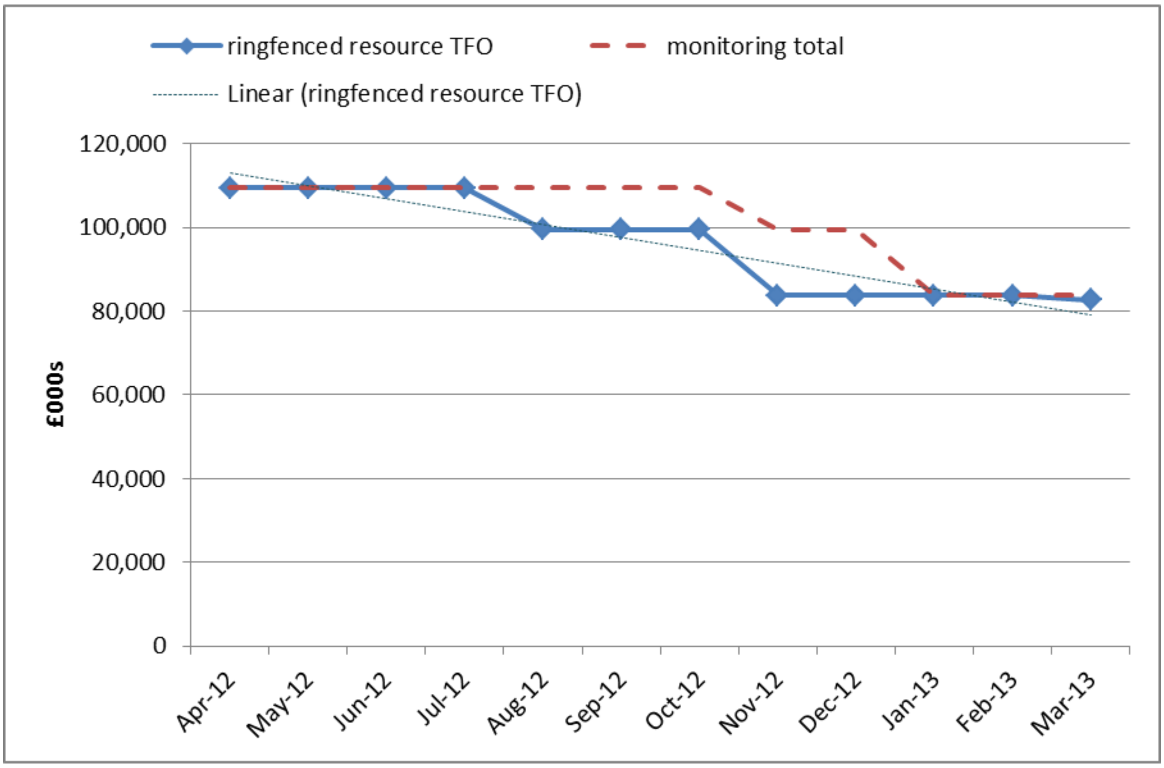


**Figure A9.3: DRD ringfenced resource TFO 2012-13**




## Potential points for scrutiny

- Figure A9.1 shows that the capital TFO provided by DRD in May 2013 was £5,968,000 below the final monitoring position for the year. This suggests a relatively insignificant underspend (1.55%) might have occurred. Having said that, although this is relatively insignificant in percentage terms, nearly £6m of capital for a smaller spending department would be much more significant. Looking further at Figure A9.1 shows that DRD's monitoring total was increased in October to a level well above the trend in its capital TFO. This might suggest that capital could have been surrendered by DRD earlier in the year thereby releasing an amount of scarce resources to meet another expenditure need.
- Figure A9.1 also shows that DRD's capital monitoring total was adjusted down in March 2013 – outside of the usual cycle of monitoring rounds. As discussed in the body of the Research Paper (see section 5.1.) this has also occurred in other departments' monitoring totals, and the Committee for Regional Development may wish to seek relevant briefing from DRD;
- Figure A9.2 shows that the non-ringfenced resource TFO provided by DRD in May 2013 was £1,542,000 below the final monitoring position for the year suggesting a small level of underspend (0.38%) may have occurred. This is immaterial and can be said to represent a good forecasting performance by DRD in this category; and,
- The Committee for Regional Development may also wish to note the forecasting accuracy analysis in the main body of the paper (see section 4).

# A10. DSD

**Figure A10.1: DSD capital TFO 2012-13**

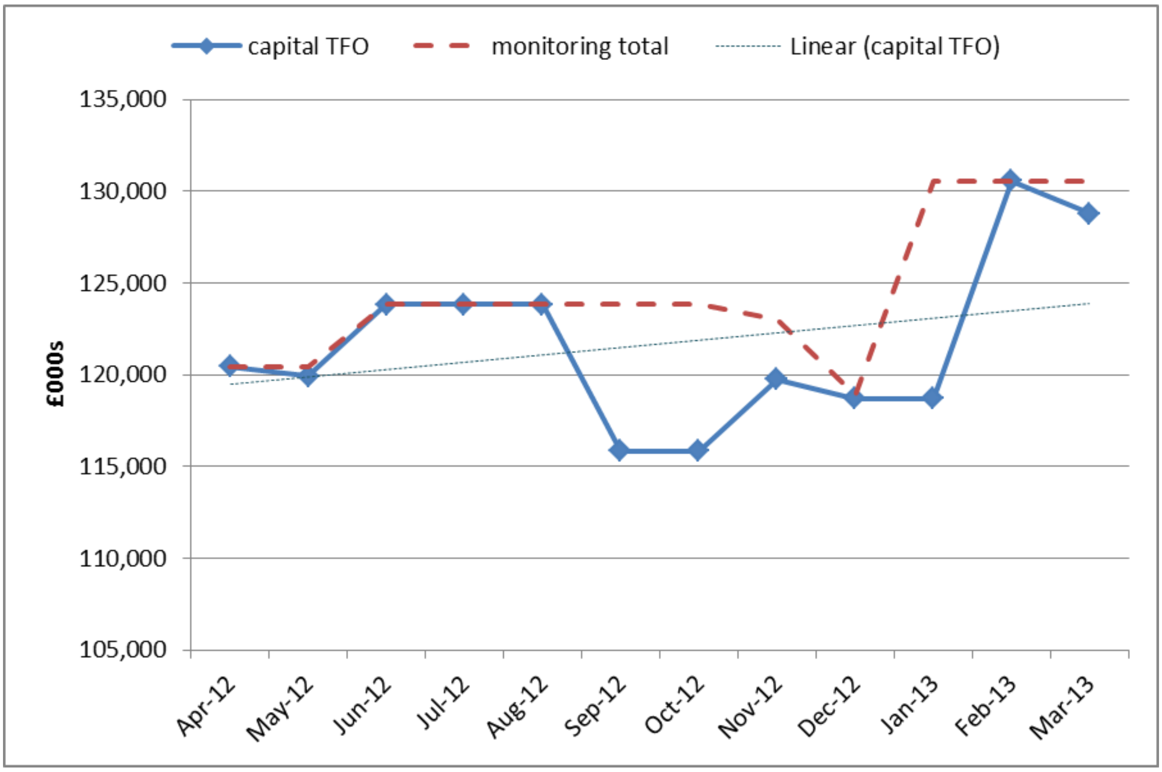



**Figure A10.2: DSD non-ringfenced resource TFO 2012-13**

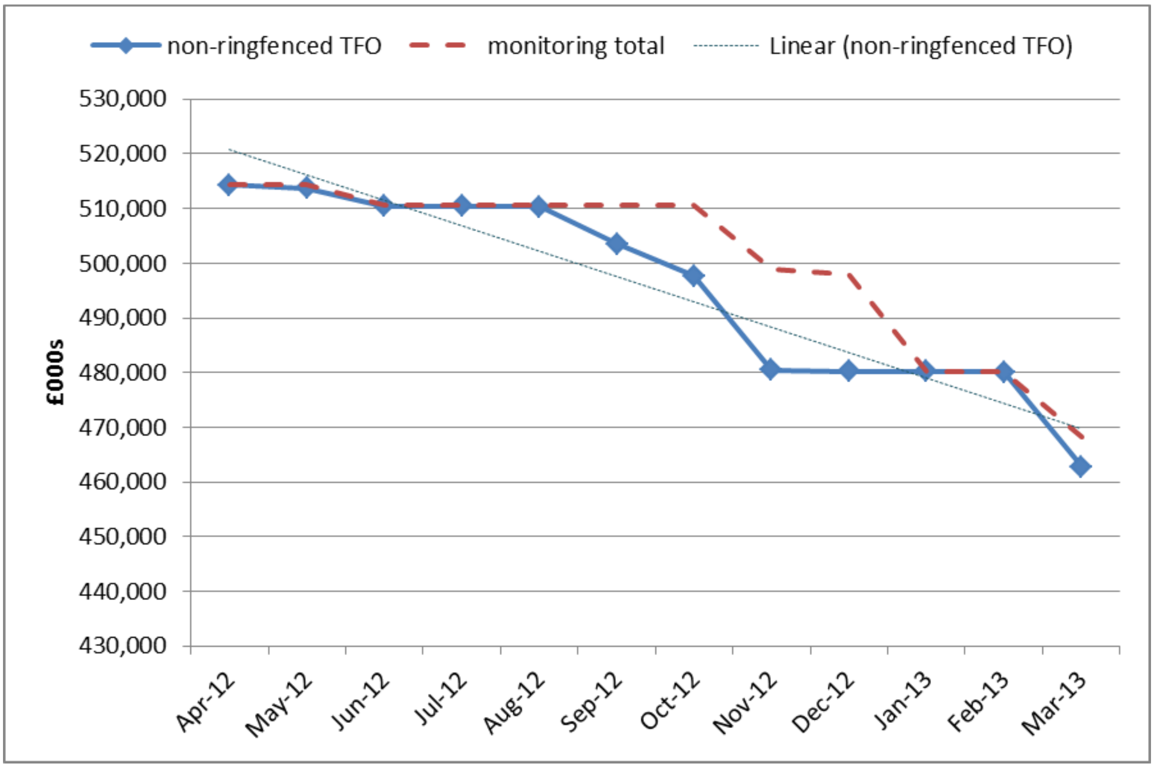
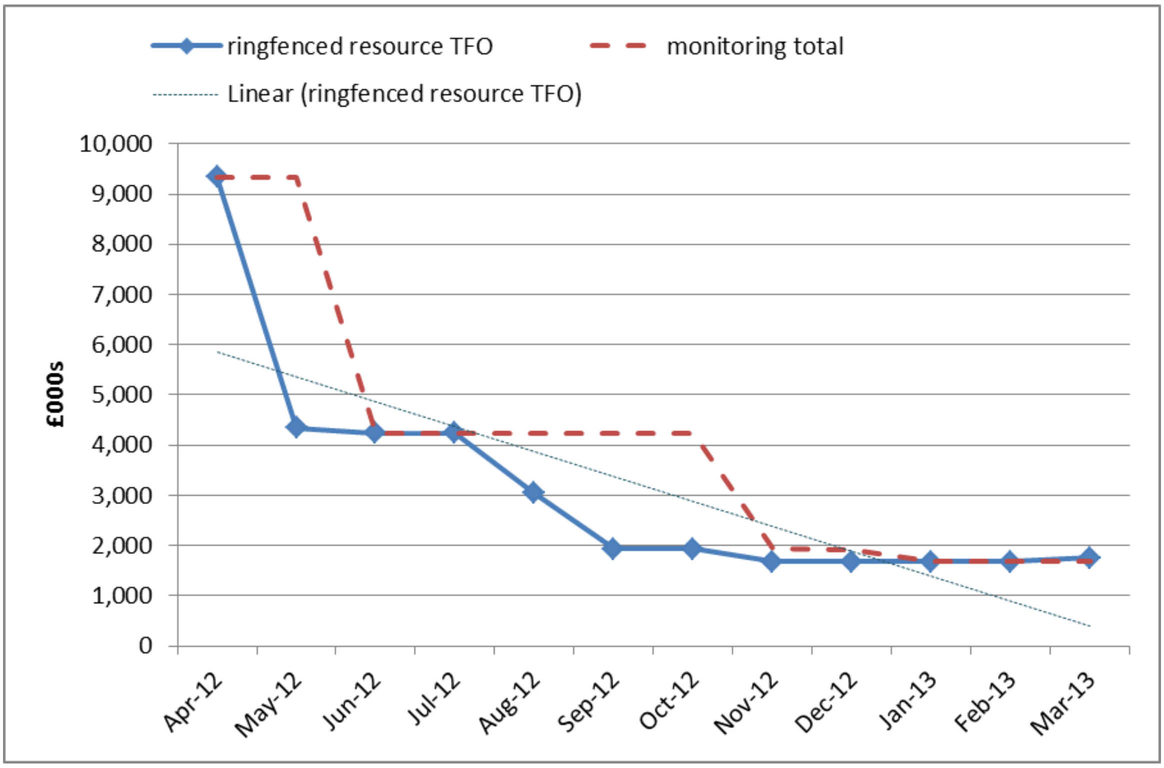


**Figure A10.3: DSD ringfenced resource TFO 2012-13**




## Potential points for scrutiny

- Figure A10.1 shows that the capital TFO provided by DSD in May 2013 was £1,766,000 below the final monitoring position for the year. This suggests a relatively insignificant underspend (1.35%) might have occurred. DSD's capital monitoring total was increased by £11,639,000 following January monitoring. Figure A10.1 suggests that the additional allocation may have been higher than was actually required; it may follow that more accurate forecasting might have allowed scarce resources to have been used to meet another expenditure need;
- Figure A10.2 shows that the non-ringfenced resource TFO provided by DSD in May 2013 was £ 5,367,000 below the final monitoring position for the year. This suggests a relatively insignificant underspend (1.15%) might have occurred. Although this figure is small relative to DSD's total non-ringfenced resource expenditure, in excess of £5m would nevertheless be a significant sum for a smaller spending department. The figures suggest that perhaps DSD might have surrendered slightly more non-ringfenced resource earlier in the year to allow reallocation to meet other expenditure pressures; and,
- Figure A10.2 also shows that DSD's non-ring-fenced resource monitoring total was adjusted down in March 2013 – outside of the usual cycle of monitoring rounds. As discussed in the body of the Research Paper (see section 5.1.) this has also occurred in other departments' monitoring totals, and the Committee for Social Development may wish to seek relevant briefing from DSD.

# A11. OFMDFM

**Figure A11.1: OFMDFM capital TFO 2012-13**

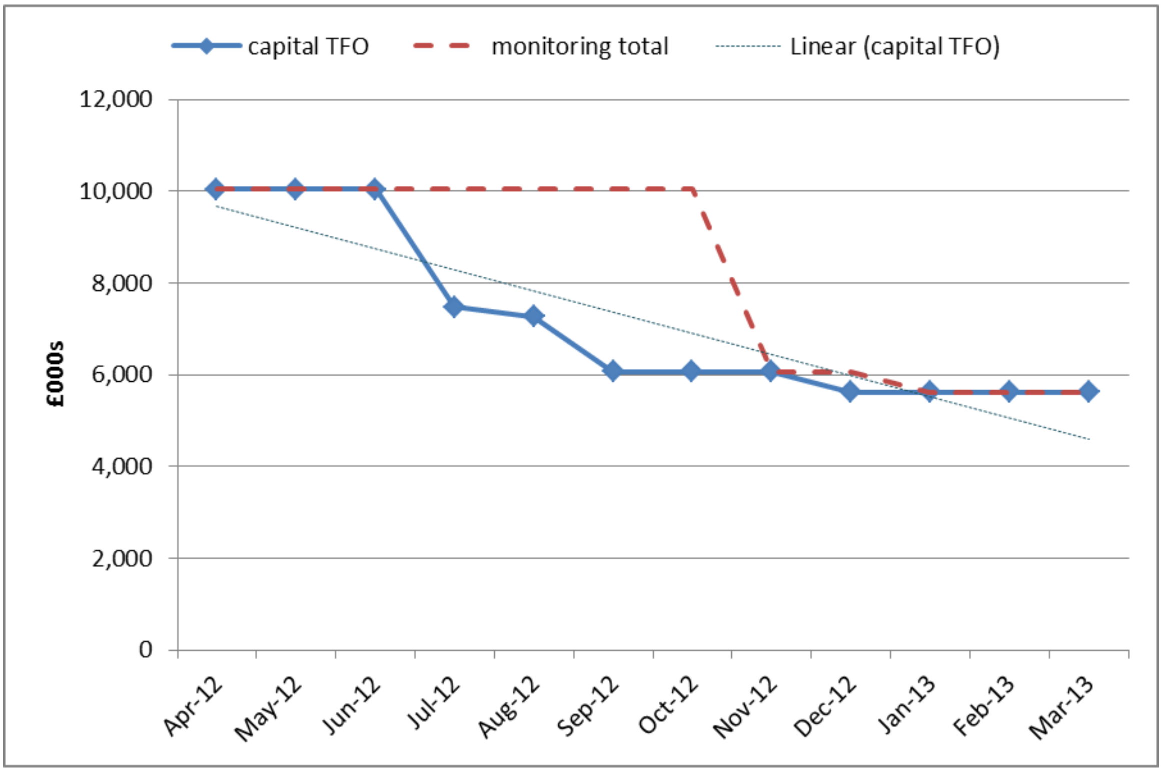



**Figure A11.2: OFMDFM non-ringfenced resource TFO 2012-13**

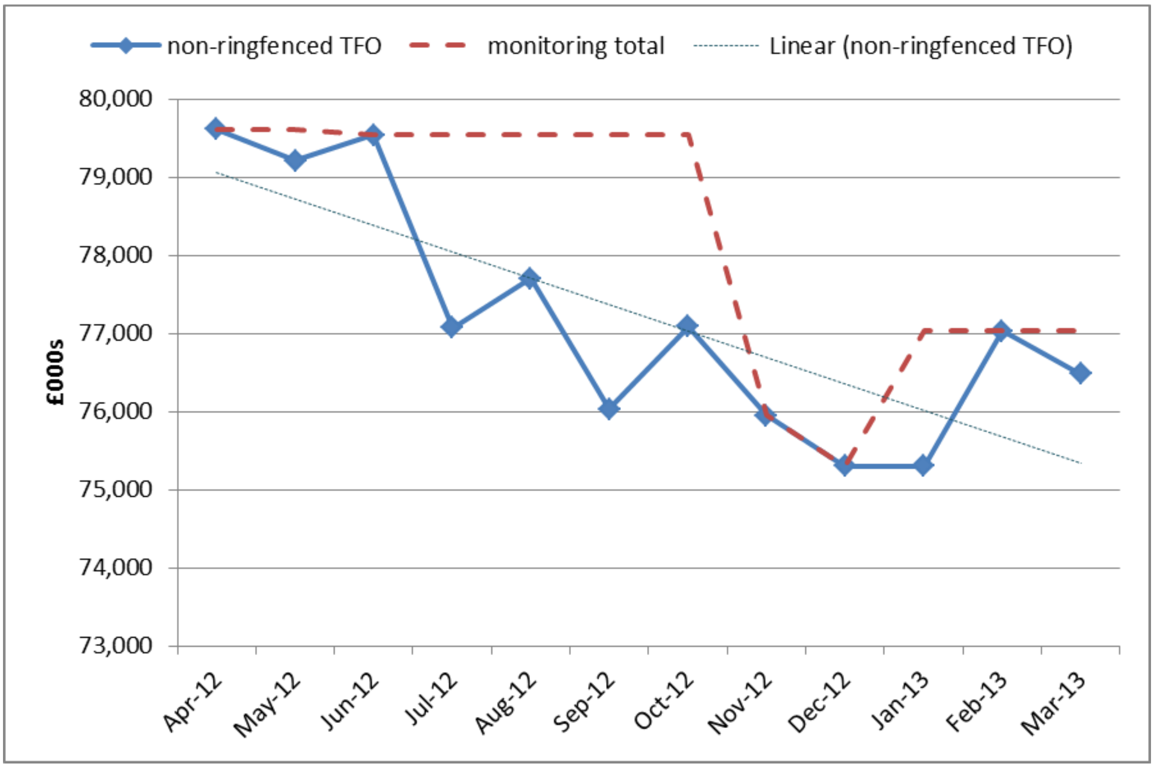
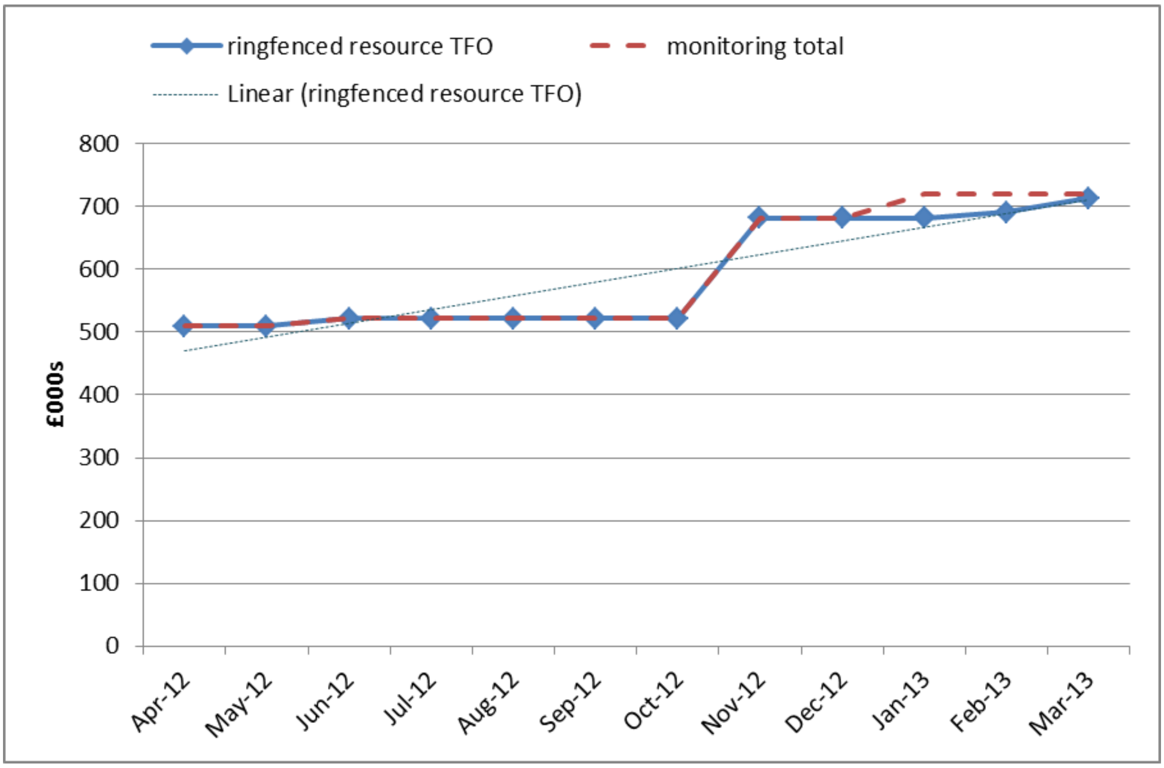


**Figure A11.3: OFMDFM ringfenced resource TFO 2012-13**




## Potential points for scrutiny

- Figure A11.1 shows that OFMDFM's final capital TFO for the year was very close to the monitoring total. This suggests a good forecasting performance. One further point might be, however, that given the downward trend throughout the year, whether capital could have been surrendered at an earlier monitoring round. This might have enabled better use of the resources by another department to meet other expenditure pressures; and,
- Figure A11.2 shows a fluctuating TFO for non-ringfenced resource – possibly indicating a level of uncertainty. It can also be observed that following a reduction in the monitoring total at October monitoring round, the monitoring total was then increased again in January by £1,727,000. The final non-ringfenced resource TFO was £546,000 below the final monitoring total, suggesting that a small underspend (0.71%) might have occurred. More accurate forecasting might have led to the reallocation of this (relatively immaterial) sum to meet another expenditure pressure.

# Appendix B: forecasting accuracy data tables

### Capital

| DEPT | 2011-12 | 2012-13 | difference 12-13 vs 11-12 |
|---|---|---|---|
| DARD | 32.90% | 33.00% | -0.10% |
| DCAL | 32.60% | 28.30% | 4.30% |
| DE | 35.20% | 34.00% | 1.20% |
| DEL | 52.30% | 124.00% | -71.70% |
| DETI | 130.70% | 38.60% | 92.10% |
| DFP | 48.70% | 58.70% | -10.00% |
| DHSSPS | 24.90% | 31.50% | -6.60% |
| DOE | 107.90% | 43.10% | 64.80% |
| DOJ | 22.10% | 34.20% | -12.10% |
| DRD | 16.30% | 10.90% | 5.40% |
| DSD | 36.60% | 37.00% | -0.40% |
| OFMDFM | 66.50% | 57.50% | 9.00% |
| PPS | 75.10% | 53.00% | 22.10% |
| average | 52.45% | 44.91% | 52.00 |

### Non-ringfenced resource

| DEPT | 2011-12 | 2012-13 | difference 12-13 vs 11-12 |
|---|---|---|---|
| DARD | 9.60% | 12.20% | 2.60% |
| DCAL | 14.20% | 11.30% | -2.90% |
| DE | 2.30% | 1.80% | -0.50% |
| DEL | 5.40% | 6.80% | 1.40% |
| DETI | 78.40% | 13.80% | -64.60% |
| DFP | 15.60% | 31.40% | 15.80% |
| DHSSPS | 3.60% | 3.10% | -0.50% |
| DOE | 16.30% | 7.70% | -8.60% |
| DOJ | 8.00% | 3.40% | -4.60% |
| DRD | 5.70% | 7.50% | 1.80% |
| DSD | 6.90% | 9.40% | 2.50% |
| OFMDFM | 23.80% | 11.20% | -12.60% |
| PPS | 11.40% | 9.10% | -2.30% |
| average | 15.48% | 9.90% | -5.58% |

### Ringfenced resource

| DEPT | 2011-12 | 2012-13 | difference 12-13 vs 11-12 |
|---|---|---|---|
| DARD | 20.80% | 11.60% | 9.20% |
| DCAL | 10.00% | 7.00% | 3.00% |
| DE | 20.70% | 21.40% | -0.70% |
| DEL | 35.70% | 392.60% | -356.90% |
| DETI | 18.50% | 10.70% | 7.80% |
| DFP | 13.00% | 23.00% | -10.00% |
| DHSSPS | 4.10% | 12.10% | -8.00% |
| DOE | 64.70% | 49.60% | 15.10% |
| DOJ | 22.10% | 17.60% | 4.50% |
| DRD | 31.90% | 25.80% | 6.10% |
| DSD | 49.40% | 36.90% | 12.50% |
| OFMDFM | 35.20% | 23.60% | 11.60% |
| PPS | 20.30% | 15.10% | 5.20% |
| average | 26.65% | 49.77% | -23.12% |