



Subject:	Belfast City Council Financial Report 2015/16
Date:	23 September 2016
Reporting Officer:	Ronan Cregan, Deputy Chief Executive and Director of Finance and Resources
Contact Officer:	Mark McBride, Head of Finance and Performance Trevor Wallace, Financial Accounting Manager

Is this report restricted?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

1.0	Purpose of Report or Summary of Main Issues
1.1	The purpose of this report is to present to the Strategic Policy and Resources Committee, the Financial Statements of the Council, including the Annual Governance Statement, for the period ending 31 March 2016.
1.2	The Financial Accounts are an important element of the Council's overall corporate governance framework as they provide assurance to Members and ratepayers on the stewardship of the Council's finances and its financial position.
1.3	The Financial Report and accounts for the year ended 31 March 2016, as attached, have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2015/15 based on International Financial Reporting Standards and the Department for Communities (formerly Department of the Environment) Accounts Direction, Circular LG 04/16 dated 4 April 2016.
	I can confirm that the Statement of Accounts for the year ended 31 March 2016 has been

1.4	prepared in the form directed by the Department of the Environment and in my opinion the Statement of Accounts give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.
2.0	Recommendations
2.1	<p>The Committee is asked to;</p> <ul style="list-style-type: none"> • Approve the Council’s Financial Statements and incorporated Annual Governance Statement for the year ended 31 March 2016.
3.0	Main Report
3.1	<p><u>Key Issues</u></p> <p>Audit Opinion</p> <p>It is the Local Government Auditor’s opinion that:</p> <ul style="list-style-type: none"> • the financial statements give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2015-16 , of the financial position of Belfast City Council as at 31 March 2016 and its income and expenditure for the year then ended; and • the financial statements have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities (formerly Department of the Environment) directions issued there under. • the part of the Remuneration Report to be audited has been properly prepared in accordance with the Department for Communities directions made under the Local Government (Accounts and Audit Regulations (Northern Ireland) 2015; and • the information given in the Narrative Report for the financial year ended 31 March 2016 is consistent with the financial statements.
3.2	<p>Reserves</p> <p>General Fund</p> <p>The credit balance on the General Fund has decreased to £19,181,234 (of which £6,317,810 relates to specified reserves, ie committed to be spent on specific areas). The movement on the reserves balance is summarised in Table 1 below:</p>

Table 1: Summary of Reserves Position

Opening Balance	£22.1m
In year movement in reserves	<u>£ (2.9)m</u>
Closing Balance	£19.2m
Specified Reserves at year end	<u>£ 6.3m</u>
General Reserve Balance	<u>£12.9m</u>

3.3 Capital Fund £25,475,756

The Capital Fund is made up of the Belfast Investment Fund (£4,919). The fund has been created to support key partnership projects to regenerate Belfast and help lever substantial funds from other sources, the Local Investment Fund (£5,700,837) to fund smaller local regeneration projects, the City Centre Investment Fund (£18,770,000) to support the Belfast City Centre Regeneration Investment Plans and the Social Outcomes Fund (£1,000,000) to support City Centre projects which might not generate a direct financial return but would enhance the overall City Centre offer and support attraction of investment.

3.4 Leisure Mobilisation Fund £2,000,000

This fund is to support the Leisure Transformation Programme and will cover programme level costs including communications, engagement and procurement costs.

3.5 Capital Receipts Reserve £1,263,369

These are capital receipts which have originated primarily from the sale of assets and which have not yet been used to finance capital expenditure. This amount relates mainly to the sale of land & buildings at Loop River (£860,000).

3.6 Other Fund Balances and Reserves £203,566

This relates to the Election Reserve (£203,566) which has been set up to smooth the cost of running council elections.

3.7 Debt

The overall level of trade debtors had decreased over the previous 6 years, reducing from £10m at 31 March 2008 to £3.6m at 31 March 2016. An analysis of trade debtors, inclusive of VAT, for the last two years is shown below:

	31 March 2016	31 March 2015
Less than three months	£2,434,909	£2,042,328
Three to one year	£166,672	£735,445
More than one year	£1,021,813	£586,491

3.8

Creditors

The Department for Communities (formerly Department of the Environment) has set councils a target of paying invoices within 30 days. During the year the Council paid 62,112 invoices totalling £206,870,584

3.9

The average time taken to pay creditor invoices was 20 days for the year ended 31 March 2016. The Council paid 44,484 invoices within 10 days, 52,477 invoices within 30 days, and 9,635 invoices outside of 30 days. The council endeavours to process invoices as quickly as possible and has an improvement plan to support this process.

3.10

Annual Governance Statement (AGS)

The Financial Statements include the Statutory Transition Committee's Annual Governance Statement (AGS) for the year 2015/16, which has been prepared in line with the Accounts Directive provided by the Department for Communities (formerly Department of the Environment)), NIAO guidance and is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. Specifically the AGS sets out:

- scope of responsibility of the Council in relation to governance
- the purpose of the governance framework
- the governance framework in place
- review of effectiveness of the governance framework
- significant governance issues to be disclosed.

3.11

The AGS is approved by the Chair of the Strategic Policy and Resources and the Director of Finance and Resources. It is subject to review by the LGA (NIAO) as part of their annual audit.

<p>3.12</p> <p>3.13</p>	<p><u>Financial & Resource Implications</u></p> <p>None</p> <p><u>Equality or Good Relations Implications</u></p> <p>None</p>
<p>4.0</p>	<p>Appendices – Documents Attached</p>
<p>4.1</p>	<p>Appendix 1 - Detailed Financial Statements titled “Belfast City Council Financial Report 2016”</p>