



## Belfast City Council

<b>Report to:</b>	Strategic Policy and Resources Committee
<b>Subject:</b>	arc21 Assets and Borrowing Policy
<b>Date:</b>	22 August 2008
<b>Reporting Officer:</b>	Trevor Salmon, Director of Corporate Services
<b>Contact Officer:</b>	

### Relevant Background Information

arc21 is a local government body, constituted in legislation and governed by a collective agreement to guide its operations. Members will be aware, Belfast City Council is one of eleven District Councils which have signed this collective agreement. The collective agreement details five principles that are the foundation of the collaborative approach. These principles are:

- Principle of Consensus
- Principle of Limit of Delegation
- Principle of Functional Responsibilities
- Principle of Equitable Shared Funding
- Principle of Equal Committee Representation

In line with the collective agreement and as one of the main funders of arc21, Belfast City Council has been consulted in respect of arc21's Asset and Borrowing Policy.

Members should be aware that since becoming established in 2004, arc21 has incurred only revenue expenditure, receiving revenue funds from Member Councils to fund operational expenses, and contractual obligations.

As part of the ongoing development of the organisation, arc21 will soon become funded through Revenue and Capital sources of finance.

The attached document (Appendix 1) sets out the proposed treatment of Capital Assets and their associated funding. The policy has been written to comply with Local Government Accounting Legislation, the Financial Reporting Standards, the DOE Accounting Directives, the Code of Practice on Local Authority Accounting in the United Kingdom and the Statement of Recommended Practice (SORP). In addition, guidance will be taken from the Prudential Code.

In simple terms arc21 is a local government body and subject to the rules and regulations established by the Department of the Environment in relation to borrowing. Belfast City Council is subject to identical provisions.

arc21 is seeking the Council's endorsement to their Assets and Borrowing Policy (see Appendix 1). I am content and recommend that this endorsement be given.

It should be noted that all eleven member Councils have received similar requests and have been positive in their endorsement

**Recommendations**

The Committee is requested to agree :

1. To endorse the Assets and Borrowing Policy of arc21.