



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Budget Monitoring Report to 31st January 2010
Date:	19th March 2010
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Relevant Background Information

The Strategic Policy and Resources Committee needs regular updates on capital and revenue expenditure throughout the year. The most recent report on the 2009/10 position was presented in December 2009. This report updates Members on the current year's position at Period 10, the forecast outturn for the current year and reserves position.

Key Issues

Revenue Budget Position to January 2010

BCC has a net departmental budget of £106m for the period to January 2010. Outturn for the period is £103.1m giving an under-spend for the period of £2.9m.

Forecast Outturn

The forecast out-turn for 2009/10 reported at period 7 was an under-spend of £1.6m, after the application of some £2.3m to fund the council wide voluntary redundancy exercise. At period 10, the current forecast under-spend for 2009/10 has increased to £1.9m, an increase of some £300k from the previously reported position. There have been several factors that have contributed to the £300k improvement in the forecast, most notably the improvement in the forecasts for both the Development and Parks and Leisure departments, which were mitigated by a reduction in the forecast income from LPS. Such movements are to be expected given the size of the BCC total budget.

Impact on Reserves

As reported at SP&R Committee on 20th November 2009, the planned reserves at the end of 2009/10 were £2.7m (after planned contributions from reserves of £2.4m to ease the rate burden). If the forecast under spend of £1.9m above is achieved, this would lead to reserves at 31 March 2010 of £4.6m (compared to £5.3m at 31 March 2009). This is some £300k higher than the position used to inform the rate setting exercise for 2010/11 and therefore does not represent a significant change.

A paper on the strategy for replenishing the reserves in 2010/11 and future years was taken to SP&R on the 11th December 2009. As a result of this, a contribution to reserves of £4.5m was included in the 2010/11 rate, of which some £1m could be used to fund the capital programme.

Capital Programme 2009/10

The draft Capital Programme for 2009/10 and future years outlines total budgeted expenditure for the year of £12.3m.

Capital expenditure for the period to 31st January 2010 amounts to £13.9m. The most significant areas of expenditure were Ulster Hall Major Works of £2.077m and City Hall Major Works of £3.1m.

Forecast Capital Out-turn 2009/10

The total actual capital expenditure for 2009/10 is forecast to be £18.3m. This is £6m over the approved budget and relates mainly to an under spend of £5.1m in 2008/09 that has rolled forward into 2009/10.

There have also been a number of new schemes added to the capital programme since the original capital programme was planned. However, due to the timing of taking out loans, the forecast capital financing requirement for the year including this additional expenditure can be met by the existing budget.

Resource Implications

As outlined above.

Recommendations

Members are asked to note the current revenue and capital financial positions to date, the forecast out-turns, and the implication for the reserves position.

Decision Tracking

Regular updates on the financial position in 2009/10 have been provided to the Strategic Policy and Resources Committee. A final report on the year end position for 2009/10 will be presented in the first quarter of 2010/11.

Key to Abbreviations

N/A

Documents Attached

None