



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Local Capital Investment Fund
Date:	17 th June 2011
Reporting Officer:	Julie Thompson, Director of Finance and Resources
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1.0 <u>Relevant Background Information</u>	
1.1	The Council's Strategic Policy and Resources Committee at its meeting on 4 March and more recently on 15 April, discussed the need for the Council to " <i>work in partnership and form strategic alliances to ensure continued investment in the City during this period of austerity and to secure the necessary resources to make things happen, with a greater focus on delivery</i> ". The Committee recognised that this conversation needs to include a focus on projects that are significant both at a city and neighbourhood level and agreed that work should be undertaken to explore the potential scope or the Council to establish a Local Capital Investment Fund.
1.2	Such a fund would enable the Council to support the delivery of key regenerative projects at a local level and would offer the potential for greater alignment with other emerging funding streams such as OFMDFM's £80m Social Investment Fund, DCAL's £130m investment in stadia within Belfast; DSD's capital investment monies; and other partnership funding sources.
1.3	It will be important that the Council seeks to engage and work with the relevant departments and stakeholders to secure the maximum level of potential investment into the city and to capitalise on the wider social, economic and environmental impacts of such investment.
1.4	The purpose of this report is to outline for Members consideration some initial thoughts on the potential need for a Local Investment Fund, the types of principles and objectives which may underpin it and to set out a process of Members engagement over the coming months to further develop and refine the thinking behind such a fund.
2.0 <u>Key Issues</u>	
<u>Possible Objectives of Local Capital Investment Fund</u>	
2.1	The creation of a Local Capital Investment Fund would represent a further commitment by the Council to continue to invest in the City. It would enable the Council to support small scale local regeneration projects that would enable communities to see, touch and feel a difference within their neighbourhoods. Such a fund would enable the Council to become a partner of choice through its ability to commit resources to lever and/or complement other potential funding streams to address investment priorities in local neighbourhoods.
2.2	The objectives of such a fund may include the following: i) To provide the Council with the ability to invest in smaller scale local/neighbourhood capital schemes if it wishes to do so.

- ii) To act as a catalyst for attracting or complementing resources from the public, private and voluntary sectors
- iii) To provide funding for initial development capital at the local level which enhances development economics; ‘pump priming’ development opportunities and acting as a demand stimulus
- iv) To enable the Council to have a more strategic conversation with key delivery bodies and communities about the investment priorities for the city

Financing the Local Capital Investment Fund

2.3 The “Financial Reporting – Quarter 4 2010/11” report on the agenda for this meeting has identified some £2.5m of resources which could be used to kick start the Local Capital Investment Fund. Further funding could be set aside, if required and if assessed as affordable through the capital financing strategy, the medium term financial plan and the rates setting process.

2.4 Should the Council wish to fund local neighbourhood **revenue** projects, these would have to be financed separately from the above Local Investment Fund, for example through:

- Realigning existing BCC revenue budgets into a local neighbourhood revenue funding pot;
- Setting aside a new local neighbourhood revenue budget as part of the rates setting exercise (as had originally been planned for 2011/12 before the revised LPS forecasts); or
- Financing one off non recurrent local neighbourhood revenue projects through any in year underspends etc and establishing a specified reserve for such purpose in the District Fund.

Next Steps

2.5 If Members are supportive of the concept of establishing a local capital investment fund, there are a number of important components which need to be further worked up in liaison with elected Members over the coming months. These are set out below.

What	How	When
Further develop concept including objectives and principles underpinning local investment fund	Party Group briefings	June /August
Develop decision-making criteria for the allocation of funding under the fund.	Party Group briefings	June /August
Composite report on proposed establishment of a Local Investment Fund to be submitted for consideration and approval of SP&R.	Report to SP&R	September/October

3.0 Resource Implications

Some £2.5m have been identified from the financial resources for 2010/11 to finance the Local Capital Investment Fund.

4.0 Equality Implications

There are no equality implications contained within this report

5.0 Recommendations

Members are asked to:

- i) note the contents of this report;
- ii) agree to hold a series of Party Group briefings over the coming months to enable Members to inform the development of the Local Capital Investment Fund including the proposed criteria and process for the allocation of funding
- iii) agree that £2.5m of the underspend for the 2010/2011 financial year be realigned into the Local Capital Investment Fund