



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Finance Update Report
Date:	23 September 2011
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Relevant Background Information

At the Strategic Policy and Resources Committee on 19 August, the potential for unutilised funds becoming available for re-allocation was highlighted. A review of the forecast year end position has confirmed that up to £2m, in the context of the overall financial position of the organisation, is available for re-allocation. The reason for funds becoming available is due to slippage in a number of capital projects and a reduced vehicle replacement requirement.

The purpose of this report is to agree the principles to be used to determine the re-allocation of the funds and to present options for utilisation.

Key Findings / Issues

Principles

It is recommended that the following principles are adopted by Members to allocate the unutilised funds:

1. They are used to support one-off initiatives rather than on-going expenditure. This means there will be no negative impact on the rate setting for 2012/13 and beyond.
2. For any agreed revenue projects, the money must be spent by 31 March 2012.
3. There are a number of initiatives which the council is committed to delivering but are currently unfunded. These initiatives should have first call on the available finances.
4. Money may be allocated to reserves for specific future use.
5. Priority should be given to initiatives which have a direct benefit to the city and its ratepayers.

Options

Commitments requiring funds

1. **£54,000** to finance the winter gritting materials and equipment required by the Parks Service as agreed by the Strategic Policy and Resources Committee on 19 August 2011.
2. **£160,000** to finance the potential purchase of property adjacent to the Reverend Robert Bradford Memorial Park as agreed by the Strategic Policy and Resources Committee on 19 August 2011.

3. Members are aware that the council has agreed to extend the opening hours of Roselawn Crematorium. This means that the service will be in operation during hours of darkness. At present suitable lighting is not available along the entrance avenue. It is recommended that **£60,000** is set aside to finance the installation of suitable lamp standards and luminaries.

Future Commitments requiring funds

1. The council has agreed to host or compete for a number of events over the period 2012/13 - 2015/16. In 2012/13 the Titanic Centenary celebrations and the World Irish Dancing Championships will require funding of £400k and £200k, respectively. In addition, in 2013/14 the World Police and Fire Games and the All-Ireland Irish Dancing Championships will require a total of £600k. As these events are non-recurrent in nature it is recommended that a specified reserve is created in order to build up a pot of money which will cover the additional finance required. This means that the events can be funded without having to increase the district rate. In the first instance it is recommended that **£600,000** is placed in a specified reserve to cover the 2012/13 expenditure.

Additional Initiatives

1. The underspend provides an opportunity to support elements of the Parks and Leisure programmes of work which are currently not supported by the department's budget. By allocating finance to non-recurrent items of expenditure, it means that major areas of improvement to services provided to the public can be delivered without impacting on the ratepayer in terms of increased rates bills. The following areas have been identified as being suitable for non-recurrent financing:
 - a. A programme of 3G and grass resurfacing which has been identified as being required through the Pitches Strategy.
 - b. The resurfacing of the cycling track at Orangefield Park which is used as a training facility for national cyclists who compete in the Commonwealth and Olympic Games.
 - c. A programme of improvements and renewals in parks and leisure facilities, including lighting and equipment.
 - d. A programme of community initiatives including playgrounds, community gardens and local community events.

It is recommended that **£800,000** is allocated to the overall programme of work and that the Parks and Leisure Committee agree the allocation of money to specific initiatives.

2. Members are aware that the council is currently in the process of developing a portfolio of city projects in partnership with the public, business and community sectors. In order for Members to prioritise these projects and to support external funding applications, a reasonable level of detail is required in terms of costs, benefits, delivery implications, and so on. A feasibility study is the approach used to gather this information. It is recommended that **£125,000** is set aside to develop feasibility studies where these are required.
3. A recent study by the Office for National Statistics showed that 4.9 million people connected through wi-fi hotspots over the last year in the UK, up from 0.7 million in 2007. At the last of meeting of the Strategic Policy and Resources Committee the issue of wi-fi access in the City Hall was raised. Permission is sought from the Committee to carry out a feasibility study on providing wi-fi access in the City Hall and the Waterfront Hall to enhance the offer of these buildings to the public, tourists and business users. On completion of the feasibility study a report will be provided to

the Strategic Policy and Resources Committee.

4. There are a number of planned maintenance projects which can be brought forward from 2012/13 and completed by 31 March 2012. It is recommended that **£260,000** is allocated to this area.

Implementation Issues

Members should note that progress in delivering the agreed initiatives will be closely monitored and will be reported to the Strategic Policy and Resources Committee as part of the quarterly finance reports. The half year finance position will be brought to the Committee in November. At this point the Committee will also be in a position to review the future potential financial requirements of the city investment strategy and the forecast year end rates position.

Decision Required

Recommendations / Decisions Required

It is recommended that Members note the report and agree to the following:

- (a) the principles to be applied to the allocation of funds;
- (b) £54,000 is allocated to finance the winter gritting materials and equipment required by the Parks Service as agreed by the Strategic Policy and Resources Committee on 19 August 2011;
- (c) £160,000 is allocated to finance the potential purchase of property adjacent to the Reverend Robert Bradford Memorial Park as agreed by the Strategic Policy and Resources Committee on 19 August 2011;
- (d) £60,000 is set aside to finance the installation of suitable lamp standards and luminaries in Roselawn Crematorium;
- (e) A specified reserve is established with the purpose of building up funds for major city events and that £600,000 is allocated to this reserve in the first instance;
- (f) £800,000 is allocated to support a programme of work in Parks and Leisure and that the Parks and Leisure Committee agree the allocation of money to specific initiatives;
- (g) £125,000 is set aside to develop feasibility studies for city projects where these are required;
- (h) A feasibility study on providing wi-fi access in the City Hall and the Waterfront Hall to enhance the offer of these buildings to the public, tourists and business users is carried out;
- (i) £200,000 is allocated to support planned maintenance projects which can be brought forward from 2012/13 and completed by 31 March 2012.