



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Financial Reporting – Quarter 4 2013/2014
Date:	19th June 2014
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1.0	Relevant Background Information
1.1	The Strategic Policy and Resources Committee agreed on 18 June 2010 that: <ul style="list-style-type: none">• The Council would produce financial reporting packs for the Strategic Policy and Resources Committee and each Standing Committee on a quarterly basis• The Budget and Transformation Panel would also receive monthly financial updates if there were any significant issues to report.
1.2	The reporting pack contains a summary dashboard of the financial indicators and an executive summary explaining the financial performance (Appendix 1). It also provides a more detailed explanation of each of the relevant indicators covering outturn for the year, implications for reserves, payment of creditors and recovery of debt. The reporting of procurement compliance to members was introduced as part of the quarterly financial reporting from quarter 1 2012/2013.
1.3	The style and layout of the financial reporting pack reflects the discussion and feedback arising from the Members' financial training at the end of September 2010.
1.4	Central Finance and departmental management teams have worked together to develop the information within the reporting packs.

2.0	Key Issues
2.1	Financial Outturn 2013/14 The year end financial position for the Council is an under-spend of £366k (0.3%) , which is well within the acceptable variance limit of 3%.

2.2	As in Quarter 3, the key elements of the under-spend relate to savings in employee costs through unfilled posts and the receipt of additional income primarily within Building Control relating to regulation certificates, entertainment licenses and property certificates. The outturn figure includes £286k of expenditure which was previously classified as capital.
2.3	LPS Rates Finalisation The year end outturn as reported by LPS is a positive settlement to BCC of £1.667m . The main reason for the positive settlement was a slight growth in the domestic rate base and the positive outcome of the vacant rating inspections undertaken by the Building Control Service. Non Domestic rates income remained static as the additional income from the vacant property inspections helped offset the slight decline in the non-domestic rate base of the City.
2.4	Finance Officers have been working will be working with LPS and the Institute of Revenues Rating and Valuation (IRRV) to validate the rate base for the new Council. This will be a key element of the district rate setting process for 2015/16.
2.5	Capital Financing The capital financing budget was fully utilised during the year resulting in all capital expenditure incurred being fully financed
2.6	Capital Expenditure In the twelve months to 31 March 2014 the Council incurred net expenditure of £6.56m on capital schemes. In addition £5.22m of levered monies was also spent on capital schemes during the year bringing the gross capital expenditure to £11.78m for 2013/14. Non-recurring project expenditure was £1.2m against a budget of £957k, with the over spend due to slippage in 2012/13 schemes which were brought forward to 2013/14.
2.7	Reserves Position At the year end the Council had specified reserves of £7.3m and General Reserves at the end of 2013/14 will sit at £14.27m. However as reported to the Committee in April 2014, the Voluntary Redundancy exercise has been completed as part of the Leisure Transformation Programme. At this stage it is too early to confirm the total VR costs, but it is recommended that members ear mark the year end outturn under spend and the rates finalisation amount to finance the cost of the voluntary redundancies and leisure pension costs. When the final VR and pension costs are confirmed these will reported to the Strategic Policy and Resources Committee.
2.8	Investment Programme Committed expenditure approved by the Strategic Policy and Resources Committee for the 3 year Capital Programme stands at £39.7m, leaving £35.3m of schemes within the 3 year programme at the uncommitted or emerging project stage. A separate report, which will be considered at this meeting, provides an update on the physical progress of projects within the Capital Programme.
2.9	Belfast Investment Fund At the 31 March 2014 the Belfast Investment Fund stood at £19.2m with a forecast balance of £22m by the end of 2014/15, excluding any additional capital receipts processed during 2014/15.

2.10	Local Investment Fund Committed expenditure on LIF projects at the year-end totals £4.8m, leaving a balance of £0.2k in the Local Investment Fund.
2.11	Levered Monies The amount of levered external funding for the Investment Programme which has been agreed in principal increased to £69.9m at the year-end, with £49.8m of these funds confirmed through letters of offer.
2.12	Other Financial Indicators 58.8% of debt was collected within 30 days which was slightly below the target of 60.0% while debt under 90 days old represented 62.7% of total debt as compared to the target of 65.0%. However total debt reduced to £3.7m compared to last year's position of £4.2m.
2.13	The average number of creditors paid within 28 days for 2013/14 was 85.8% which was above the target of 85.0% and represented an increase of over 5% during the year. Work continues in this area to meet the Investment Programme commitment of 90% of creditors paid within 28 days by 2014/15.
2.14	Treasury Management The year-end Treasury Management report is included as Appendix 2.

3.0	Resource Implications
3.1	The year end outturn was an under spend of £366k (0.3%) and general reserves are £14.27m.

4.0	Equality and Good Relations Implications
	There are no equality and good relations implications associated with the report.

5.0	Recommendations
	<ul style="list-style-type: none"> • Members are also asked to note the above report and associated financial reporting pack • Members approve the ear marking of the year end outturn and the positive rates settlement to finance the voluntary redundancies and leisure pension costs arising from the leisure transformation programme.

7.0	Key to Abbreviations
	<p>LPS: Land and Property Service</p> <p>SAP: Council Computerised system</p> <p>CTU: Central Transactions Unit</p> <p>PO: Purchase Order</p> <p>GRN: Goods Received Note</p>

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8.0	Documents Attached
	Appendix 1: Financial Reporting Pack
	Appendix 2: Treasury Management Report