



Strategic Policy and Resources Committee

Quarterly Finance Report

Report Period: Quarter 1, 2017/18

Dashboard - Quarter 1, 2017/18

Revenue Section							Page
Committee	YTD	YTD Var £000s	Var %	Forecast	Forecast Var £000s	Var %	
Strategic Policy and Resources		(684)	(6.9)%		(174)	(0.4)%	3, 4
People and Communities		(562)	(2.8)%		(455)	(0.6)%	
City Growth and Regeneration		(128)	(2.6)%		(461)	(2.9)%	
Planning Committee		141	33.7%		(61)	(4.2)%	
Total		(1,234)	(3.5)%		(1,151)	(0.9)%	

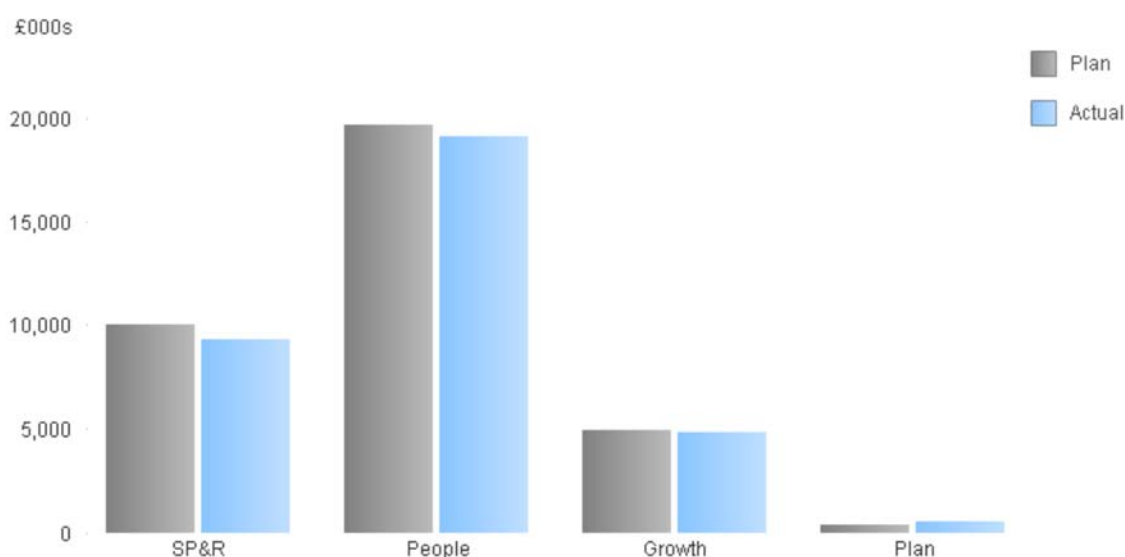
Rate Income Variance	(893)	5
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Reserves Statement					
Reserves	Opening Balance £000s	YTD Movement £000s	Balance £000s	Forecast £000s	
General	13,355	0	13,355	15,399	6-7
Specified	7,635	(8)	7,627	1,355	
Total	20,989	(8)	20,982	16,754	

Capital Section								Page
Capital Programmes	YTD	Expenditure Limit £000s	Actual Expend. £000s	Balance to go £000s	Forecast	Forecast Expend. £000s	Forecast Var £000s	
Annual Capital Programme		36,480	2,527	33,953		36,811	331	8-9
Feasibility		250	13	237		34	(216)	10-11
LGR New Boundary		954	20	934		685	(269)	
LTP Efficiencies		0	0	0		0	0	
Non-Recurring Projects		730	190	540		730	0	
Capital Funds	YTD	Fund Limit £000s	Committed £000s	Balance Remaining £000s	Actual Expend. £000s			
Belfast Investment		28,200	17,020	11,180	896			12-13
LIF 1		5,000	4,956	44	3,914			14-15
LIF 2		4,000	3,901	99	1,458			

Capital Financing Section				
Capital Finance	Plan £000s	Forecast £000s	Forecast Var £000s	
Transferring Loans	677	677	0	16
LTP Efficiencies	1,871	1,871	0	
Leisure - New BCC	2,000	2,000	0	
Leisure Transformation Financing	3,230	3,230	0	
Investment Programme	10,974	10,974	0	
Total	18,752	18,752	0	

Committee Net Revenue Expenditure: Year to Date Position



The Quarter 1 position for Belfast City Council is an underspend of £1.23m or 3.5% of the total budget.

The **Strategic Policy and Resources Committee** is under spent by £684k, which is 6.9% of the Committee budget.

The net under spend comprises of £200k in the corporate pensions budget, due to the timing of employer's contribution payments and £208k in Corporate Priorities due to the lead in time for invest to save projects. The remaining underspend is due to delays in filling posts in Chief Executive's, Finance and Resources and the City Regeneration Departments.

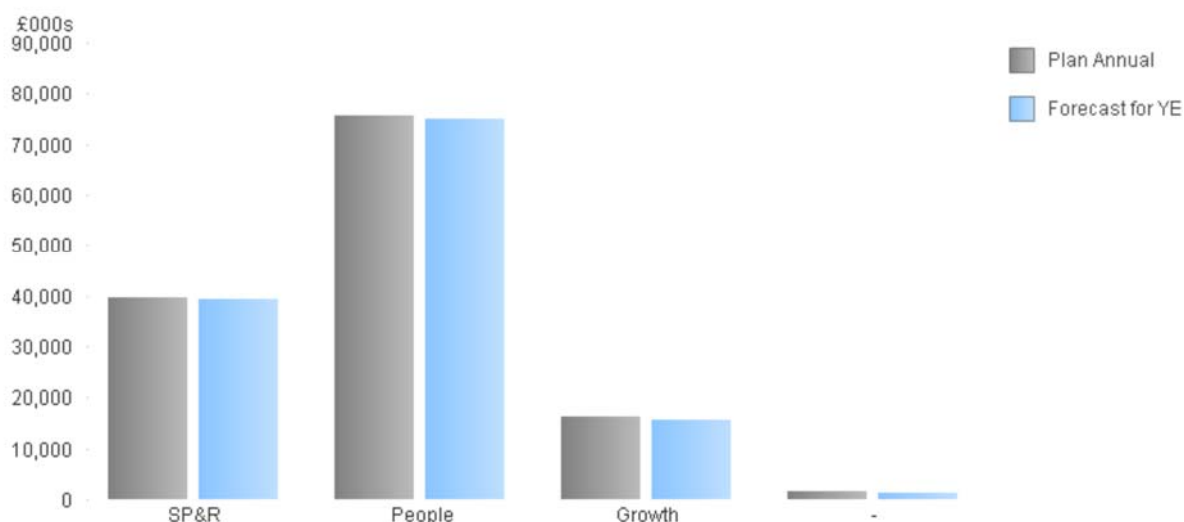
The **People and Communities Committee** is under spent by **£562k**, which represents **2.8%** of the Committee budget.

The position is mainly due to processing and profiling issues in Community Services of £146k which will be addressed in Quarter 2, vacant posts and delays in work programmes in Parks and Cemeteries of £176k and Neighbourhood and Development of £198k which have offset uncontrollable contract cost increases in Waste Management of £61k.

The **City Growth and Regeneration Committee** budget is under spent by £128k, or 2.6% mainly due to delays in filling vacant posts. Additional income from Off Street Car Parking of £26k was offset by reduced income of £24k at the Zoo.

The **Planning Committee** is overspent by £141k (33.7%) at the end of Quarter 1. The overspend position has arisen as a result of on-going pre application discussions resulting in the delay of £109k of planning fee income which is anticipated to be received in the next quarter and an under recovery of **Building Control** income in Quarter 1 which will be recovered in subsequent months.

Committee Net Revenue Expenditure: Forecast for Year End



The Quarter 1 year-end forecast position for Belfast City Council is an underspend of £1.15m or 0.9% of the total budget.

The **Strategic Policy and Resources Committee** has a forecast under spend of £174k or 0.4% of the Committee's budget. Employee underspends in Finance and Resources are the main driver to this forecast.

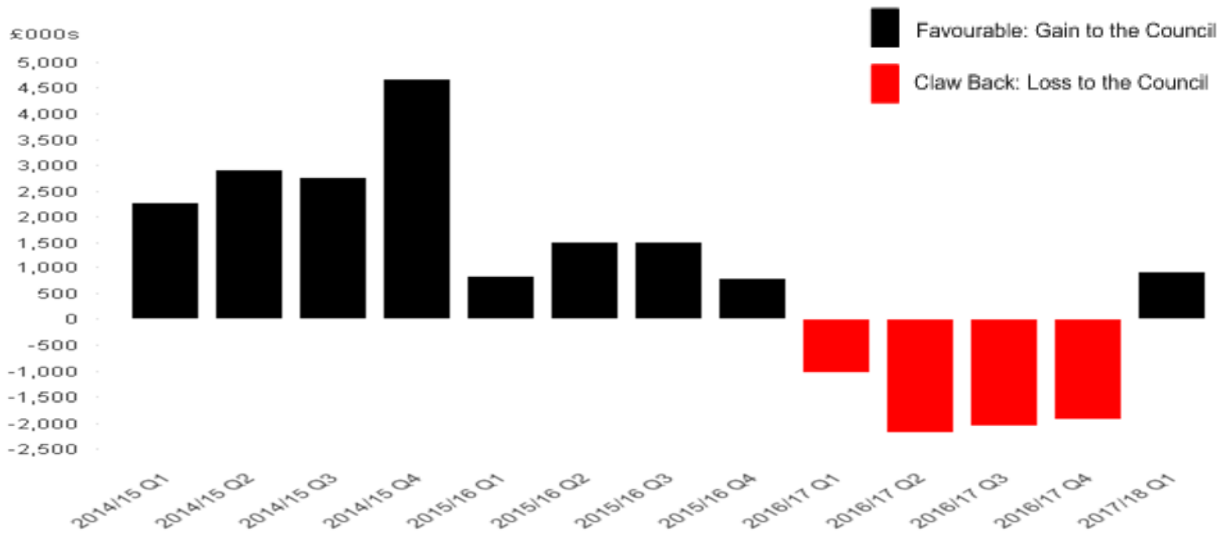
The **People and Communities Committee** is forecasting an under spend of £455k or 0.6% of the Committee's net budget. The main drivers for the forecast underspend are increased income and efficiencies in commercial waste of £74k, lower insurance premiums in Leisure Services £40k, additional income and vacant posts in Parks and Cemeteries £140k, Environmental Health £143k and Neighbourhood and Development Services £130k. The underspends will help mitigate against the anticipated overspend of £174k in Waste Management due to increased uncontrollable costs for waste disposal contracts.

The **City Growth and Regeneration Committee** budget is under spent by £461k, or 2.9% of its budgeted net expenditure at the year end. The main drivers are an underspend of £300k in the Economic Initiatives and International Development Service as delays in procurement processes will result in underspends in employee and programme costs. Vacant posts in Directorate will generate £66k of savings and additional Off Street Car Parking income is forecast to be £160k. The Zoo is forecast to be overspent by £55k at the year-end due to shop and catering commission income not performing as well as planned.

Additional income to Building Control from the Department of Finance together with the Planning Service forecasting a balanced budget, means that the **Planning Committee** is forecast to be £61k below budget by the year end.

District Rate Forecast Variance for Year End

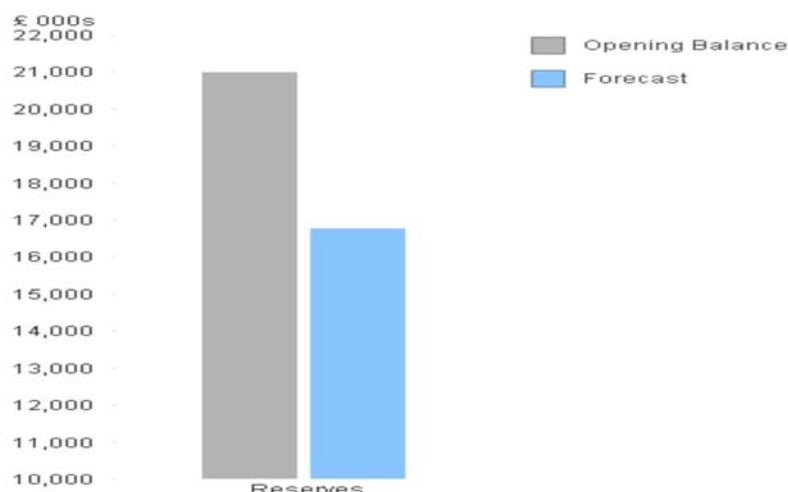
The chart below shows the rate income as received from Land and Property Services (LPS) in previous years, the quarterly forecast for recent years, and for the current year the forecast is updated each quarter.



The District Rate year end outturn, as forecast by LPS at Quarter 1 is a positive settlement of £893k. This reflects a positive APP settlement of £1.174m and a clawback of £281k for the derated grant.

Officers will continue to work with LPS to monitor performance.

Forecast movement on reserves



The Council's total reserves balance at 31/03/2017 was £20.99m. This included specified balances of £7.6m.

The balance of general reserves is forecast to increase from £13.4m to £15.4m at the year end. This increase is based on the favourable quarter 1 rates forecast from LPS, which Council officers will review and scrutinise with LPS during quarter 2. The application of specified reserves and the funding of voluntary redundancy and pension costs will result in a forecast specified reserves balance of £1.4m at the year end, meaning forecast total reserves of £16.8m.

Note :Specified reserves balances at the end of Quarter 1 are

Specified Reserve	Balance at P3
Area Pilots (Divis)	2,954
City Brand	100,000
Linguistic Diversity	25,000
Planning Legal Costs	187,500
Property Dilapidation	500,000
VR and Actuarial	1,186,516
Car Parking	75,000
Security	100,000
City of Culture (Major events)	500,000
Pipe Bands 17/18	39,976
Community Grants	294,000
Advice / Tribunal Service	50,000
Boxing Strategy	45,000
Stadia (Olympia) Community Benefit	258,432
Fuel Contingency	250,000
Non Recurrent	1,996,529
Belfast Agenda	2,016,340
Total	7,627,248

Forecast movement on reserves statement

Committee	Plan YTD £000s	Actuals YTD £000s	Variance YTD £000s	% Variance	Annual Plan 2017/2018 £000s	Forecast for Y/E at P3 £000s	Forecast Variance £000s	% Variance
Strategic Policy and Resources	9,985	9,301	(684)	(6.9)%	39,601	39,427	(174)	(0.4)%
People and Communities	19,719	19,157	(562)	(2.8)%	75,562	75,106	(455)	(0.6)%
City Growth and Regeneration	4,956	4,828	(128)	(2.6)%	16,167	15,706	(461)	(2.9)%
Planning Committee	418	559	141	33.7%	1,449	1,388	(61)	(4.2)%
Total	35,079	33,845	(1,234)	(3.5)%	132,778	131,627	(1,151)	(0.9)%

Capital financing

0

Specified reserves movements

-6,280

Year end departmental forecast

1,151

Rates Finalisation

893

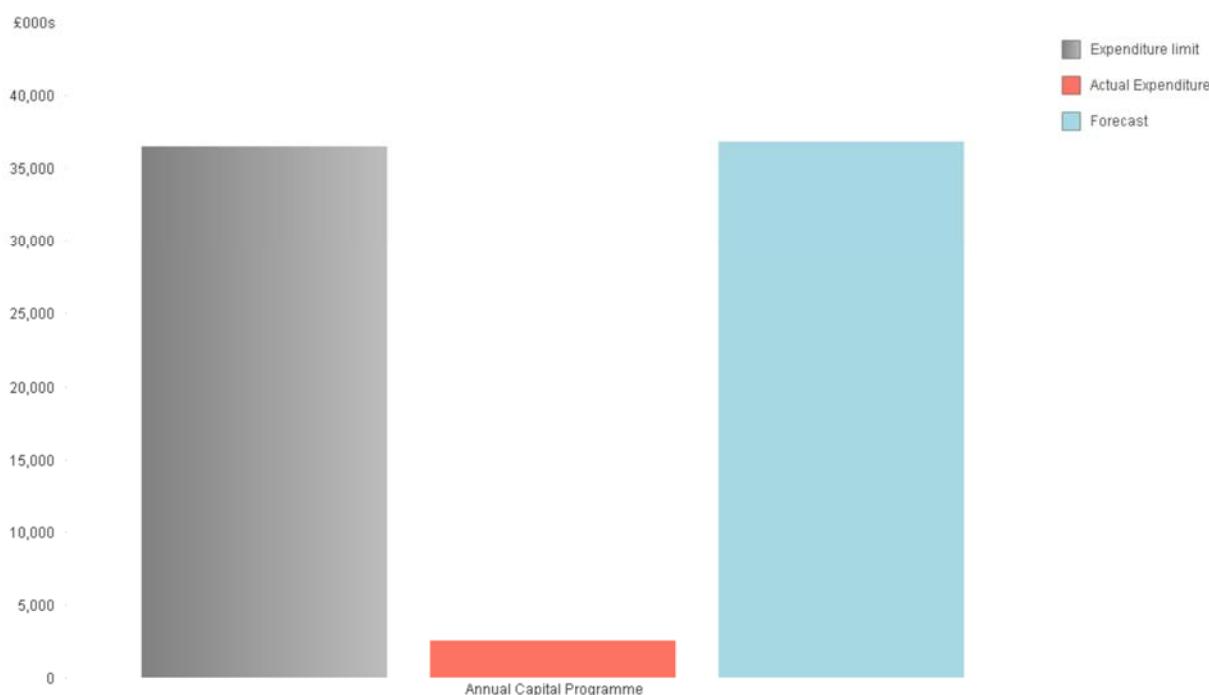
Forecast movement on reserves for current year

-4,236

Analysis of forecast reserves balance

Opening balance reserves	20,989
Movement in reserves	<u>-4,236</u>
Total Reserves	<u>16,754</u>
Forecast specified reserves closing balance	<u>1,355</u>
Forecast general reserves closing balance	<u>15,399</u>

Annual Capital Programme



Annual Capital Programme

The Strategic Policy & Resources Committee, 24 March 2017, agreed a programme of net expenditure for 2016/17 of £36.48m. This includes expenditure on committed projects, £36.28m and uncommitted projects, £198k.

In the three months to 30 June 2017 the Council has incurred net expenditure of £2.5m. Forecast outturn for the year was £36.81m.

Expenditure for the year on Stage 3 Committed projects and Stage 2 is outlined below:

Stage 3: Committed Projects

The Council has incurred £2.5m expenditure on the committed projects. The main areas of expenditure are:

- LTP - Olympia Regeneration - £571k
- Tropical Ravine - £559k
- LTP Andersonstown Regeneration – £287k
- LTP Robinson's Centre -£232k
- Pitches Strategy - £130k

Stage 2 Projects

The Council has incurred £3k expenditure on uncommitted projects to 30 June 2017. There was a programme of expenditure of £198k for uncommitted projects until 31 March 2018. However, these schemes will only move to tender stage upon approval from the Strategic Policy & Resources Committee and Council.

External Funding

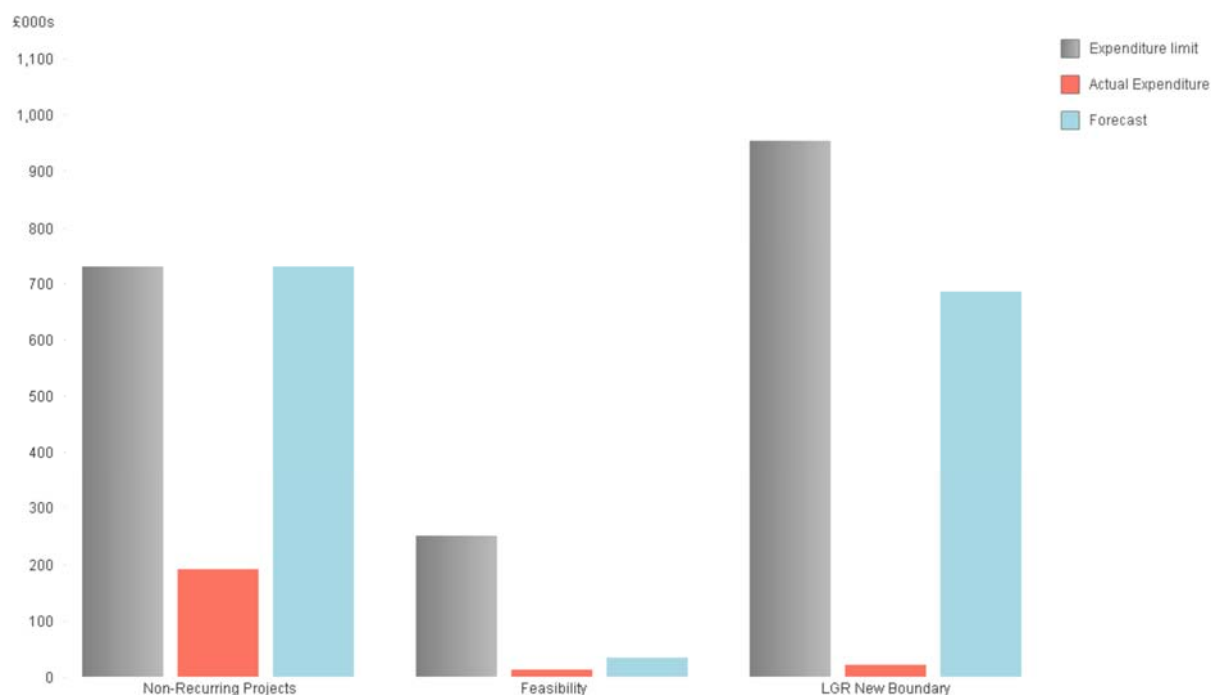
The 2017/18 Capital Programme includes 18 projects that are part funded by external organisations.

In the 3 months to 30 June 2017, the Council has claimed/received £624k from these external

fundes. The main areas of funding are:

- Connswater Community Greenway - £141k
- Super-connected Belfast - £226k
- Tropical Ravine – £255k

Other Capital Programmes



Other Capital Programmes

Feasibility

£250k from the capital financing budget has been ring-fenced to provide a Feasibility Fund in 2017/18

The Feasibility Fund enables initial feasibility work to be undertaken on proposed projects to bring them to a point where Members can decide if they should be progressed. The fund can be used for Local Investment Fund, Capital Programme or Belfast Investment Fund proposals.

As at 30 June 2017, the Council has committed £34k to the feasibility fund with £13k of this having been paid out. £9k relates to the Capital Programme Feasibility, £4k relates to BIF Feasibility.

Leisure - New Boundary

The Strategic Policy & Resources Committee, 24 March 2017, agreed a programme of net expenditure for 2016/17 of £954k for investment in the leisure estate in the new boundary area. The Council has incurred £20k on these projects to 30 June 2017.

The main areas of expenditure were:

Location	£
Prince Regent Road Depot	14.5k
Playground Replacements	5k
Lisburn Bridge Repairs	0.5k

Non-Recurring Capital Projects

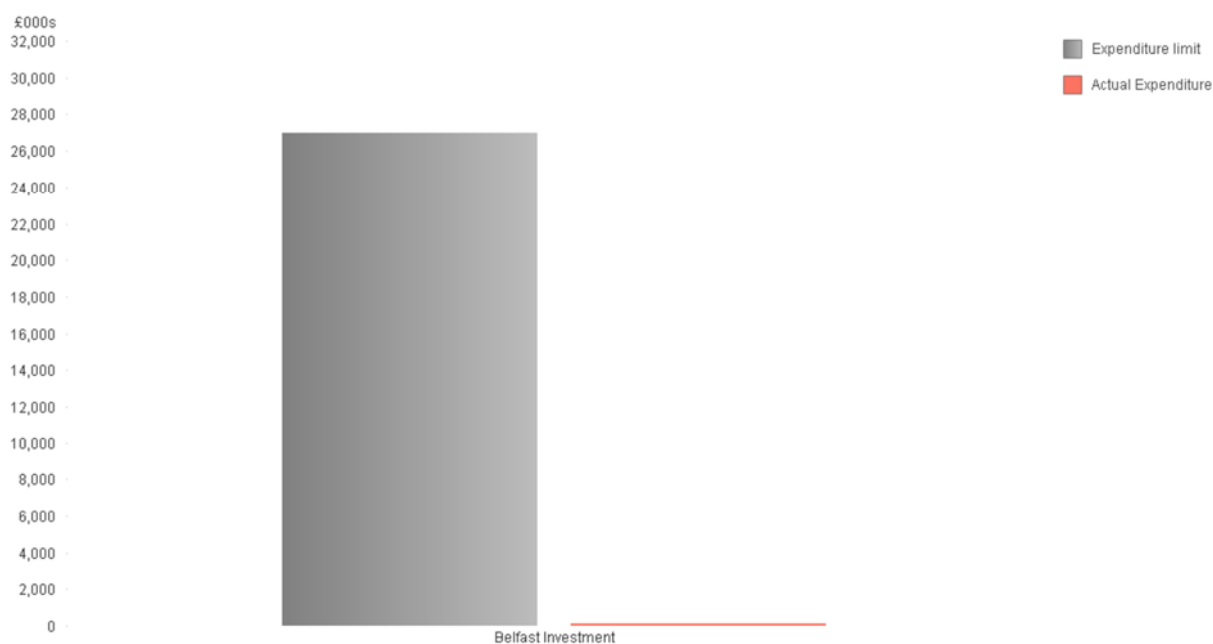
A planned programme of works amounting to £730k had been agreed for 2017/18.

The Council has incurred £190k of expenditure on non-recurring projects as at 30 June 2017.

The main areas of forecasted expenditure are:

Location	Work needed	£
CWB Works	Preparation works	127k
Zoo	(Sea Lions Enclosure)	120k
Girdwood	Toilets & New Access	65k
Various Pitches	Drainage	125k
Knocknagoney Park	Lighting	50k

Belfast Investment



Belfast Investment Fund

The Council has established a Belfast Investment Fund (BIF) which is designed to support partnership projects across the city. The Strategic Policy & Resources Committee on 24 April 2015 agreed that there is £22m available under BIF and to ensure that there is balanced investment across the four city quadrants in terms of the overall allocation.

As part of the rates setting process in January 2016 an additional £5m was allocated to BIF, bringing the total to £27m. On 22 March 2016, it was agreed to allocate this additional funding proportionately across Outer West and Outer East.

At SP&R Committee on 23 September 2016 an additional £1.2m was allocated to projects in the Shankill area of the Court District Electoral Area.

As at 30 June 2017, there are twelve committed projects totalling £17.02m investment. The Council has incurred £851k expenditure on these projects to 30 June 2017.

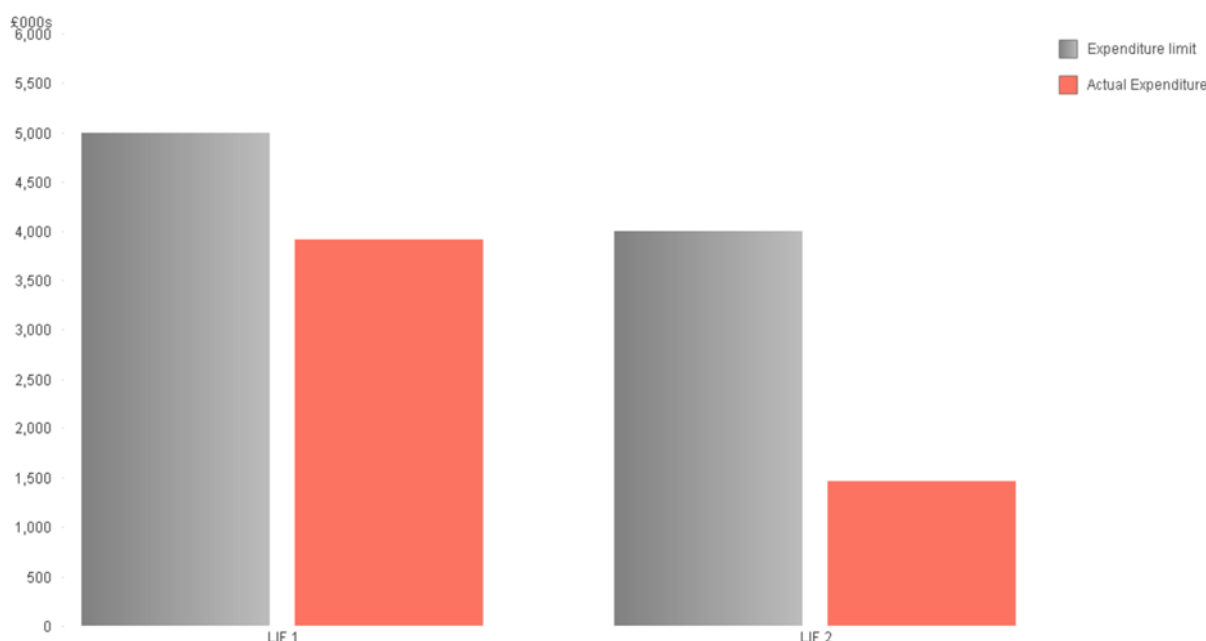
There are also five uncommitted projects, with £4.55m allocated. To date £45k has been spent on these.

In addition there are twenty one emerging projects, with £5.25m allocated. These projects will only become committed projects upon approval from the Strategic Policy & Resources Committee and Council.

The BIF contributions for each of the committed projects are:

Project	BIF Contribution £
Cancer Lifeline	650,000
Grace Women's Centre	1,600,000
Lagan Gateway at Stranmillis	2,150,000
Lanyon Tunnels	1,300,000
Bredagh GAC	700,000
Willowfield Parish Church	560,000
H&W Welders Club	2,370,000
Bloomfield Community Association	440,000
Strand Cinema	1,800,000
Lionra Uladh (Raidió Fáilte)	950,000
Davitts GAC	1,000,000
St Comgall's	3,500,000

Local Investment Funds (LIF 1 and LIF 2)



Local Investment Fund

LIF 1

An integral part of the Investment Programme was the establishment of a £5m Local Investment Fund (LIF) which was designed to support the delivery of key local regeneration projects in neighbourhoods and as a means for Members to connect with local communities in their area. This was in preparation for their formal role in community planning under the Reform of Local Government.

As at 30 June 2017, 71 projects worth £4.96m have been approved in principle, with 66 projects approved through the Council's rigorous due-diligence process.

Funding worth £3.92m has been paid out to 58 groups across the Council area, including North Belfast Women's Initiative & Support Project, Donegall Pass Community Forum, Mountpottinger Methodist Church, Glor Na Mona, and Ballygomartin Presbyterian Church.

Due-diligence work is continuing on the other projects which have been approved in principle and officers are working closely with the groups to ensure all necessary information is being forwarded to the Council.

LIF 2

Given the success of the original LIF it was agreed at Shadow SP&R in March 2015 that a LIF 2 would be established and £4m will be allocated to AWGs for this on a proportional basis as below:

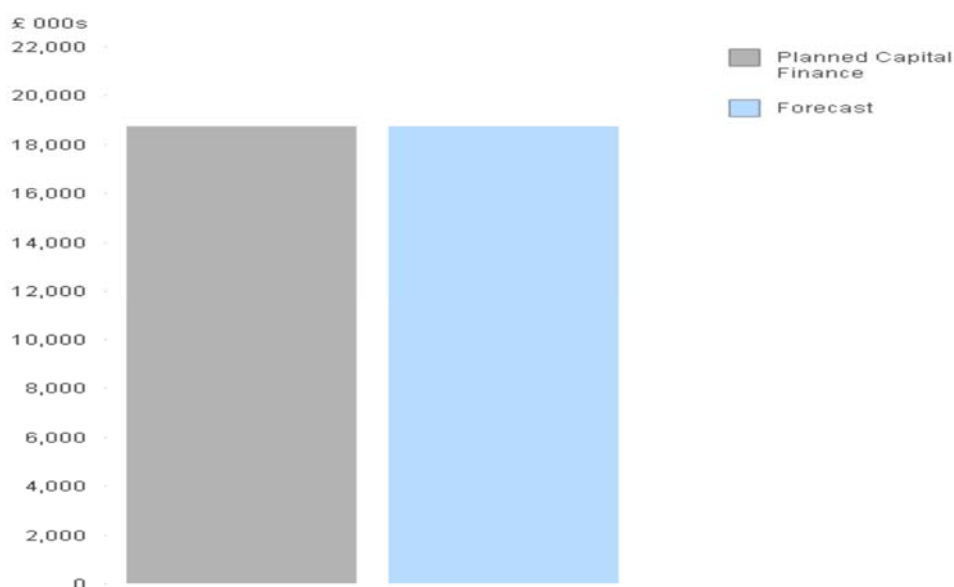
Area	LIF Allocation £
North	800,000
South	800,000
East	1,200,000
West	1,200,000

As at 30 June 2017, 59 projects worth £3.9m have been approved in principle, with 44 projects approved through the Council's rigorous due-diligence process.

Funding worth £1.46m has been paid out to 22 groups as at 30 June 2017.

Central Finance: Capital Finance Forecast for Year End

The Capital Finances are the monies required to support the capital expenditure in the current year and previous years.



The Capital Financing Budget for 2017/18 has been set at £18.75m to meet the financing cost of the Council's Capital Programme.

The forecast for this budget is to breakeven, with the monies being used to finance five main areas of expenditure, namely:-

- Recurring financing costs of existing and transferred loans
- Financing costs of committed schemes
- Financing costs of uncommitted schemes
- Feasibility work
- Non recurring schemes