



Subject:	Belfast City Council Statement of Accounts 2016/17
Date:	22 September 2017
Reporting Officer:	Ronan Cregan, Deputy Chief Executive and Director of Finance and Performance
Contact Officer:	Mark McBride, Head of Finance and Performance Trevor Wallace, Financial Accounting Manager

Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report or Summary of main Issues
1.1	The purpose of this report is to present to the Strategic Policy and Resources Committee, the Statement of Accounts of the Council, including the Annual Governance Statement, for the period ending 31 March 2017.
1.2	The Statement of Accounts are an important element of the council's overall corporate governance framework as they provide assurance to Members and ratepayers on the stewardship of the council's finances and its financial position.
1.3	The Statement of Accounts for the year ended 31 March 2017, as attached, have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17

1.4	<p>based on International Financial Reporting Standards and the Department for the Communities Accounts Direction, Circular LG 10/17 dated 13 March 2017.</p> <p>I can confirm that the Statement of Accounts for the year ended 31 March 2017 has been prepared in the form directed by the Department for the Communities and in my opinion the Statement of Accounts give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.</p>
2.0	Recommendations
2.1	<p>The Committee is asked to</p> <ul style="list-style-type: none"> • Approve the Council's Statement of Accounts and incorporated Annual Governance Statement for the year ended 31 March 2017.
3.0	Main report
3.1	<p><u>Key Issues</u></p> <p>Audit Opinion</p> <p>It is the Local government Auditors' opinion that:</p> <ul style="list-style-type: none"> • the financial statements give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2016-17, of the financial position of Belfast City Council as at 31 March 2017 and its income and expenditure for the year then ended; and • the statement of accounts have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities directions issued thereunder; and • the part of the Remuneration Report to be audited has been properly prepared in accordance with the Department for Communities directions made under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015; and • the information given in the Narrative Report for the financial year ended 31 March 2017 is consistent with the financial statements.
3.2	<p>Reserves</p> <p>General Fund</p> <p>The credit balance on the General Fund has increased to £20,989,452 (of which £7,634,933 relates to specified reserves). The movement on the reserves balance is summarised in Table 1 below:</p>

Table 1: Summary of Reserves Position

Opening Balance	£19.2m
In year movement in reserves	£ 1.8m
Closing Balance	£21.0m
Specified Reserves at year end	<u>£ 7.6m</u>
Balance Available	<u>£13.4m</u>

Capital Fund £24,850,616

3.3 The Capital Fund is made up of the Belfast Investment Fund (£3,810,715). The fund has been created to support key partnership projects to regenerate Belfast and help lever substantial funds from other sources, the Local Investment Fund (£4,056,629) to fund smaller local regeneration projects, the City Centre Investment Fund (£15,699,861) to support the Belfast City Centre Regeneration Investment Plans, the Social Outcomes Fund (£1,000,000) to support City Centre projects which might not generate a direct financial return but would enhance the overall City Centre offer and support attraction of investment and the BWUH Subvention Fund (£283,411) to support planned maintenance and future capital works at the new exhibition centre.

Leisure Mobilisation Fund £1,945,000

3.4 This fund is to support the Leisure Transformation Programme and will cover programme level costs including communications, engagement and procurement costs.

Capital Receipts Reserve £1,632,457

3.5 These are capital receipts which have originated primarily from the sale of assets and which have not yet been used to finance capital expenditure. This amount relates mainly to the sale of land & buildings at Loop River (£860,000).

Other Fund Balances and Reserves £357,818

3.6 This relates to the Election Reserve which has been set up to smooth the cost of running council elections.

Debt

3.7 The overall level of trade debtors had decreased over the previous 9 years, reducing from £10m at 31 March 2008 to £4.2m at 31 March 2017. An analysis of trade debtors, inclusive of VAT, for the last two years is shown below:

	31 March 2017	31 March 2016
Less than three months	£3,305,930	£2,434,909
Three to one year	£111,596	£166,672
More than one year	£789,382	£1,021,813
Total	£4,206,908	£3,623,394

Creditors

3.8 The Department for Communities has set councils a target of paying invoices within 30 days. During the year the council paid 61,092 invoices totalling £185,282,726.

3.9 The average time taken to pay creditor invoices was 23 days for the year ended 31 March 2017. The Council paid 43,898 invoices within 10 days, 53,600 invoices within 30 days, and 7,492 invoices outside of 30 days. The council endeavours to process invoices as quickly as possible and has an improvement plan to support this process.

Annual Governance Statement (AGS)

3.10 The Statement of Accounts include Annual Governance Statement (AGS) for the year 2016/17, which has been prepared in line with the Accounts Directive provided by the Department for Communities, NIAO guidance and is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. Specifically the AGS sets out:

- scope of responsibility of the Council in relation to governance
- the purpose of the governance framework
- the governance framework in place
- review of effectiveness of the governance framework
- significant governance issues to be disclosed.

3.11 The AGS is approved by the Chair of the Strategic Policy and Resources, the Chief Executive and the Director of Finance and Resources. It is subject to review by the LGA (NIAO) as part of their annual audit.

3.12	<u>Financial & Resource Implications</u> None
3.13	<u>Equality or Good Relations Implications</u> None
4.0	Appendices – Documents Attached
	Appendix 1 - Detailed Statement of Accounts titled "Belfast City Council Statement of Accounts 2017"