



<b>Subject:</b>	<b>Financial Reporting – Quarter 3 2018/2019</b>
<b>Date:</b>	16 <sup>th</sup> February 2018
<b>Reporting Officer:</b>	Ronan Cregan, Director of Finance and Resources
<b>Contact Officer:</b>	Mark McBride, Head of Finance and Performance

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

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

<b>1.0</b>	<b>Purpose of Report or Summary of Main Issues</b>
1.1	This report presents the Quarter 3 financial position for the Council including a forecast of the year end outturn. It includes a reporting pack which contains a summary of the financial indicators and an executive summary ( <b>Appendix 1</b> ). It also provides a more detailed explanation of each of the relevant indicators and the forecast outturn for the year.
1.2	The Departmental year end forecast is a net year end under spend of £557k which represents a variance of 0.4% of the annual net expenditure budget. Members will recall that as part of the Revenue Estimate setting process for 2018/2019 the Strategic Policy and Resources Committee at its meeting on 15th December 2017 agreed that non recurrent funding of £147k for Community Grants and £70k for Twilight Markets would be made available for 2018/2019. This means that the forecast surplus at the year-end is only £340k.

<b>2.0</b>	<b>Recommendations</b>
2.1	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> <li>• note the contents of the report; and</li> <li>• agree that no further re-allocations are considered until the year end, given that the uncommitted forecast represents less than 0.2% of departmental net expenditure.</li> </ul>
<b>3.0</b>	<b>Main Report</b>
3.1	<p><u>Current and Forecast Financial Position 2017/2018</u></p> <p>The financial position for Quarter 3 is a net departmental under-spend of £2,031k (2.0%). The forecast year-end departmental position is an under-spend of £557k (0.4%), which is well within the acceptable variance limit of 3%.</p>
3.2	<p>The departmental underspend arises mainly from below budget employee costs, due to staff vacancies, staff turnover, additional income and reductions supplies expenditure in Waste Management which has helped offset budgetary pressures within Facilities and the Zoo.</p>
3.3	<p><u>Rates Finalisation</u></p> <p>The District Rate forecast by Land and Property Services (LPS) is a favourable outcome of £645k, which is a decrease of almost £500k in the estimated rate finalisation from the position reported at Quarter 2.</p>
3.4	<p>Two large buildings which were valued as industrial (one in Queen’s Island with a Net Annual Value – NAV of £208k and one in Royal Avenue with an NAV of £195k) were made vacant which resulted in the industrial status being removed. Industrial status entitled a property to 30% rate reduction. However, the move from industrial to vacant status qualifies for 100% (Non Domestic Vacant Rating – NDVR) exemption and this manifests in an increased loss. Associated with this change in occupancy status is a reduction in the de-rating compensation which is evident through the increased de-rated clawback. A third property with an NAV of £143k moved from NVDR 50% to NDVR exclusion.</p>
	<b>Capital Projects</b>
3.5	<p>Planned capital expenditure for 2017/18 approved as part of the capital programme is £36.5m with forecast expenditure for the year of £24.98m.</p>
3.6	<p>The Summary Dashboard on Page 2 of the attached performance report summarises forecast expenditure on other capital programme including Non-Recurring Projects (£1,037k), Feasibility Fund (£191k) and projects in the new boundary areas (£757k).</p>

3.7	<p>Committed expenditure approved by the Committee on Belfast Investment Fund projects is £17.02m, with a further £4.96m committed on LIF 1 projects and £3.86m on LIF 2 projects.</p> <p><u>Capital Financing</u></p>
3.8	<p>The capital finance budget is forecast to be balanced at the year end.</p> <p><u>Forecast Reserves Position</u></p>
3.9	<p>The balance of general reserves is forecast to increase from £13.4m to £14.6m.</p>
3.10	<p>The movements in specified reserves is forecast to reduce the specified reserve balances to £6.7m at the year end.</p>
3.11	<p><u>Financial Resources</u></p> <p>This report considers the Councils financial performance at Quarter 3 2017/18 together with the forecast year end position.</p>
3.12	<p><u>Equality or Good Relation Implications</u></p> <p>None</p>
4.0	<p><b>Document Attached</b></p>
	<p>Quarter 3 Performance Report</p>