



<b>Subject:</b>	Financial Reporting – Quarter 4 2017/18
<b>Date:</b>	22 June 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>	
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"/>

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

<b>1.0</b>	<b>Purpose of Report</b>
1.1	This report presents the financial outturn for the Council for the year ended 31 March 2018. It includes a reporting pack which contains a summary of the financial indicators and an executive summary (Appendix 1). It also provides a more detailed explanation of each of the relevant indicators and covers the outturn for the year and implications for reserves and the year-end Treasury Management position (Appendix 2).
<b>2.0</b>	<b>Recommendations</b>
2.1	The Committee is asked to: <ul style="list-style-type: none"><li>Note the year end outturn and reserves position.</li></ul>

	<ul style="list-style-type: none"> <li>Note that the balance of department underspend of £28,993 will be allocated to General Reserves.</li> </ul>
<b>3.0</b>	<b>Main report</b>
	<b>Financial Outturn 2017/18</b>
3.1	The year-end departmental position for the Council is an under-spend of £435,514 (0.3%). The main reasons for the departmental net expenditure variance include employee under-spends due to staff turnover, vacancies and receipt of additional central grants income.
3.2	Members will recall that the Committee, on the 18 May 2018, agreed to allocate £226,521 from General Reserves and £180,000 from the Capital of Culture Specified Reserves to fund £406,521 of area-based festivals expenditure.
3.3	After the replenishment of reserves for the above allocations of £406,521 from the departmental underspend of £435,514 there remains a balance of £28,993 of departmental underspend which will be transferred to General Reserves.
	<b>LPS Rates Finalisation</b>
3.3	The year-end outturn as reported by LPS is a surplus of £750k. This comprises a surplus rates income of £1.1m and reduction in the actual derating grant of £350k. This surplus was fully allocated by the Committee in November 2017.
	<b>Capital Financing</b>
3.4	The year-end capital financing expenditure was fully applied at the year end, this includes the £2.2m of financing available due to slippage in the capital programme, which was reallocated by the Committee in November 2017.
	<b>Capital Expenditure</b>
3.5	In the twelve months to 31 March 2018 the Council incurred net expenditure of £19.2m on capital schemes. In addition £3.2m of levered monies was also spent on capital schemes during the year bringing the gross capital expenditure to £22.4m for 2017/18. Non-recurring project expenditure was £0.9m against a budget of £1.2m.
	<b>Local Investment Funds (LIF 1 and LIF 2)</b>
3.6	Committed expenditure on LIF 1 projects at the year-end was almost £5m, leaving a minimal balance of LIF 1 funding.
3.7	Committed expenditure on LIF 2 projects was £3.86m leaving a balance of £140k.
	<b>City Centre Social Outcomes Fund</b>
3.8	The City Centre Social Outcomes Fund was fully financed and the full balance of £4m remains in the fund at the 31 March 2018.

	<b>Belfast Investment Fund</b>
3.9	The Belfast Investment Fund balance was £4.25m at the end of 2017/18. From 2018/19, the recurrent rates contribution of £3.27m per annum will be allocated to the Belfast Investment Fund to finance £28.2m of Belfast investment Fund expenditure in future years.
	<b>City Centre Investment Fund (CCIF).</b>
3.10	The balance of the City Centre Investment Fund at the year-end was £15.3m.
	<b>Reserves Position</b>
3.11	The opening balance of Specified Reserves at the start of 2017/18 was £7.6m and General Reserves of £13.4m. After movements and allocations by the Committee during the year the Council has <b>Specified Reserves of £10.7m and General Reserves of £13.7m at the year end.</b>
	<b>Summary of Council Financial Position for 2018/19</b>
3.12	Robust financial planning means that the Council will commence the 2018/19 year with access to the following financial resources to ensure an adequate reserves position and fund the capital investment plans for the City. <ul style="list-style-type: none"> <li>• General Reserves £13.7m</li> <li>• Specified Reserves £10.7m</li> <li>• City Centre Social Outcomes Fund £4m</li> <li>• City Centre Investment Fund £15.3m</li> <li>• Belfast Investment Fund £28.2m (to be financed by £3.27m annually from 18/19)</li> <li>• Capital Financing Budget Programme £20.7m</li> <li>• Leisure Transformation Programme £105m</li> </ul>
	<u>Financial and Resource Implications</u>
3.13	The report sets out the 2017/18 year end position.
	<u>Equality Implications</u>
3.14	There are no equality implications with this report.
<b>4.0</b>	<b>Appendices – Documents Attached</b>
	Appendix 1 – Quarter 4, 2017/18 Finance Performance Report Appendix 2 – Year End Treasury Management Report