



Strategic Policy and Resources Committee

Quarterly Finance Report

Report Period: Quarter 4, 2017/18

## Dashboard - Quarter 4, 2017/18





### Revenue Section

| Committee                      | YTD   | YTD Var £000s | Var %         |
|--------------------------------|---|---------------|---------------|
| Strategic Policy and Resources |  | 349           | 0.9%          |
| People and Communities         |  | (848)         | (1.1)%        |
| City Growth and Regeneration   |  | (47)          | (0.3)%        |
| Planning Committee             |  | 111           | 7.7%          |
| <b>Total</b>                   |  | <b>(436)</b>  | <b>(0.3)%</b> |




### Reserves Statement

| Reserves     | Opening Balance<br>£000s | Movement<br>£000s | Closing balance<br>£000s |
|--------------|--------------------------|-------------------|--------------------------|
| General      | 13,355                   | 316               | 13,670                   |
| Specified    | 7,635                    | 3,103             | 10,738                   |
| <b>Total</b> | <b>20,989</b>            | <b>3,419</b>      | <b>24,409</b>            |

### Capital Section

| Capital Programmes       | YTD   | Expenditure /<br>Limit £000s | Actual Expend.<br>£000s | Balance to go<br>£000s |
|--------------------------|---|------------------------------|-------------------------|------------------------|
| Annual Capital Programme |  | 36,480                       | 19,200                  | 17,280                 |
| Non-Recurring Projects   |  | 1,184                        | 923                     | 261                    |
| LGR New Boundary         |  | 954                          | 428                     | 526                    |
| Feasibility              |  | 250                          | 143                     | 107                    |

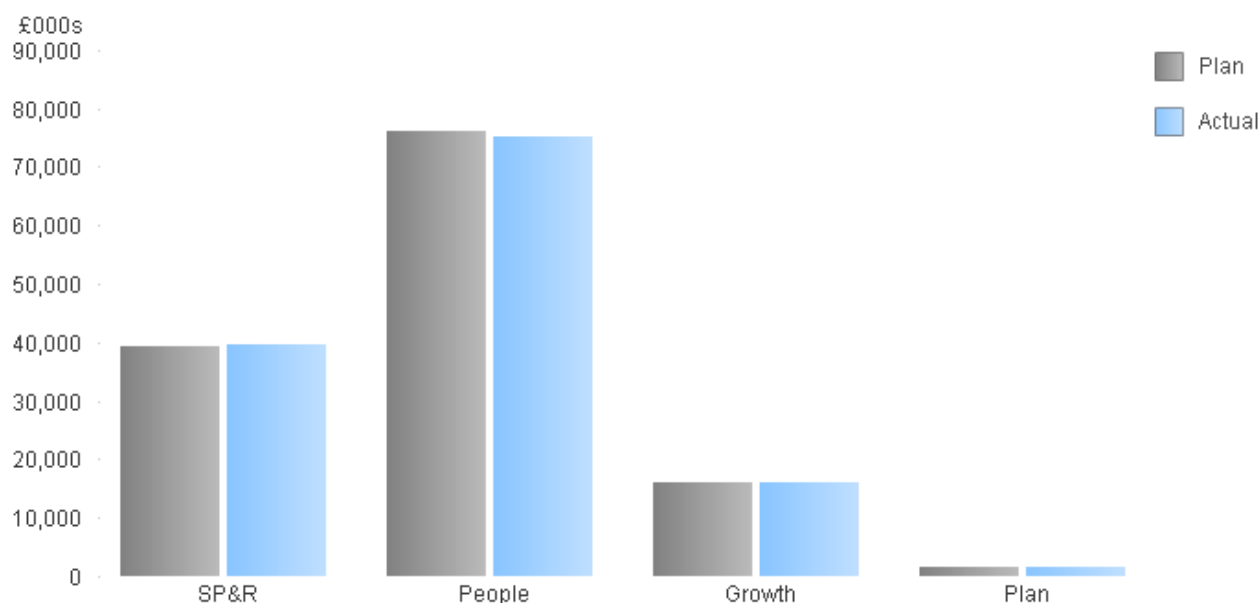
  

| Capital Funds      | YTD   | Fund Limit<br>£000s | Committed<br>£000s | Balance<br>Remaining £000s | Actual<br>Expend. £000s |
|--------------------|---|---------------------|--------------------|----------------------------|-------------------------|
| Belfast Investment |  | 28,200              | 23,950             | 4,250                      | 2,404                   |
| LIF 1              |  | 5,000               | 4,960              | 40                         | 4,100                   |
| LIF 2              |  | 4,000               | 3,860              | 140                        | 2,550                   |

### Capital Financing Section

| Capital Finance                  | Plan £000s    | Actual £000s  | Var £000s |
|----------------------------------|---------------|---------------|-----------|
| Investment Programme             | 10,974        | 10,974        | 0         |
| Leisure - New BCC                | 2,000         | 2,000         | 0         |
| Leisure Transformation Financing | 3,230         | 3,230         | 0         |
| LTP Efficiencies                 | 1,871         | 1,871         | 0         |
| Transferring Loans               | 677           | 677           | 0         |
| <b>Total</b>                     | <b>18,752</b> | <b>18,752</b> | <b>0</b>  |

## Committee Net Revenue Expenditure: Financial Year End 2017/18



The Quarter 4 position for Belfast City Council is an underspend of **£436k** or **0.3%** of the total net revenue budget against a planned budget of £136m.

The **Strategic Policy and Resources Committee** is over spent by **£349k**, which represents **0.8%** of the committee budget (£42.5m)

Ongoing financial pressures in Facilities services including security and fleet were offset by underspends in employee costs largely due to vacant posts.

The **People and Communities Committee** is under spent by **£848k**, which represents **1%** of the committee budget (£76m)

The key drivers to this position are the decreasing waste disposal costs and employee underspends arising from staff turnover and pending structural reviews. Additionally unbudgeted income was received during the year for government supported schemes.

The **City Growth and Regeneration Committee** budget is underspent by **£47k** which is 0.3% of the committee budget (£16m).

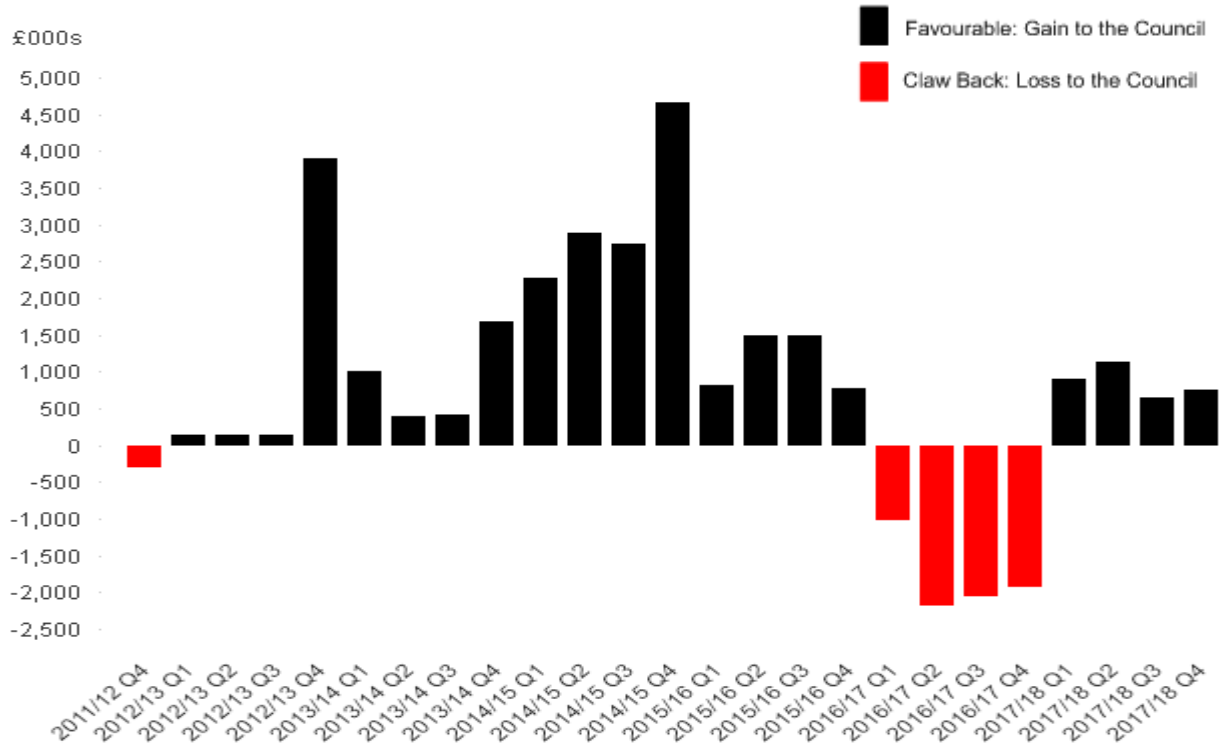
Employee underspends and additional car parking income have helped offset the ongoing financial pressures at the Zoo.

The **Planning Committee** is overspent by **£111k** which represents 7.7% of the committee budget (£1.5m) at the end of Quarter 4.

The under recovery of income in both the Planning and Building Control Services and an over spend on advertising continue to be the main drivers to this position.

## District Rate: Financial Year End 2017/18

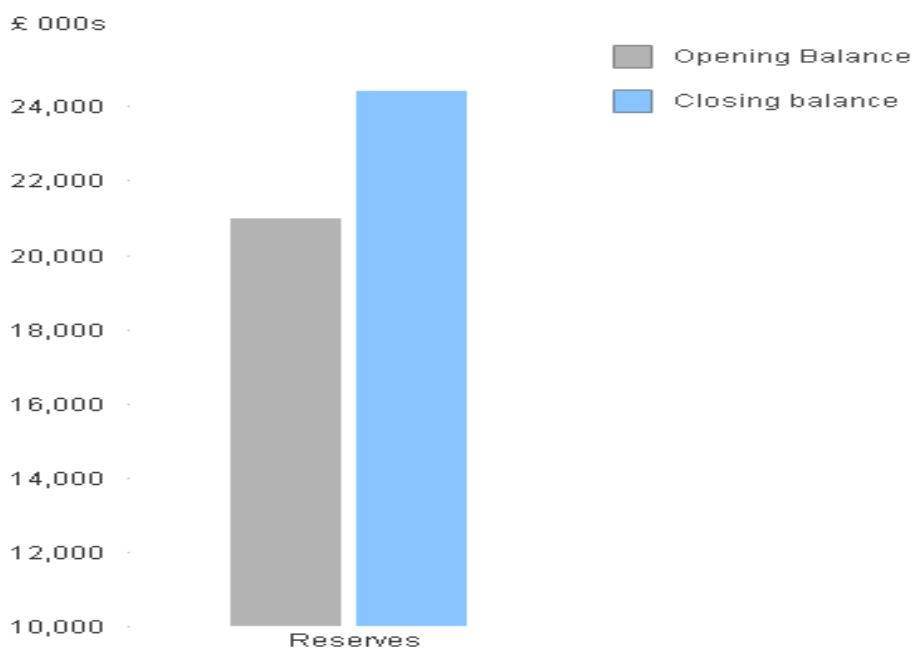
The chart below shows the quarterly rate income received from Land and Property Services (LPS) in previous years.



The District Rate year end outturn is a positive settlement of **£750k**. This reflects a positive APP settlement of **£1.1m** and a clawback of **£350k** for the de-rated grant.

This positive settlement was re-allocated by Committee at the half year review in November 2017.

## Movement On Reserves: Financial Year End 2017/18



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

Members will recall that at the November meeting of the Strategic Policy and Resources Committee, reallocations of £2.9m were made to create specified reserves for 2018/19. A further £217k was contributed to specified reserves through the 2018/19 Revenue Estimates process to support Community Development Grants (£147k) and Twilight Markets (£70k).

This increase in specified reserve balances, together with the application of 2017/18 specified reserves and the funding of voluntary redundancy and pension costs, has generated a specified reserves balance of £10.7m at the year end, with a resultant overall reserves balance of £24.4m. Specified Reserves balances at the end of the 2017/18 financial year are:

| Specified Reserve                       | Balance At Year End |
|---|---------------------|
| Belfast Agenda                          | -3,062,557          |
| Smart Cities                            | -689,977            |
| Active Communities / Sport Changes Life | -100,000            |
| Advice Service Tribunal Costs           | -100,000            |
| City of Culture                         | -885,923            |
| Carparking                              | -75,000             |
| City Brand                              | -33,984             |
| Community Dev Grants                    | -183,530            |
| Corporate Customer Focus Project        | -500,000            |
| Fuel Contingency                        | -250,000            |
| General Data Protection Regs            | -51,000             |
| Linguistic Diversity                    | -25,000             |
| Non-Recurrent                           | -1,520,005          |
| NSEW Social Innov                       | -252,424            |
| Pipe Bands 17/18                        | -181,287            |
| Place Positioning                       | -13,424             |
| Planning Legal Costs                    | -148,523            |
| Property Dilapidation                   | -500,000            |
| Twilight Markets                        | -70,000             |

|                               |                    |
|-------------------------------|--------------------|
| <b>Events &amp; Festivals</b> | <b>-638,840</b>    |
| <b>VR</b>                     | <b>-1,294,914</b>  |
| <b>Stadia Benefit</b>         | <b>-161,960</b>    |
| <b>Grand Total</b>            | <b>-10,738,347</b> |

## Movement on Reserves Financial Year End 2017/18

| Committee                      | Plan £000s     | Actuals £000s  | Variance £000s | % Variance    |
|--------------------------------|----------------|----------------|----------------|---------------|
| Strategic Policy and Resources | 42,532         | 42,880         | 349            | 0.8%          |
| People and Communities         | 75,898         | 75,141         | (848)          | (1.1)%        |
| City Growth and Regeneration   | 16,078         | 16,031         | (47)           | (0.3)%        |
| Planning Committee             | 1,449          | 1,561          | 111            | 7.7%          |
| <b>Total</b>                   | <b>136,048</b> | <b>135,613</b> | <b>(436)</b>   | <b>(0.3)%</b> |

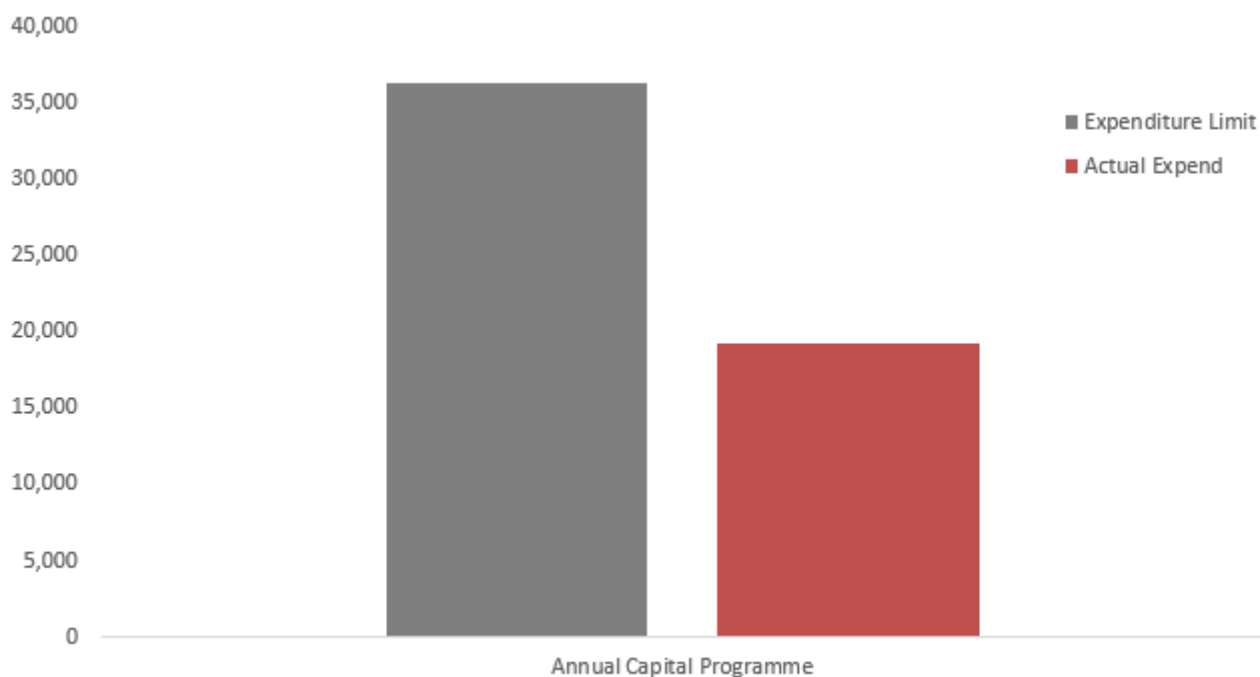
### RESERVES WORKINGS

|  |              |
|--|--------------|
| Capital Financing                            | 2,234        |
| Year End Departmental Outturn                | 436          |
| Rates Income                                 | 750          |
| <b>Movement on Reserves for Current Year</b> | <b>3,419</b> |

### Analysis of Reserves Balance

|   |                      |
|---|----------------------|
| Opening Balance Reserves                | 20,989               |
| Movement in Reserves                    | <u>3,419</u>         |
| <b>Total Reserves</b>                   | <b>24,409</b>        |
| Specified Reserves Balance              | <u>10,738</u>        |
| <b>Closing Balance General Reserves</b> | <b><u>13,670</u></b> |

## Annual Capital Programme Financial Year End 2017/18



### Annual Capital Programme

The Strategic Policy & Resources Committee, 24 March 2017, agreed a programme of net expenditure for 2017/18 of £36.48m. This includes expenditure on committed projects, £36.28m and uncommitted projects, £198k.

In the 12 months to 31<sup>st</sup> March 2018 the Council has incurred net expenditure of £19.2m.

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

#### Stage 3: Committed Projects

The Council has incurred £19.2m expenditure on the committed projects. The main areas of expenditure are:

- LTP Andersonstown Regeneration – £4m
- LTP - Olympia Regeneration - £3.99m
- LTP Robinson's Centre -£2.81m
- Fleet Replacement Programme - £2.1m
- Pitches Strategy - £1.92m
- Tropical Ravine - £0.79m

The net expenditure was lower than budget primarily due to delays in commencing the leisure projects, particularly Brook which was agreed by SP&R Committee to commence in early 2018 rather than the summer of 2017. It is also due to a revised forecast for the development works at the North Foreshore primarily due to market conditions. Work is continuing with developers and interested parties but is progressing slower than expected

#### Stage 2 Projects

The Council has incurred £177k expenditure on uncommitted projects to 31 March 2018. These



schemes will only move to tender stage upon approval from the Strategic Policy & Resources Committee and Council.

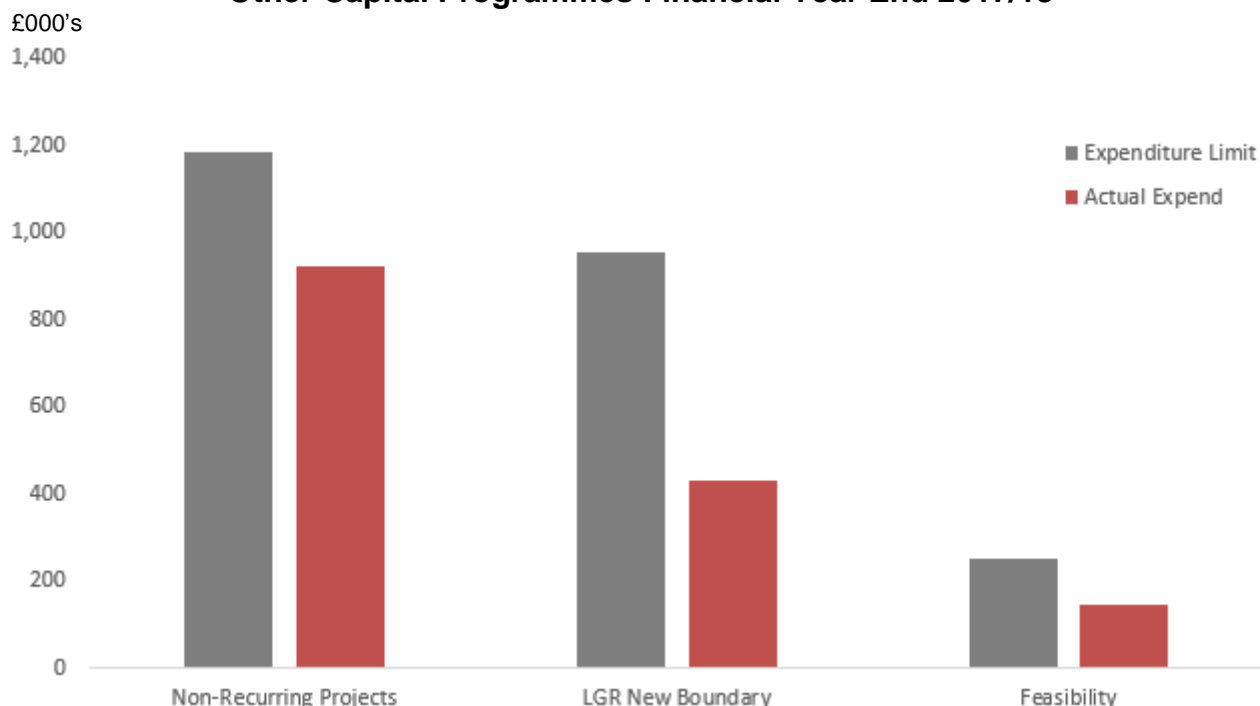
### **External Funding**

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

In the 12 months to 31<sup>st</sup> March 2018, the Council has claimed/received £3.2m from these external funders. The main areas of funding are:

- Tropical Ravine – £953k
- Super-connected - £888k
- Connswater Community Greenway - £664k

## Other Capital Programmes Financial Year End 2017/18



### 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 31 March 2018, the Council has spent £143K under the Feasibility Fund.

### LGR projects - New Boundary

The Strategic Policy & Resources Committee, 24 March 2017, agreed a programme of net expenditure for 2017/18 of £954k for investment in projects in the new boundary area. The Council has incurred £428k on these projects to 31 March 2018.

The main areas of expenditure were:

| Location                | £    |
|-------------------------|------|
| Sally Gardens Pavilion  | 274k |
| Colin Valley Playground | 71k  |
| Prince Regent Rd Depot  | 36k  |

### Non-Recurring Capital Projects

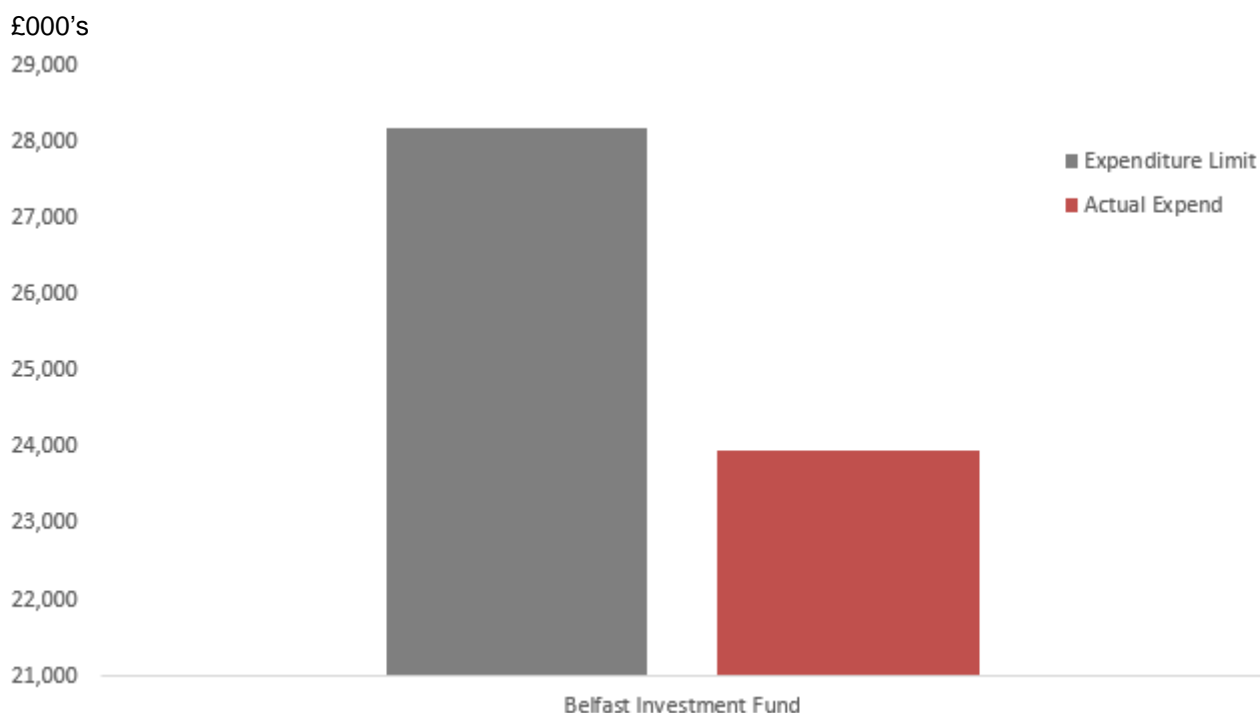
The Strategic Policy & Resources Committee, at its meeting on 24<sup>th</sup> March 2017 noted that the phased nature of the capital programme means that there is an unallocated amount of financing for 2017/2018 and agreed that this should be ring-fenced towards a number of non-recurrent projects which require spend during 2017/2018

The Council has incurred £923k of expenditure on non-recurring projects as at 31<sup>st</sup> March 2018

**The main areas of expenditure are:**

| <b>Location</b>            | <b>Work needed</b>   | <b>£</b> |
|----------------------------|----------------------|----------|
| Belfast Telegraph Building | Belfast Catapult     | 127k     |
| Various Pitches            | Drainage             | 124k     |
| CWB Works                  | Preparation works    | 99k      |
| Girdwood                   | Toilets & New Access | 48k      |

## Belfast Investment Financial Year End 2017/18



### 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 31 March 2018, there are 16 committed projects totalling £17.4m investment. The Council has incurred £2.26m expenditure on these projects to 31 March 2018. There are also 10 uncommitted projects, with £6.55m allocated. To date £144k has been spent on these.

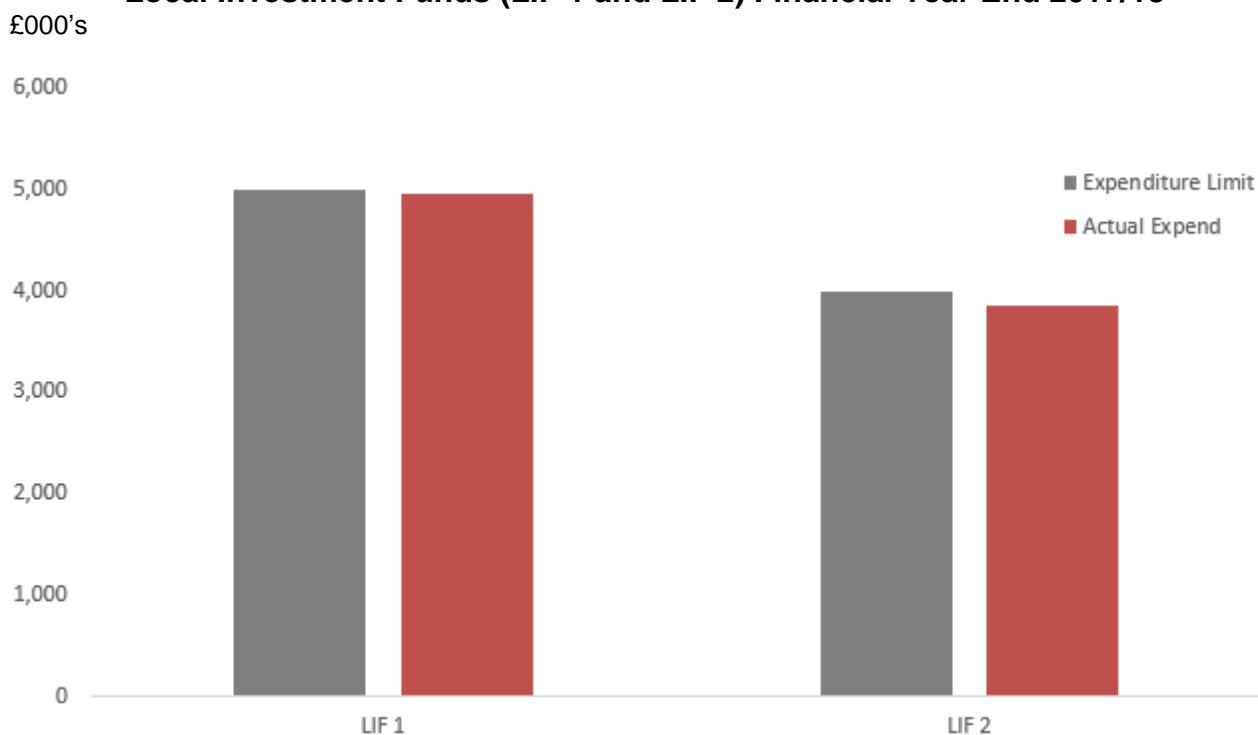
In addition, there are 18 emerging projects. These projects will only become committed projects upon approval from the Strategic Policy & Resources Committee and Council.

The BIF contributions for each of the committed projects are:

| Project                          | BIF Contribution<br>£ |
|----------------------------------|-----------------------|
| 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 |
| TAGIT Boxing Club               | 434,000   |
| Braniel Church                  | 390,000   |
| Hanwood project                 | 396,000   |
| Castlereagh Presbyterian Church | 382,000   |

## Local Investment Funds (LIF 1 and LIF 2) Financial Year End 2017/18



### 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 31 March 2018, 71 projects worth £4.96m have been approved in principle, with 68 projects approved through the Council's rigorous due-diligence process.

Funding worth £4.1m has been paid out to 64 groups across the Council area, including North Belfast Women's Initiative & Support Project, Donegal 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:

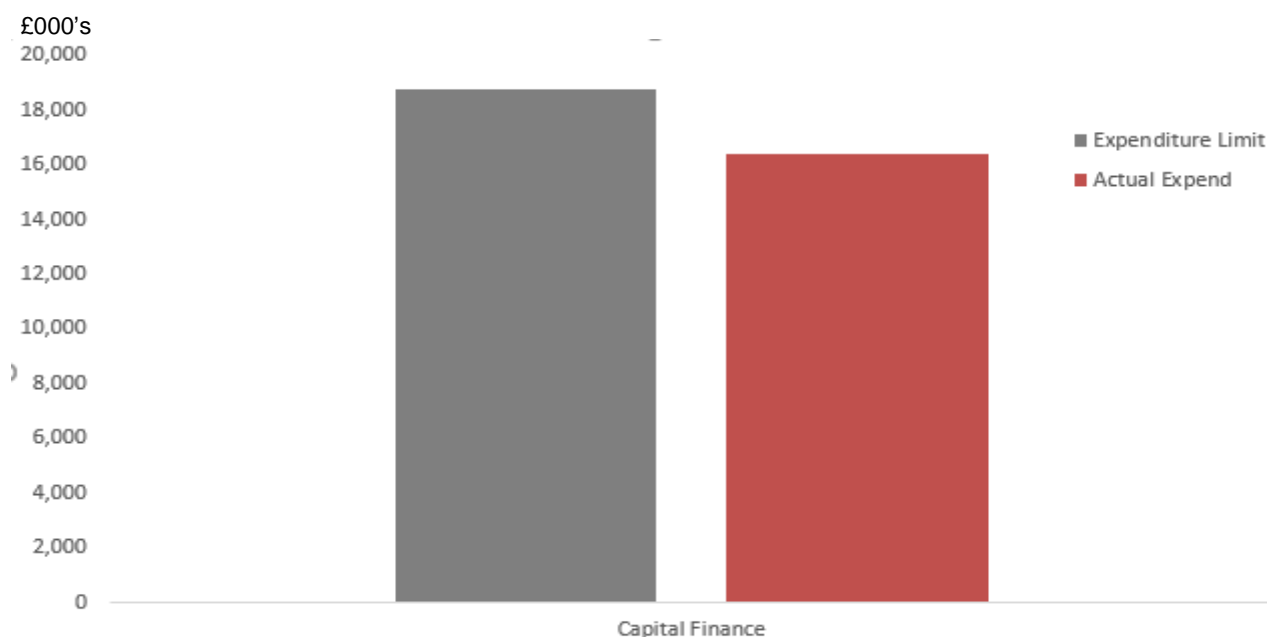
| Area  | LIF Allocation<br>£ |
|-------|---------------------|
| North | 800,000             |
| South | 800,000             |
| East  | 1,200,000           |
| West  | 1,200,000           |

As at 31<sup>st</sup> March 2018, 57 projects worth £3.86m have been approved in principle, with 46 projects approved through the Council's rigorous due-diligence process.

Funding worth £2.55m has been paid out to 39 groups at 31<sup>st</sup> March 2018.

## Central Finance: Capital Finance Year End 2017/18

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 was set at £18.75m to meet the financing cost of the Council's Capital Programme.

This budget is 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

The capital finance budget was fully spent at year end which included the £2.23m reallocated by the Committee at the half year review in November 2017.