



<b>Subject:</b>	Financial Reporting – Quarter 1 2018/19
<b>Date:</b>	17 August 2018
<b>Reporting Officer:</b>	Ronan Cregan, Deputy Chief Executive & Director of Finance & 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>	
<b>After Committee Decision</b>	<input type="checkbox"/>
<b>After Council Decision</b>	<input type="checkbox"/>
<b>Some time in the future</b>	<input type="checkbox"/>
<b>Never</b>	<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 1 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 (Appendix 1). 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 £1,007k which represents a variance of 0.7% of the annual net expenditure budget. The District Rate forecast by Land and Property Services (LPS) is a clawback of £662k, meaning that the forecast net underspend for the Council is £345k. It should be noted that this forecast is provided at a very early stage in the financial year and Council Officers will be working with

	LPS to scrutinise the rate forecast before an updated position is presented to Committee at Quarter 2.
<b>2.0</b>	<b>Recommendations</b>
2.1	Members are asked to note the report and, given that the forecast outturn is based at an early stage in the financial year, agree that no in year budget reallocations should be considered until the Quarter 2 position is presented to the Committee in November 2018.
<b>3.0</b>	<b>Main report</b>
	<b>Current and Forecast Financial Position 2018/19</b>
3.1	The financial position for Quarter 1 is a net departmental under-spend of £1,282k (3.4%). The forecast year-end departmental position is an under-spend of £1,007k (0.7%), which is well within the acceptable variance limit of 3%.
3.2	The departmental underspend arises mainly from below budget employee and supplies expenditure. This has helped offset budgetary pressures including Vehicle Maintenance and Belfast Zoo.
	<b>Rates Finalisation</b>
3.3	The Quarter 1 forecast from LPS is a clawback of £662k. This includes an estimates rates clawback of £500k and de-rating grant clawback of £122k. The clawback mainly arises from movements in the non-domestic rate base such as the former BHS store being removed from the Valuation List during development phase.
	<b>Capital Projects</b>
3.4	Planned capital expenditure for 2018/19 approved as part of the capital programme is £51.16m with forecast expenditure for the year of £48.17m.
3.5	The Summary Dashboard on Page 2 of the attached performance report summarises forecast expenditure on other capital programme including Non-Recurring Projects (£1,336k), Feasibility Fund (£250k) and projects in the new boundary areas (£414k).
3.6	Committed expenditure approved by the Committee on Belfast Investment Fund projects is £19.4m, with a further £4.96m committed on LIF 1 projects and £3.92m on LIF 2 projects.
	<b>Capital Financing</b>
3.7	The summary dashboard has also been updated to provide analysis of the annual capital financing budget. Actual capital financing expenditure is forecast to be on budget by the year end.
	<b>Forecast Reserves Position</b>

3.8	The balance of general reserves is forecast to increase from £13.67m to £14.06m at the year end. This increase is based on the forecast departmental underspend less the forecast LPS clawback. An updated position will be brought to Committee in Quarter 2.
3.9	Specified reserves are forecast to be spent during the year.
3.10	<p><u>Financial &amp; Resource Implications</u></p> <p>The Departmental position at Quarter 1 together with the forecast year end Council position is detailed within the report. It is recommended that no budget reallocations are considered until Quarter 2 given that the current forecast is based at an early stage in the financial year.</p>
3.11	<p><u>Equality or Good Relations Implications/Rural Needs Assessment</u></p> <p>None.</p>
<b>4.0</b>	<b>Appendices – Documents Attached</b>
	Appendix 1 - Quarter 1 Performance Report