

Strategic Policy and Resources Committee

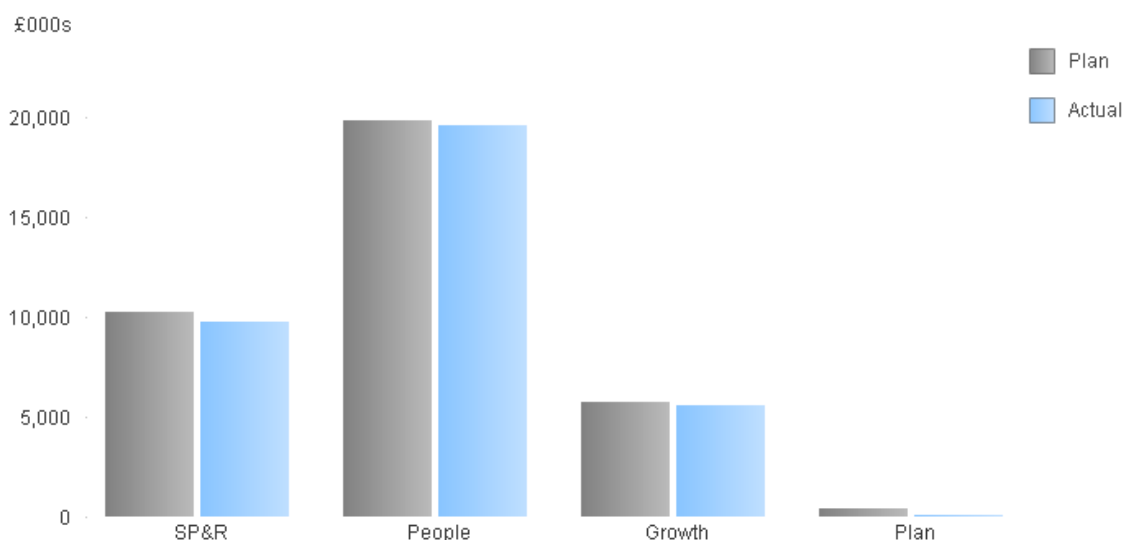
Quarterly Finance Report

Report Period: Quarter 1, 2018/19

Dashboard - Quarter 1, 2018/19

Revenue Section							Page	
Committee	YTD	YTD Var £000s	Var %	Forecast	Forecast Var £000s	Var %		
Strategic Policy and Resources		(528)	(4.7)%		(299)	(0.7)%	3, 4	
People and Communities		(289)	(1.5)%		(598)	(0.8)%		
City Growth and Regeneration		(143)	(2.5)%		90	0.5%		
Planning Committee		(322)	(72.6)%		(200)	(11.6)%		
Total		(1,282)	(3.4)%		(1,007)	(0.7)%		
Rate Income Variance					622		5	
Reserves Statement								
Reserves	Opening Balance £000s	YTD Movement £000s		Balance £000s	Forecast £000s			
General	13,670	0		13,670	14,055		6-7	
Specified	10,738	(6)		10,733	0		6-7	
Total	24,409	(6)		24,403	14,055			
Capital Section								
Capital Programmes	YTD	Expenditure Limit £000s	Actual Expend. £000s	Balance to go £000s	Forecast	Forecast Expend. £000s	Forecast Var £000s	
Annual Capital Programme		51,161	5,940	45,221		52,606	1,445	8-9
Feasibility		250	80	170		250	0	10
LGR New Boundary		0	17	(17)		414	414	10
Non-Recurring Projects		1,344	0	1,344		1,336	(8)	10
Capital Funds	YTD	Fund Limit £000s	Committed £000s	Balance Remaining £000s	Actual Expend. £000s			
Belfast Investment		28,200	19,400	8,800	2,849			11-12
LIF 1		5,000	4,956	44	4,155			13
LIF 2		4,000	3,916	84	2,663			13-14
Capital Financing Section								
Capital Finance	Plan £000s	Forecast £000s	Forecast Var £000s					
Efficiencies	3,487	3,487	0				15	
Investment Programme	11,313	11,313	0					
Leisure - New BCC	2,000	2,000	0					
Leisure Transformation Financing	3,230	3,230	0					
Transferring Loans	677	677	0					
Total	20,707	20,707	0					

Committee Net Revenue Expenditure: Financial Position Quarter 1 2018/19



The Quarter 1 position for Belfast City Council is an under spend of **£1,282k** or **3.4%** of the total net departmental revenue budget against a planned quarter 1 budget of **£37.2m**.

The **Strategic Policy and Resource Committee** is under spent by **£528k**, which represents **4.7%** of the committee budget. Employee underspends, programme delays and additional rental income are the key drivers to this position.

The **People & Communities Committee** is under spent by **£289k**, which represents **1.5%** of the quarter 1 budget for the committee (£19.9m).

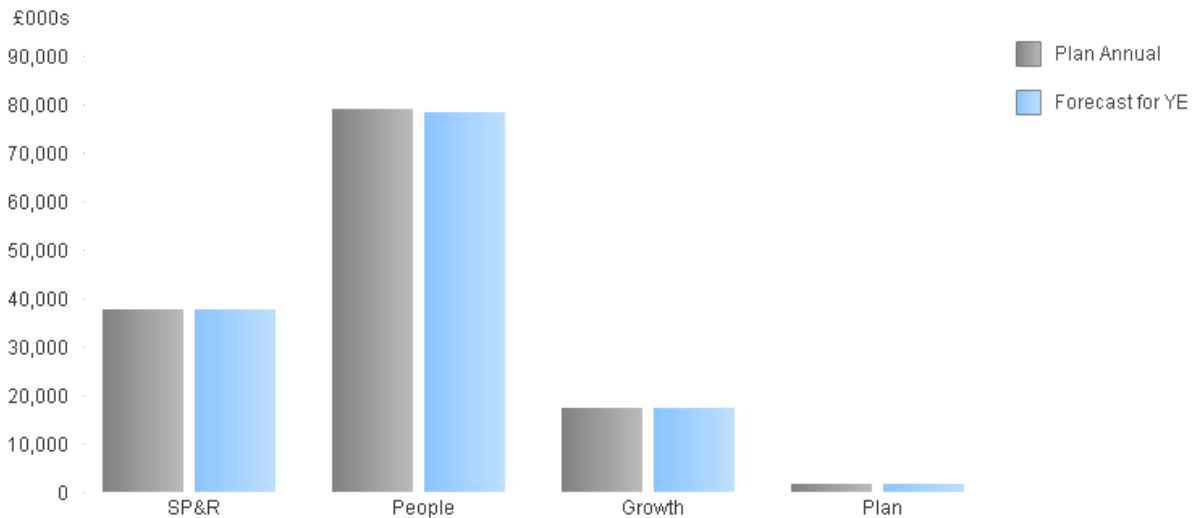
The key drivers to this position are underspends in the Environmental Health and Neighbourhood and Development services as a result of vacant posts, delays in programmes and additional income. These underspends have helped mitigate against the uncontrollable increased contract costs in Waste Management and additional costs for the hire of external vehicles in the Vehicle Maintenance service.

The **City Growth and Regeneration Committee** budget is underspent by **£143k** which is **2.5%** of the net committee budget (£5.8m) at the end of quarter 1.

Additional income from off street carparking and Parks Estates are the key drivers to this position.

The **Planning Committee** is underspent by **£322k** which represents **18.6%** of the quarter 1 committee budget (**£0.4m**). The key driver to this position is the receipt of additional income in the Planning service.

Committee Net Revenue Expenditure: Forecast for Year End at Quarter 1



The Quarter 1 forecast position for Belfast City Council is an underspend of **£1m** or **0.7%** of the total departmental net revenue budget.

The **Strategic Policy and Resources Committee** is forecasting an underspend of **£299k (0.7%)** of the committee budget.

Employee underspends in Finance and Resources and additional Estates rental income in the estates service will help offset the financial pressures in Civic Facilities including security and buildings administration.

The **People and Communities Committee** is forecasted to be **£598k** under spent which represents **0.8%** of the committee budget. It is anticipated that Waste Management savings of £100k will result from the migration of Food Waste from residual to organic. Employee underspends and additional income in the Environmental Health Service will generate savings of £478k. These underspends will help offset the forecasted overspend of £140k for Vehicle Maintenance for the hire of external vehicles.

The **City Growth and Regeneration Committee** is forecast to be over spent by **£90k**, or **0.5%** of its budgeted net expenditure at the year end.

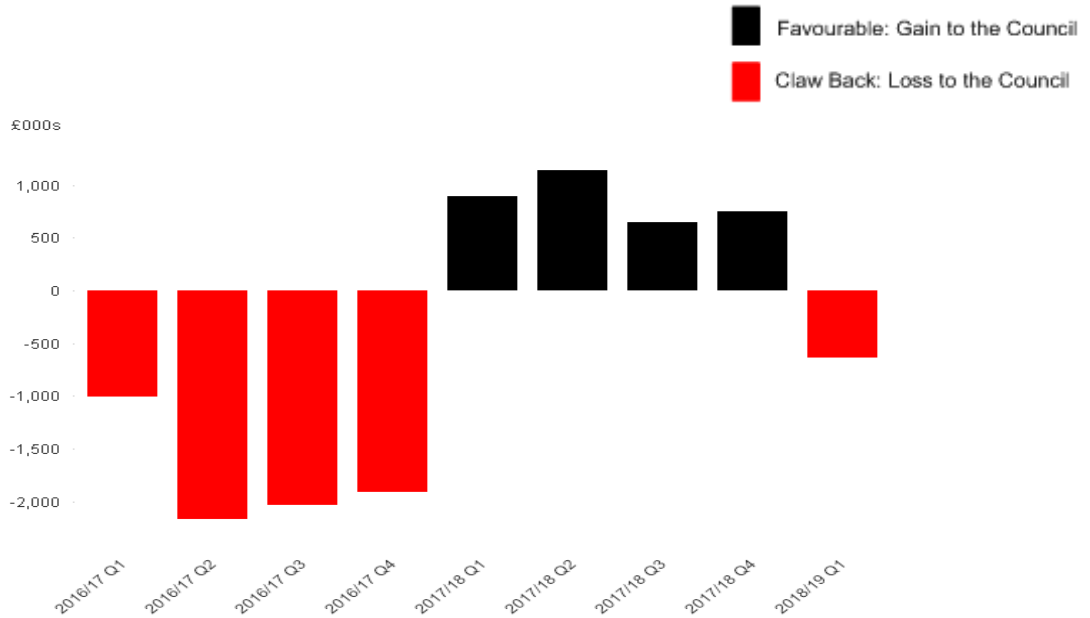
Additional staff costs at the Zoo (£50k), additional health and safety costs (£30k) in City Markets and the reduction of sponsorship income for Belfast Bikes scheme (£10k) are the key issues to this forecast position.

The **Planning Committee** is forecast to be **£200k** underspent which represents **11.6%** of the committee budget.

Additional planning income is the key driver to this forecast position.

District Rate Forecast at Quarter 1 2018/19

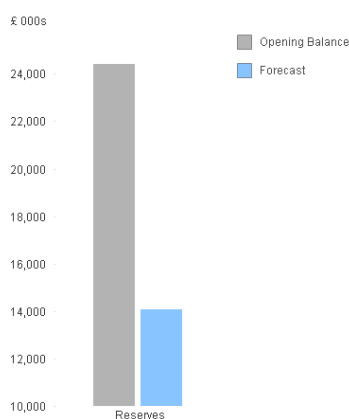
The chart below shows the rate income as received from Land and Property Services (LPS) in previous years, the quarterly forecast for recent years, and for the current year the forecast is updated each quarter.



The District Rate year end outturn forecast by LPS at Quarter 1 is a clawback of £622k. This includes an estimated clawback of £500k in the actual rates to be collected and an estimated clawback of £122k in the de-rated grant settlement which the Council receives as compensation for the statutory de-rating of some property (eg manufacturing premises)

The clawback is mainly arising from movements in the non domestic rate base such as the former BHS stores being removed from the Valuation List during development phase.

Reserves



The Council's total reserves balance at 31/03/2018 was 24.4m. This included specified balances of 10.74m. Specified reserves balances at the end of Quarter 1 are outlined below. These reserves are forecast to be utilised by the year-end.

Reserve	Balance as at Q1 2018/19
Active Communities / Sport Changes Life	100,000
Advice Service Tribunal Costs	23,444
Belfast Agenda	2,447,435
Carparking	75,000
City Brand	33,984
City Deal	701,849
City of Culture	870,129
Community Dev Grants	183,530
Corporate Customer Focus Project	479,146
Events & Festivals	299,768
Fuel Contingency	250,000
General Data Protection Regs	51,000
Linguistic Diversity	25,000
Non-Recurrent	1,945,389
NSEW Social Innov	216,433
Pipe Bands 17/18	37,597
Place Positioning	13,424
Planning Legal Costs	148,523
Property Dilapidation	500,000
Smart Cities	689,977
Stadia Benefit	287,789
Twilight Markets	58,488
VR	1,294,914
TOTAL	10,732,818

Forecast movement on reserves statement

Committee	Plan YTD £000s	Actuals YTD £000s	Variance YTD £000s	% Variance	Annual Plan 2018/2019 £000s	Forecast for Y/E at P3 £000s	Forecast Variance £000s	% Variance
Strategic Policy and Resources	11,120	10,592	(528)	(4.7)%	41,127	40,828	(299)	(0.7)%
People and Communities	19,908	19,619	(289)	(1.5)%	79,003	78,404	(598)	(0.8)%
City Growth and Regeneration	5,761	5,617	(143)	(2.5)%	17,417	17,507	90	0.5%
Planning Committee	444	121	(322)	(72.6)%	1,731	1,531	(200)	(11.6)%
Total	37,232	35,950	(1,282)	(3.4)%	139,278	138,271	(1,007)	(0.7)%

Capital financing
forecast balance

0

Specified reserves movements

10,738

Year end departmental forecast

-1,007

Rates Finalisation

622

Forecast movement on reserves for current year

10,353

Analysis of forecast reserves balance

Opening balance reserves

24,409

Movement in reserves

(10,353)

Total Reserves

14,056

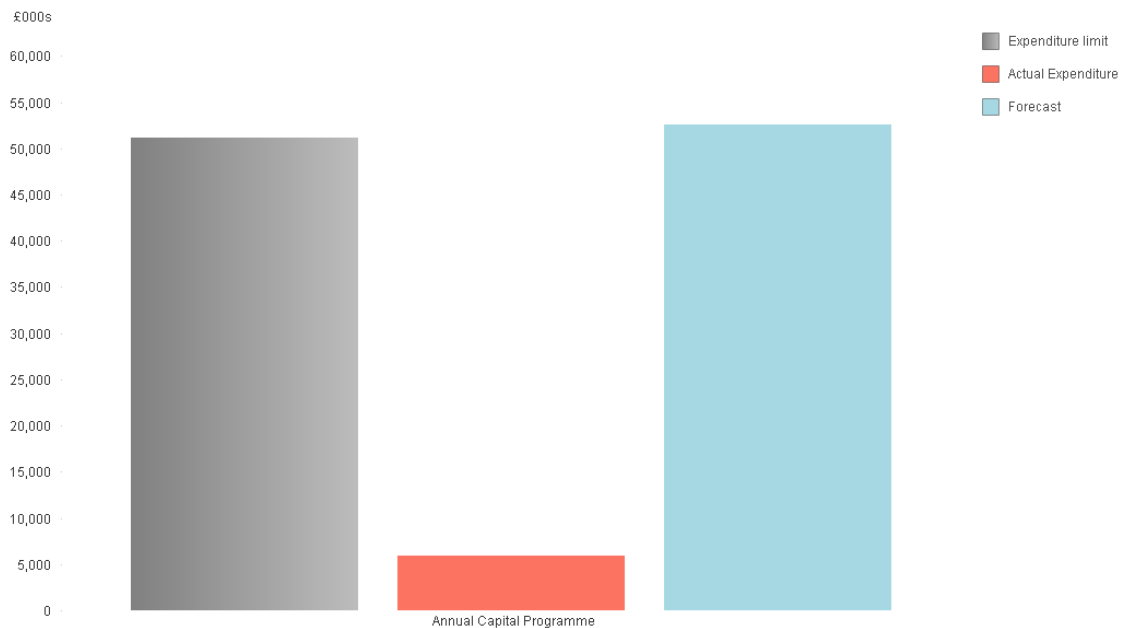
Forecast specified reserves closing balance

0

Forecast general reserves closing balance

14,056

Annual Capital Programme



Annual Capital Programme

The Strategic Policy & Resources Committee 16 February 2018, agreed a programme of net expenditure for 2018/19 of £51.16m. This includes expenditure on committed projects, £48.17m and uncommitted projects, £2.99m.

In the 3 months to 30 June 2018 the Council has incurred net expenditure of £5.9m. Forecast outturn for the year is £53m.

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

Stage 3: Committed Projects

The Council has incurred £5.9m expenditure on the committed projects. The main areas of expenditure are:

- LTP Andersonstown Regeneration – £1m
- LTP - Olympia Regeneration - £0.8m
- LTP Robinson's Centre -£1.1m
- Fleet Replacement Programme - £0.4m
- Pitches Strategy - £1.5m

Stage 2 Projects

The Council has incurred £68k expenditure on uncommitted projects to 30 June 2018. These schemes will only move to tender stage upon approval from the Strategic Policy & Resources Committee and Council.

External Funding

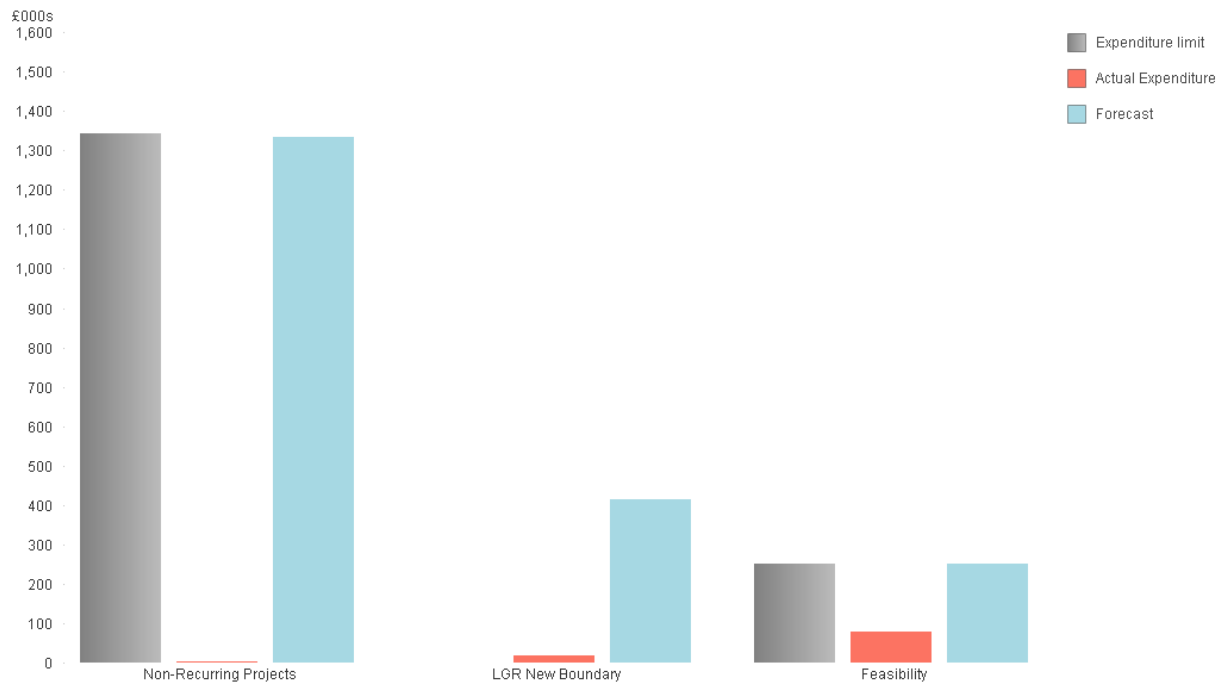
The 2018/19 Capital Programme includes 18 projects that are part funded by external organisations.

In the 3 months to 30 June 2018, the Council has claimed/received £0.6m from these external funders. The main areas of funding are:

- Super-connected - £228k

- Connswater Community Greenway - £259k
- LTP Templemore - £63k

Other Capital Programmes



Other Capital Programmes

Feasibility

£250k from the capital financing budget has been ring-fenced to provide a Feasibility Fund in 2018/19

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 30 June 2018, the Council has spent £80k under the Feasibility Fund.

LGR projects - New Boundary

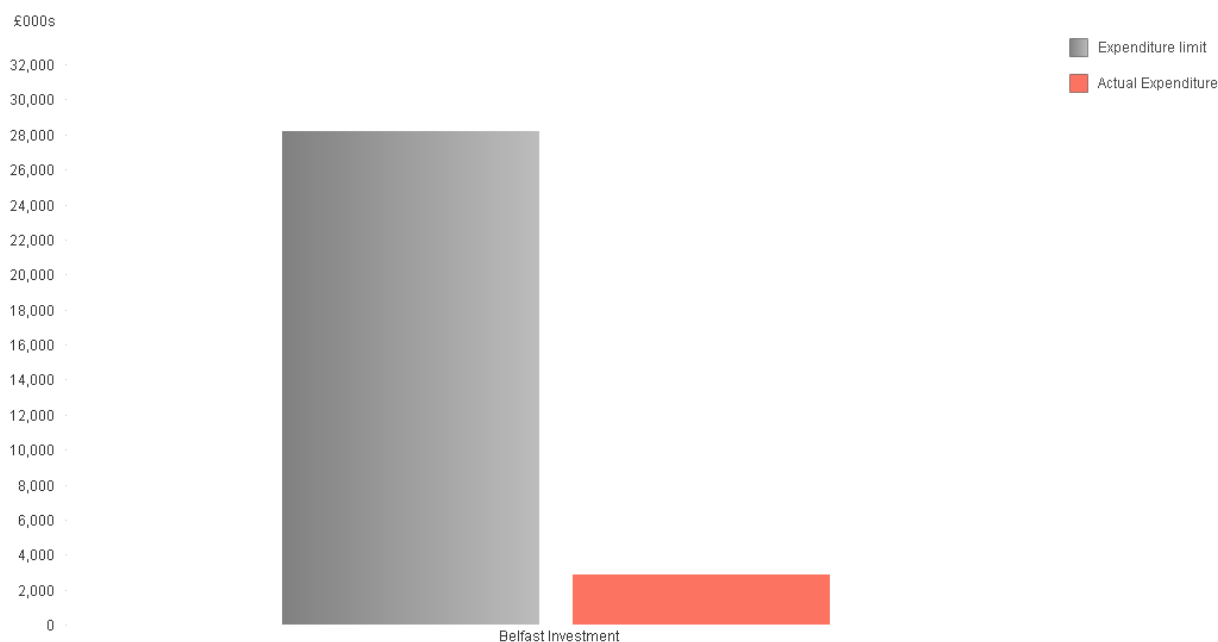
The Council has incurred £17k on these projects to 30 June 2018.

Non-Recurring Capital Projects

The phased nature of the capital programme means that there is an unallocated amount of financing for 2018/2019 which is ring fenced towards a number of non-recurrent projects which require spend during 2018/2019

The Council has incurred £100 of expenditure on non-recurring projects as at 30 June 2018.

Belfast Investment



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 30 June 2018, there are 19 committed projects totalling £19.4m investment. The Council has incurred £2.7m expenditure on these projects to 30 June 2018.

There are also 5 uncommitted projects, with £4.55m allocated. To date £136k has been spent on these.

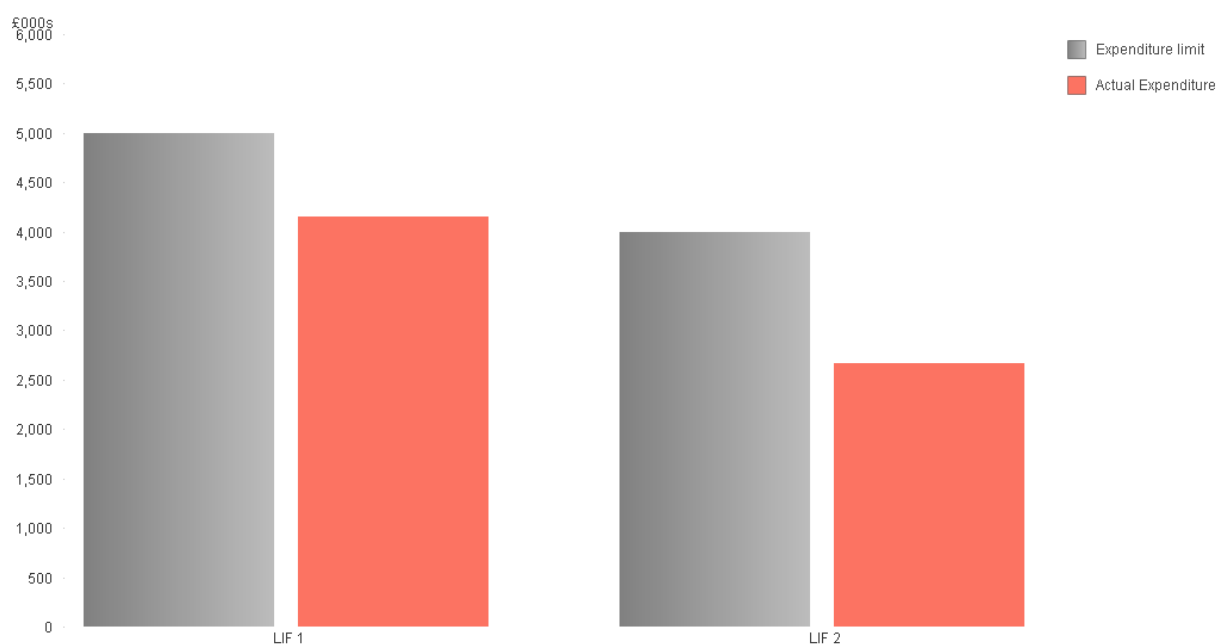
In addition, there are 18 emerging projects. These projects will only become committed projects upon approval from the Strategic Policy & Resources Committee and Council.

The BIF contributions for each of the committed projects are:

Project	BIF Contribution £
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
TAGIT Boxing Club	434,000
Branial Church	390,000
Castlereagh Presbyterian Church	382,000
Hanwood project	396,000
Lisnasharragh Community Schools Project	398,000
Pre-contract works, contingency (Willowfield/Bloomfield/H&W)	330,000
Lionra Uladh (Raidió Fáilte)	950,000
Davitts GAC	1,000,000
St Comgall's	3,500,000
Contingency	50,000

Local Investment Funds (LIF 1 and LIF 2)



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 30 June 2018, 71 projects worth £4.95m have been approved in principle, with all 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:

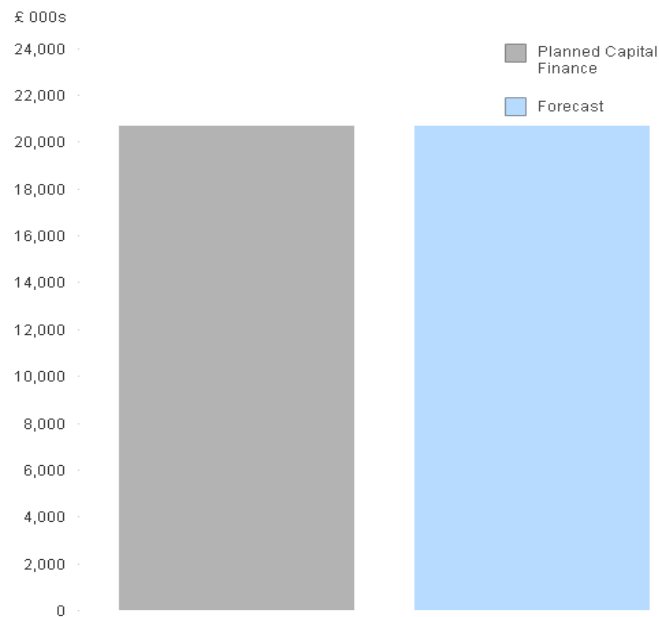
Area	LIF Allocation £
North	800,000
South	800,000
East	1,200,000
West	1,200,000

As at 30 June 2018, 60 projects worth £3.92m have been approved in principle, with 47 projects approved through the Council's rigorous due-diligence process.

Funding worth £2.7m has been paid out to groups at 30 June 2018.

Central Finance: Capital Finance

The Capital Finances are the monies required to support the capital expenditure in the current year and previous years.



The Capital Financing Budget for 2018/19 has been set at £20.7m to meet the financing cost of the Council's Capital Programme.

The forecast for this budget is to breakeven, with the monies being used 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