



Subject:	Belfast City Council Statement of Accounts 2017/18
Date:	21 September 2018
Reporting Officer:	Ronan Cregan, Deputy Chief Executive & Director of Finance & Resources
Contact Officer:	Mark McBride, Head of Finance and Performance Trevor Wallace, Financial Accounting Manager

Restricted Reports	
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"/>

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

1.0	Purpose of Report or Summary of main Issues
1.1	The purpose of this report is to present to the Strategic Policy and Resources Committee, the Statement of Accounts of the Council, including the Annual Governance Statement, for the period ending 31 March 2018.
1.2	The Statement of Accounts are an important element of the council's overall corporate governance framework as they provide assurance to Members and ratepayers on the stewardship of the council's finances and its financial position.

1.3	The Statement of Accounts for the year ended 31 March 2018, as attached, have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 based on International Financial Reporting Standards and the Department for the Communities Accounts Direction, Circular LG 05/18 dated 9 March 2018.
1.4	I can confirm that the Statement of Accounts for the year ended 31 March 2018 has been prepared in the form directed by the Department for the Communities and in my opinion the Statement of Accounts give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.
2.0	Recommendations
2.1	<p>The Committee is asked to</p> <ul style="list-style-type: none"> • Approve the Council’s Statement of Accounts and incorporated Annual Governance Statement for the year ended 31 March 2018. • Agree that this paper should not be subject to call-in (as indicated above) because it would cause an unreasonable delay which would be prejudicial to the Council’s and the public’s interests given that the statement of accounts must be published by 30th September 2018.
3.0	Main report
	<u>Key Issues</u>
	Audit Opinion
3.1	<p>It is the Local government Auditors’ opinion that:</p> <ul style="list-style-type: none"> • the financial statements give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2017-18, of the financial position of Belfast City Council as at 31 March 2018 and its income and expenditure for the year then ended; and • the statement of accounts have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities directions issued thereunder; and • the part of the Remuneration Report to be audited has been properly prepared in accordance with the Department for Communities directions made under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015; and • the information given in the Narrative Report for the financial year ended 31 March 2018 is consistent with the financial statements.
	Reserves

3.2	<p>General Fund</p> <p>The credit balance on the General Fund has increased to £24,408,596 (of which £10,738,347 relates to specified reserves). The movement on the reserves balance is summarised in Table 1 below:</p> <p>Table 1: Summary of Reserves Position</p> <table border="1" data-bbox="272 544 984 902"> <tr> <td>Opening Balance</td> <td>£21.0m</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>In year movement in reserves</td> <td>£ 3.4m</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>Closing Balance</td> <td>£24.4m</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>Specified Reserves at year end</td> <td>£10.7m</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>Balance Available</td> <td>£13.7m</td> </tr> </table>	Opening Balance	£21.0m			In year movement in reserves	£ 3.4m			Closing Balance	£24.4m			Specified Reserves at year end	£10.7m			Balance Available	£13.7m
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3.3	<p>Capital Fund £25,669,445</p> <p>The Capital Fund is made up of the Belfast Investment Fund (£4,080,715). The fund has been created to support key partnership projects to regenerate Belfast and help lever substantial funds from other sources, the Local Investment Fund (£2,301,028) to fund smaller local regeneration projects., the City Centre Investment Fund (£15,287,702) to support the Belfast City Centre Regeneration Investment Plans, the Social Outcomes Fund (£4,000,000) to support City Centre projects which might not generate a direct financial return but would enhance the overall City Centre offer and support and attraction of investment.</p>																		
3.4	<p>Leisure Mobilisation Fund £1,704,334</p> <p>This fund is to support the Leisure Transformation Programme and will cover programme level costs including communications, engagement and procurement costs.</p>																		
3.5	<p>Capital Receipts Reserve £4,739,457</p> <p>These are capital receipts which have originated primarily from the sale of assets and which have not yet been used to finance capital expenditure.</p>																		
3.6	<p>Other Fund Balances and Reserves £867,527</p> <p>This relates to the Election Reserve (£513,919) which has been set up to smooth the cost of running council elections, the BWUH Subvention Fund (£169,638) to support national and international organisations in bringing their conferences to Belfast and the BWUH Sinking Fund (£183,970) to support planned maintenance and future capital works at the new exhibition centre.</p>																		

3.7	<p>Debt</p> <p>The overall level of trade debtors had decreased over the previous 10 years, reducing from £10m at 31 March 2008 to £3.8m at 31 March 2018. An analysis of trade debtors, inclusive of VAT, for the last two years is shown below:</p> <p>Table 2 : Analysis of Trade Debtors</p> <table border="1" data-bbox="272 427 1177 629"> <thead> <tr> <th></th> <th>31 March 2018</th> <th>31 March 2017</th> </tr> </thead> <tbody> <tr> <td>Less than three months</td> <td>£2,859,979</td> <td>£3,305,930</td> </tr> <tr> <td>Three to one year</td> <td>£154,081</td> <td>£111,596</td> </tr> <tr> <td>More than one year</td> <td>£736,633</td> <td>£789,382</td> </tr> <tr> <td>Total</td> <td>£3,750,693</td> <td>£4,206,908</td> </tr> </tbody> </table>		31 March 2018	31 March 2017	Less than three months	£2,859,979	£3,305,930	Three to one year	£154,081	£111,596	More than one year	£736,633	£789,382	Total	£3,750,693	£4,206,908
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3.8	<p>Creditors</p> <p>The Department for Communities has set councils a target of paying invoices within 30 days. During the year the council paid 58,319 invoices totalling £142,055,044.</p>															
3.9	<p>The average time taken to pay creditor invoices was 21 days for the year ended 31 March 2018. The Council paid 39,355 invoices within 10 days, 51,403 invoices within 30 days, and 6,916 invoices outside of 30 days. The council endeavours to process invoices as quickly as possible and has an improvement plan to support this process.</p>															
3.10	<p>Annual Governance Statement (AGS)</p> <p>The Statement of Accounts include Annual Governance Statement (AGS) for the year 2017/18, which has been prepared in line with the Accounts Directive provided by the Department for Communities, NIAO guidance and is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. Specifically the AGS sets out:</p> <ul style="list-style-type: none"> • scope of responsibility of the Council in relation to governance • the purpose of the governance framework • the governance framework in place • review of effectiveness of the governance framework • significant governance issues to be disclosed. 															
3.11	<p>The AGS is approved by the Chair of the Strategic Policy and Resources, the Chief Executive and the Director of Finance and Resources. It is subject to review by the LGA (NIAO) as part of their annual audit.</p>															
3.12	<p><u>Financial & Resource Implications</u></p> <p>As outlined above.</p>															

	<u>Equality or Good Relations Implications/Rural Needs Assessment</u> None
4.0	Appendices – Documents Attached
	Appendix 1 - Detailed Statement of Accounts titled “Belfast City Council Statement of Accounts 2018”