

Strategic Policy and Resources Committee

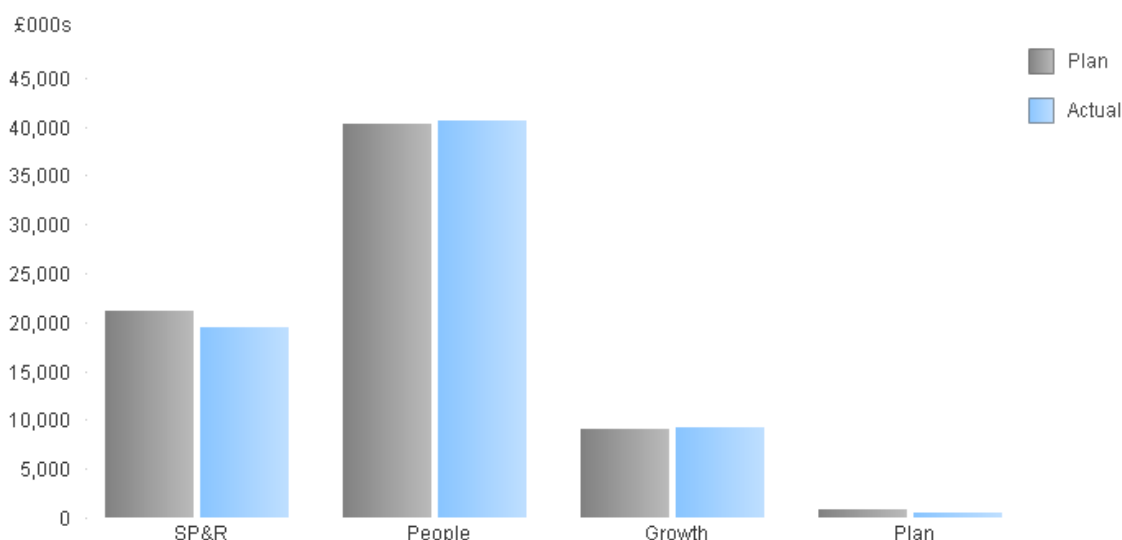
Quarterly Finance Report

Report Period: Quarter 2, 2018/19

## Dashboard - Quarter 2, 2018/19

Revenue Section							Page	
Committee	YTD	YTD Var £000s	Var %	Forecast	Forecast Var £000s	Var %		
Strategic Policy and Resources		(1,195)	(5.6)%		(867)	(2.1)%	3, 4	
People and Communities		477	1.2%		(98)	(0.1)%		
City Growth and Regeneration		157	1.7%		(24)	(0.1)%		
Planning Committee		(326)	(38.5)%		(236)	(13.6)%		
<b>Total</b>		<b>(888)</b>	<b>(1.2)%</b>		<b>(1,225)</b>	<b>(0.9)%</b>		
Rate Income Variance					1,200		5	
Reserves Statement								
Reserves	Opening Balance £000s	YTD Movement £000s		Balance £000s	Forecast £000s			
General	13,670	0		13,670	13,770		6-7	
Specified	10,738	(229)		10,510	135		6-7	
<b>Total</b>	<b>24,409</b>	<b>(229)</b>		<b>24,180</b>	<b>13,905</b>			
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	12,705	38,456		41,104	(10,057)	8
Feasibility		250	117	133		250	0	9
LGR New Boundary		0	17	(17)		135	135	9
Non-Recurring Projects		1,920	299	1,620		1,867	(52)	9
Capital Funds	YTD	Fund Limit £000s	Committed £000s	Balance Remaining £000s	Actual Expend. £000s			
Belfast Investment		28,200	21,900	6,300	3,465			10-11
LIF 1		5,000	4,949	51	4,239			12
LIF 2		4,000	3,916	84	2,755			12
Capital Financing Section								
Capital Finance	Plan £000s	Forecast £000s	Forecast Var £000s					
Efficiencies	3,487	3,487	0				13	
Investment Programme	11,313	10,313	(1,000)					
Leisure - New BCC	2,000	2,000	0					
Leisure Transformation Financing	3,230	3,230	0					
Transferring Loans	677	677	0					
<b>Total</b>	<b>20,707</b>	<b>19,707</b>	<b>(1,000)</b>					

## Committee Net Revenue Expenditure: Financial Position Quarter 2 2018/19



The Quarter 2 position for Belfast City Council is an under spend of **£888k** or **1.2%** of the total net departmental revenue budget.

The **Strategic Policy and Resource Committee** is under spent by **£1.2m**, which represents **5.6%** of the committee budget. Employee underspends and programme delays are the key drivers to this position.

The **People & Communities Committee** is over spent by **£477k**, which represents **1.2%** of the quarter 2 budget for the committee.

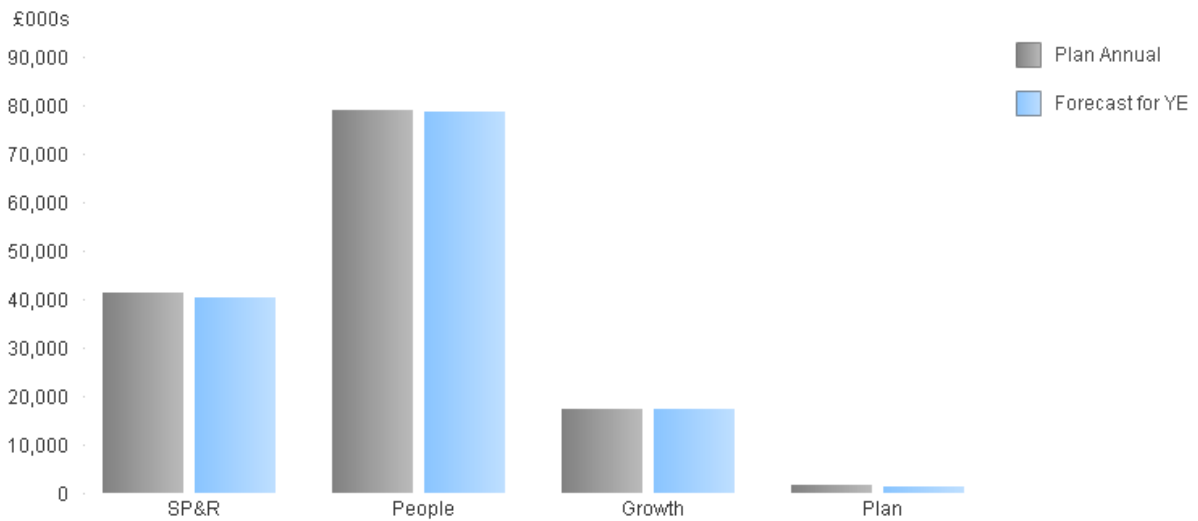
The key drivers to this position are increased contract costs in Waste Management, premises and staff costs in Cleansing Services and additional costs for the hire of external vehicles in the Vehicle Maintenance service.

The **City Growth and Regeneration Committee** budget is over spent by **£157k** which is **1.7%** of the net committee budget at the end of quarter 2.

The key contributing factors to this position are reduced income and increased staff costs at the Zoo and increased project expenditure within City Regeneration and Development.

The **Planning Committee** is underspent by **£326k** which represents **38.5%** of the quarter 2 committee budget. 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 2



The Quarter 2 forecast position for Belfast City Council is an underspend of **£1.2m** or **0.9%** of the total departmental net revenue budget.

The **Strategic Policy and Resources Committee** is forecasting an underspend of **£867k (2.1%)** of the committee budget. The main area of underspend relates to employee as a result of vacant posts, additional income has been received and there has been slippage in planned projects.

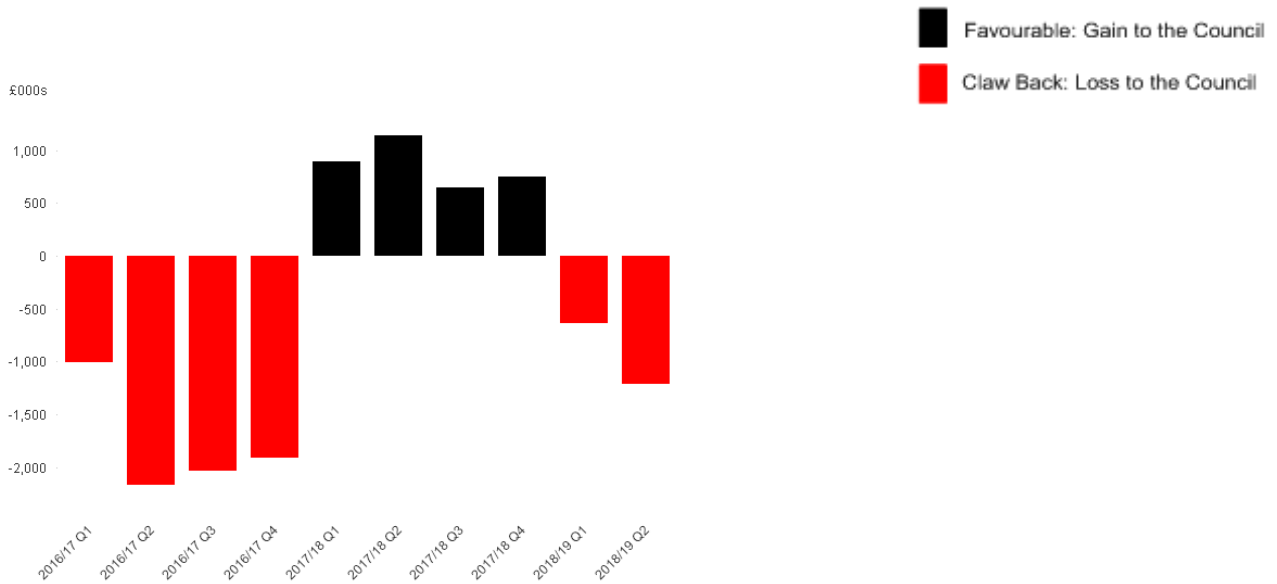
The **People and Communities Committee** is forecasted to be **£98k** under spent which represents **0.1%** of the committee budget. This is due to vacant posts and additional income.

The **City Growth and Regeneration Committee** is forecast to be under spent by **£24k**, or **0.1%** of its budgeted net expenditure at the year end largely due to employee underspends. .

The **Planning Committee** is forecast to be **£236k** underspent which represents **13.6%** of the committee budget. Additional planning income is the key driver to this forecast position.

## District Rate Forecast at Quarter 2 2018/19

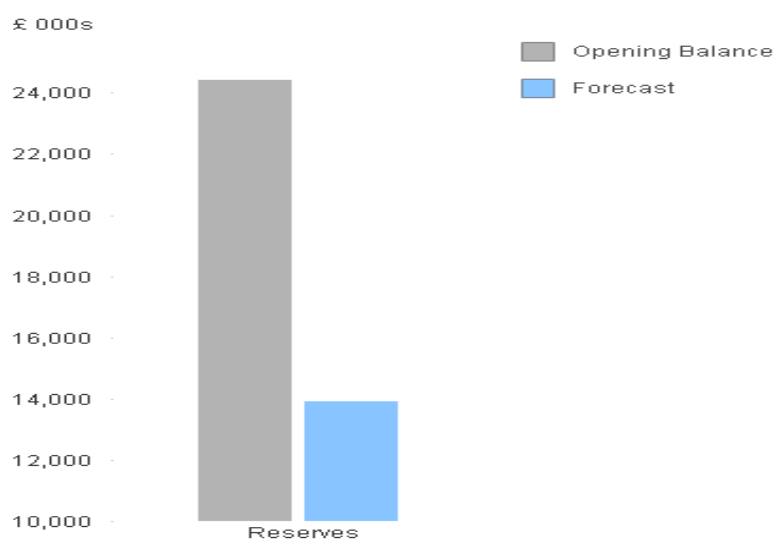
The chart below shows the rate income as received from Land and Property Services (LPS) in previous years, the quarterly forecast for recent years, and for the current year the forecast is updated each quarter.



The District Rate year end forecast by LPS at Quarter 2 is a clawback of £1.2m . At Quarter 1 LPS were forecasting a clawback of £622k. This further estimated loss of rate income is largely attributable to the Bank Building fire and the subsequent impact on business in and outside the cordoned area.

Council staff meet regularly with LPS staff to assess and monitor the effect of rate base changes. In addition to the monitoring the rate base for the 18/19 financial year. Staff are also working with LPS and Building Control to assess the estimated rate income level for 2019/20.

## 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 2 are outlined below. These reserves are forecast to be underspent by £135k at the year-end.

### SPECIFIED RESERVES - QUARTER 2 2018/19

RESERVE	Bal @ Q2
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	-505,040
City of Culture	-792,692
Community Dev Grants	-183,530
Corporate Customer Focus Project	-430,487
Events & Festivals	-299,768
Fuel Contingency	-250,000
General Data Protection Regs	-51,000
Linguistic Diversity	-25,000
NSEW Social Innov	-150,433
Place Positioning	-13,424
Planning Legal Costs	-103,195
Property Dilapidation	-500,000
Smart Cities	-689,977
Stadia Benefit	-255,684
Twilight Markets	-35,552
VR	-1,294,914
Non-Recurrent Various	-1,916,862
Commissioner of Resilience	-300,000
Pipe Bands 18/19	-32,253
<b>TOTAL</b>	<b>-10,509,673</b>

## Q2 2018/19 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 P6 £000s	Forecast Variance £000s	% Variance
City Growth and Regeneration	9,114	9,271	157	1.7%	17,417	17,393	(24)	(0.1)%
People and Communities	40,207	40,684	477	1.2%	78,848	78,751	(98)	(0.1)%
Strategic Policy and Resources	21,174	19,978	(1,195)	(5.6)%	41,282	40,415	(867)	(2.1)%
Planning Committee	847	521	(326)	(38.5)%	1,731	1,495	(236)	(13.6)%
<b>Total</b>	<b>71,342</b>	<b>70,454</b>	<b>(888)</b>	<b>(1.2)%</b>	<b>139,278</b>	<b>138,054</b>	<b>(1,225)</b>	<b>(0.9)%</b>

Capital financing  
forecast balance

1,000

Specified reserves movements

(10,604)

Year end departmental forecast

1,225

Rates Finalisation

(1,200)

**Forecast movement on reserves for current year**

(9,580)

### Analysis of forecast reserves balance

Opening balance reserves

24,409

Movement in reserves

(9,580)

Total Reserves

14,830

Forecast specified reserves closing balance

135

**Forecast general reserves closing balance**

**14,695**

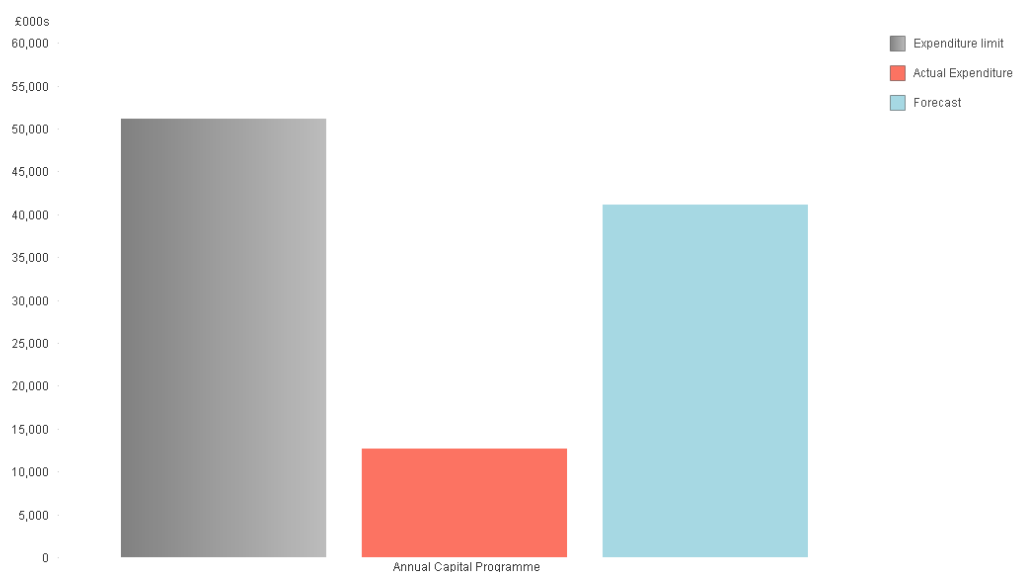
Less Primark Cashflow

(790)

**Revised General Reserves closing balance**

**13,905**

## 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, £48.2m and uncommitted projects, £2.99m.

In the 6 months to 30 September 2018 the Council has incurred net expenditure under the Capital Programme of £12.7m. Forecast outturn for the year is £41.1m.

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

#### Stage 3: Committed Projects

The Council has incurred £12.4m expenditure on the committed projects. The main areas of expenditure are:

- LTP Andersonstown Regeneration – £3m
- LTP - Olympia Regeneration - £1.5m
- LTP Robinson Centre -£2.9m
- LTP Brook - £1.8m
- Pitches Strategy - £1.6m

#### Stage 2 Projects

The Council has incurred £308k expenditure on uncommitted projects to 30 September 2018. These schemes will only move to tender stage upon approval from the Strategic Policy & Resources Committee and Council.

#### External Funding

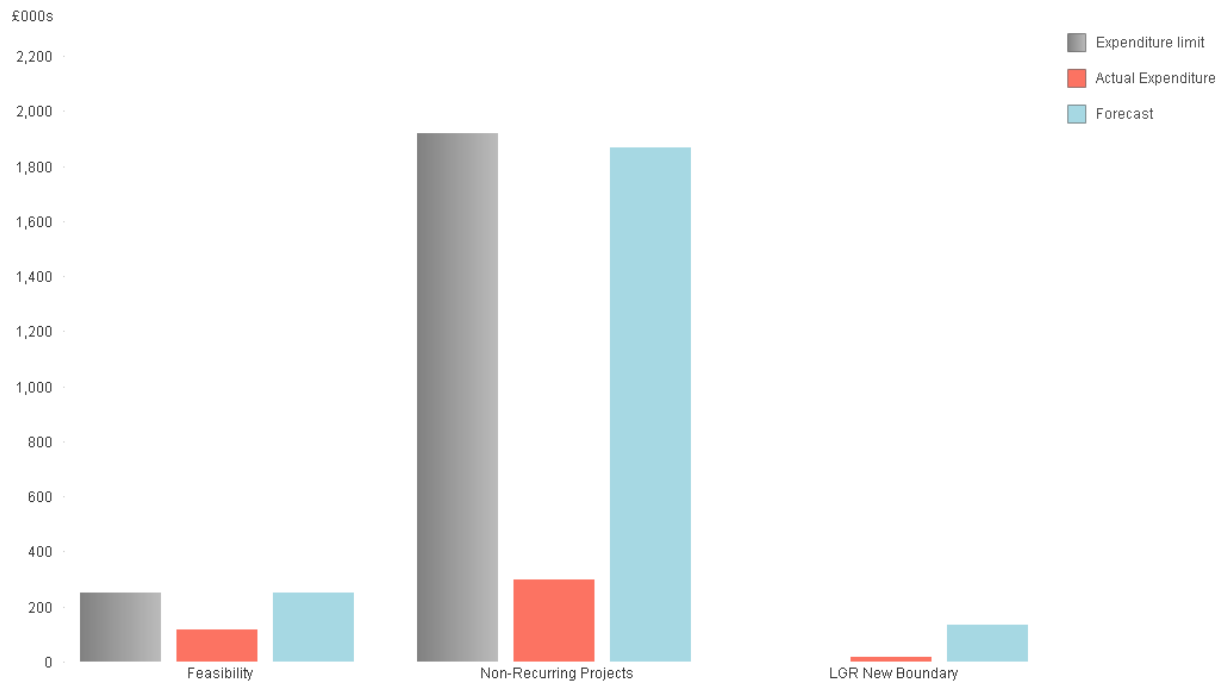
The 2018/19 Capital Programme includes 20 projects that are part funded by external organisations.

In the 6 months to 30 September 2018, the Council has claimed/received £1.4m from these external funders. The main areas of funding are:

- Connswater Community Greenway - £500k
- City Cemeteries Heritage Lottery project - £153k
- LTP Templemore - £290k



## 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 September 2018, the Council has spent £117k under the Feasibility Fund.

#### Non-Recurring Capital Projects

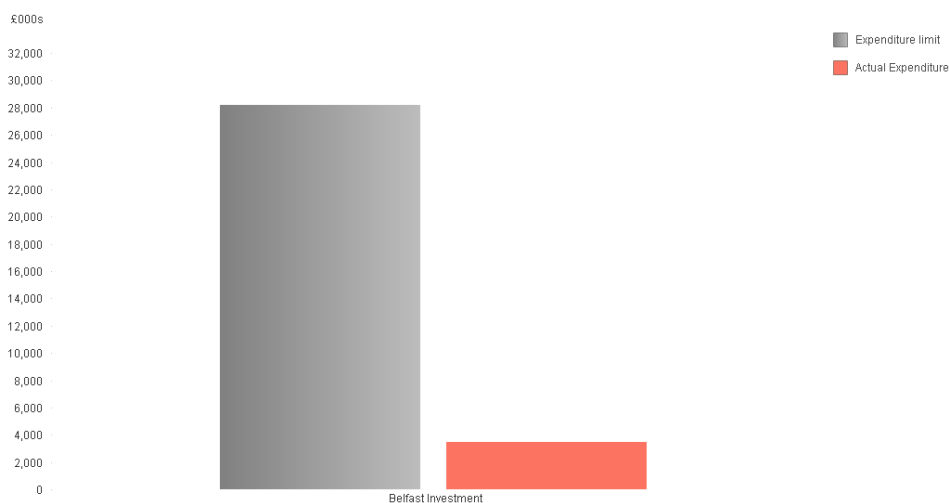
The phased nature of the capital programme means that there is an unallocated amount of financing for 2018/2019 which is ringfenced towards a number of non-recurrent projects which require spend during 2018/2019

The Council has incurred £299k of expenditure on non-recurring projects as at 30 September 2018.

#### LGR projects - New Boundary

The Council has incurred £17k on these projects to 30 September 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 September 2018, there are 20 committed projects totalling £21.9m investment. The Council has incurred £3.5m expenditure on these projects to 30 September 2018.

There are a further 4 uncommitted projects with budget of £2.05m and spend of £0.5k.

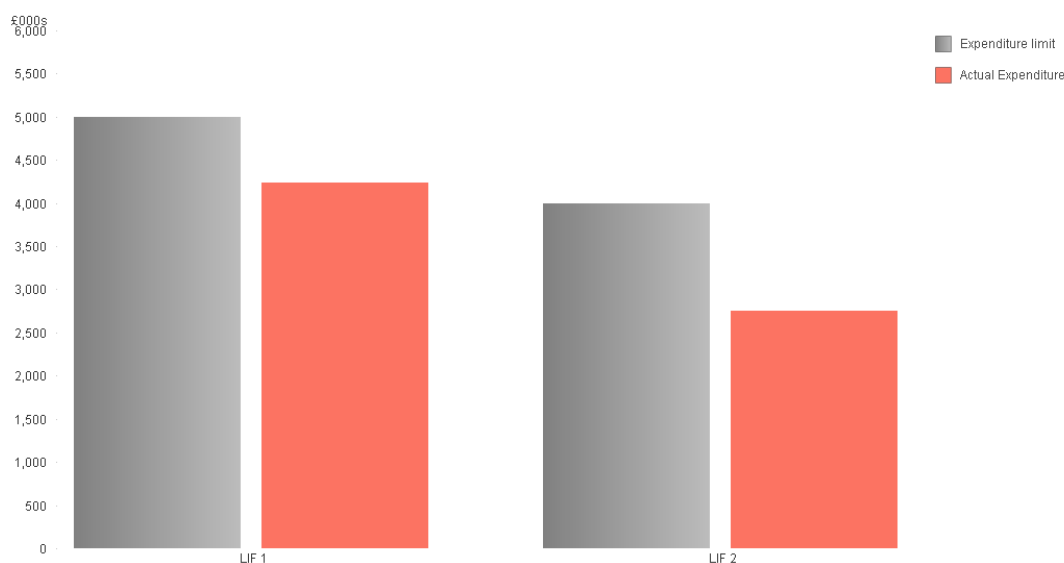
In addition, there are 14 emerging projects. These projects will only become committed projects upon approval from the Strategic Policy & Resources Committee and Council.

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

<b>Project</b>	<b>BIF Contribution £</b>
Braniel 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
Colin Glen Forest Park	2,500,000

## 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 September 2018, 71 projects with Council funding of £4.95m have been approved in principle, with all projects approved through the Council's rigorous due-diligence process.

Funding of £4.2m has been paid out to 65 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:

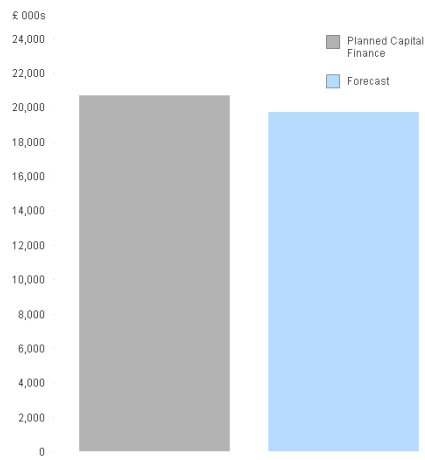
Area	LIF Allocation £
North	800,000
South	800,000
East	1,200,000
West	1,200,000

As at 30 September 2018, 60 projects worth £3.92m have been approved in principle, with 50 projects approved through the Council's rigorous due-diligence process.

Funding worth £2.8m has been paid out to groups at 30 September 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 Quarter 2 forecast for this budget is an underspend of £1m due to slippage in schemes.