



<b>Subject:</b>	<b>Accounting Treatment of Belfast Investment Fund</b>
<b>Date:</b>	24th November, 2023
<b>Reporting Officer:</b>	Trevor Wallace, Director of Finance
<b>Contact Officer:</b>	Trevor Wallace, Director of Finance

**Is this report restricted?** Yes  No

**Please indicate the description, as listed in Schedule 6, of the exempt information by virtue of which the council has deemed this report restricted.**

Insert number

1. Information relating to any individual
2. Information likely to reveal the identity of an individual
3. Information relating to the financial or business affairs of any particular person (including the council holding that information)
4. Information in connection with any labour relations matter
5. Information in relation to which a claim to legal professional privilege could be maintained
6. Information showing that the council proposes to (a) to give a notice imposing restrictions on a person; or (b) to make an order or direction
7. Information on any action in relation to the prevention, investigation or prosecution of crime

**If Yes, when will the report become unrestricted?**

<b>After Committee Decision</b>	<input type="checkbox"/>
<b>After Council Decision</b>	<input type="checkbox"/>
<b>Sometime in the future</b>	<input type="checkbox"/>
<b>Never</b>	<input type="checkbox"/>

**Call-in**

**Is the decision eligible for Call-in?** Yes  No

<b>1.0</b>	<b>Purpose of Report</b>
1.1	To provide the Committee with information on how the accounting treatment of the Belfast Investment Fund.

<b>2.0</b>	<b>Recommendation</b>
2.1	The Committee is asked to note the report.
<b>3.0</b>	<b>Main Report</b>
3.1	At the Council meeting on 1st October, the Chief Executive agreed that a report would be submitted to a future meeting of the Strategic Policy and Resources Committee outlining the accounting treatment in relation to the allocation of funding for the Belfast Investment Fund..
3.2	The Belfast Investment Fund was first set up to support partnership projects across the city, with a recurring amount included in the revenue estimates of £3.27m. The intention being to borrow the money to pay for the projects with the recurring budget covering the borrowing costs.
3.3	Due to slippages in delivery of projects to date, the majority of projects have been funded by the recurring budget without the need to borrow. As at period 7 (31 October 2023), the fund has an amount of £5,379,365 allocated to it.
3.4	The fund would be designated as a cash backed fund, however, this does not mean that the Council has £5.4m sitting in an account waiting to be spent on Belfast Investment Fund projects. Similarly, it does not have cash/investments to support all its useable reserves. For information, as at 31st March 2023, the Council had useable reserves of £87,787,629 but only held cash and cash equivalents of £19,140,662.
3.5	This is due to the Council using its cash to fund capital expenditure, referred to as internal borrowing, and then only using external borrowing as and when required to ensure it has adequate working capital.
3.6	By applying this approach to managing its cash balances the Council minimises its cost of carry, i.e., the difference borrowing rates and investment returns.
	<b>Accounting Treatment</b>
3.7	As mentioned above, the annual amount include in the estimates is £3.27m. Every month 1/12 <sup>th</sup> of this amount is debited to the cost centre and credited to the balance sheet, BIF Account. At the end of the financial year an amount is transferred from the BIF balance sheet account to finance the capital expenditure incurred on Belfast Investment Fund projects.
	<b>Financial and Resource Implications</b>
3.8	None

	<b>Equality or Good Relations Implications / Rural Needs Assessment</b>
3.9	None
<b>4.0</b>	<b>Documents Attached</b>
	None