



Belfast City Council

Report to:	Development Committee
Subject:	Financial Reporting - Quarter 2 2010-2011
Date:	6 December 2010
Reporting Officer:	John McGrillen Director of Development ext 3470
Contact Officer:	John McGrillen Director of Development ext 3470

1	Relevant Background Information
1.1	<p>The Strategic Policy and Resources Committee agreed at on 18 June 2010 that:</p> <ul style="list-style-type: none">- the Council would produce financial reporting packs for the Strategic Policy and Resources Committee and each Standing Committee on a quarterly basis- the Budget and Transformation Panel would also receive monthly financial updates if there were any significant issues to report. <p>The reporting pack (Appendix 1) contains a summary dashboard of the financial indicators and an executive summary explaining the financial performance of the Development Committee in the context of the financial performance of the overall council. It also provides a more detailed explanation of each of the relevant indicators covering the year to date and forecast financial position.</p> <p>As we previously advised the committee, we will continue to develop the style and contents of the reports in liaison with members. In particular, the members' financial training at the end of September 2010 provided a good opportunity for discussion and feedback on the reports. It is therefore intended to make some amendments to style and layout for the quarter 3 financial reports.</p> <p>Central finance and our departmental management team have worked together to develop the information within this financial reporting pack.</p>

2	Key Issues
2.1	<p>Current and forecast financial position 2010/11</p> <p>Net expenditure for the Development Department was £0.2m (quarter 1: £0.3m) below budget for the quarter representing 2% of estimated net expenditure. The forecast year end position for the department is estimated to be £0.5m (quarter 1: £0.5m) which is 2% below budget.</p> <p>The 3 key reasons for the current under spend within the department are in line with quarter 1 and relate to vacant posts, delays or non activation in projects and work programmes caused by delays in structural reviews and other external factors and additional In year efficiencies.</p> <p>The department will continue to monitor the variance between actual and budgeted expenditure during quarter 3, especially those areas highlighted during the quarter 2 budget review process.</p> <p>In line with quarter 1, we recommend that the Strategic Policy and Resources Committee continues to consider how best to use this forecast under-spend along with those arising from other departments, as was discussed at the Strategic Policy and Resources Committee on 22 October 2010.</p> <p>The financial reporting pack contains more detail on both the overall council position and the financial performance in each of the Services within the Department.</p> <p>We would like to emphasise that the end of the financial year is still several months away and that there are significant uncertainties which could impact on the forecast. Nevertheless, a half-year forecast is helpful to members in making financial decisions for the remainder of 2010/11 and to inform the 2011/12 rates setting exercise.</p>

3	Resource Implications
3.1	There is a year to date under spend of £0.2m and a forecast under spend of some £0.5m.

4	Equality and Good Relations Considerations
4.1	There are no equality or good relations considerations attached to this report.

5	Recommendations
5.1	The Committee is recommended to note the above report and associated financial reporting pack.

	Decision Tracking
There is no decision tracking attached to this report.	

	Documents Attached
Appendix 1: Financial Reporting Pack	