



## Belfast City Council

<b>Report to:</b>	Strategic Policy and Resources Committee
<b>Subject:</b>	Belfast City Council Financial Accounts 2011/12
<b>Date:</b>	22 June 2012
<b>Reporting Officer:</b>	Director of Finance & Resources, Ronan Cregan
<b>Contact Officer:</b>	Director of Finance & Resources, Ronan Cregan

### Relevant Background Information

The purpose of this report is to present to the Strategic Policy and Resources Committee the Financial Accounts of the council for 2011/12.

The Financial 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.

The Financial Report and accounts for the year ended 31 March 2012, as attached, have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2011/12 based on International Financial Reporting Standards and the Department of the Environment Accounts Direction, Circular LG 03/12 dated 23 April 2012.

I can confirm that the Statement of Accounts for the year ended 31 March 2012 has been prepared in the form directed by the Department of the Environment 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.

### Key Issues

#### Reserves

The credit balance on the District Fund Reserves has increased to £13,904,696 (of which £2,547,206 relates to specified reserves). The movement on the reserves balance is summarised in Table 1 below:

**Table 1: Summary of Reserves Position**

Opening Balance	£10.4m
Prior Year Adjustments	<u>£ 1.4m</u>
Revised Opening Balance	£11.8m
In year movement on reserves	£ 4.3 m
2010/11 Finalisation	£ 0.3 m
Contribution to Capital Fund	£(2.5)m
Increase in Reserves	£ <u>2.1 m</u>
<b>Closing Balance</b>	<b>£13.9m</b>
Specified Reserves at year end	<u>£ 2.5m</u>
<b>Balance Available</b>	<b><u>£11.4m</u></b>

**District Fund           £13,904,696**

The District Fund Reserves can be used to supplement income and unexpected expenditure in future years. Of the £13,904,696, £2,547,206 relates to expenditure committed at year-end.

**Capital Fund           £13,043,663**

The capital fund is made up of the City Investment Fund (£8,043,663). The fund has been created to support key partnership projects to regenerate Belfast and help lever substantial funds from other sources, and the Local Investment Fund (£5m) to fund smaller local regeneration projects.

**Capital Receipts Reserve   £950,040**

These are capital receipts which have originated primarily from the sale of assets and which have not yet been used to finance capital expenditure. This amount relates mainly to the sale of land & buildings at Loop River (£860,000) which has been ring-fenced for the development of the capital scheme "Loop River – New Facilities".

**Other Fund Balances and Reserves   £6,356,409**

This relates to the Election Reserve (£424,424) which has been set up to smooth the cost of running council elections and a Sinking Fund (£5,931,985) which has been set up to repay the Council's interest only mortgages.

**Capital Programme**

In 2011/12 the council committed to a programme to invest £150m in capital projects including £75m in council facilities for local communities, £20m in partnership projects which will contribute to city regeneration, £50m levered from Europe and other sources to provide key economic infrastructure projects and £5m in smaller local regeneration projects.

**Debt**

The overall level of trade debtors had decreased steadily over the previous 3 years, reducing from £10m at 31 March 2008 to £4m at 31 March 2011. However, the figure at the 31 March 2012 shows an increase to £5.7m. This is a result of £2.1m of invoices being raised in the last week of the financial year, compared to £739k in the same

period in the previous year. The majority of this money was paid by the end of April 2012, with the total debt down to £3.7m. An analysis of trade debtors, inclusive of VAT, for the last two years is shown below:

	<b>31 March 2012</b>	<b>31 March 2011</b>
Less than three months	£4,260,233	£2,111,911
Three to six months	£137,235	£142,744
Six months to one year	£191,602	£188,270
More than one year	£1,110,712	£1,519,553
<b>Total</b>	<b>£5,699,782</b>	<b>£3,962,478</b>

### **Creditors**

The council has a target of paying invoices within 30 days. During the year the council paid 52,318 invoices totalling £100,848,638

The average time taken to pay creditor invoices was 25 days for the year ended 31 March 2012.

Whilst the Minister at the Department of Finance and Personnel has reduced the target for the payment of invoice for central government departments to 10 working days this target is not mandatory for local government. However, the council endeavours to process invoices as quickly as possible and monitors these figures on a regular basis.

### **Resource Implications**

#### Financial

None

#### Human Resources

None.

#### Asset and Other Implications

None.

### **Recommendations**

The committee is requested to approve the Council's financial accounts and report for the year ended 31 March 2012.

### **Key to Abbreviations**

N/A

### **Documents Attached**

Detailed Financial Statements titled "Belfast City Council Financial Report 2012"