



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Local Investment Fund – Financial Governance Arrangements
Date:	21 September 2012
Reporting Officer:	Ronan Cregan, Director of Finance and Resources Gerry Millar, Director of Property and Projects
Contact Officer:	Mark McBride, Head of Finance and Performance Donal Rogan, Head of Contracts

1.0	Relevant Background Information
1.1	Members are aware that the Strategic Policy and Resources Committee has approved a number of Local Investment Fund (LIF) projects. The purpose of this report is to recommend the financial governance arrangements to be put in place to support the payment of LIF project monies.
1.2	The proposed arrangements have been drawn up in a way that provides sufficient flexibility to meet the needs of individual projects and sponsor groups and at the same time exercising good stewardship of public money and ensuring value for money is delivered.

2.0	Key Issues
2.1	<p>The governance arrangements have been developed to support the three main ways that projects will be delivered. These are:</p> <ul style="list-style-type: none">• Council Led and Delivered Projects: the Council will procure and project manage the delivery of the project, as if were its own project within the capital programme.• Fully / Partially Funded by the Council and Delivered by the Supported Group: The council will only provide financial support to the project and the Sponsor Group will have responsibility for delivery.• Council is a Funding Partner and Project is Led by another Funding Partner: The council will only provide financial support to the project and

	will rely on the control requirements exercised by the lead partner.
2.2	<p>The delivery option for each project will be considered on the basis of the following factors:-</p> <ul style="list-style-type: none"> • Complexity of the project • Groups experience and capacity to undertake a capital project including:- <ul style="list-style-type: none"> ○ Scheme Design ○ Procurement / Tender Process ○ Project Management / Delivery ○ Quality assurance ○ Health and Safety • Opportunity to build capacity within supported group • Opportunity to promote community ownership and buy in to the project • Opportunity to enhance the council's leadership role • Level of flexibility required in delivery approach • Level of internal financial and technical resources required and available • Potential reputational damage of project failure • Extent of involvement of other partners
2.3	A flowchart of the LIF process from initial proposal through to final delivery is provided Appendix A.
2.4	In summary, for each project there will be a Funding Agreement in place which must be signed by the Council and the Sponsor Group before any money can be released. The Agreement will include a payment schedule, general terms and conditions, special terms and conditions, security of tenure, deed of covenant, and procurement requirements.
2.5	During the course of a project a number of physical, financial and procurement checks will be carried out by Council officers.

3.0	Resource Implications
3.1	The Local Investment Fund has a total budget of £5m.

4.0	Recommendations
	Members are requested to agree to:
4.1	<ol style="list-style-type: none"> 1. The categorisation of projects for delivery purposes as defined in paragraph 2.1. 2. The financial governance arrangements as outlined in paragraphs 2.3 – 2.5 and Appendix A.