





















Strategic Policy and Resources Committee

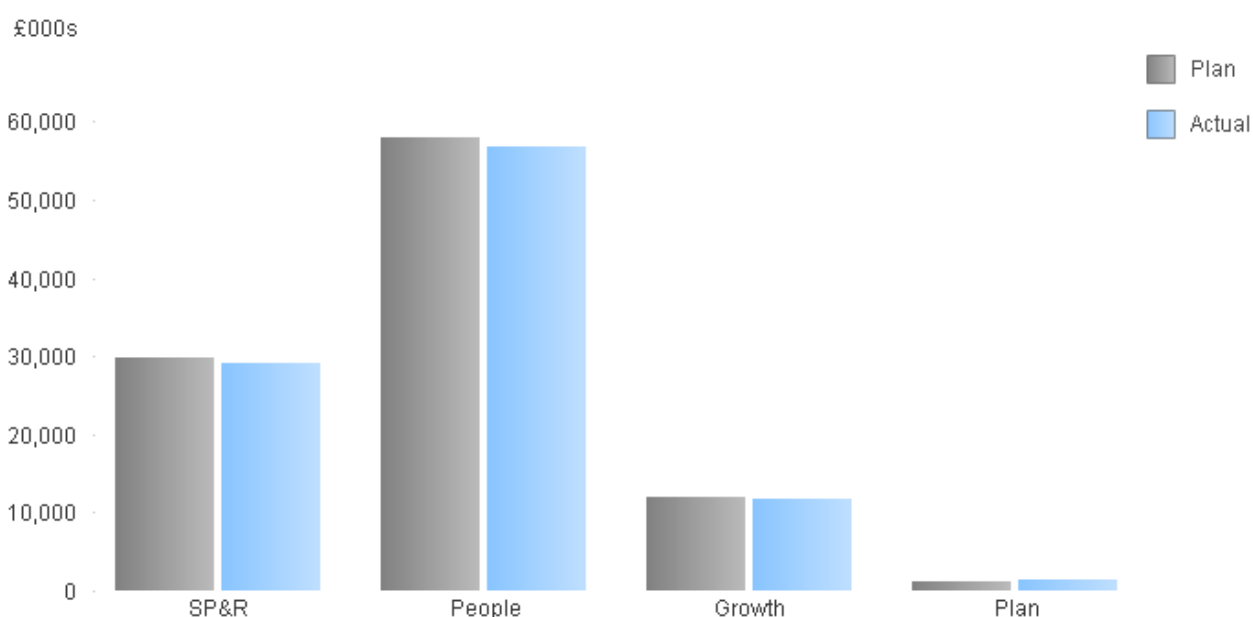
Quarterly Finance Report

Report Period: Quarter 3, 2017/18

Dashboard - Quarter 3, 2017/18

Revenue Section							Page	
Committee	YTD	YTD Var £000s	Var %	Forecast	Forecast Var £000s	Var %		
Strategic Policy and Resources		(645)	(2.2)%		281	0.7%	3, 4	
People and Communities		(1,229)	(2.1)%		(807)	(1.1)%		
City Growth and Regeneration		(244)	(2.0)%		(109)	(0.7)%		
Planning Committee		86	6.9%		78	5.4%		
Total		(2,031)	(2.0)%		(557)	(0.4)%		
Rate Income Variance					(645)		5	
Reserves Statement								
Reserves	Opening Balance £000s	YTD Movement £000s	Balance £000s	Forecast £000s				
General	13,355	319	13,674	14,602			6-7	
Specified	7,635	1,693	9,328	6,709				
Total	20,989	2,012	23,001	21,312				
Capital Section							Page	
Capital Programmes	YTD	Expenditure Limit £000s	Actual Expend. £000s	Balance to go £000s	Forecast	Forecast Expend. £000s	Forecast Var £000s	
Annual Capital Programme		36,480	10,793	25,686		24,979	(11,501)	8-9
Feasibility		250	32	218		191	(59)	
LGR New Boundary		954	316	638		757	(197)	10-11
Non-Recurring Projects		1,119	299	819		1,107	(12)	
Capital Funds	YTD	Fund Limit £000s	Committed £000s	Balance Remaining £000s	Actual Expend. £000s			
Belfast Investment		28,200	17,020	11,180	1,754			
LIF 1		5,000	4,956	44	4,094			12-13
LIF 2		4,000	3,859	141	2,343			14-15
Capital Financing Section								
Capital Finance	Plan £000s	Forecast £000s	Forecast Var £000s					
Transferring Loans	677	677	0				16	
LTP Efficiencies	1,871	1,871	0					
Leisure - New BCC	2,000	2,000	0					
Leisure Transformation Financing	3,230	3,230	0					
Investment Programme	10,974	10,974	0					
Total	18,752	18,752	0					

Committee Net Revenue Expenditure: Year to Date Position



The Quarter 3 position for Belfast City Council is an underspend of £2.03m or 2% of the total net revenue budget.

The **Strategic Policy and Resources Committee** is under spent by **£645k**, which represents 2% of the Committee budget.

The key drivers to this position include employee underspends and programme slippages which have helped offset budgetary pressures in Facilities services.

The **People and Communities Committee** is under spent by **£1.23m**, which represents 2.1% of the Committee budget.

Additional unbudgeted income for government supported schemes, decreased waste disposal costs and employee underspends arising from staff turnover and pending structural reviews are main factors to this underspend position.

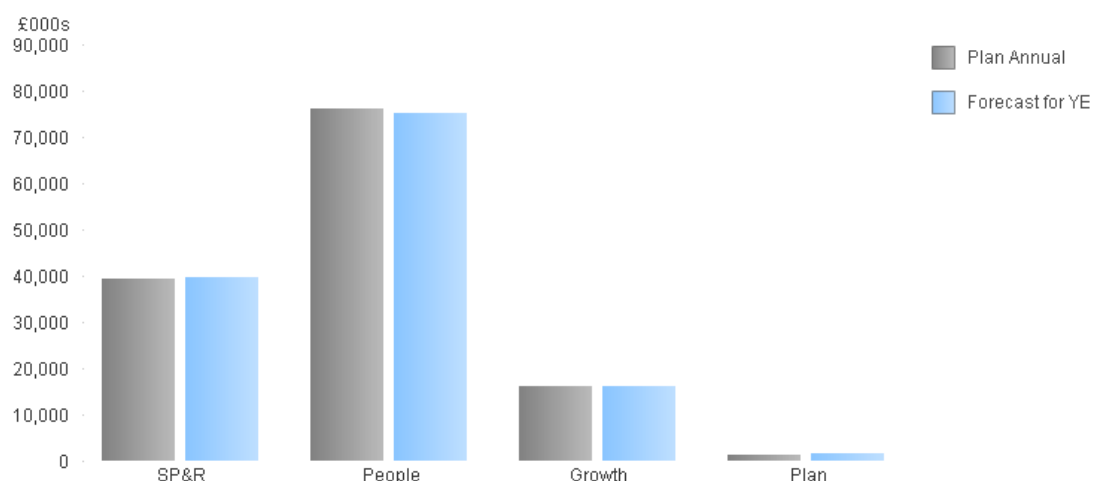
The **City Growth and Regeneration Committee** budget is underspent by **£244k** which is 2% of the Committee budget at Quarter 3.

Employee underspends and additional income have helped offset financial pressures at the Zoo.

The **Planning Committee** is overspent by **£86k** which represents 6.9% of the Committee budget at the end of Quarter 3.

The key drivers to this position are the under recovery of income in both the Planning and Building Control Services and an overspend on advertising.

Committee Net Revenue Expenditure: Forecast for Year End



The Quarter 3 year-end forecast position for **Belfast City Council** is an underspend of **£557k** or **0.4%** of the total budget.

The **Strategic Policy and Resources Committee** has a forecast over spend of **£281k** or **0.7%** of the Committee's budget.

Project and employee cost underspends in a number of services will help offset the significant forecasted overspends in the Facilities, Security and Fleet Units.

The **People and Communities Committee** is forecasting an under spend of **£807k** or **1.1%** of the Committee's net budget.

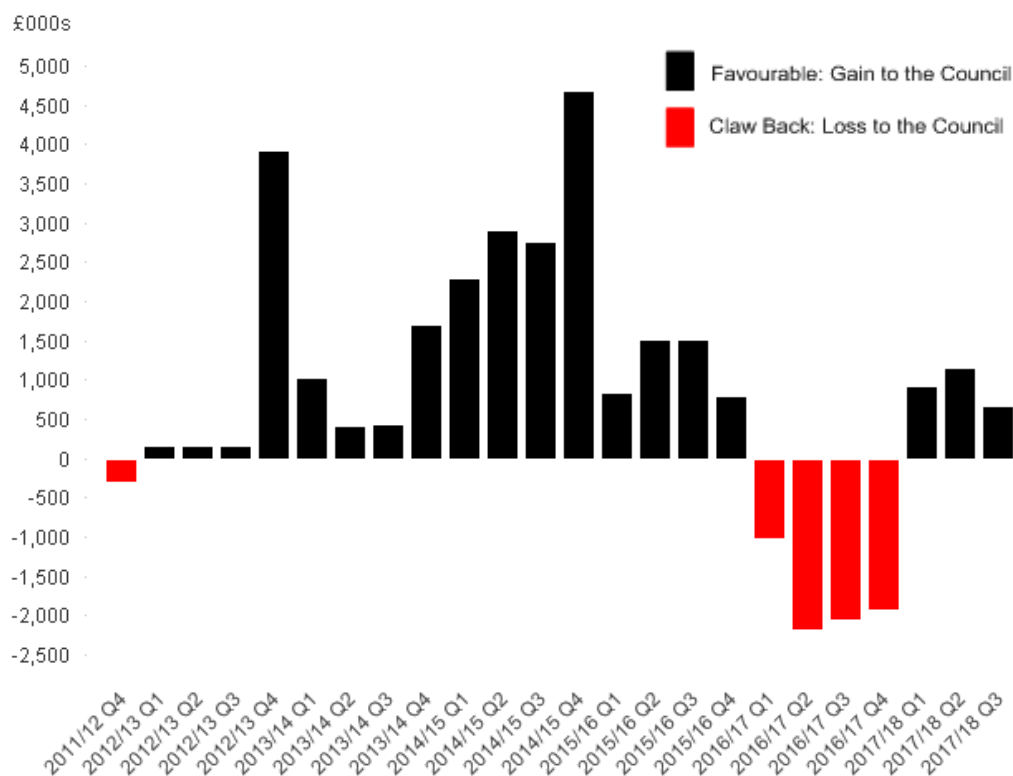
The key drivers to this forecast position include decreased residual waste charges as a result the Food Waste Campaign and employee underspends in the Environmental Health and Neighbourhood and Development services. These anticipated savings will help offset increased costs in Cleansing resulting from increased organic waste collection and implementation of the Route Optimisation Programme.

It is forecast that the **City Growth and Regeneration Committee** budget will be under spent by **£109k**, or **0.7%**, of its budgeted expenditure at year end. Employee underspends and additional car parking income will help mitigate against the forecasted overspend at the Zoo.

The **Planning and Licensing Committee** overall forecast position for the year end is an over spend of **£78k** which represents **5.4%** of the net budget. This overspend largely relates to lower than anticipated income in both the Planning and Building Control services.

District Rate Forecast Variance for Year End

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.



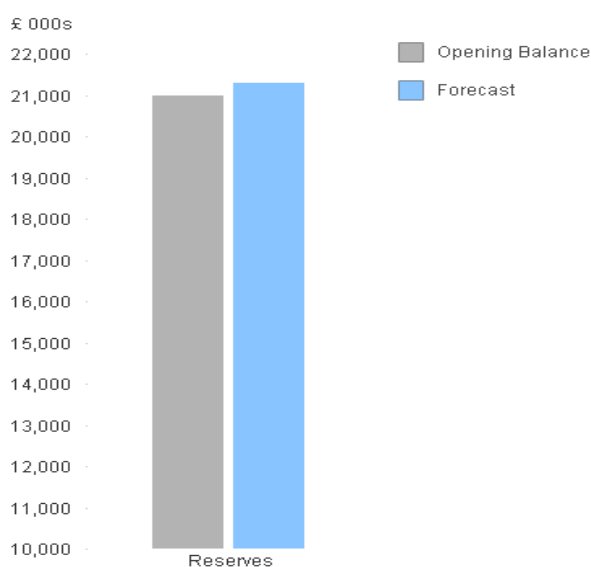
The District Rate year end outturn is a positive settlement of £645k. This reflects a positive APP settlement of £1,006k and a clawback of £361k for the de-rated grant resulting in a decrease of almost £500k in the estimated rate finalisation from the position reported at Quarter 2.

Two large buildings which were valued as industrial (one in Queen's Island with a Net Annual Value (NAV) of £208k and one in Royal Avenue with an NAV of £195k) were made vacant which resulted in the industrial status being removed. Industrial status entitles a property to 30% rate reduction. However, the move to from industrial to vacant status qualifies for 100% Non-Domestic Vacant Rating (NDVR) exemption and this manifests in an increased loss. Associated with this change in occupancy status is a reduction in the de-rating compensation which is evident through the increased de-rated grant clawback.

A third property with a NAV of £143k moved from NDVR 50% exemption to NDVR exclusion.

Officers will continue to work with LPS to monitor performance in the last quarter as there is still the possibility that the finalisation could move either positively or negatively.

Forecast movement on reserves



The Council's total reserves balance at 31/03/2017 was £20.99m. This included specified balances of £7.6m.

The balance of general reserves is forecast to increase from £13.4m to £14.6m at the year end.

Members will recall that at the November meeting of Strategic Policy and Resources Committee reallocations of £2.9m were made to create specified reserves for 2018/19.

This increase in specified reserve balances at Quarter 2, together with the application of 2017/18 specified reserves and the funding of voluntary redundancy and pension costs will result in a forecast specified reserves balance of £6.7m at the year end, meaning forecast total reserves of £21.3m.

Note: Specified reserves balances at the end of Quarter 3 are

Specified Reserve	Balance at P9
Area Pilots (Divis)	6,398
City Brand	73,984
Linguistic Diversity	25,000
Planning Legal Costs	198,523
Property Dilapidation	500,000
VR and Actuarial	1,186,516
Car Parking	75,000
Security	0
City of Culture (Major events)	957,615
Pipe Bands	186,828
Community Grants	129,824
Advice / Tribunal Service	0
Boxing Strategy	45,000
Stadia (Olympia) Community Benefit	229,245
Fuel Contingency	250,000
Corporate Customer Focus	500,000
Gen Data Protection Regs	51,000
Non Recurrent	1,295,680
Belfast Agenda	2,993,176
Q2 reallocations (events and festivals)	623,840
Total	9,327,630

Forecast movement on reserves statement

Committee	Plan YTD £000s	Actuals YTD £000s	Variance YTD £000s	% Variance	Annual Plan 2017/2018 £000s	Forecast for Y/E at P9 £000s	Forecast Variance £000s	% Variance
Strategic Policy and Resources	29,755	29,111	(645)	(2.2)%	39,262	39,543	281	0.7%
People and Communities	58,091	56,862	(1,229)	(2.1)%	75,989	75,182	(807)	(1.1)%
City Growth and Regeneration Planning Committee	12,044	11,801	(244)	(2.0)%	16,078	15,969	(109)	(0.7)%
	1,244	1,330	86	6.9%	1,449	1,527	78	5.4%
Total	101,135	99,104	(2,031)	(2.0)%	132,778	132,221	(557)	(0.4)%

Capital financing

0

Specified reserves movements

-1,819

Year end departmental forecast

557

Rates Finalisation

645

Adjustments

939

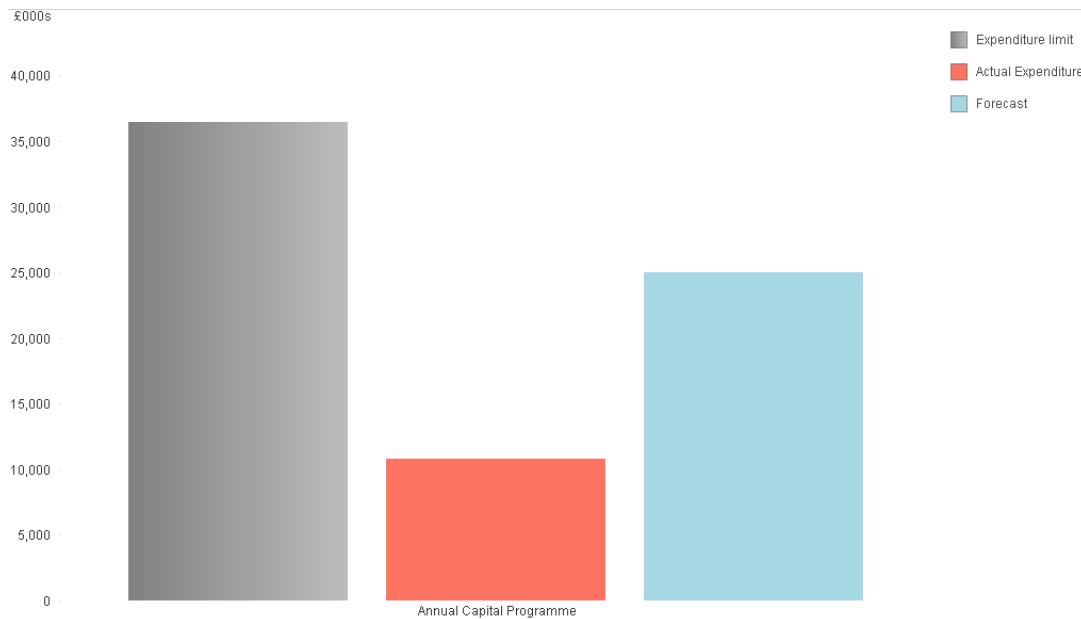
Forecast movement on reserves for current year

322

Analysis of forecast reserves balance

Opening balance reserves	20,989
Movement in reserves	<u>322</u>
Total Reserves	<u>21,311</u>
Forecast specified reserves closing balance	<u>6,709</u>
Forecast general reserves closing balance	<u><u>14,602</u></u>

Annual Capital Programme



Annual Capital Programme

The Strategic Policy & Resources Committee, 24 March 2017, agreed a programme of net expenditure for 2017/18 of £36.48m. This includes expenditure on committed projects, £36.28m and uncommitted projects, £198k.

In the nine months to 31 December 2017 the Council has incurred net expenditure of £10.79m. Forecast outturn for the year was £24.98m.

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

Stage 3: Committed Projects

The Council has incurred £10.64m expenditure on the committed projects. The main areas of expenditure are:

- LTP - Olympia Regeneration - £3.16m
- Tropical Ravine - £1.14m
- LTP Andersonstown Regeneration – £1.15m
- LTP Robinson's Centre -£720k
- Pitches Strategy - £1.19m

Stage 2 Projects

The Council has incurred £155k expenditure on uncommitted projects to 31 December 2017. There was a programme of expenditure of £198k for uncommitted projects until 31 March 2018. However, these schemes will only move to tender stage upon approval from the Strategic Policy & Resources Committee and Council.

External Funding

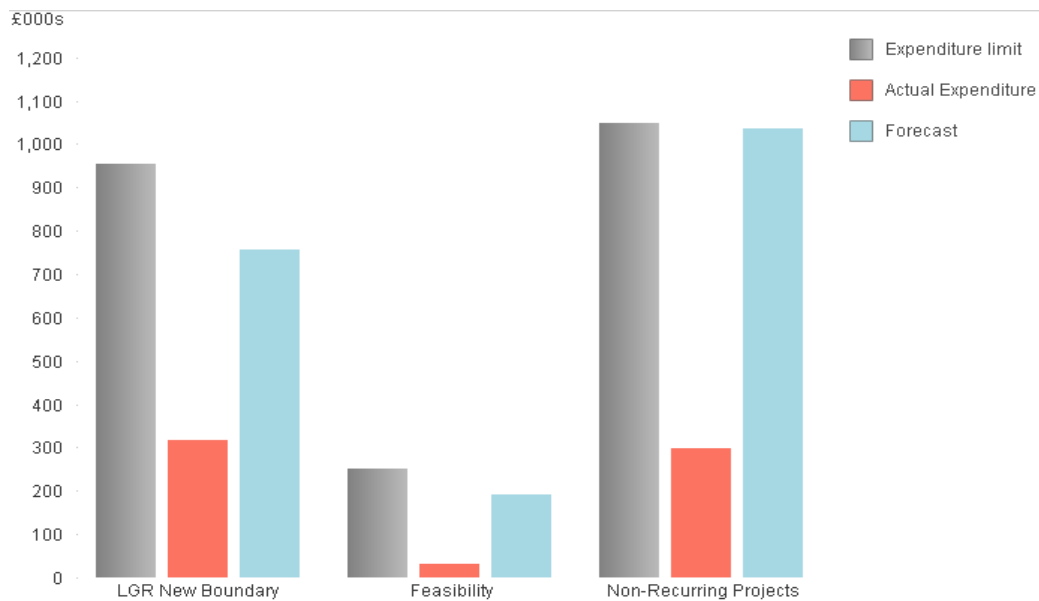
The 2017/18 Capital Programme includes 18 projects that are part funded by external organisations.

In the 9 months to 31 December 2017, the Council has claimed/received £1.56m from these external funders. The main areas of funding are:

- Connswater Community Greenway - £164k

- Super-connected Belfast - £821k
- Tropical Ravine – £453k

Other Capital Programmes



Other Capital Programmes

Feasibility

£250k from the capital financing budget has been ring-fenced to provide a Feasibility Fund in 2017/18

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 31 December 2017, the Council has committed £191k to the feasibility fund.

Leisure - New Boundary

The Strategic Policy & Resources Committee, 24 March 2017, agreed a programme of net expenditure for 2017/18 of £954k for investment in the leisure estate in the new boundary area. The Council has incurred £316k on these projects to 31 December 2017.

The main areas of expenditure were:

Location	£
Sally Gdns Pavilion	180k
Prince Regent Rd Depot	23k
Colin Valley Playground	69k

Non-Recurring Capital Projects

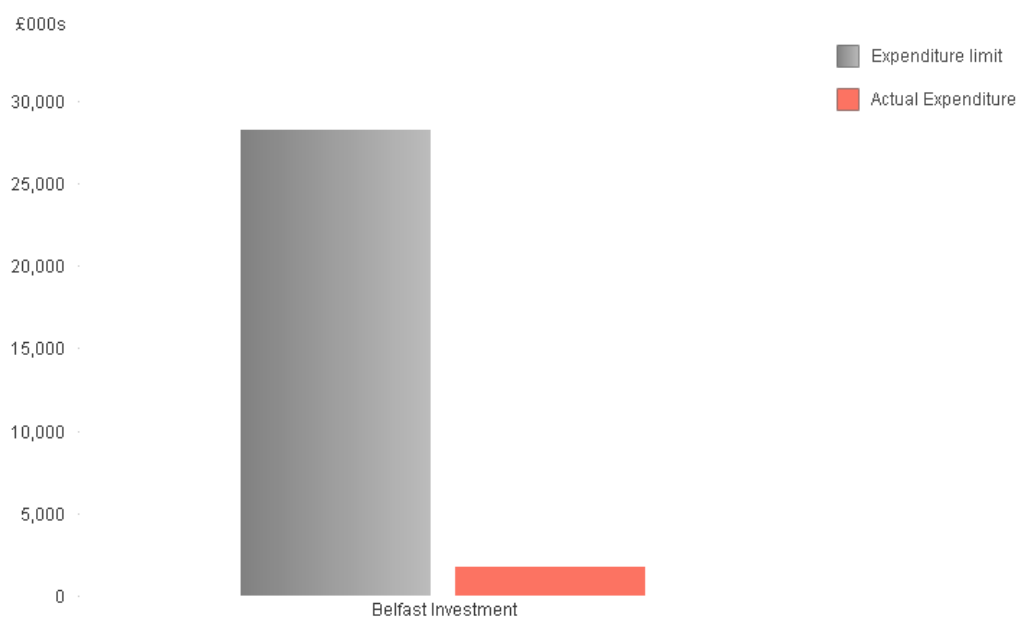
A planned programme of works amounting to £1.119m has been agreed for 2017/18.

The Council has incurred £299k of expenditure on non-recurring projects as at 31 December 2017.

The main areas of forecasted expenditure are:

Location	Work needed	£
CWB Works	Preparation works	127k
Girdwood	Toilets & New Access	65k
Various Pitches	Drainage	161k
Belfast Telegraph Building	Belfast Catapult	127k

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 31 December 2017, there are twelve committed projects totalling £17.02m investment. The Council has incurred £1.65m expenditure on these projects to 31 December 2017.

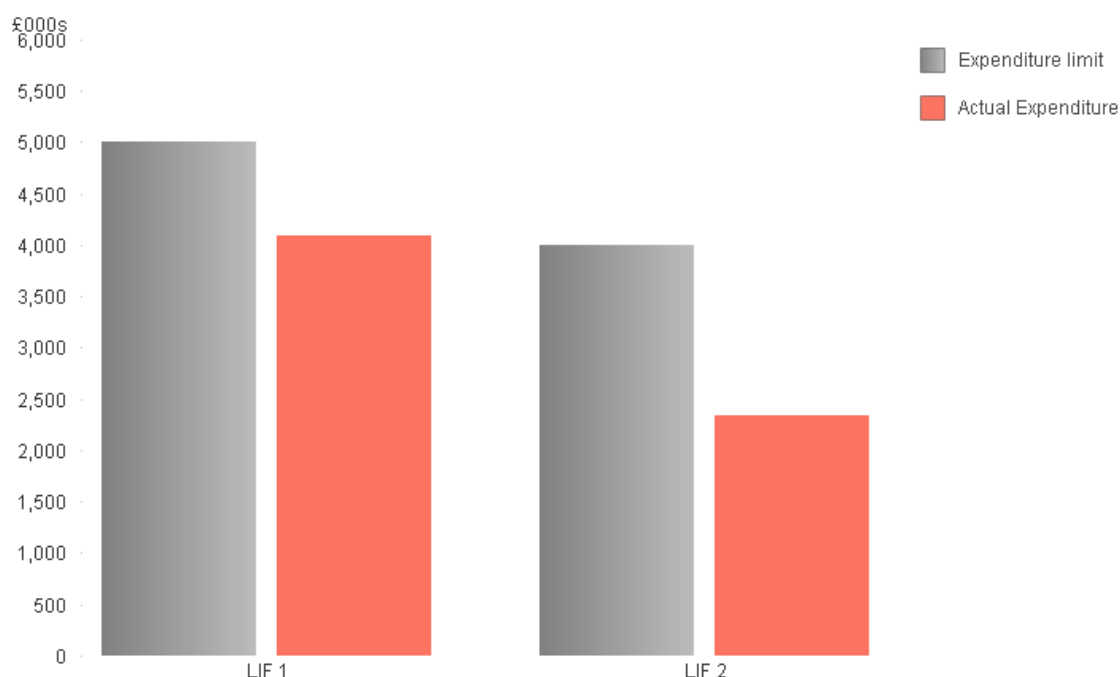
There are also ten uncommitted projects, with £6.55m allocated. To date £98k has been spent on these.

In addition, there are seventeen emerging projects, with £3.65m allocated. 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
Lionra Uladh (Raidió Fáilte)	950,000
Davitts GAC	1,000,000
St Comgall's	3,500,000

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 31 December 2017, 71 projects worth £4.96m have been approved in principle, with 68 projects approved through the Council's rigorous due-diligence process.

Funding worth £4.1m has been paid out to 64 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:

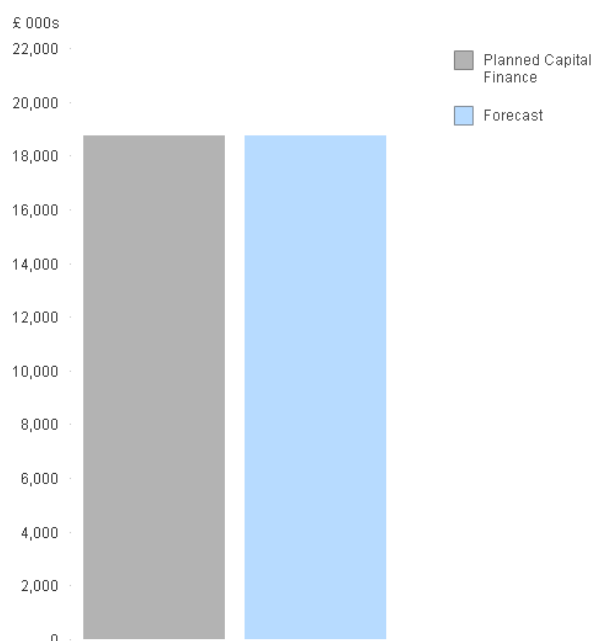
Area	LIF Allocation £
North	800,000
South	800,000
East	1,200,000
West	1,200,000

As at 31 December 2017, 59 projects worth £3.86m have been approved in principle, with 45 projects approved through the Council's rigorous due-diligence process.

Funding worth £2.34m has been paid out to 37 groups at 31 December 2017.

Central Finance: Capital Finance Forecast for Year End

The Capital Finances are the monies required to support the capital expenditure in the current year and previous years.



The Capital Financing Budget for 2017/18 has been set at £18.75m to meet the financing cost of the Council's Capital Programme.

The forecast for this budget at Quarter 2 was an underspend of £2.090k and SP&R at its meeting in November 2017 agreed the reallocation of that underspend.

At Quarter 3 it is still anticipated that the capital financing budget will be fully utilised.