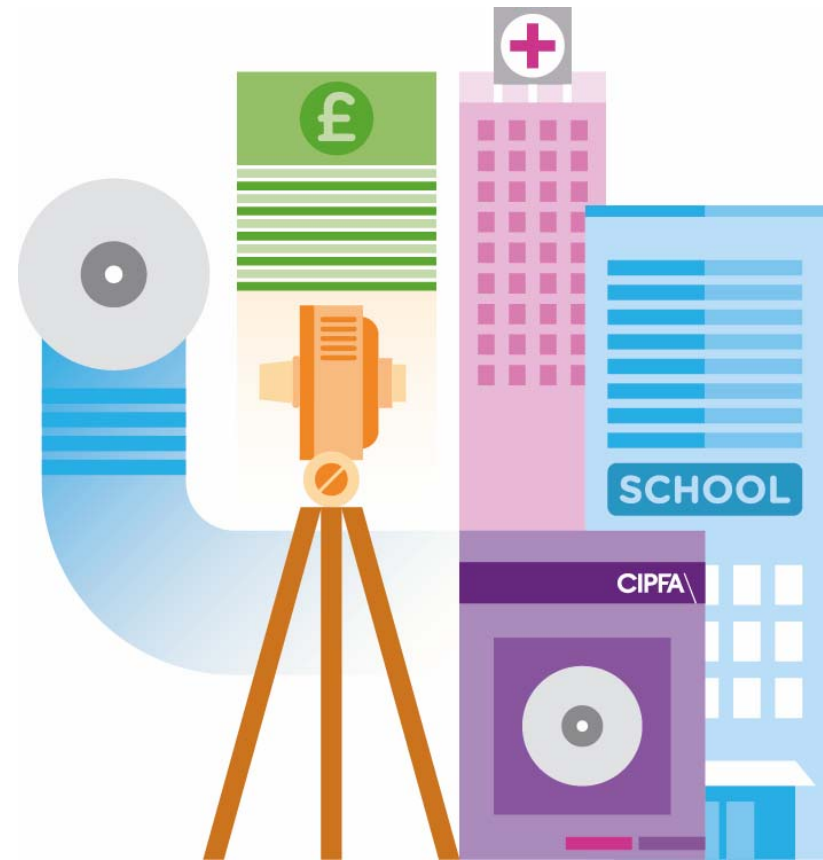


Managing Asset Finance



Where are we now?

- NI Executive Budget facing 5.3% real terms cut by 2019/20
- LG Reform completed – but how are savings to be realised
- Need to understand and re-balance relationship with citizen



Scope and Resources

- Asset Base = **£2.3bn** *
- Borrowing Outstanding = **£471.3m**
- General revenue funding from government = £45m
- Service fees and charges £190m
- Capital grants £28m
- District Rates £531m
- Total Income **£794m**

Based on year-end 31 March 2014 figures



Costs

- Finance and Investment Costs – Circa £50m (9% of rates income) – *Includes Pension Finance, therefore real % Lower*
- Borrowing Cost – Circa £258 per person *

** Annual Mid Year Population Estimates 2013, Office for National Statistics, 26th June 2014*



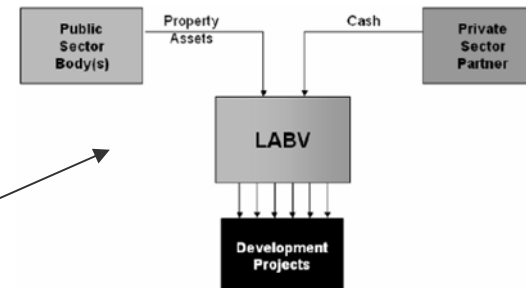
Flexibilities and Ground Rules

- Under the LG Finance Act 2011:
 - Prudential Borrowing – for prudent financial management purposes
 - Wider powers to Invest
 - Flexibility in Reserves
 - Setting and prudent revenue provision
 - Capitalisation and REFCUS



An alternative view?

- Sharing Resources
- Investment Assets
- LABVs/Joint Ventures
- Providing services for others – Schools, other public, private sector
- Selling what you have got



Standing out from the crowd?

- How good are you managing what you have?
(Corporate Landlord/Costs/Performance)
- What skills have you got (what do you need?)
- What's the appetite for risk?



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