

**Report to:** Shadow Strategic Policy and Resources Committee

**Subject:** **Revenue Estimates and District Rate 2015/16**

**Date:** 30 January 2015

**Reporting Officer:** Ronan Cregan, Director of Finance and Resources

**Contact Officer:** Mark McBride, Head of Finance and Performance

<b>1</b>	<b>Relevant Background Information</b>
1.1	<p>The purpose of this report is to provide the financial information to support Members to make decisions on the following:</p> <ul style="list-style-type: none"> <li>• The level of district rate to be set for 2015/16.</li> <li>• The departmental revenue budget allocations and cash limits for 2015/16.</li> <li>• The revenue budget allocations and cash limits for the transferring functions 2015/16.</li> <li>• The capital financing budget.</li> <li>• The adequacy of general reserves.</li> </ul> <p>The report will also provide details of the impact of the decision on the district rate on the ratepayer in the context of the rates convergence scheme agreed by central government and the non-domestic revaluation.</p>
<b>2</b>	<b>Key Issues</b>
2.1	<p><b>Rate Income</b></p> <p>This will be the first rate set for the new Council. This means that the rate base now includes all domestic and non-domestic properties transferring from Lisburn and Castlereagh. The final Estimated Penny Product (EPP) provided by Land and Property Services (LPS) and validated by Council officers and the Institute of Revenue, Rating and Valuation (IRRV) is £5,616,420. This means if the Council sets a zero rate an additional <b>£13,400,133 of rates income would be raised, bringing the total rates income to £143,116,491 for the new boundary area in 2015/16.</b></p>
2.2	<p><b>De-Rating Grant</b></p> <p>In addition to district rate income the Council also receives an industrial de-rating grant from DOE. The de-rating grant compensates the Council for the loss of rate income due to the statutory de-rating (lowering of rates) of certain properties. <b>LPS has notified the Council that the de-rating grant will increase by £461,046 to £5,091,162.</b></p> <p>The DOE, however, at the time of writing, has not confirmed the level of de-rating grant to be paid. Members will be provided with a verbal update on the de-rating grant position at the committee meeting.</p>
2.3	<p><b>In summary, this means that the total additional rates income based on a zero rate amounts to £13,861,179. Therefore, any additional expenditure agreed by the committee for 2015/16 must be within this cash limit if a zero rate is to be agreed.</b></p>
2.4	<p><b>Summary Position</b></p> <p>Table 1 below provides a summary of the proposed allocation of the available £13.86m. The report will make specific recommendations in relation to:</p> <ul style="list-style-type: none"> <li>• Discretionary elements of net departmental expenditure</li> <li>• Additional funding for the running of the transferring planning service</li> <li>• The creation of a regeneration budget</li> <li>• Additional capital financing to support the debt being transferred from Lisburn and Castlereagh.</li> </ul>

**Table 1  
Cost of Running the New Council in 2015/16**

	<b>Cost (£)</b>	<b>Increase (£)</b>
Net Departmental Expenditure	<u>127,752,877</u>	9,544,079
Transfer of Functions	735,554	
Regeneration	<u>634,912</u>	<u>1,370,466</u>
Belfast Investment Fund	2,770,000	
<b>Total Revenue Costs</b>	<b>131,893,343</b>	<b>10,914,545</b>
<b>Capital Finance</b>	<b>16,810,946</b>	<b>3,443,270</b>
Less Reserves Contribution	<u>-496,636</u>	<u>-496,636</u>
<b>Total Net Expenditure</b>	<b>148,207,653</b>	<b>13,861,179</b>

2.5 **Net Departmental Expenditure**  
Table 2 below shows how the £9.54m increase in net departmental expenditure is distributed. It shows that £11.05m is a result of cost increases beyond the control of the Council. It also includes £1.33m of costs which are at the discretion of Members to agree on and £2.85m of cash savings have been removed from the departmental budgets. The details of the main headings are provided below.

**Table 2  
Net Departmental Expenditure – Uncontrollable Costs and Budget Proposals  
2015/16**

	£(m)	£(m)
Staff Transferring from Lisburn & Castlereagh	3.38	
Employee Pay Rise and Pension Costs	2.43	
Transferring Assets Repairs and Maintenance	0.33	
New Council Members Allowances	0.52	
Waste Convergence and Disposal Costs	4.29	
Commissioner of Complaints	<u>0.10</u>	
<b>Total Uncontrollable Costs</b>		<b>11.05</b>
New Posts for LGR	0.72	
Cuts to Government Grants	0.28	
Ulster Orchestra	0.15	
Political Assistance	<u>0.18</u>	
<b>Total Discretionary Elements</b>		<b>1.33</b>
		<b>12.38</b>
<u>Less</u>		
Leisure Transformation Year 1 Efficiencies	-0.77	
Corporate Efficiencies	<u>-2.08</u>	<u>-2.85</u>
<b>Net Departmental Budget Increase</b>		<b>9.54</b>

2.6 **Uncontrollable Costs**  
**Staff Transferring from Lisburn and Castlereagh (£3.38m):** The details of all 141 staff from the Lisburn and Castlereagh Councils who will transfer to Belfast on the 1 April 2015, under the LGR transfer scheme, have been received and validated by the Human Resources Section. The costs associated with these transfers have been incorporated into the revenue estimates and the detail of the posts to be added to the establishment is included as Appendix 1.

2.7	<b>Employee Pay Rise and Pension Costs (£2.43m):</b> This covers the increase in employee costs arising from the national pay settlement and the increased NILGOSC pension contribution costs arising from compliance with the auto enrolment pension regulations.																
2.8	<b>Transferring Assets Repairs and Maintenance (£330k):</b> This is the increase in existing planned maintenance budgets required for the annual maintenance and upkeep of assets transferring to Belfast.																
2.9	<b>New Council Members Allowances (£520k):</b> The central government funding provided for Members allowances during the Shadow Council will end at the 31 March 2015, resulting in an increase in the net expenditure requirements for 2015/16.																
2.10	<b>Waste Convergence and Disposal Costs (£4.29m):</b> This includes the provision of waste management services to the new boundary area, including the additional recycling, haulage and landfill gate fee costs. It also includes the increased costs associated with the implementation of the waste plan to ensure the Council's compliance with statutory waste management targets.																
2.11	<b>Discretionary Elements</b> <b>New Posts for LGR (£720k):</b> In addition to the transferring posts, the departmental estimates include the funding for 17 posts required to ensure the delivery of services on a converged basis. Details of these posts are included as Appendix 2.																
2.12	<b>Cuts to Government Grants (£284k):</b> This is the loss of income from existing grant funding streams provided to the Council by the DOE, which the DOE have advised will cease in its revised budget proposals for 2015/16. Further detail is provided in Appendix 3.																
2.13	<b>Ulster Orchestra (£150k):</b> This represents the additional cost of the free use of the Ulster Hall proposed as part of the overall funding package to secure the future of the orchestra. A revised business plan has been provided by the orchestra and DCAL has confirmed that work is continuing on finalising the details of the 5 year government funding package.																
2.14	<b>Political Assistance (£175k):</b> This budget heading was presented in the 16 January rates report. If Members are not minded to support the creation of this budget then it is recommended that the £175k is transferred to support the capital financing budget.																
2.15	<p><b>Efficiencies</b></p> <p>The departmental estimates include the year 1 leisure transformation programme savings of £766k which have been removed from departmental budgets (Table 3) and transferred to the capital financing budget. The estimates also include the £2.08m of savings generated through the corporate efficiency programme and removed from departmental budget (Table 4) including savings in the procurement of services and running costs of energy, security, fleet as well as maximising income through additional income generation for ICT services and budgetary challenge across expenditure and income budgets.</p> <p style="text-align: center;"><b>Table 3</b> <b>Leisure Transformation Programme Year 1 Efficiencies</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>Chief Executive's</td> <td style="text-align: right;">54,396</td> </tr> <tr> <td>Property and Projects</td> <td style="text-align: right;">346,982</td> </tr> <tr> <td>Parks and Leisure</td> <td style="text-align: right;">8,281,614</td> </tr> <tr> <td>Health and Environmental Services</td> <td style="text-align: right;">31,357</td> </tr> <tr> <td>Pay Rise</td> <td style="text-align: right;"><u>243,928</u></td> </tr> <tr> <td>Total Reductions</td> <td style="text-align: right;">8,958,277</td> </tr> <tr> <td>GLL Year 1 Payment</td> <td style="text-align: right;"><u>-8,192,326</u></td> </tr> <tr> <td><b>Year 1 Savings</b></td> <td style="text-align: right;"><b>765,951</b></td> </tr> </table>	Chief Executive's	54,396	Property and Projects	346,982	Parks and Leisure	8,281,614	Health and Environmental Services	31,357	Pay Rise	<u>243,928</u>	Total Reductions	8,958,277	GLL Year 1 Payment	<u>-8,192,326</u>	<b>Year 1 Savings</b>	<b>765,951</b>
Chief Executive's	54,396																
Property and Projects	346,982																
Parks and Leisure	8,281,614																
Health and Environmental Services	31,357																
Pay Rise	<u>243,928</u>																
Total Reductions	8,958,277																
GLL Year 1 Payment	<u>-8,192,326</u>																
<b>Year 1 Savings</b>	<b>765,951</b>																

**Table 4  
Corporate Efficiency Programme**

Chief Executive's	51,503
Development	131,801
Finance and Resources	233,150
Health and Environmental Services	1,271,554
Parks and Leisure	55,395
Property and Projects	341,587
<b>Total 2015/16 Savings</b>	<b>2,084,990</b>

2.16 **Regeneration**  
Members will be aware that as part of the preparatory work for the transfer of regeneration powers a significant shortfall had been identified in the proposed transfer of resources to support City Regeneration. While the transfer of regeneration will not now take place until 1 April 2016 it would be prudent for the Council to ring fence resources for regeneration during 2015/16 which could be used to support the preparation for the transfer of regeneration powers and the City Centre regeneration plans. **A separate budget of £635k has been included in the estimates for regeneration.**

2.17 **Transfer of Functions**  
The arrangements for the transfer of functions to local government include the transfer of associated budgets. The DOE have advised that any funding for transferring services will be made on the basis of the net funding of all services transferring.

2.18 A core principle of the transfer arrangements was that the transfer should be rates neutral. However, as the Deloitte report (considered by the Committee at its meeting in November 2014) highlights, central government has changed this position to being budget neutral. The implication of this is that if costs are incurred by the Council which have not been budgeted for by central government then no funding associated with this expenditure will transfer. The cuts to central government funding have also increased the pressure on central government budgets available for transfer.

2.19 In the Rate Setting report to Shadow Strategic Policy and Resources Committee on the 16 January 2015, it was reported that a funding gap of £1m existed between the net expenditure estimated by the Council to operate the transferring functions of Planning, Off Street Car Parking and Local Economic Development. Since that date, as the result of further challenge and meetings with central government, the budget gap has reduced to £736k, with this all relating to the Planning Service.

2.20 A summary of the cash limits for the transferring functions is set out in Table 5 below, with further explanation provided in the following paragraphs.

**Table 5  
Cash Limits for Transferring Functions**

	<b>Net Exp (£)</b>
Off Street Car Parking	-1,365,000
Planning	1,310,447
Local Economic Development	411,984
Reduction to Regeneration Transfer	378,123
<b>Transfer of Functions Cash Limit</b>	<b>735,554</b>

2.21	<b>Off Street Car Parking:</b> Off street car parking will provide an operating surplus for the Council as the difference between the estimated income (£2.07m) and the estimated expenditure (£0.70m) will provide net operational income of £1.37m in 2015/16.																
2.22	<b>Planning:</b> The net cost of the planning service for 2015/16 is £1.3m. Made up of gross expenditure of £2.9m less £1.6m of fee income. This gross expenditure of £2.9m includes the £1.6m for staff transferring from the central government and a further £460k of employee costs to cover the additional posts of the Director of Planning, Head of Service, Business Manager, Clerk and 2 Solicitors. The remaining costs cover accommodation, ICT, advertising and external specialist legal support.																
2.23	<b>Local Economic Development:</b> This is expenditure for local economic development grants which were previously provided by DETI. The amount of expenditure for 2015/16 has been agreed with DETI.																
2.24	<b>Capital Financing</b> A separate Capital Programme report is being considered by Members at this Committee meeting.																
2.25	The capital financing budget for 2015/16 proposed in the revenue estimates is summarised in Table 6 below.  <b>Table 6</b> <b>Capital Financing Budget 2015/16</b>  <table border="1"> <tr> <td>Existing (Capital Programme) Budget 2014/15</td> <td>£10.137m</td> </tr> <tr> <td>Existing (Leisure Estate) Budget 2014/15</td> <td><u>£3.230m</u></td> </tr> <tr> <td></td> <td><b>£13.367m</b></td> </tr> <tr> <td><b>Increase:</b></td> <td></td> </tr> <tr> <td>Growth to cover Lisburn/Castlereagh Loans</td> <td>£0.677m</td> </tr> <tr> <td>Growth Leisure Transformation Savings Year 1</td> <td>£0.766m</td> </tr> <tr> <td>Growth Leisure Estate (From New Rate Base)</td> <td><u>£2.000m</u></td> </tr> <tr> <td><b>Total Capital Financing Budget 2015/16</b></td> <td><b>£16.811m</b></td> </tr> </table>	Existing (Capital Programme) Budget 2014/15	£10.137m	Existing (Leisure Estate) Budget 2014/15	<u>£3.230m</u>		<b>£13.367m</b>	<b>Increase:</b>		Growth to cover Lisburn/Castlereagh Loans	£0.677m	Growth Leisure Transformation Savings Year 1	£0.766m	Growth Leisure Estate (From New Rate Base)	<u>£2.000m</u>	<b>Total Capital Financing Budget 2015/16</b>	<b>£16.811m</b>
Existing (Capital Programme) Budget 2014/15	£10.137m																
Existing (Leisure Estate) Budget 2014/15	<u>£3.230m</u>																
	<b>£13.367m</b>																
<b>Increase:</b>																	
Growth to cover Lisburn/Castlereagh Loans	£0.677m																
Growth Leisure Transformation Savings Year 1	£0.766m																
Growth Leisure Estate (From New Rate Base)	<u>£2.000m</u>																
<b>Total Capital Financing Budget 2015/16</b>	<b>£16.811m</b>																
2.26	<b>Belfast Investment Fund</b> The current annual contribution to the Belfast Investment Fund is £2.77m. <b>There is no requirement to increase the current level of contribution to the Belfast Investment Fund during 2015/16.</b>																
2.27	<b>Application of Credit Balance from Reserves</b> The Strategic Policy and Resources Committee agreed the funding of running costs for 2 projects - Public Bike Hire and Innovation Centre, on an incremental reducing balance basis. The application of a credit balance transfer from reserves of £497k has been included in the draft estimates to ensure that these costs are not added to the district rate in 2015/16.																
2.28	<b>Departmental Cash Limits</b> A summary of the movement in departmental net expenditure and the cash limits for 2015/16 is included in table 7 below. Explanation of the main movements and the impact of local government reform on departments are included in the following paragraphs.																

**Table 7  
Departmental Movements and Cash Limits for 2015/16**

<b>Department</b>	<b>2014/15</b>	<b>2015/16</b>	<b>Var (£)</b>	<b>%</b>
Chief Executive's	7,793,199	8,918,825	1,125,627	14.44%
Finance and Resources	11,207,998	11,283,403	75,405	0.67%
Property and Projects	12,371,713	13,174,093	802,380	6.49%
Corporate Priorities	1,123,192	1,013,633	-109,559	-9.75%
Development	19,076,867	20,279,177	1,202,310	6.30%
Parks and Leisure	23,824,202	16,768,339	-7,055,863	-29.62%
GLL		8,192,326	8,192,326	
Health & Env. Services	41,941,628	46,267,008	4,325,380	10.31%
Employee Pay Rise	870,000	1,856,072	986,072	113.34%
<b>Total Net Expenditure</b>	<b>118,208,798</b>	<b>127,752,887</b>	<b>9,544,079</b>	<b>8.07%</b>

2.29	<p><b>Chief Executive's Department – Appendix 4 provides a breakdown by service</b> Net expenditure for the Chief Executive's Department has increased by £1.1m. This includes £520k of Members Allowances as the central government funding provided for Members allowances during the Shadow Council period will end at the 31 March 2015. Staffing cost increases for Local Government Reform (LGR) 6 transferring staff (£171k Appendix 1) and 6 additional posts (£212k Appendix 2) relating to the new Community Planning role of the Council and FOI / Data Protection requirements are also included. <b>The estimates also include the provision of £175k for political assistance which will be considered as part of the recommendations of this report.</b></p>
2.30	<p><b>Finance and Resources Department - Appendix 4 provides a breakdown by service</b> Net expenditure has increased by £75k arising from the transfer of 3 staff as part of LGR (Appendix 1).</p>
2.31	<p><b>Property and Projects Department - Appendix 4 provides a breakdown by service</b> Property and Projects net costs have increased by £802k arising mainly from the transfer of an additional 51 sites to Belfast representing a 20% increase to the BCC Estate. (BCC currently has 264 sites). These costs include £84k (Appendix 1) for the 4 staff transferring to the Council and £336k in increased annual repairs and maintenance costs. The estimates also include increased pension costs of £140k and £390k for 8 new posts (Appendix 2) 6 of which are Project Sponsor posts (which will replace current temporary positions) with the other 2 Estates related posts.</p>
2.32	<p><b>Corporate Priorities</b> A corporate priorities budget of £1m is required for 2015/16 which includes the recurring invest to save budget, carbon reduction charges, external audit and commissioner for complaints costs.</p>
2.33	<p><b>Health and Environmental Services- Appendix 5 provides a breakdown by service</b> The most significant increase in departmental expenditure budgets in 2015/16 is associated with waste management. An additional £4.29m is required to cover the provision of waste management services to the new boundary area, including the additional recycling, haulage and landfill gate fee costs. It also includes the increased costs associated with the implementation of the waste plan to ensure the Council's compliance with statutory waste management targets.</p>

	<p>The extended boundary will result in the provision of Council services to an additional 21,000 households, 53,000 citizens residing in approximately 690 streets and the transfer of approximately 800 businesses and 160 commercial waste customers. It is estimated that:</p> <ul style="list-style-type: none"> <li>• the number of noise complaints and public health and housing complaints will increase in line with the population increase i.e. by 20%.</li> <li>• an additional 1.5 million bin collections per year with an additional 21,000 tonnes of waste collected, treated/recycled and disposed of as appropriate.</li> <li>• the number of bulky household waste collections per annum will rise by 20% to 50,000</li> <li>• approximately 312 additional miles to be cleansed weekly along with an additional 270 litter bins to be emptied and maintained.</li> <li>• Pest Control service requests will increase by approximately 18% to 5402 per annum and that there will be a 28% increase in the number of manholes to be baited from 66,715 per annum.</li> <li>• an additional 800 premises (food and other business) will require inspection by the Environmental Health service.</li> <li>• Building Regulations workload is anticipated to increase by an additional 33%</li> <li>• 32 dangerous or dilapidated buildings have been identified.. These will be triaged against the impact matrix and then built into future submissions for additional funding should it arise or, where the Council can take action.</li> </ul> <p>The estimates of the Health and Environmental Services Department include £1.5m for the transfer of 58 LGR staff (Appendix 1) to services in the department and 1 new Environmental Protection Officer post. (Appendix 2). The loss of £284k of income from government grants has also been included from existing grant funding streams provided to the Council by the DOE, which the DOE have advised will cease in its revised budget proposals for 2015/16. Further detail is provided in Appendix 3.</p>
2.34	<p><b>Parks and Leisure Department- Appendix 6 provides a breakdown by service</b></p> <p>The total net expenditure budget required for the Parks and Leisure department for 2015/16 is £24.9m. This includes the separate payment to GLL of £8.1m in 2015/16. Year 1 leisure transformation programme savings of £766k have been transferred to the leisure capital financing budget for 2015/16. The remaining estimates for Parks and Leisure include £1.3m of costs for the 56 LGR staff transferring to the Council (Appendix 1), additional pension costs of £424k and £72k relating to 2 new posts (Appendix 2).</p> <p>In 2015/16 an additional 7 pitches, 4 MUGAs, 10 parks, and 15 playgrounds, 1 allotment site, 1 cemetery, 2 bowling green's and 1 BMX track, visitor centre, cottage and barge and 7 pavilions will transfer to Belfast. 19,400m of pathways plus additional structures (e.g. bridges, fences) and significant tree stock will also transfer. In addition to the physical portfolio, it is estimated that the transferring new boundary area will include approximately 60 sporting organisations, a wide range of community development organisations and 9 bonfire sites.</p>
2.35	<p><b>Development Department- Appendix 7 provides a breakdown by service</b></p> <p>The estimates of the Development Department have increased by £1.2m, although this will be partly offset by a reserves contribution of £496k to avoid the loss of income during the closure of the Waterfront Hall and the lead in costs of the Public Bike Hire being included as a recurring cost to the ratepayer. The remaining costs, including £279k for 14 staff transferring to the Council (Appendix 1), arise from the transfer of 8 community assets from Castlereagh. This includes 5 directly managed assets and 3 managed under lease and funding arrangements. In addition 25 community organisations will come into</p>

	<p>the new boundary area and currently 17 are supported by a council grants programme. <b>The Development Department estimates also include an increase of £150k to allow for the free use of the Ulster Hall by the Ulster Orchestra. This will be considered as part of the recommendations of this report.</b></p>
2.36	<p><b>Local Government Finance Act (NI) 2011</b></p> <p>The Local Government Finance Act (NI) 2011 requires the Director of Finance and Resources to provide assurance to Members on the robustness of the revenue estimates and the adequacy of the Council's reserves position as part of the rate setting process.</p> <p>Given that the revenue estimates for 2015/16 must meet the cost of delivery of converged services for the new boundary and incorporate adequate resources for the delivery of transferring functions, the development of the estimates commenced in June 2014. In addition to the normal scrutiny and challenge of estimates undertaken by the Finance and Performance Section, the 2015/16 estimates process included additional external challenge by iESE on the proposed new boundary service delivery models.</p> <p>Validation of the new base was also undertaken by finance staff, working with LPS and with the support of the Institute of Revenues, Rates and Valuation (IRRV). The later stages of the estimates process included challenge interviews undertaken by the Chief Executive and the Director of Finance and Resources.</p> <p>As a result of this process the Director of Finance and Resources is satisfied that the estimates presented should provide adequate financial resources to support the running costs of the new Council for 2015/16 and that reasonable consideration of the financial risks to the Council have been made in the preparation of the estimates including the delivery of services to the new Council areas and the functions transferring from central government.</p> <p>The Council's general reserves position is forecast to be £16.5m by the end of 2014/15. As part of the validation of the new rate base, Members have been advised of the risk associated with appeals arising from the non domestic revaluation as such appeals can only be lodged from 1 April 2015 and currently those appeals that progress to the final lands tribunal stage can take up to 4 years to complete.</p> <p>The Director of Finance and Resources believes that maintaining the general reserves at the forecast level would significantly reduce the Council's exposure to the backdated element of revaluation appeals.</p> <p><b>The Director of Finance and Resources is therefore satisfied that the reserves position is adequate for the Council and will not require enhancement through the district rate in 2015/16.</b></p>
2.37	<p><b>Impact on Ratepayer</b></p> <p>A rates bill is made up of 56% regional rate and 44% district rate. The regional rate will increase by 1.4%. The proposed zero district rate will mean that an existing Belfast ratepayer's bill will increase by 0.78%.</p> <p>Members are aware that central government has agreed a £30m rates convergence package for ratepayers who face increased rates bills as a result of boundary convergence. The scheme will provide relief for four years – starting with 80% in 2015/16.</p>

	Members will be provided with details of the impact on ratepayers at the meeting as the calculations cannot be completed until the regional rate poundage is announced.
2.38	<p><b>Non Domestic Revaluation</b></p> <p>Rate bills for non domestic properties are calculated using the Net Annual Value (NAV) of the property, whereas bills for domestic properties are calculated based on the capital value of the property. Given this difference the Council is required to strike a separate district rate for non domestic and domestic properties using a conversion factor provided by Land and Property Services (LPS).</p> <p>The conversion factor for 2015/16 has been increased by the LPS following the non domestic revaluation to ensure that domestic rate bills are not affected by the revaluation. The increase in the conversion factor means that if the domestic rate is frozen at the 2014/15 level of 0.3094, the non domestic rate for Belfast will reduce by 5.7%.</p> <p>The actual district element of a non domestic rate bill (which represents 44% of the rates bill) will depend on the NAV set by the non domestic revaluation. <b>If the NAV for a non domestic property does not increase as a result of the non domestic revaluation, then the ratepayer will see a 5.7% reduction the district rate element of their bill.</b></p> <p>As agreed by the Shadow Strategic Policy and Resources Committee, two briefing sessions on the non-domestic revaluation (8.30am to 9.00am and 12.30pm to 1.00pm) have been arranged for businesses in Belfast on Thursday 5 February 2015 in the Banqueting Hall in the City Hall.</p> <p>Each session will include an introduction by the Shadow Council Presiding Councillor and the Chair of the Shadow Strategic Policy and Resources Committee. This will be followed with a presentation by Alan Bronte, Commissioner for Valuation on the non domestic revaluation in Belfast and the appeals process. After these presentations there will be the opportunity for general questions from the floor to a panel of the Presiding Councillor, Chair of Shadow SP&amp;R and the Party Group Leaders and the Commissioner for Valuation.</p> <p>A number of LPS staff will be in attendance at the event and there will be the opportunity for businesses to engage with these LPS staff on a 1-1 basis after each session.</p> <p>The event will be promoted through the Council's social media and copies of the information sheet for businesses will be provided to all Elected Members.</p>
2.39	<p><b>Key Messages</b></p> <p>A summary of the key messages and lines to take will be distributed to Members at Committee.</p>

3.	<b>Recommendations</b>
3.1	<p>Members are requested to agree the following:</p> <ul style="list-style-type: none"> <li>• The inclusion of £723,109 for the new posts detailed on Appendix 2.</li> <li>• A cash limit of £634,912 for Regeneration to be held as a central budget.</li> <li>• The establishment of a new budget of £175,000 for political assistance.</li> <li>• The provision of free use of the Ulster Hall for the Ulster Orchestra to a limit of £150,000 within the usage terms agreed by the Director of Development with the Ulster Orchestra.</li> <li>• A contribution of £496,636 from reserves to offset non recurring departmental</li> </ul>

	<p>costs in 2015/16.</p> <ul style="list-style-type: none"> <li>• A cash limit for the Chief Executive's Department of £8,918,825 for 2015/16, subject to the decision regarding the designation of a political assistance budget as detailed in the separate recommendation below.</li> <li>• A cash limit for the Finance and Resources Department of £11,283,403 for 2015/16.</li> <li>• A cash limit for the Property and Projects Department of £13,174,093 for 2015/16, subject to the decision regarding the designation of new posts within the department detailed in the separate recommendation below.</li> <li>• A cash limit for the Corporate Priorities of £1,013,633 for 2015/16.</li> <li>• A cash limit for the Development Department of £20,279,177 for 2015/16.</li> <li>• A cash limit for the Parks and Leisure Department of 24,960,665 for 2015/16, subject to the decision regarding the designation of new posts within the department detailed in the separate recommendation below.</li> <li>• A cash limit for the Health and Environmental Services Department of £46,267,008 for 2015/16, subject to the decision regarding the designation of new posts within the department detailed in the separate recommendation below.</li> <li>• A cash limit of £1,856,072 for the employee pay rise for 2015/16 to be held as a central budget.</li> <li>• A rates contribution of £735,554 to the Planning Service.</li> <li>• A cash limit for the transferring functions as follows: <ul style="list-style-type: none"> <li>○ Car Parking - £1,365,000</li> <li>○ Planning £1,310,447</li> </ul> </li> <li>• Local Economic Development £411,984.</li> <li>• Maintain the £2,770,000 rates contribution to the Belfast Investment Fund.</li> <li>• The capital financing budget of £16,810,946 for 2015/16.</li> <li>• That the increase in the domestic district rate for 2015/16 should be zero, based on the estimated penny product of £5,616,216 which means that the domestic rate for 2015/16 is recommended to be 0.3094 and the non domestic rate to be 25.4818.</li> <li>• Note that the amount to be raised through the district rate in 2015/16 will be £143,116,491.</li> <li>• The Minimum Revenue Provision (MRP) Statement (Appendix 8) as required by the Local Government (Capital Financing and Accounting) Regulations (NI) 2011.</li> </ul>
--	---

<b>4</b>	<b>Appendices</b>
	<p>Appendix 1: Staff transferring from Lisburn and Castlereagh</p> <p>Appendix 2: Proposed New Posts</p> <p>Appendix 3: Impact of Draft Budget Proposals 2015/16</p> <p>Appendix 4: SP&amp;R Main Items of Estimated Expenditure</p> <p>Appendix 5: H&amp;ES Main Items of Estimated Expenditure</p> <p>Appendix 6: P&amp;L Main Items of Estimated Expenditure</p> <p>Appendix 7: Development Main Items of Estimated Expenditure</p> <p>Appendix 8: Minimum Revenue Provision (MRP) Statement</p>

## **Appendix One: Staff transferring from Lisburn and Castlereagh**

### **JOB TITLE /DEPT**

#### **CHIEF EXECUTIVES DEPT**

Business Support Officer X 1  
Business Support Assistant X 2  
Admin and Members Asst X 1  
Admin Asst X 1  
Corp Marketing X 1

#### **FIN & RESOURCES DEPT**

Finance Control Clerk X 1  
Finance Clerk / Debt X 1  
Project Accountant X 1

#### **PROPERTY & PROJECTS DEPT**

Driver / Trade Person X2  
Business Support Clerk X 2

#### **HEALTH & ENVIRONMENTAL SERVICES**

Environmental Health Officers X 6  
Building Control Surveyors X 3  
Recycling Operative X 2  
Resource Educ Prom Officer X 1  
Cleansing Operative X 10  
HGV Combined Driver X 1  
HGV Driver / Loaders X 6  
Precinct Sweepers X 4  
Solo Sweepers X 10  
Asst Manager X 1  
Large Mechanical Sweeper/Driver X 1  
Enforcement Officer X 2  
Senior Charge Hands X 2  
Driver X 1  
TEAM LEADER X 1  
Dog Warden X 1  
Business Assistant X 2  
Clerical Officer X 4

#### **PARKS & LEISURE**

Asst Manager X 3  
Swimming Programme Co-Ordinator X 1  
Gymnastics Development Officer X 1  
Duty Officer X 2  
Senior Recreation Asst X 2

Swimming Teacher X 2  
Receptionist X 5  
Area Manager X 1  
Recreation Asst X 8  
Cleaner X 4  
Plant Engineer X 2  
Leisure Asst X 2  
Recreation Asst X 4  
Groundsman X 2  
Gravedigger X 2  
Groundsman / Greenkeeper X 4  
Gardener X 2  
Coach X 6  
Admin Support Officer X 1  
Chargehand X 1  
Driver X 1

#### **DEVELOPMENT DEPT**

Community Services Officer x 1  
Facilities Co-ordinator X 1  
Community Centre Assistant X 5  
Cleaner X 5  
Community Development Worker x 1  
Business Support Assistant X 1

## Appendix Two : Proposed New Posts

### CHIEF EXECUTIVE'S

Community Planning Co-ordinator X 2	Community planning is a new function with no resources transferring from central government.
FOI Officer Data Protection Officer Data Protection Asst (Clerk) Business Support Clerk	These posts are required to ensure the Council meets its legislative requirements in relation to Data Protection and Freedom of Information.

### PROPERTY & PROJECTS DEPT

Project Sponsor X 6	Posts were previously recruited on a temporary basis to support the delivery of Investment Programme projects. Given the scale of capital investment these posts are now required on a permanent basis.
Estates Surveyor Estates Officer	Posts required to support the management of assets and land transferring as a result of LGR.

### HEALTH & ENVIRONMENTAL SERVICES

Environmental Protection Officer	Required to support Noise Control in transferring areas.
----------------------------------	--

### PARKS & LEISURE

Parks Outreach Officer	Required to support service delivery in transferring areas.
Sports Development Officer	Required to support service delivery in transferring areas.

### Appendix Three: Impact of Draft Budget Proposals 2015/16

<b>Description</b>	<b>Value of Income per funding stream (£)</b>
Regulation of construction product regulations. Activity not posts.	33,668
Air Quality Grant - enables BCC to undertake local air quality management functions (LAQM) under the Environment Order (NI) 2002. BCC is required to work towards relevant air quality improvements across the city in 4 declared air quality management areas.	92,139
Disability Action - Contribution to the salary costs of an existing member of staff.	15,400
Emergency Planning Grant - Belfast Resilience Programme Manager	47,000
Emergency Planning Grant - (as agreed with the Local Government Emergency management Group - LGEMG) claimed on a match funded basis - used to off-set salaries across a number of posts. Also used for equipment the ECC, training and systems.	96,341
<b>Total Funding</b>	<b>284,548</b>

**STRATEGIC POLICY & RESOURCES COMMITTEE  
MAIN ITEMS OF ESTIMATED EXPENDITURE**

**APPENDIX 4**

<b>DEPT/SERVICE</b>	<b>NET EXPENDITURE 2015/16</b>
<b>CX DEPARTMENT</b>	<b>8,918,825</b>
Human Resources	2,487,267
Democratic Services	2,892,017
Corporate Communications	1,197,162
Central Support Unit	1,303,790
Legal Services	582,367
Strategic Policy	365,090
Community Planning	91,132
<b>FINANCE &amp; RESOURCES DEPT</b>	<b>11,283,403</b>
Corporate Management	1,663,474
Finance & Performance	2,694,604
Digital Services	4,835,445
Audit, Governance and Risk	978,848
Corporate Directorate	1,111,032
<b>PROPERTY &amp; PROJECTS DEPT</b>	<b>13,174,090</b>
PPD Management	1,696,198
PPD Operations	(4,270,274)
Facilities Management	15,131,117
Contracts	617,049
<b>CORPORATE PRIORITIES</b>	<b>1,013,733</b>

HEALTH & ENVIRONMENTAL SERVICES DEPT  
MAIN ITEMS OF ESTIMATED EXPENDITURE

APPENDIX 5

DEPT/SERVICE	NET EXPENDITURE 2015/16
<b><u>Good Relations</u></b>	526,304
<b><u>Environmental Health</u></b>	
Emergency Planning	56,526
Regulation of Commercial Sector	1,994,076
Environmental Protection and Public Health	2,107,878
Community Safety and Schemes	1,036,275
PCSP	205,724
Health Development	162,259
Environmental Health Support and Other Services	1,100,381
<b><u>Waste Management</u></b>	
Waste Disposal	10,440,856
Waste Contracts	4,325,395
Recycling Centres	3,232,027
Public Conveniences	233,120
Waste Awareness and Outreach	663,345
Waste Management Business Support	540,365
Waste Policy	222,215
<b><u>Building Control</u></b>	827,559
<b><u>Cleansing</u></b>	
Cleansing and Waste Collection Ops	15,907,353
Quality Assessment and Business Support	1,500,722
<b><u>Directorate Support</u></b>	900,628
<b>TOTAL</b>	<b>45,983,008</b>

**PARKS & LEISURE DEPT  
MAIN ITEMS OF ESTIMATED EXPENDITURE**

**APPENDIX 6**

<b>DEPT/SERVICE</b>	<b>NET EXPENDITURE 2015/16</b>
<b><u>Leisure</u></b>	
TO GLL	8,192,326
Templemore Swim Centre	190,725
Olympia Community Benefit	100,000
<b><u>Neighbourhood &amp; Development</u></b>	
Leisure Development	768,515
Landscape Planning and Development	1,415,954
Open Spaces & Active Living	779,931
P&C Development	125,268
Policy & Bus Development	977,913
<b><u>Parks and Cemeteries</u></b>	
Zoo	825,489
Estates Mgt inc Belfast Castle/Malone House	346,093
P&C Services	1,086,498
LGR Sites	554,778
Area East (Including Roselawn/Crem)	2,195,681
Area South West (including City Cem)	3,058,657
Area North	2,375,872
<b><u>Directorate</u></b>	
Anti Social Behaviour	
Policy & Bus Development	
Business Support including bereavement admin	1,966,965
<b>TOTAL</b>	<b>24,960,665</b>

DEVELOPMENT DEPT  
MAIN ITEMS OF ESTIMATED EXPENDITURE

APPENDIX 7

DEPT/SERVICE	NET EXPENDITURE 2015/16
<b><u>Community Services</u></b>	
Community Resource Unit	292,327
Community Services Management	226,414
Travellers	44,088
Area Support Unit	1,207,517
Community Grants	1,050,483
Community Facilities	2,298,875
Children & Young People	795,852
<b><u>City Events and Venues</u></b>	
Belfast Waterfront/Ulster Hall	2,818,582
City Events	1,429,412
<b><u>Economic Initiatives and International Development</u></b>	
Tourism, Culture and Arts	4,773,045
Economic Development	1,412,265
European Unit	393,862
Markets	(61,249)
<b><u>Directorate</u></b>	
Development Directorate	1,853,335
City Development	250,000
Business Research and Development	536,586
Urban Development	957,783
<b>TOTAL</b>	<b>20,279,177</b>

**Belfast City Council  
Minimum Revenue Provision Annual Statement  
January 2015**

**1. Introduction**

- 1.1 The Local Government (Capital Financing and Accounting) Regulations (NI) 2011 requires Councils to determine an amount of minimum revenue provision (MRP) which it considers to be prudent. This provision will be charged to the general fund each year and will be in respect of the financing of capital expenditure incurred in current or prior years.

**2. Minimum Revenue Provision (MRP)**

- 2.1 The general MRP provision for capital expenditure financed by sanctions issued by the Department of the Environment up to and including 2011/12 and for borrowing incurred in 2012/13 and later years, will be charged to the general fund on a straight line basis in-line with the asset life determined for depreciation purposes either:-
- In the financial year in which the expenditure was incurred, if the expenditure was incurred during the first six months of the financial year.
  - or
  - In the financial year following the one in which the expenditure was incurred, if the expenditure was incurred during the last six months of the financial year.
- 2.2 The MRP will not be made on the value of Long term Debtors outstanding, as these will be repaid by third parties and it is not therefore deemed necessary to make an additional revenue charge in relation to these amounts. However, if a third party is not making annual repayments of principal, the MRP payments will be made over the asset life.
- 2.3 If the Council enters into finance leases, the MRP will be calculated in accordance with the requirements of International Financial Reporting Standards (IFRS) and be equal to the principal elements of the lease payments.