



<b>Report to:</b>	Development Committee
<b>Subject:</b>	Financial Estimates and District Rate 2013/14
<b>Date:</b>	15 January 2013
<b>Reporting Officer:</b>	John McGrillen, Director of Development
<b>Contact Officers:</b>	David Orr, Business Support Manager

<b>1</b>	<b>Relevant Background Information</b>																								
1.1	<p>Members will recall that the following process has been agreed for the setting of the district rate and agreeing the estimates for 2013/14.</p> <p style="text-align: center;"><b>Agreed rate setting process for 2013/14</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Apr</td> <td style="text-align: center;">Budget Panel and SP&amp;R</td> <td style="text-align: center;">Indicative rate, efficiency target and overview of efficiency programme</td> </tr> <tr> <td style="text-align: center;">Jun</td> <td style="text-align: center;">Budget Panel and SP&amp;R</td> <td style="text-align: center;">Year End Report Agree Efficiency Programme</td> </tr> <tr> <td style="text-align: center;">Aug</td> <td style="text-align: center;">Budget Panel and SP&amp;R</td> <td style="text-align: center;">Issue Guidance on estimates and medium term financial plan to Departments Q1 Finance Report</td> </tr> <tr> <td style="text-align: center;">Sep-Oct</td> <td style="text-align: center;">Budget Panel and SP&amp;R</td> <td style="text-align: center;">Update on Rates Position Update on Medium Term Financial Plan Capital Investment Programme</td> </tr> <tr> <td style="text-align: center;">Nov</td> <td style="text-align: center;">SP&amp;R</td> <td style="text-align: center;">Further update on rate to highlight key issues &amp; Scenario analysis Q2 Finance Report</td> </tr> <tr> <td style="text-align: center;">Dec</td> <td style="text-align: center;">Budget Panel and SP&amp;R</td> <td style="text-align: center;">Discuss and finalise options for rates position taking into account Medium Term Financial Plan, capital financing strategy and treasury management strategy</td> </tr> <tr> <td style="text-align: center;">Jan</td> <td style="text-align: center;">SP&amp;R Department Committees SP&amp;R</td> <td style="text-align: center;">Recommendation to Council on district rate and medium term financial plan,</td> </tr> <tr> <td style="text-align: center;">Feb</td> <td style="text-align: center;">Council</td> <td style="text-align: center;">Agree district rate Q3 Finance Report</td> </tr> </table>	Apr	Budget Panel and SP&R	Indicative rate, efficiency target and overview of efficiency programme	Jun	Budget Panel and SP&R	Year End Report Agree Efficiency Programme	Aug	Budget Panel and SP&R	Issue Guidance on estimates and medium term financial plan to Departments Q1 Finance Report	Sep-Oct	Budget Panel and SP&R	Update on Rates Position Update on Medium Term Financial Plan Capital Investment Programme	Nov	SP&R	Further update on rate to highlight key issues & Scenario analysis Q2 Finance Report	Dec	Budget Panel and SP&R	Discuss and finalise options for rates position taking into account Medium Term Financial Plan, capital financing strategy and treasury management strategy	Jan	SP&R Department Committees SP&R	Recommendation to Council on district rate and medium term financial plan,	Feb	Council	Agree district rate Q3 Finance Report
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1.2	At the meeting of the Strategic Policy and Resources Committee on 14 December 2012, Members approved the following recommendations in relation to the 2013/14 revenue estimates:
1.3	<b>‘That Officers should prepare the departmental cash limits report based on a zero district rate and That the calculations should be based on a zero growth in the Estimated Penny Product.’</b>
1.4	The purpose of this report is to consider the cash limit and agree the revenue estimates for the Development Committee as set by the Strategic Policy and Resources Committee at its meeting on 11 January 2013.

<b>2</b>	<b>Key Issues</b>																												
2.1	<p>Cash Limits for Departmental Committees and the Estimates for SP&amp;R Committee</p> <p>One of the key tasks for Members is to agree the estimates for the Strategic policy and Resources Committee and to set the cash limits for the departmental committees.</p>																												
2.2	<p>The table below summarises the Revenue Estimates for Belfast City Council for 2013/14 based on a Zero District Rate Increase.</p> <table border="1" data-bbox="327 1160 1321 1890"> <thead> <tr> <th><b><u>REVENUE ESTIMATES</u></b></th> <th><b><u>2013/14</u></b></th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;"><b>£</b></td> </tr> <tr> <td>Policy and Resources Committee</td> <td style="text-align: right;">32,514,524</td> </tr> <tr> <td>Development Committee</td> <td style="text-align: right;">19,229,488</td> </tr> <tr> <td>Parks and Leisure Committee</td> <td style="text-align: right;">23,631,236</td> </tr> <tr> <td>Health and Environmental Services Committee</td> <td style="text-align: right;">39,221,866</td> </tr> <tr> <td>Town Planning Committee</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td>Employee Pay Rise</td> <td style="text-align: right;"><u>843,000</u></td> </tr> <tr> <td><b>NET DEPARTMENTAL EXPENDITURE</b></td> <td style="text-align: right;"><b>115,450,114</b></td> </tr> <tr> <td><b>WASTE FUND CONTRIBUTION</b></td> <td style="text-align: right;"><b>2,600,000</b></td> </tr> <tr> <td><b>CAPITAL FINANCING</b></td> <td style="text-align: right;"><b>10,137,676</b></td> </tr> <tr> <td><b>BELFAST INVESTMENT FUND</b></td> <td style="text-align: right;"><b>6,000,000</b></td> </tr> <tr> <td><b>LESS GENERAL EXCHEQUER GRANT</b></td> <td style="text-align: right;"><b><u>(4,471,433)</u></b></td> </tr> <tr> <td><b>AMOUNT TO BE RAISED THROUGH DISTRICT RATE</b></td> <td style="text-align: right;"><b><u>129,716,357</u></b></td> </tr> </tbody> </table>	<b><u>REVENUE ESTIMATES</u></b>	<b><u>2013/14</u></b>		<b>£</b>	Policy and Resources Committee	32,514,524	Development Committee	19,229,488	Parks and Leisure Committee	23,631,236	Health and Environmental Services Committee	39,221,866	Town Planning Committee	10,000	Employee Pay Rise	<u>843,000</u>	<b>NET DEPARTMENTAL EXPENDITURE</b>	<b>115,450,114</b>	<b>WASTE FUND CONTRIBUTION</b>	<b>2,600,000</b>	<b>CAPITAL FINANCING</b>	<b>10,137,676</b>	<b>BELFAST INVESTMENT FUND</b>	<b>6,000,000</b>	<b>LESS GENERAL EXCHEQUER GRANT</b>	<b><u>(4,471,433)</u></b>	<b>AMOUNT TO BE RAISED THROUGH DISTRICT RATE</b>	<b><u>129,716,357</u></b>
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2.3	<p><u>Local Government Finance Act (NI) 2011</u></p> <p>Under the Local Government Finance Act (NI) 2011, the Director of Finance and Resources is required to provide assurance to Members on the robustness of the revenue estimates and the adequacy of the council's reserve position as part of the rate setting process.</p>												
2.4	<p>The departmental estimates have been subject to scrutiny and challenge by the Finance and Performance Section to ensure that they have been developed in compliance with the corporate guidelines issued in August 2012, taking into account the key financial risks and confirming that the planned efficiencies of £2.1m have been identified and removed from the estimates for 2013/14.</p>												
2.5	<p>On this basis the Director of Finance and Resources is satisfied that the estimates presented should provide adequate financial resources to support service delivery and the council's key actions for 2013/14 and that reasonable consideration of the financial risks to the council have been made in the preparation of the estimates.</p> <p>The council's general reserves position is forecast to be at least £13.6m by the end of 2012/13. This is above the minimum requirement of £10m, as set out in the council's reserve strategy.</p>												
2.6	<p>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 2013/14.</p> <p>It should be noted that the revenue estimates include a central budget of £843,000 to make provision for a 1% pay rise. This budget will be retained centrally and only released to Departments on the basis of a nationally agreed pay award.</p>												
2.7	<p><u>Development Committee</u></p> <p>A spending limit of £19,229,488 is recommended for the department in 2013/14 which represents a decrease of £314K or -1.61% on the 2012/13 budget. The main items of expenditure are outlined at Appendix 1 and the key priorities for the department for 2013/14 are summarised in Appendix 2.</p>												
2.8	<p>The main budgetary intentions of the Department for the next year are set out below :</p> <table border="1" data-bbox="327 1713 1340 1960"> <thead> <tr> <th></th> <th style="text-align: right;">£</th> </tr> </thead> <tbody> <tr> <td>Community Services</td> <td style="text-align: right;"><b>5,492,208</b></td> </tr> <tr> <td>City Events and Venues</td> <td style="text-align: right;"><b>3,901,095</b></td> </tr> <tr> <td>Economic Initiatives Section</td> <td style="text-align: right;"><b>7,001,502</b></td> </tr> <tr> <td>Directorate</td> <td style="text-align: right;"><b>2,834,683</b></td> </tr> <tr> <td><b>Total Net Expenditure</b></td> <td style="text-align: right;"><b>19,229,488</b></td> </tr> </tbody> </table>		£	Community Services	<b>5,492,208</b>	City Events and Venues	<b>3,901,095</b>	Economic Initiatives Section	<b>7,001,502</b>	Directorate	<b>2,834,683</b>	<b>Total Net Expenditure</b>	<b>19,229,488</b>
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2.9	<p><u>Community Services</u></p> <p>The amount provided for in the 2013/14 Community Services budget estimate has decreased by £27k. The estimate is based on the continuation of activity at a similar level to the previous years, with some re-focusing required in line with the newly developed BCC Community Development Strategy and the pilot Belfast Community Investment Programme which we are currently developing in partnership with DSD. It is also based on a consistent level of anticipated income from DSD through its regional Community Support Programme.</p>
2.10	<p><u>City Events and Venues</u></p> <p>The service budget for 2013/14 has been reduced by £242,450 to £3.90m</p> <p>The estimates for 2013/2014 cover the net cost of operating the Belfast Waterfront and the Ulster Hall, the annual events and sports events schedule and Support for Sport grants.</p>
2.11	<p>During 2013/2014 both the Belfast Waterfront and Ulster Hall will continue to provide world class entertainment and conference facilities that will promote the cultural and economic regeneration of Belfast and so contribute to the economic benefit of not only the City but the region as a whole.</p>
2.12	<p>The closure of the Belfast Waterfront Hall Studio, in late 2013, to facilitate the building of the extension and the associated negative impact of the building works will result in a loss of income of £82k. The reduction in income will be offset by other income generation/maximisation activities along with other service reductions and re-tendering exercises to reduce and control costs.</p>
2.13	<p>The City Events estimate reflects reductions as a result of the end of the 3 year contract in respect of the European Pipe Band Championships (£135,000). However there will be additional one off projects during 2013/14 which will be financed from reserves. A budget of £400k has been set aside for the World Police &amp; Fire Games and £225k has been provided for the All Ireland Dancing Championships.</p>
2.14	<p><u>Economic Initiatives/Directorate</u></p> <p>The 2013/2014 estimates are based on a continuation of activity at a similar level to previous years with additional activity and new areas of work to meet the priorities identified within the Council's Investment Programme.</p>
2.15	<p>The units within Economic Initiatives and Directorate have undergone a structural review in October 2012 and as a result a number of budgets have transferred from Directorate to the Economic Initiatives section.</p>
2.16	<p>To meet the increased revenue implications resulting from the Tourism, Culture and Arts Cultural Framework 2012-2015, £200k additional funding for grants has been included in the estimates. The net effect of all these changes is a decrease in the 2013/14 combined budgets of £44k.</p>

<b>3</b>	<b>Resource Implications</b>
	Not applicable

<b>4</b>	<b>Equality and Good Relations Considerations</b>
	Not applicable

<b>5</b>	<b>Recommendations</b>
5.1	The Committee is requested to note the contents of the report and agree the cash limits for the Development Committee for 2013/14 of £19,229,488.

<b>6</b>	<b>Decision Tracking</b>
Responsible Officer: Director of Development John McGrillen	

<b>7</b>	<b>Documents Attached</b>
Appendix 1: Main items of expenditure 2012/13 and 2013/14 Appendix 2: Key Departmental Priorities	

## APPENDIX 1

## DEVELOPMENT COMMITTEE

## MAIN ITEMS OF ESTIMATED EXPENDITURE 2013/14

	Net Expenditure 2012/13 £	Net Expenditure 2013/14 £
<b><u>Community Services</u></b>	<b>£5,519,610</b>	<b>£5,492,208</b>
Community Resource Unit	£309,440	£294,334
Community Services Management	£279,215	£226,377
Travellers	£52,829	£48,794
Area Support Unit	£1,130,706	£1,168,674
Community Grants	£1,014,251	£1,050,483
Community Facilities	£1,987,219	£1,956,654
Children & Young People	£745,950	£746,892
<b><u>City Events and Venues</u></b>	<b>£4,143,548</b>	<b>£3,901,095</b>
Belfast Waterfront/Ulster Hall	£2,478,057	£2,400,924
City Events	£1,665,491	£1,500,171
<b><u>Economic Initiatives and International Development</u></b>	<b>£6,088,958</b>	<b>£7,001,502</b>
Tourism, Culture and Arts	£4,102,291	£4,751,447
Economic Development	£1,133,013	£1,327,790
Urban Development	£875,284	£946,683
Markets	-£21,630	-£24,418
<b><u>Directorate</u></b>	<b>£3,791,418</b>	<b>£2,834,683</b>
Development Directorate	£1,811,185	£1,806,960
City Development	£876,746	£251,248
Business Research and Development	£509,951	£546,361
SNAP	£357,688	£0
European Unit	£235,848	£230,114
<b>TOTAL</b>	<b>£19,543,534</b>	<b>£19,229,488</b>

## APPENDIX 2

### Summary of Priority Actions for the Development Department for 2013/14

Highlighted below are some of the key actions which the department is aiming to achieve for 2013/14.

- Help implement the Strategic Projects from the Belfast Masterplan.
- Support the Local Investment Fund and Belfast Investment Fund.
- Help the strategic development of the University of Ulster North City Campus.
- Implement a framework for marketing the city and developing International Relations.
- Host the Global India meeting.
- Maximise our draw-down and leveraging of EU funds including opportunities for European Regional Development Fund (ERDF) and other funding for key projects.
- Secure a devolved EU Urban fund for the greater Belfast area.
- Lead the NI EU Regional Forum.
- Develop an Integrated Economic Strategy and support a city-wide economic forum with key stakeholders including DETI, DEL and InvestNI.
- Implement the transition plan for the Belfast Community Infrastructure Programme (BCIP) for the city (with DSD).
- Support green industries and support the development of the Green Business Park. Including maximising any appropriate European opportunities.
- Agree a detailed implementation plan with partners and committee for implementation in 2015 of the Belfast public bike hire scheme.
- Manage the development and funding of increased convention centre and exhibition centre space at the Waterfront Hall.
- Lead on the delivery of an innovation centre.
- Lead on the delivery of a digital hub programme.
- Deliver the Local Business opportunity aspects and Community access aspects of the super-connected broadband project.
- Develop and implement a City Centre regeneration Strategy.
- Directly create jobs by working with local partners to deliver targeted employability initiatives across the city including HARTE and the Belfast Enterprise Academy.
- Work with DEL, the Belfast Metropolitan College and a city-wide Employability and Skills Steering Group on employment and skills strategies.
- Provide business support programmes in targeted sectors.
- Deliver a City Events Action Plan in line with the Council's priorities.
- Deliver a programme of events at the Waterfront and Ulster Hall.
- Deliver Council's contribution to major events including the World Fire & Police Games 2013, Irish Dancing Championship 2013, and Tall Ships 2015.
- Develop Belfast's tourism product and deliver actions within the Integrated Tourism Strategy and action plan.
- Market Belfast by supporting the marketing and visitor servicing activities of the Belfast Visitor and Convention Bureau (BCVB).
- Relocate the Belfast Welcome Centre to a better location.

- Develop culture and arts by investing approximately £2M in cultural and artistic activities including the 'City of Festivals' and Creative Legacies.
- Implement the integrated Cultural Strategy.
- Deliver the Renewing the Routes Programme 2012-16.
- Resource support for Community Development local activity (including management of an outcomes based £1.748m grant programme).
- Invest approximately £860,000 in community-based advice services per annum via 5 city-wide advice consortia.
- Identify additional resources to help address the increased demand as a result of the Welfare Reforms.
- Provide support for community engagement with Council e.g. training, skill development, raising confidence and access.
- Management and increased usage of community centres and other facilities.
- Develop and introduce a new volunteering framework to support approximately 70,000 volunteering hours per annum in community facilities.
- Implement the Community Development Strategy action plan.
- Deliver coherent inter agency and inter departmental approach to working with the Traveller community.
- In support of a Neighbourhood Assets strategy, develop an evidence based model of community centre management. Then agree a criterion based assessment framework and start assessing against this.
- Implement the inter-departmental framework for children and young people.
- Deliver a comprehensive citywide summer programme.
- Build the capacity of Youth Forum members to increase the participation of children and young people in the city and neighbourhood life.
- Implement a coordinated approach to grant management through the Grant Unit.
- Use, promote and support evidence based planning via the use of CityStats and other local information.