



Belfast City Council

Report to:	Development Committee
Subject:	Financial Estimates and District Rate 2014/15
Date:	14 January 2014
Reporting Officer:	John McGrillen, Director of Development, ext 3470
Contact Officer:	David Orr, Business Support Manager, ext 3502

1	Relevant Background Information																								
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 2014/15.</p> <p style="text-align: center;">Agreed rate setting process for 2014/15</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&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&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&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&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&R</td> <td style="text-align: center;">Further update on rate to highlight key issues & Scenario analysis Q2 Finance Report</td> </tr> <tr> <td style="text-align: center;">Dec</td> <td style="text-align: center;">Budget Panel and SP&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&R Department Committees SP&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	<p>At the meeting of the Strategic Policy and Resources Committee on 13 December 2013, Members approved the following recommendations in relation to the 2014/15 revenue estimates:</p> <ol style="list-style-type: none"> 1. That Officers should prepare the departmental cash limits report based on a zero district rate. 2. That the calculations should be based on a zero growth in the Estimated Penny Product.
1.3	<p>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 the 10 January 2014.</p>

2	Key Issues																																				
2.1	<p><u>Cash Limits for Departmental Committees</u> One of the key tasks of the Strategic Policy and Resources Committee is 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 2014/15 based on a zero district rate increase as agreed by the SP&R Committee on the 10 January 2014. It should be noted that all departments have a reduced cash limit from the 2013/14 position.</p>																																				
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2.3	<p><u>Local Government Finance Act (NI) 2011</u> 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 challenged by the Finance and Performance Section to ensure that they have been developed in compliance with the corporate guidelines issued in August 2013, taking into account the key financial risks and confirming that the planned efficiencies of £2m have been identified and removed from the estimates for 2014/15.</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 2014/15 and that reasonable consideration of the financial risks to the Council have been made in the preparation of the estimates.</p>														
2.6	<p>The Council's general reserves position is forecast to be at least £13m by the end of 2013/14. This is above the minimum requirement of £10m, as set out in the Council's reserve strategy. Given the uncertainty surrounding the financial implications of Local Government Reform and the new rate base it is believed that this level of reserves is appropriate.</p>														
2.7	<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 2014/15.</p>														
2.8	<p>It should be noted that the revenue estimates include a central budget of £870,000 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>														
2.9	<p><u>Development Committee</u> A spending limit of £19,144,021 is recommended for the department in 2014/15 which represents a decrease of £181k or 0.94% on the 2013/14 budget. The main items of expenditure are outlined at Appendix 1 and the key priorities for the department for 2014/15 are summarised in Appendix 2.</p>														
2.10	<p>The main budgetary intentions of the Department for the next year are set out below :</p>														
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2.11	<p><u>Community Services</u> The amount provided for in the 2014/15 Community Services budget estimate has decreased by £25k. 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</p>														

	<p>the newly developed BCC Community Development Strategy. It is also based on a consistent level of anticipated income from DSD through its regional Community Support Programme in advance of any agreed budget for BCC post Local Government Reform.</p>
2.12	<p><u>City Events and Venues</u> The service budget for 2014/15 has been reduced by £182,156 to £3.74m</p>
2.13	<p>The estimates for 2014/2015 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>
2.14	<p>During 2014/2015 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.</p>
2.15	<p>As part of Belfast City Council's Strategic Investment Programme an application has been submitted to fund the new extension at the Waterfront Hall. The external funding application is now in the final stages and if funding approval is received in 2013, building works will commence in 2014 and continue for a period of 18 months. In absence of a construction schedule and final design plans it is impossible to predict the impact of these works on venue operations however based on information available at September 2013 it is hoped that normal activity will be possible. The retention of the Auditorium, Studio and front of house bar and gallery areas is firmly embedded in the current design scheme, however, it has been indicated that there will be the closure of some of the smaller meeting/dressing rooms and an impact on staff office accommodation. The Revenue Estimates for 2014/2015 have been prepared on that basis. On appointment we will work proactively with the successful contractor to protect business continuity throughout the period.</p>
2.16	<p>Within City Events, this period would see the continuation of the annual programme of events, Big Screen and sports funding. In addition to this programme, there would be additional one-off projects during this period. These include: Giro d'Italia (9 to 12 May 2014) and the UK National Piping Championships (14 June 2014). These events, along with contractual commitments to Tall Ships in 2015, have been funded from the Council's Specified Events Reserve. In addition Council has agreed to a three year commitment to the Circuit of Ireland event. This would be at a cost of £25,000 per year from 2014 to 2016 and has been included in the existing Major Events revenue budget.</p>
2.17	<p><u>Economic Initiatives and International Development</u> The 2014/2015 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>
2.18	<p><u>Economic Development Unit:</u> The amount provided for in the 2014/2015 estimate is in line with the anticipated income from EU through Invest NI within this timeframe. It is based on a continuation of activity at a similar level to the previous years, with some additional activity and new areas of work to meet the priorities identified within the Council's Investment Programme</p>
2.19	<p><u>Tourism, Culture & Arts Unit:</u> The 2014/2015 budget will help deliver year one of a new Integrated strategy for tourism. This will be developed in partnership with</p>

	<p>the NI Tourist Board, Tourism Ireland and DETI. A significant portion of the annual budget supports Visit Belfast to market Belfast and provide Visitor Servicing through the Belfast Welcome Centre and wider network. The budget will also in part be assigned to the delivery of the Cultural Framework which has been developed in partnership with the Arts Council NI and the city's culture, arts and heritage sectors. This includes funding of over £1.8m to cultural and community organisations via four grants schemes that support the Framework themes of celebrating Belfast distinctive arts and heritage; inspiring communities; attracting audiences; and strengthening the sector.</p>
2.20	<p><u>Markets:</u> The budget for the 2014/15 financial year is allocated to three general areas of activity which include St George's Market, Smithfield Market, the Continental Market and also the introduction of Open Air Markets for which a policy is now completed and will give the Council the opportunity to explore additional income streams.</p>
2.21	<p><u>European Unit:</u> Following the Structural Review (Development Committee 16/10/12) the European Unit transferred from the Directorate section to the new Economic Initiatives and International Development section. The European Unit will continue to deliver against their objectives: to maximise EU Funding, to interpret, disseminate and influence EU Policy; to promote Belfast in the EU and to raise awareness of EU affairs in the region.</p>
2.22	<p><u>International Development:</u> will deliver the International Relations Framework and Action Plan once resources are secured for this new area of work. The purpose of this international marketing framework is to ensure that Belfast is internationally positioned as a strong, attractive and competitive destination of choice for those who trade, invest, visit and study in the City.</p>
2.23	<p><u>Directorate:</u> The Directorate budget has reduced by £76k. Whilst the work of the unit has continued to evolve the broad areas of activity for the 2014/15 financial year remain broadly similar with resources currently allocated across the main Business Plan activity.</p>

3	Resource Implications
	As outlined.

4	Equality and Good Relations Considerations
4.1	There are no Equality and Good Relations Considerations attached to this report.

5	Recommendations
5.1	The Committee is requested to note the contents of the report and agree the cash limit for the Development Committee for 2014/15 of £19,144,021.

7	Documents Attached
	<p>Appendix 1 - Main items of expenditure 2013/14 and 2014/15 Appendix 2 - Key Departmental Priorities</p>

DEVELOPMENT COMMITTEE

MAIN ITEMS OF ESTIMATED EXPENDITURE

	Net Expenditure 2013/14 £	Net Expenditure 2014/15 £
<u>Community Services</u>	£5,526,819	£5,502,275
Community Resource Unit	£297,069	£297,041
Community Services Management	£227,301	£219,262
Travellers	£49,202	£44,524
Area Support Unit	£1,138,909	£1,116,740
Community Grants	£1,050,483	£1,050,483
Community Facilities	£2,010,987	£1,980,603
Children & Young People	£752,868	£793,622
<u>City Events and Venues</u>	£3,924,951	£3,742,795
Belfast Waterfront/Ulster Hall	£2,421,485	£2,286,671
City Events	£1,503,466	£1,456,124
<u>Economic Initiatives and International Development</u>	£6,298,440	£6,399,404
Tourism, Culture and Arts	£4,755,403	£4,779,130
Economic Development	£1,332,073	£1,329,908
European Unit	£232,226	£393,317
Markets	-£21,262	-£102,951
<u>Directorate</u>	£3,575,221	£3,499,547
Development Directorate	£1,822,428	£1,807,819
City Development	£251,248	£250,175
Business Research and Development	£549,879	£540,604
Urban Development	£951,666	£900,949
TOTAL	£19,325,431	£19,144,021

Summary of Priority Actions for the Development Department for 2014/15:

City Leadership
Belfast Masterplan support implementation of associated strategic projects.
Support the implementation of the Local Investment Fund and Belfast Investment Fund.
Support the strategic development of the University of Ulster North City Campus and the relocation of the BBC in the city centre
Develop an integrated city marketing strategy, which includes an agreed city narrative, refreshed city brand and recommends the optimum structures for co-ordinated marketing of the city
Implement the framework for marketing the city and developing International Relations
Work to secure EU funding for the devolved portfolio of projects for the Greater Belfast area for 2014-2020.
Lead the NI EU Regional Forum
Environment
Deliver the investment proposition for the Renewable and Low Carbon Technology sectors.
Implement the Belfast public bike hire scheme.
Economy
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 creative/digital hub programme.
Super-connected Broadband – support implementation of the scheme by working with local businesses.
Super-connected Broadband – support implementation of the community access aspects of the scheme.
Continue to work with DSD on the development of a City Centre Regeneration Strategy in line with the Belfast City Masterplan and Local Government Reform.
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 partners to deliver a city-wide employability and skills strategy and action plan.
Provide targeted business support interventions through a series of workshops and 1-2-1 mentoring, to improve business competitiveness and productivity and to generate business efficiencies.
Support initiatives to increase awareness of Council tendering opportunities and build capacity among Belfast companies to tender for public procurement opportunities.
Develop a social clause policy and support implementation through council contracts.
Deliver a programme of events at the Waterfront and Ulster Hall.
Develop culture and arts by investing approximately £2M in cultural and artistic activities including the 'City of Festivals' and Creative Legacies.

Deliver Council's contribution to major events - the Irish Dancing Championship 2014, Giro d'Italia 2014, and Tall Ships 2015 – and the annual programme of events.

Continue to develop Belfast's tourism product and deliver actions within the Integrated Tourism Strategy and action plan.

Develop a new Integrated Tourism Strategy and action plan in conjunction with NITB and partners to take account of the changing tourism landscape post 2015.

Market Belfast by supporting the marketing and visitor servicing activities of Visit Belfast

People and Communities

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.

Provide support for community engagement within Council e.g. training, skill development, raising confidence and access.

Manage and increase usage of community centres and other facilities.

Develop and introduce a new volunteering framework to support over 70,000 volunteering hours per annum in community facilities.

Develop a mechanism to bring together key players from across the City to raise awareness of the impact and scale of poverty and identify ways to address it.

Deliver a coherent inter agency and inter departmental approach to working with the Traveller community.

Implement, for the service, a Council wide consistent criterion based framework for managing neighbourhood assets.

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.

Better Services

Implement a coordinated approach to grant management through the Grant Unit.

An Organisation Fit to Lead and Serve

Use, promote and support evidence based planning via the use of CityStats and other local information