



Belfast City Council

Report to: Parks and Leisure Committee
Subject: Financial Estimates and District Rate 2012/13
Date: 12 January 2012
Reporting Officer: Andrew Hassard, Director of Parks and Leisure
Contact Officer: Jacqui Wilson, Business Manager

1	Relevant Background Information				
1.1	<p>The Strategic Policy and Resources Committee agreed the following process for setting the district rate and agreeing the estimates for 2012/13.</p> <p>Agreed rate setting process for 2012/13</p>				
Apr	<table border="0"> <tr> <td data-bbox="391 1041 837 1086">Budget Panel and SP&R</td> <td data-bbox="837 1041 1420 1086">Indicative rate, efficiency target and overview of efficiency programme</td> </tr> </table>	Budget Panel and SP&R	Indicative rate, efficiency target and overview of efficiency programme		
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1.2	At the meeting of the Strategic Policy and Resources Committee on 9 December 2011 Members approved the following recommendations for the 2012/13 revenue estimates: <ul style="list-style-type: none"> officers should prepare the departmental cash limits report based on a reduction of £713k; and a stepped increase of £1m for the waste plan should be included in the estimates
1.3	The purpose of this report is to consider the cash limit and agree the revenue estimates for the Parks and Leisure Committee set by the Strategic Policy and Resources Committee at its meeting on 6 January 2012.
1.4	The capital investment element of the rate, the EPP and the level of district rate will be presented to the Strategic Policy and Resources meeting on the 20 January 2012.

2.	Key Issues																																																	
2.1	<p><u>Cash limits for department committees and the estimates for SP&R committee</u></p> <p>One of the key tasks for the Strategic Policy and Resources Committee is to agree the estimates and to set cash limits for the department committees. The following section of the report provides an overview of the estimates for 2012/13. The table below summarises the movement in departmental estimates from 2011/12 to 2012/13:</p> <table border="1" data-bbox="555 1137 1396 1765"> <thead> <tr> <th></th> <th>SP&R</th> <th>H&ES</th> <th>P&L</th> <th>DEV</th> <th>TOWN PLAN</th> <th>TOTAL</th> </tr> <tr> <th></th> <th>£'000</th> <th>£'000</th> <th>£'000</th> <th>£'000</th> <th>£'000</th> <th>£'000</th> </tr> </thead> <tbody> <tr> <td>2011/12 Estimate</td> <td>31,674</td> <td>40,624</td> <td>22,906</td> <td>19,715</td> <td>27</td> <td>114,946</td> </tr> <tr> <td>Uncontrollable costs</td> <td>1,272</td> <td>1,549</td> <td>429</td> <td>125</td> <td>0</td> <td>3,375</td> </tr> <tr> <td>Efficiencies / Savings</td> <td>-1,034</td> <td>-2,609</td> <td>-169</td> <td>-259</td> <td>-17</td> <td>-4,088</td> </tr> <tr> <td>2012/13 Estimate</td> <td>31,911</td> <td>39,564</td> <td>23,166</td> <td>19,581</td> <td>10</td> <td>114,232</td> </tr> <tr> <td>Inc/Dec £</td> <td>238</td> <td>-1,060</td> <td>260</td> <td>-134</td> <td>-17</td> <td>-713</td> </tr> </tbody> </table>		SP&R	H&ES	P&L	DEV	TOWN PLAN	TOTAL		£'000	£'000	£'000	£'000	£'000	£'000	2011/12 Estimate	31,674	40,624	22,906	19,715	27	114,946	Uncontrollable costs	1,272	1,549	429	125	0	3,375	Efficiencies / Savings	-1,034	-2,609	-169	-259	-17	-4,088	2012/13 Estimate	31,911	39,564	23,166	19,581	10	114,232	Inc/Dec £	238	-1,060	260	-134	-17	-713
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2.2	<p>The departmental estimates are budgeted to decrease by £713k on the 2011/12 net expenditure. The reduction in departmental estimates is mainly due to:</p> <ul style="list-style-type: none"> £2.3m efficiencies have been taken out of the budgets as agreed by the Strategic Policy and Resources Committee on 4 November 2011; £1.7m of savings in landfill disposal costs arising from reduced tonnages and the reduction in gate fee; and a pay rise has not been factored into the budgets for the third year running. 																																																	

2.3 The reduction in departmental estimates has been achieved despite significant financial pressures on departmental running costs including increased employers superannuation contributions (£634k), fuel and utility cost increases (£374k), roll out of inner city food waste collection (£603k), new legislation (£527k) and loss of external income (£1m).

2.4 When the stepped increase in the Waste Plan of £1m agreed at the Strategic Policy and Resources Committee meeting on the 9 December 2011 is added to the departmental estimates, the overall increase in the estimates is £287k which, as advised to the Strategic Policy and Resources Committee at the December 2011 meeting, would equate to an increase of approximately 0.22% on the district rate before the capital investment element of the rate is considered.

2.5 The estimates have been subject to scrutiny and challenge by the Finance and Performance Section to ensure that they were developed in compliance with the corporate guidelines issued in August 2011, taking into account the key financial risks and confirming that the planned efficiencies of £2.3m have been identified and removed from the estimates for 2012/13.

2.6 On this basis, the Directors of Finance and Resources and Parks and Leisure are satisfied that the estimates presented below should provide adequate financial resources to support service delivery and the department's key actions for 2012/13. Reasonable consideration of the financial risks to the council has also been made in the preparation of the estimates.

2.7 Parks and Leisure Committee

A spending limit of £23,166,040 is recommended for the Parks and Leisure Department in respect of the financial year 2012/13. This represents an increase of 1.14% on the previous year. The main items for expenditure for the department are outlined at Appendix 1 and the key priorities for the department for 2012/13 are summarised in Appendix 2.

The main budgetary intentions of the Department for next year are set out below:

	£
Leisure Services	8,220,108
Parks and Cemetery Services	12,177,746
Directorate	2,768,185
Total Net Expenditure	23,166,040

There are a number of areas where change has occurred from last year.

2.8 The Parks and Leisure improvement programme is a work in progress. Costs of **£50k** have been included to support the development of community engagement and community events within Parks as part of this programme.

2.9 The department is also involved in delivering the Olympic legacy programme which relates to pre games training and events. Approximately **£20k** is required for these activities.

2.10	Leisure Development annually under take a programme of health development initiatives and a number of them are to be completed in 2011/12. Approximately £36k has been released for other initiatives such as the growth within the cardiovascular rehabilitation programme of £27k.
2.11	At Parks and Leisure Committee on 11 August 2011 it was agreed that the management arrangements for the Hammer pavilion would transfer from Community Services to the department. An increase cost of £13k has been provided for this.
2.12	At Parks and Leisure Committee on 13 October 2011 it was agreed that the maintenance arrangements for the new MUGA at the waterworks would be undertaken by the department. An additional amount of £10k has been included to provide for this.
2.13	Additional costs of £255k must be borne by the department in respect of superannuation increased provision .
2.14	Increased gas and water charges have been provided based on current projections of costs which have added £104k to the budget.
2.15	There was a loss of income due to the partial closure of two leisure centres for essential maintenance during 2011. The 2012/13 estimates show an increase in income from fees and charges to provide for a full years trading at these centres. However the leisure centres as a whole will not experience any growth in income for 2012/13.
2.16	Belfast Castle and Malone House have both reflected a loss of income through fees and charges of £25k each. However the new franchise agreements for each site provide additional income of £15k and £40k respectively in the 2012/13 year.
2.17	Increases in charges to the public for the Zoo has increased by only 1% as it is felt that the throughput will not grow. The Cemeteries and Crematorium income is up by 6% to reflect the increased income in relation to charges for non residents as per the committee decision in February 2011. These fees and charges will raise an additional £134k income and will be reviewed and proposed in a separate report to January's Parks and Leisure Committee.
2.18	The Department will make a contribution of £169k to the efficiency programme in 2012/13. Efficiency savings will be made in the following areas: - review of overtime and agency costs, review of marketing and communications, playground/sports equipment tender review, and procurement contract savings. Further savings of £30k will be made in energy consumption with new cremators and a review of the purchase of uniforms.

3.	Recommendations
	The Committee is requested to note the contents of the report and agree cash limits for the Parks and Leisure Committee for 2012/13 of £23,166,040.

4.	Decision Tracking
	Responsible Officer: Director of Parks and Leisure
5.	Key to abbreviations
	EPP: Estimated Penny Product
6.	Documents attached
	Appendix 1: Main items of estimated expenditure 2012/13 Appendix 2: Key priorities for the department