



Belfast City Council

Report to:	Parks & Leisure Committee
Subject:	Financial Estimates and District Rate 2014/15
Date:	16 th January 2014
Reporting Officer:	Andrew Hassard, Director of Parks and Leisure
Contact Officer:	Jacqui Wilson, Business Manager

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 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:
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.
 3. That the report to Committee in January 2014 includes a “Key Messages” briefing prepared by the Head of Corporate Communications.
- 1.3 The purpose of this report is to consider the cash limit and agree the revenue estimates for the Parks and Leisure Committee as set by the Strategic Policy and Resources Committee at its meeting on the 10 January 2014.

2 Key Issues

Cash Limits for Departmental Committees and the Estimates

- 2.1 One of the key tasks of the Strategic Policy and Resources Committee is to set the cash limits for the departmental committees.
- 2.2 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.

<u>REVENUE ESTIMATES</u>	<u>2014/15</u>
	<u>£</u>
Policy and Resources Committee	32,563,620
Development Committee	19,144,021
Parks and Leisure Committee	23,971,115
Health and Environmental Services Committee	39,497,245
Town Planning Committee	3,750
Employee Pay Rise	<u>870,000</u>
NET DEPARTMENTAL EXPENDITURE	116,049,751
 WASTE FUND CONTRIBUTION	 2,159,047
 CAPITAL FINANCING	
Investment Programme	10,137,676
Leisure Transformation Financing	<u>3,230,000</u>
	13,367,676
 BELFAST INVESTMENT FUND	 2,770,000
 LESS GENERAL EXCHEQUER GRANT	 <u>(4,630,116)</u>
 AMOUNT TO BE RAISED THROUGH DISTRICT RATE	 <u>129,716,358</u>

Local Government Finance Act (NI) 2011

2.3 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.

2.4 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 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.

2.5 **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.**

2.6 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.

2.7 **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.**

2.8 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.

Parks & Leisure Committee

2.9 A spending limit of £23,971,115 is recommended for the Department in respect of the financial year 2014/15. This represents a decrease of 0.5% on last year.

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

	Excluding Capital Charges £
Leisure Centres	£7,723,051
Parks and Cemetery Services	£9,799,378
Neighbourhood and Development	£3,513,203
Directorate	£2,935,483
Total Net Expenditure	£23,971,115

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

2.11 **Increased costs**
Additional costs of **£117,813** must be borne by the Department in respect of **superannuation increased provision**.

2.12 Increased **electricity, gas and water** charges have been provided based on current projections of costs which have added **£137,252** to the budget.

	<p>Income</p>
2.13	The leisure centres have projected growth in income for 2014/15 due to a review of charging policies and also a focus on retention and loyalty within the service. £108k of additional income has been provided in the estimate.
2.14	Belfast Castle and Malone House have both reflected no growth in income from fees and charges for 2014/15. The franchise fee for each site has also been reduced as after market testing through a tendering process the fee received is down £111k overall. A reduction of income of £31,000 and £70,000 for Malone House and Belfast Castle respectively has been reflected in the estimates.
2.15	Income from High Hedges legislation has not been received as the majority of the work has been to give advice and support and very few legal challenges have taken place. The provision of £54k income has been taken out of the 2014/15 estimate.
2.16	The Cemeteries and Crematorium income is up by 7% to reflect in the increased income in relation to increases in charges as per previous committee decisions. The crematorium income has also increased significantly due to the availability of extra slots each week as a result of the new opening hours.
2.17	It is projected that income from fees associated with the enforcement of Dog Control orders will result in £50k of income for the service and this has been provided in the estimates
2.18	The department has delivered efficiencies as it has been able to absorb additional operating requirements in relation to new and refurbished assets under the investment programme .Efficiency savings have been delivered in relation to agency and overtime reductions and the more effective procurement of contracts.

3	Recommendations
3.1	The Parks and Leisure Committee is requested to note the contents of the report and agree the cash limit for the Parks and Leisure Committee for 2014/15 of £ 23,971,115.
4	Decision Tracker Responsible Officer: Andrew Hassard, Director of Parks & Leisure
5	Documents Attached
	Appendix 1 : Main items of expenditure 2013/14 and 2014/15 Appendix 2 : Key Departmental Priorities

PARKS AND LEISURE COMMITTEE

MAIN ITEMS OF ESTIMATED EXPENDITURE 2014/15

	2014/15	2013/14
<u>Leisure</u>		
-		
Leisure Centres	7,723,051	7,884,475
<u>Neighbourhood Development</u>		
Leisure Development	553,518	644,984
Landscape Planning and Development	2,043,640	2,138,565
Open Spaces & Active Living	788,002	660,954
P&C Development	128,043	139,533
<u>Parks and Cemeteries</u>		
Zoo	858,260	856,055
Estates Mgt inc Belfast Castle/Malone House	398,928	342,052
P&C Services	1,111,259	1,301,692
Area East (Including Roselawn/Crem)	1,945,760	1,889,381
Area South West (including City Cem)	3,080,298	2,966,253
Area North	2,404,873	2,299,520
<u>Directorate</u>		
Anti Social Behaviour	251,730	254,356
PBDU	673,031	705,346
Business Support including bereavement admin	2,010,722	2,013,966
TOTAL	23,971,115	24,097,132

Summary of Priority Actions for the Parks and Leisure Department for 2014/15

The department is currently developing the full detail of its Departmental Plan for 2014/15 which will be presented to Parks and Leisure Committee in May 2014.

Highlighted below are some of the key actions:

- Deliver phase 1 of the Leisure Transformation programme.
- Develop and deliver community gardens, allotments and activities across the city as part of the Growing Communities Strategy
- Deliver year 4 of the Playing Pitches Strategy including:
 - Sports/ business development programme
 - Partnership and facilities management programme
 - Policy programme
 - Capital investment of 10 sites and delivery of the £750k school programme
- Develop and deliver the MUGA improvement programme
- Deliver strategic sports development initiatives to include: Active Communities
- Deliver the Active Belfast vision, strategy and plan of work
- Develop a strategic plan for the future provision of cemeteries and crematorium facilities
- Deliver the annual playground refurbishment programme.
- Deliver the tropical ravine restoration plan.
- Develop and implement a departmental transition plan in preparation for LGR
- Improve the customer experience at Parks and Leisure venues through our Customer Charter and the implementation of our customer service standards
- Implement other service improvement pilots
- Achieve the Green Flag Award in Knocknagoney Linear Park and Dunville Park and retain the 12 existing accreditations
- Deliver phase 1 management and maintenance of the Connswater Community Greenway
- Continue to develop programmes and activities at Dunville and Woodvale park
- Deliver Year 2 actions of the Amateur Boxing Strategy
- Develop with partners an annual programme of parks and leisure focused citywide events across the city
- Invest in our neighbourhoods by developing a range of programmes and events to be delivered locally
- Work in partnership to develop and deliver the Safer Neighbourhood Antisocial Behaviour Programme
- Deliver dog control improvements in adherence with the Cleaner Neighbourhood and Environment Act
- Deliver a range of health and well-being programmes and activities
- Implement a revised business/ commercial model for the Zoo, Castle and Malone House

- Develop a city wide participation plan, including a review of the departmental grants schemes
- Through operational reviews identify and deliver improvements and efficiencies in our services