



Belfast City Council

Report to: Strategic Policy and Resources Committee

Subject: Revenue Estimates 2008/09

Date: 8 January 2008

Reporting Officer: Trevor Salmon, Director of Corporate Services

Contact Officer: Trevor Salmon, Director of Corporate Services

Purpose

The purpose of this report is to request the Strategic Policy and Resources Committee to fix the cash limits of the Council's various committees for 2008/09, to approve the estimates for the Strategic Policy and Resources Committee for 2008/09 and agree to fix the District Rate at its meeting on 24 January 2008.

Relevant Background Information

Section 53(2) of the Local Government Act (Northern Ireland) 1972 and Regulation 2 of the Local Government Annual Budget (SR & O 1973 No 130) require that this Council:

- (a) consider and approve estimates for the year 2008/2009,
- (b) authorise the expenditure included in those estimates, and,
- (c) fix the amount estimated to be raised by means of a District Rate.

The Council is also required to fix this District Rate not later than 15 February 2008.

The key purposes of agreeing the revenue estimates are as follows:

- To establish what the Council can afford to spend in 2008/09.
- To agree the cash limit for each of the Council's committees.
- To agree the district rate for 2008/09.
- To ensure that the Council's money is aligned to deliver the priorities set by Members.

There has been a growing recognition by Members and officers of the need for the Council to consider at the same time what we can afford to spend and how the money should be best allocated to deliver priorities. The Council has started to tackle the barriers which make this integration difficult and put in place mechanisms which will make this easier in the future. This year there has been a concentrated effort to engage Members at an early stage in discussions concerning both financial and business planning. For example, the Strategic Policy and Resources Committee and Chief Officers have held two sets of planning away days in August and November this year and another one is due in March. At the same time officers have been working closely with the Institute of Revenue, Rating and

Valuation (IRRV) and the Land and Property Services Agency (LPSA) to remove some of the barriers which make financial planning difficult.

It is in this context that this report recommends a district rate increase of 5.81% for 2008/09. The table below shows the impact of this recommended increase on average valued property types.

PROPERTY	Rates Bill 2007/08	Rates Bill 2008/09	Increase in Rate Bill
<i>Domestic Properties</i>	£	£	£
Terrace House	521.23	533.40	12.17
3-Bed Semi-Detached House	797.14	815.74	18.61
4-Bed Detached House	1,772.17	1,813.53	41.37
Apartment	502.86	514.60	11.74

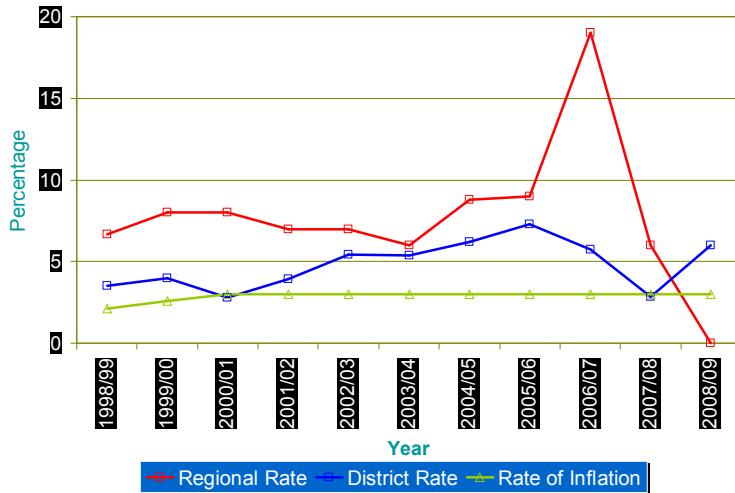
There have been a number of key internal and external drivers for this year's estimates and these are discussed below.

Regional Rate

From the graph below it can be seen that over the past ten years the Council has consistently set a lower rate increase than the regional rate. The graph also shows that the trend in the district rate has been reasonably consistent compared to that of the regional rate which is an indication of the effectiveness of the Council's planning in both the short and medium term. For example the regional rate has increased by 37% in the past three years compared to a 15% increase in the district rate set by Belfast over the same period. For 2008/09, however, the Minister of Finance and Personnel has recommended that there should be no change in the regional rate for 2008/09. The Minister also stated, "However, I would not like to see local government taking advantage of the regional rate being frozen by increasing the district rate. I hope that, rather than take advantage of that, local government will attempt to mirror what has been done by the Executive, and that we can keep down the burden on ratepayers in Northern Ireland."

The recommended increase of 5.81%, in the context of the regional rate means that in overall terms the ratepayer will face a rate increase at less than the rate of inflation.

Percentage Movement in District Rate



City Investment Strategy

Members have identified that Belfast is now at an important stage of development where a further step change in its fortunes is possible. The Council can help to facilitate and deliver these changes through its vision and leadership and ensuring things happen through allocating a significant level of our resources via the City Investment Strategy. The Director of Corporate Services presented to the Strategic Policy and Resources Committee on 14 December 2007 a cash flow analysis for the City Investment Strategy which could raise £29.0m over three years without recourse to borrowing. As part of this analysis it was recommended that £1.0m should be included in the Estimates for 2008/09. It is important for Members to note that this £1.0m is included in the recommended 5.81% rate increase.

Pay and Pensions

Pay increases for 2008/09 are expected to be close to inflation. However, employers contributions for superannuation will rise from 13.0% to 15.0% at a cost of £1,349,180.

Single Status

The National Agreement on Single Status is now effective. The Estimates for last year included £1,036,000 to meet employee costs resulting from the implementation of Single Status. As the actual consequence of changing Terms and Conditions of employment are now known, an additional £522,300 has been added to the Estimates.

Reduction in Exchequer Grant

The Council will lose £454,670 in funding from Central Government as a consequence of a reduction in both the number and value of industrial derated properties in the city.

Belfast Visitor and Convention Bureau

The Council has agreed to uplift its funding of the Belfast Visitor and Convention Bureau. The impact of this decision on the Estimates is almost £500,000.

Events

The Council has agreed to host the Tall Ships in August 2009 and the World Indoor Irish Dancing Championships in 2008. These events will require an additional £500,000 funding in 2008/09.

Software Licences

The Council has recently implemented a number of new computer systems, such as the financial package known as SAP. These systems will provide the Council with better and more timely information and contribute to the overall efficiency of the organisation. An additional £620,000 is required to pay for the software licences for these systems.

Allocation of Waste Disposal Fund

Members will be aware that the Waste Disposal finance strategy was put in place to address the issues of escalating waste management costs and the stepped increases forecast to take place between 2006 and 2010. This strategy has enabled an amount of £1.5m to be allocated next year to finance Brighter Belfast, Disability Access and Dargan Road Closure.

Efficiency Savings

The Policy and Resources Committee agreed that the Council will make £3.0 million efficiency savings over the period 2006/07 – 2008/09. The Director of Corporate Services reported savings of £1.15m in 2006/07, £1.50m in 2007/08 and £1.22m in 2008/09. The table below outlines the areas where efficiency savings have been captured for 2008/09.

Efficiency Programme 2008/09	
	£
Budgetary Efficiencies	550,000
Insurances	110,000
Retention Allowance	200,000
Land Tribunal Income	215,000
City Matters Income	140,000
Total Efficiency Savings	1,215,000

Individual departments have also made efficiency savings over and above those detailed in the above table. These are discussed under the individual committee statements later in this report.

Product of a 1p Rate

The Product of a 1p Rate (PPR) shows how much rate income the Council would earn if a rate of 1p was applied to all rateable properties in Belfast. Therefore, the more the city grows the more rate income the Council will receive. Indeed, this has been the case for the past number of years with an average year on year growth of 3%. This year, however, the LPSA has informed the Council that the PPR will reduce by 0.31%. So last year 1p of rate would have yielded £4,837,630 compared to £4,822,430 in 2008/09. In real terms this means that the Council has suffered a reduction in its expected yield of around £3.5m.

The reasons for the fall in the PPR are complex and at face value are difficult to understand in the context of a city skyline of cranes and major developments. The Chief Executive and the Director of Corporate Services, however, have been working very closely with the IRRV and the LPSA to improve the accuracy and timeliness of the PPR calculation and to enhance our understanding of the city's rate base. A detailed report on this issue will be presented to Committee in the New Year.

Inflation

On a positive note inflation is expected to be around 3.5%. Interest rates remain low but are showing a rising trend.

Projected Out-Turn 2007/2008

Members will know that the Budget for the current year is the subject of continuous monitoring of actual spending and income against estimate. All indications this year to date suggest a high level of confidence that expenditure and income will be contained within the limits determined by Council.

Key Messages

The Head of Corporate Communications has drafted some comments which will accompany the announcement of the settlement of the District Rate on 4 February 2008. Detail is provided at Appendix 8. A communication statement for the rates announcement will be provided along with the Estimates report to the Strategic Policy and Resources Committee on 25 January 2008.

Summary

The figures now presented in this report take account of the above matters. In summary, the Revenue Estimates for 2008/09, if agreed, will minimise the impact of other financial pressures on the ratepayer, allow Departments to continue to maintain and improve service delivery and at the same time provide sufficient funding for the Council's City Investment Strategy and other priorities.

In accordance with Standing Orders and Financial Regulations, Chief Officers have submitted to my Department estimates of Income and Expenditure for the year commencing 1 April 2008. These estimates have been examined in detail by senior staff and myself and a summary of the figures of all Departments, including those under the control of the Policy and Resources Committee, is set out below and is now submitted to this Committee for consideration and the determination of Committee Cash Limits for the year ending 31 March 2009.

**Summary of Estimates of Income and Expenditure
for year ending 31 March 2009**

Year Ending 31/03/2008 £	COMMITTEE	Year Ending 31/03/2009 £
14,284,560	STRATEGIC POLICY AND RESOURCES COMMITTEE	15,364,330
5,541,140	Chief Executive's Department	5,590,580
205,220	Legal Services Department	215,620
10,111,740	Corporate Services Department	10,406,690
(1,573,540)	Improvement Department	(1,848,560)
-	City Investment Fund	1,000,000
21,731,400	DEVELOPMENT COMMITTEE	23,796,450
29,521,540	PARKS & LEISURE COMMITTEE	30,989,430
46,381,540	HEALTH & ENVIRONMENTAL SERVICES COMMITTEE	47,764,590
<u>30,050</u>	TOWN PLANNING COMMITTEE	<u>31,400</u>
111,949,090		117,946,200
<u>(4,069,380)</u>	Less Adjustments re Capital charges	<u>(4,518,050)</u>
107,879,710		113,428,150
	Less	
<u>(4,495,640)</u>	GENERAL EXCHEQUER GRANT	<u>(4,040,970)</u>
103,384,070		109,387,180
	Less	
<u>(1,000,000)</u>	ESTIMATED CREDIT BALANCE	<u>(1,400,000)</u>
102,384,070		107,987,180
<u>4,837,630</u>	ESTIMATED PRODUCT OF 1p RATE	<u>4,822,430</u>
21.1641p	NON-DOMESTIC RATE IN £ FOR YEAR ENDING 31/3/2009	22.3927p
0.011449	CONVERSION FACTOR	0.011449
<u>0.2423p</u>	DOMESTIC RATE IN £ YEAR ENDING 31/3/2009	<u>0.2564p</u>

It will be noted from the summary that the overall net expenditure for the Council amounts to £113,428,150.

After deducting General Grant and the Estimated Credit Balance, an amount of £107,987,180 is required to be met by way of the District Rate. Based on an estimated product of a penny rate amounting to £4,822,430 it will be necessary to determine a Domestic Rate of 0.2564p and a Business Rate of 22.3927p to meet the Council's estimated expenditure.

This shows an increase of 5.81% over last year.

My comments on the spending of the various Committees and their efficiency savings are as follows:

Strategic Policy and Resources Committee

A cash limit of £15,364,330 is recommended for the Strategic Policy and Resources Committee in respect of the financial year 2008/09. Excluding capital charges of £3,451,700 this represents an increase in expenditure of 10.88% over last year mainly due to the establishment of the City Investment Fund.

This is represented by:

	£
Chief Executive's Department	5,590,580
Legal Services Department	215,620
Corporate Services Department	10,406,690
Improvement Department	(1,848,560)
City Investment Fund	<u>1,000,000</u>
	<u>15,364,330</u>

Chief Executive's Department

A spending limit of £5,590,580 is recommended for the Chief Executive's Department for 2008/09. Excluding capital charges of £20,590 this represents an increase of 1.22% over last year.

The principal area of increase is in relation to **Corporate Communications** where the budget has increased by £99,000. This is mainly due to three Web Editors being transferred from the Information Age Government budget to the Service budget as agreed by Council on the 1st May 2007.

Superannuation costs will rise for the fourth successive year throughout the Council. The employers' superannuation rate will rise from 13% in 2007/08 to 15.0% in 2008/09. This has resulted in increased costs of £97,500 for the Department.

In 2007 the Department of the Environment finally completed the review of **Members Attendance / Financial Loss**. The estimates for Councillors Allowances for 2008/09 have consequently been reduced by £67,600.

The Department will make a contribution of £184,800 to the **efficiency programme** in 2008/09. Efficiency savings will be made as follows:

	£
1. Insurances	2,100
2. Budgetary Efficiencies	42,700
3. City Matters Income	<u>140,000</u>
Total Departmental Efficiency Savings	<u>184,800</u>

Corporate Services Department

A spending limit of £10,406,690 is recommended for Corporate Services Department for 2008/09. Excluding capital charges of £3,427,910 this represents an increase of 5.58% over last year.

Pension costs will reduce by £200,000 next year. Members should be aware that Corporate Services manage the pensions arrangements for all Council Departments and these costs are largely outside the control of the Council.

The Department will also incur increased **Superannuation** costs of £349,000.

Licence costs have increased by £620,000 which is mainly due to the implementation of the new financial and procurement system – SAP. These increased costs which are incurred by ISB, and are recovered from Departments, are also the principle reason for the **increased income** of £539,000 to the ISB Service.

The new SAP system includes core financial systems (income, payments and accounting) as well as systems for procurement. These systems will enable the Council both to change the way that it carries out basic processes, making these more efficient, and to establish better control over day to day purchasing. However, the Department will incur additional costs of £175,000 to make the **Central Transactions Unit** fully operational in 2008/09.

The decant of staff to **Adelaide Exchange** and **Clarendon Dock** will cost an additional £631,000 in 2008/09. However these additional costs will be offset by reduced running costs of £814,900 for the **City Hall**.

The Department will make a contribution of £420,700 to the **efficiency programme** in 2008/09 as follows:

Budgetary Efficiencies	220,700
ISB Retention Allowance	200,000
Total Departmental Efficiency Savings	420,700

Apart from matters highlighted above there are no other exceptional items of expenditure.

Improvement Department

The Improvement Department will make a net surplus of £1,848,560 in 2008/09. Excluding capital charges this represents an increased surplus of 17.37% over last year on normal activities.

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

	£
CIT Initiatives	55,460
CIT Operations	2,081,740
Capital Works	302,690
Estates Management	(4,288,450)
	(1,848,560)

The Department will incur increased **Superannuation** costs of £87,000.

It is anticipated that a number of outstanding rent reviews will be settled in 2008/09. This will result in increased **industrial estate rental income** of £638,000.

The Department will make a contribution of £262,400 to the **efficiency programme** in 2008/09. Efficiency savings will be made as follows:

	£
1. Insurances	1,000
2. Budgetary Efficiencies	46,400
3. Land Tribunal Income	215,000
Total Departmental Efficiency Savings	262,400

Development Committee

A spending limit of £23,796,450 is recommended for the Development Department in respect of the financial year 2008/09. Excluding capital charges of £1,326,950 this represents an increase of 10.64% over last year.

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

	£
Economic Initiatives Section	8,897,530
Community Services	6,268,450
Waterfront Hall / Ulster Hall	3,446,540
Directorate	5,183,930
Total Net Expenditure	23,796,450

In line with other Departments, increased costs of £213,840 must be borne in respect of **superannuation**. **Capital charges** have reduced from £1,422,710 in 2007/08 to £1,326,950 in 2008/09.

The National Agreement on **Single Status** is now effective. As the actual consequence of changing Terms and Conditions of employment are now known, an additional £214,500 has been added to the Estimates of the Waterfront Hall.

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

The majority of the annual tourism budget continues to be 'contracted out' to the **Belfast Visitor and Convention Bureau** for marketing Belfast and providing information to visitors at the Belfast Welcome Centre and Tourist Information Centres at the City and International Airports. The Council has agreed to uplift its funding of the Belfast Visitor and Convention Bureau. The impact of this decision on the Estimates is almost £500,000.

The Department will also incur increased costs of £190,800 for a number of **new posts**. Of this sum £75,000 relates to Policy Officer and European Officer posts which are no longer funded by the new LED Plan. To support the implementation of SNAP a new Citystats Officer is required at a cost of £39,100. This is a statistician post and is required to validate and quality assure the internal data which will be input into the Citystats

software. An additional £36,700 is included for a Public Arts post to develop the Council's capacity in the areas of Public Art and Festivals. An additional £40,000 is required within the unit to provide for the transfer of the EU Officer budget from Health & Environmental Services and the creation of a third EU Officer Post to work on a joint basis with Corporate Services.

An additional £50,000 has been included to further promote and establish **Open Air Markets** within the City.

There are a number of areas of growth within the Departmental budget.

The **Tall Ships 2009** event will require £1.1m of funding over the next two years. Funding of £400,000 is included in the 2008/09 budget. The Civic Events programme includes an additional £100,000 for the **World Irish Dancing Championships**. Further growth of £100,000 is also included with regard a Policy and Resources Committee decision in March 2007 to support the **Nomadic Restoration Fund**.

With the **Waterfront Hall and Ulster Hall** now fully operational after closures in 2007/08, the Department has estimated additional income of £122,000 and £42,000 respectively.

The Department will make a contribution of £49,900 to the **efficiency programme** in 2008/09. Efficiency savings will be made as follows:

	£
1. Insurances	12,500
2. Budgetary Efficiencies	37,400
Total Departmental Efficiency Savings	49,900

Parks and Leisure Committee

A spending limit of £30,989,430 is recommended for the Department in respect of the financial year 2008/09. Excluding capital charges of £3,721,420 this represents an increase of 6.46% over last year.

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

	Including Capital Charges £	Excluding Capital Charges £
Leisure Services	13,015,810	10,433,740
Parks and Cemeteries Services	16,911,120	15,771,770
Directorate	1,062,500	1,062,500
Total Net Expenditure	30,989,430	27,268,010

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

Capital charges have reduced from £3,908,600 in 2007/08 to £3,721,420 in 2008/09.

Increased costs of £212,580 must be borne by the Department in respect of **superannuation**. **Single Status** has also impacted significantly in the Department with £307,760 being added to salary costs as a result of the appeals process.

As part of the creation of the new Parks & Leisure Department work is in progress for the development and implementation of a Departmental Improvement Plan. The **Parks Improvement Plan** is an element of this overall plan which was outlined to the Parks and Leisure Committee on 13th September 2007. A budget of £305,240 is required for additional posts outlined in the Parks Improvement Plan.

It is estimated that **Leisure Centre Income** will increase by £230,590 with the continuation of the BOOST means tested benefit system and the early opening scheme. Additional staff costs of £160,000 have been provided to allow for this scheme that was not previously estimated for.

Additional income of £204,000 is also anticipated for the **Zoo** reflecting the impact of the extended shop and the new entrance facilities due for completion in early spring, as well as building on the successful visitor numbers currently being experienced.

The estimates also provide for a small amount of growth in 2008/09.

The multi-agency **Grove Wellbeing Centre** due to open in May is bringing wellbeing, fitness, health and lifelong learning under one roof. The new centre is the result of collaboration of funding from Belfast City Council (57% of the funding), North and West Belfast Trust (38%) and BELB (5%). Other funding has been awarded from BRO Neighbourhood Renewal and Urban II funding for a new playground on the site.

Operational costs for the Grove Wellbeing Centre have been included for the full year however these are offset by the reduced costs incurred with the imminent closure of the Grove Leisure Centre providing net growth of £99,400.

The **small events grant** scheme has been mainstreamed into the Parks budget and will allow for more community led events to take place. An amount of £50,000 has been included in the estimates for this scheme.

The **Support for Sport hospitality grants** of £30,000 which were transferred from Development as part of the interim restructuring will now be managed by Leisure Development staff and have been highlighted as growth within the Department.

The Department will make a contribution of £82,200 to the **efficiency programme** in 2008/09. Efficiency savings will be made as follows:

	£
1. Insurances	41,600
2. Budgetary Efficiencies	40,600
Total Departmental Efficiency Savings	82,200

Health and Environmental Services Committee

A spending limit of £47,764,590 is recommended for the Department in respect of the financial year 2008/09. Excluding capital charges of £505,890 this represents an increase of 3.60% over last year.

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

	Including Capital Charges £	Excluding Capital Charges £
Environmental Health	7,683,750	7,668,660
Waste Management	18,937,880	18,508,620
Building Control	352,040	352,040
Cleansing	19,877,940	19,816,400
Directorate Support	912,980	912,980
Total Net Expenditure	47,764,590	47,258,700

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

Capital charges have reduced from £764,400 in 2007/08 to £505,890 in 2008/09.

Increased costs of £371,770 must be borne by the Department in respect of **superannuation**, however the impact of this increase on staffing costs has been reduced through **savings in overtime** of £193,740 across the Department.

Additional waste disposal charges, including the increase in landfill tax by £8 per tonne as announced by the Chancellor of the Exchequer in the March 2007 will contribute to an increase of £651,000 in the **Waste Plan** costs.

Members will be aware that the Council's **Waste Disposal Financial Strategy** was developed to address the enormous rise in the Waste Disposal costs which the Council would incur and especially to lessen the impact of the significant stepped increases which were forecast to be incurred between 2006 and 2010. The financial provisions made through the implementation of the Waste Disposal Financial Strategy will mean that £500,000 of the additional Waste Management costs will be incurred at no extra cost to the ratepayer. This is very much in line with waste management planning forecasts.

In addition to the normal increase on employee costs and other operational costs, Cleansing Services will incur **additional commercial waste disposal costs** of £237,000. The estimates for Cleansing Services also include increased employee costs of £32,000 for an additional **Community Awareness Officer** and £41,000 for increased staffing of the **Anti-Graffiti Team**. However significant efficiency savings have been generated in the Cleansing Service including a substantial element of the departmental overtime savings outlined above. As well as £97,600 efficiency savings arising from the **review of transport and priority waste collection** there are reductions of £30,070 in the **anti smoking litter warden service**. These savings, together with **increased external commercial waste income** of £324,750, have meant that the overall increase in the cost of Cleansing Services, excluding capital charges, has been limited to £215,215 representing an increase of 1.1%.

The Environmental Health Service budget, excluding capital charges for 2008/09 has increased by £641,510, representing an increase of 9.13%. This includes increased costs of £57,700 relating to the **extended Dog Control Service**, increased employee costs of £39,800 for an additional **Pollution Control Officer** and £68,400 arising from the review of Business Support. **Community Safety Expenditure** has been increased to include an additional **Alleygating Project Officer** at a cost of £35,000 and a further £200,000 will be incurred in implementing recommendations arising from the **Community Safety Planning Process**. Additional expenditure of £27,700 has also been included in the Environmental

Health Service budget to meet increased operational costs and to enhance the IT systems support for **Emergency Planning** which will incorporate lessons learned from the flood emergency during 2007.

In addition to the normal cost increases incurred by the Building Control Service, the budget includes increased staffing costs of £127,430 for three additional **Building Control Surveyors** required to respond to the increasing demand for planning and inspection work. However increased fee income of £223,000 relating to planning and inspection fees, offset by a slight reduction in the fee income for property certificates, means that the overall increase in the net cost of Building Control totals only £8,700 which represents an increase of 2.54%.

In addition to the savings outlined above, the Department will also make a contribution of £242,000 to the **efficiency programme** in 2008/09. Efficiency savings will be made as follows:

	£
1. Insurance	82,300
2. Budgetary Efficiencies	159,700
Total Departmental Efficiency Savings	<u>242,000</u>

Town Planning

In previous years Members have drawn attention to the need to provide some funds to cater for possible representation at public enquiries etc. Accordingly a sum of £31,400 has been provided for this purpose.

Belfast City Council like all other Local Authorities across the country is faced with the constant pressure of balancing increasing demands against ever decreasing resources and 2008/2009 will be no exception.

A major effort has been made by all concerned to ensure that the estimates presented are meaningful, realistic, and correlate closely with the key tasks and activities within the Corporate Plan.

On 4 February 2008 the estimates of the various Council Departments and Committees will be approved and adopted. In due course a full copy of the Corporate Plan incorporating a summary of the financial information will be distributed to each Member of Council.

My thanks are due to all for the continued co-operation and assistance which I have received over the past months in what has been a long and exhausting exercise to compile the Revenue Estimates.

DECISIONS REQUIRED:

1. To Fix the Cash Limits for the various Committees of the Council, and
2. To approve the estimates for the Policy and Resources Committee.
3. To note the communications statement of key messages.

APPENDIX 1

REVENUE ESTIMATES 2008/09

Year Ending 31/03/2008	Committee		Year Ending 31/03/2009	Var £	Var
14,284,560	STRATEGIC POLICY AND RESOURCES COMMITTEE		15,364,330	1,079,770	7.56%
5,541,140	Chief Executive's Department		5,590,580	49,440	0.89%
205,220	Legal Services Department		215,620	10,400	5.07%
10,111,740	Corporate Services Department		10,406,690	294,950	2.92%
(1,573,540)	Core Improvement Team		(1,848,560)	(275,020)	(17.48)%
-	City Investment Fund		1,000,000	1,000,000	-
21,731,400	DEVELOPMENT COMMITTEE		23,796,450	2,065,050	9.50%
29,521,540	PARKS AND LEISURE COMMITTEE		30,989,430	1,467,890	4.97%
46,381,540	HEALTH AND ENV. SERV. COMMITTEE		47,764,590	1,383,050	2.98%
30,050	TOWN PLANNING COMMITTEE		31,400	1,350	4.49%
111,949,090			117,946,200	5,997,110	5.36%
(4,069,380)	Less Adjustment for Capital Charges		(4,518,050)	(448,670)	(0.42)%
107,879,710			113,428,150	5,548,440	5.14%
(4,495,640)	Less GENERAL EXCHEQUER GRANT		(4,040,970)	454,670	10.11%
103,384,070			109,387,180	6,003,110	5.81%
(1,000,000)	Less ESTIMATED CREDIT BALANCE		(1,400,000)	(400,000)	(40.00)%
102,384,070		(a)	107,987,180	5,603,110	5.47%
4,837,630	NOTIONAL PRODUCT OF 1p RATE	(b)	4,822,430	(15,200)	(0.31)%
21.1641p	NON-DOM. RATE IN £ - Y/E 31/03/09	(c)=(a)/(b)	22.3927p	1.2286p	5.81%
0.011449	CONVERSION FACTOR	(d)	0.011449	0	0.00%
0.2423p	DOMESTIC RATE IN £ - Y/E 31/03/09	(c)x(d)/100	0.2564p	0.014066p	5.81%

**CHIEF EXECUTIVE'S DEPARTMENT
REVENUE ESTIMATES 2008/09**

	<u>£</u>	<u>£</u>
Estimate 2007/08		5,571,190
Efficiency Savings		
Budgetary Efficiencies	(42,700)	
Insurances	(2,100)	
City Matters Income	<u>(140,000)</u>	(184,800)
Increased Costs		
Superannuation	97,500	
Corporate Communications	<u>99,000</u>	196,500
Cost Reductions		
Attendance / Financial Loss		(67,600)
Normal Increase (eg pay awards / supplies and services)		106,690
Estimate 2008/09		<u>5,621,980</u>

*Includes Town Planning Budget

APPENDIX 2.2**CHIEF EXECUTIVE'S DEPARTMENT
MAIN ITEMS OF ESTIMATED EXPENDITURE 2008/09**

	Inc. Capital Charges	Exc. Capital Charges
	£	£
District Policing Partnership Board	125,700	125,700
Committee Services	815,500	811,800
Lord Mayor's Support	509,400	492,500
Members' Support	312,000	312,000
Members' Allowances	628,400	628,400
Members' Facilities	243,800	243,800
Ceremonial Occasions	185,000	185,000
Good Relations	699,000	699,000
Corporate Communications/ Publicity	1,057,000	1,057,000
Departmental Administrative Support	334,300	334,300
Records Management	121,600	121,600

**CORPORATE SERVICES DEPARTMENT
REVENUE ESTIMATES 2008/09**

	<u>£</u>	<u>£</u>
Estimate 2007/08		10,111,740
Efficiency Savings		
Budgetary Efficiencies	(220,700)	
Retention Allowance	<u>(200,000)</u>	(420,700)
Increased Costs		
Superannuation	349,000	
Licences	620,000	
Adelaide Exchange/ Clarendon Dock	<u>631,000</u>	1,600,000
Growth		
Central Transactions Unit		175,000
Cost Reductions		
City Hall	(814,900)	
Pensions	<u>(200,000)</u>	(1,014,900)
Increased Income		
ISB		(539,000)
Normal Increase (eg pay awards / supplies and services)		494,550
Estimate 2008/09		10,406,690

**CORPORATE SERVICES DEPARTMENT
MAIN ITEMS OF ESTIMATED EXPENDITURE 2008/09**

	Inc. Capital Charges	Exc. Capital Charges
	£	£
City Hall	228,700	228,700
Adelaide Exchange	1,037,700	1,037,700
Clarendon Dock	696,000	696,000
Cecil Ward Building	255,500	76,900
Clarendon House / Linenhall Exchange	131,300	131,300
HR Strategy and Workforce Development Planning	309,900	309,900
Contributions to Specified Bodies	247,200	247,200
LGA Fees	106,000	106,000
Employment Support Scheme	116,100	116,100
Corporate Strategic Objectives/ Quality Initiatives	150,000	150,000
Corporate Development Programme	255,300	255,300
Bank Charges	60,000	60,000
Pensions	1,900,000	1,900,000
Fleet Management Unit	5,300	(2,708,200)
IAG	800,000	800,000
Project & Corporate Systems	486,800	486,800

APPENDIX 4.1

**IMPROVEMENT DEPARTMENT
REVENUE ESTIMATES 2008/09**

	<u>£</u>	<u>£</u>
Estimate 2007/08		(1,573,540)
Efficiency Savings		
Budgetary Efficiencies	(46,400)	
Insurance	(1,000)	
Land Tribunal Income	<u>(215,000)</u>	<u>(262,400)</u>
Increased Costs		
Superannuation		87,000
Increased Income		
Industrial Estate Rental Income		(423,000)
Normal Increase (eg pay awards / supplies and services)		323,380
<hr/> Estimate 2008/09 <hr/>		<hr/> (1,848,560) <hr/>

**IMPROVEMENT DEPARTMENT
MAIN ITEMS OF ESTIMATED EXPENDITURE 2008/09**

	Inc. Capital Charges	Exc. Capital Charges
	£	£
Core Improvement Operations	2,082,000	2,082,000
Estates Management	(4,288,000)	(4,285,200)
1. Bog Meadows £(3,091,000)		
2. Duncrue £ (747,000)		
3. Gas Works £ (640,000)		
Research & Development	160,000	160,000
Procurement	114,000	114,000
CIT Initiatives	55,000	55,000
Project Management	29,000	29,000

**DEVELOPMENT DEPARTMENT
REVENUE ESTIMATES 2008/09**

	<u>£</u>	<u>£</u>
Estimate 2007/08		21,731,400
Efficiency Savings		
Insurances	(12,500)	
Budgetary Efficiencies	<u>(37,400)</u>	(49,900)
Increased Costs		
Belfast Visitor and Convention Bureau	500,000	
Single Status (WFH)	214,500	
Superannuation	213,800	
New Posts (Public Arts/Citystats/Econ.Dev.Assist.)	190,800	
Open Air Market Development	<u>50,000</u>	1,169,100
Growth		
Tall Ships	400,000	
Nomadic Restoration Fund	100,000	
World Irish Dancing Championships	<u>100,000</u>	600,000
Cost Reductions		
Capital Charges		(95,800)
Increased Income		
Waterfront Hall	(122,000)	
Ulster Hall	<u>(42,000)</u>	(164,000)
Normal Increase (eg pay awards / supplies and services)		605,650
<hr/> Estimate 2008/09 <hr/>		<hr/> 23,796,450 <hr/>

**DEVELOPMENT DEPARTMENT
MAIN ITEMS OF ESTIMATED EXPENDITURE 2008/09**

	Inc. Capital Charges	Exc. Capital Charges
	£	£
Community Services	6,268,500	5,856,900
Waterfront and Ulster Hall	3,446,600	2,529,500
Economic Initiatives		
Events	2,610,600	2,610,600
Tourism	2,321,200	2,321,200
Arts and Culture	1,686,400	1,686,400
Economic Development	1,021,200	1,021,200
Planning and Transport	514,100	514,100
North Foreshore	398,600	398,600
Markets – Operations and Management	345,500	343,800
Directorate		
Development Directorate	2,625,100	2,625,100
City Development	930,100	930,100
Policy and Research	751,600	751,600
SNAP	530,200	530,200
European Unit	346,900	346,900

APPENDIX 6.1

**PARKS AND LEISURE SERVICES DEPARTMENT
REVENUE ESTIMATES 2008/09**

	<u>£</u>	<u>£</u>
Estimate 2007/08		29,521,540
Efficiency Savings		
Insurances	(41,600)	
Budgetary Efficiencies	<u>(40,600)</u>	(82,200)
Increased Costs		
Single Status	307,800	
Parks Improvement Plan	305,200	
Superannuation	212,600	
Leisure Centres Early Opening	<u>160,000</u>	985,600
Growth		
Grove Wellbeing Centre	99,400	
Small Events Grants	50,000	
Support for Sport Hospitality Grants	<u>30,000</u>	179,400
Cost Reductions		
Capital Charges		(187,200)
Increased Income		
Leisure Centres	(230,600)	
Zoo	<u>(204,000)</u>	(434,600)
Normal Increase (eg pay awards / supplies and services)		1,006,890
Estimate 2008/09		<u>30,989,430</u>

**PARKS AND LEISURE DEPARTMENT
MAIN ITEMS OF ESTIMATED EXPENDITURE 2008/09**

	Inc. Capital Charges	Exc. Capital Charges
	£	£
Leisure		
Leisure Centres	11,109,200	8,527,100
Leisure Development	787,100	787,100
Parks and Cemeteries		
Parks and Open Spaces	6,602,900	6,437,700
Zoo	1,616,400	1,321,600
Playing Fields/ Recreation Grounds	1,222,800	799,300
Playgrounds	848,600	848,600
Landscape Planning and Development	725,900	725,900
Belfast Castle/ Malone House	640,800	449,300
Cemeteries and Crematorium	508,000	446,500
Conservation and Education	465,300	462,400
Directorate		
Anti Social Behaviour	300,000	300,000

**HEALTH AND ENVIRONMENTAL SERVICES DEPARTMENT
REVENUE ESTIMATES 2008/09**

	£	£
Estimate 2007/08		46,381,540
Efficiency Savings		
Insurances	(82,300)	
Budgetary Efficiencies	<u>(159,700)</u>	(242,000)
Increased Costs		
Commercial Waste Disposal Costs	237,000	
Superannuation	371,800	
Waste Plan	151,000	
Additional Business Support – Environmental Health	68,400	
Building Control Surveyors	<u>127,400</u>	955,600
Growth		
Dog Control	57,700	
Pollution Control Officer	39,800	
Graffiti Team/Cleansing	41,000	
Emergency Planning	27,700	
Additional Community Awareness Officer	32,000	
Additional Alleygating Project Officer	35,000	
Additional Community Safety Expenditure	<u>200,000</u>	433,200
Cost Reductions		
Review of Transport and Priority Waste Collection	(97,600)	
Reduced Anti Smoking Litter Warden Service	(30,100)	
Capital Charges	(258,500)	
Overtime	<u>(193,700)</u>	(579,900)
Increased Income		
Cleansing Fees and Charges	(324,800)	
Building Control Planning and Inspection Fees	<u>(223,000)</u>	(547,800)
Normal Increase (eg pay awards / supplies and services)		1,363,950
Estimate 2008/09		47,764,590

APPENDIX 7.2**HEALTH AND ENVIRONMENTAL SERVICES DEPARTMENT
MAIN ITEMS OF ESTIMATED EXPENDITURE 2008/09**

	Inc. Capital Charges £	Exc. Capital Charges £
Environmental Health	7,683,800	7,668,700
Waste Management	18,937,900	18,508,600
Building Control	352,000	352,000
Cleansing	19,877,900	19,816,400

Key Messages

Proposed key messages for rates announcement

Introduction

The key messages for the rates increase must focus on the effect of the overall rates increase, which is around inflation, and refer to our above inflation increase in the context of investing in the future. It is also important to maintain the message that council is providing effective and efficient services. We must also have a response to deal with the fact that central government's increase is zero while ours is around six per cent.

Proactive messages

Overall rates increase in line with inflation.

The overall increase for ratepayers, including regional and district, will be less than three per cent, which is around the current rate of inflation.

We have achieved efficiencies without affecting our services

The council has made efficiency savings of almost £4 million during the past three years without affecting front line services. The council is clearly managing ratepayers' money carefully but at the same time providing effective and efficient services

Today's action, tomorrow's legacy

Belfast is a fast changing and increasingly prosperous city and the council must position itself to maximise the opportunities that are coming the city's way. Today's action is tomorrow's legacy.

The council has slightly increased the district rate to assist in the creation of a City Investment Strategy. Its purpose is to financially support and drive major projects that can prove to be a catalyst for transforming the city and leave a significant legacy for future generations.

Reactive messages

It is likely that the Government decision to have a zero increase in the regional rate will be compared to our decision to increase the district rates by just under six per cent

If this becomes an issue, we need to highlight the track record over the past three years of Government and the major increase in the regional rate, highlight the pressures the council faces, increase awareness that, unlike Government, the rates are our main source of income and state that there is public confidence in the way the council handles ratepayers' money.

District rate increases still fall well short of regional rate increases in recent years

The regional rate portion of the district rate rose by 36 per cent during the past three years, while the district rate increased by around half that total.

In 2006/07 central government increased the regional rate by 19 per cent while Belfast City Council's increase was less than six per cent. Even when you take into account the zero increase

in regional rates this year and our increase of just under six per cent, the regional rate has increased by almost twice as much during the past two years.

The regional rate was 53 per cent of the overall rates bill two years ago, but it rose to 60 per cent last year.

Rates is only a very small proportion of central Government income, but is the main source of revenue for councils.

The council has to meet wage and pension increases, meet EC waste management requirements and maintain and improve services to our customers. We have managed to do all that as well as make efficiencies and the overall effect on ratepayers this year will be an increase of less than 3 per cent.

The public trust the council to use its money wisely

Our recent public survey indicated that our ratepayers are increasingly satisfied with the services we provide and that is an indication that they trust us to use their money wisely for the good of the city and its people.