



Belfast City Council

Report to: Strategic Policy and Resources Committee

Subject: Revenue Estimates 2009/10

Date: 9 January 2009

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 2009/10 and to approve the estimates for the Strategic Policy and Resources Committee for 2009/10.

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 2009/2010,
- (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 2009.

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

- To establish what the Council can afford to spend in 2009/10.
- To agree the cash limit for each of the Council's committees.
- To agree the district rate for 2009/10.
- To ensure that the Council's money is aligned to deliver the priorities set by Members.

There can be little doubt that preparation of the 2009/10 budget has been the most difficult challenge for many years. The current economic downturn could be the worst for a generation with councils facing a 'double whammy' of lower income and higher demand for services. During recent months I have reported to Committee on several occasions on the difficulties which the Council is experiencing with regard to the current year's budget. Specifically the loss of external income, utility costs, spending on unbudgeted items and loss of investment income are all having a negative influence on our ability to live within budget. These issues, when combined with the ongoing difficulties with Land and Property Services in relation to rate income, have placed the Council in an almost impossible situation with regard to maintaining service delivery but at the same time not placing an unacceptable burden on the ratepayer. It is acknowledged that although District Councils are under considerable stress regional government has responded by freezing the regional

rate and providing compensation on capping so that the overall rate increase to the public will be kept to a minimum.

The most up to date information available from Land and Property Services indicates a district rate increase of 8.59% for 2009/10. The table below shows the impact of this recommended increase on average valued property types.

PROPERTY	Rates Bill 2008/09	Rates Bill 2009/10	Increase in Rate Bill
<i>Domestic Properties</i>	£	£	£
Terrace House	531.34	550.18	18.84
3-Bed Semi-Detached House	812.60	841.41	28.81
4-Bed Detached House	1,806.55	1,870.60	64.05
Apartment	512.61	530.79	18.18

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

Regional Rate

In 2008/09, the Minister of Finance and Personnel froze the regional rate for domestic ratepayers. The regional rate will again be frozen for 2009/10 but this time the policy will apply to both domestic and non-domestic ratepayers.

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 and £2.0m in 2009/10.

The Estimates presented for 2009/10 include an amount of £2.0m. However, economic conditions dictate flexibility in the use of this budget allocation. For this reason I recommend that the budget allocation be used for the following purposes as and when appropriate:

- As a resource for the City Investment Strategy
- As a resource for building up the Council's reserves as recommended by the Local Government Auditor
- As a contingency to safeguard against uncertainty in the current economic climate.

Corporate Thematic Priorities

As part of the corporate planning process Members and Chief Officers have identified a number of cross-cutting priorities which cannot be solely delivered within functional budgets. It is recommended that a corporate strategy budget is established to finance these cross cutting priorities. This budget will be managed by COMT and reported to the Strategic Policy and Resources Committee. A budget of £500,000 is included in the Estimates for this purpose.

The priority areas which will have access to this budget are:

- Safer Belfast
- Older People
- Younger People
- Invest to save
- Customer Strategy

Pay and Pensions

Pay increases for 2009/10 are expected to be close to inflation. However, employer's contributions for superannuation will rise from 15.0% to 16.0% at a cost of £999,190.

Utility Costs

During 2008/09 the price of oil, gas and electricity has been extremely volatile. High level guidance recommended increases of 25% in oil, 50% in gas and 49% in electricity to provide for escalating utility prices. However, because of the utility price reductions which followed the sharp increases in price, budgets have been revised downwards. Nevertheless, a budget increase of £1,609,120 is included in this year's estimate.

Capital Programme

Capital expenditure financed by loan is forecast to be £22m in 2008/09 and £8m in 2009/10. With existing advances of £11.2m the Council will require an additional £1.1m to finance capital expenditure in 2009/10.

General Exchequer Grant

The estimate for 2009/10 is based on Gross Penny Product data at the 30th September 2008. This shows an increase of £205,940 or 5.10% on 2008/09. However, I have been advised by the Department of the Environment that the final estimate for the GEG will not be available until Land and Property Services finalise the estimated penny product figures in January 2009.

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 accommodation issues, completion of the Cemeteries Project, corporate human resources issues and the Dargan Road Closure.

Efficiency Savings

The Strategic Policy and Resources Committee, at its meeting on 14/11/08, agreed a programme of efficiencies for 2009/10 amounting to £1,762,870. The table below summarises the efficiency programme for 2009/10.

Efficiency Programme 2009/10	
	£
Insurances	482,000
Personal Computers	105,840
Stationery	128,720
Departmental Contributions	
1. Health and Environmental Services	770,000
2. Core Improvement Team	200,000
3. Development	76,310
Total Efficiency Savings	1,762,870

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.

A brief description of each efficiency area is provided below.

Insurance

Insurance costs have been reduced from £1,552,000 in 2008/09 to £1,070,000 for 2009/10 – giving a cash saving of £482,000. This has been achieved by tendering the insurance broker services and several of the Council's insurance policies. This resulted in reduced broker and premium costs.

Procurement

The Procurement Unit carried out two reverse auctions for stationery and personal computers. A reverse auction is where suppliers bid on a real time basis for a contract. These auctions are most effective where a detailed specification can be put together in terms of volume and quality. The savings achieved for these two auctions amount to £128,720 for stationery and £105,840 for personal computers.

Departmental Contributions

Four departments have provided estimates for 2009/10 which in real terms show net expenditure savings. These are:

Health & Environmental Services - £770,000. These savings have been produced in the budget areas of employee costs, activity-based modelling of landfill contract costs, segregated waste and compensation claims.

CIT - £200,000. These savings have been achieved through increased rental income following rent reviews on a number of units in the Council's industrial estates and a reduction in employee costs.

Development - £76,310 in respect of employee cost savings.

Product of a 1p Rate

The Estimated Product of a 1p Rate (EPP) 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%. However, last year saw a change in this trend with the EPP falling by 0.31%. Indications for 2009/10 are not encouraging. The EPP shows a modest increase of 0.80%, however, following intervention by the Finance Minister there may be further adjustment to the EPP in January 2009. Any change to the EPP and consequently the GEG will impact directly on the domestic and non-domestic rate set by BCC. I will update Strategic Policy and Resources Committee on

this finalised position and its impact on the district rate at its meeting on the 23rd January 2009.

Projected Out-Turn 2008/2009

Members will know that the Budget for the current year is the subject of continuous monitoring of actual spending and income against estimate. As a result of the economic downturn budgets in the current year have had to be revisited and revised. There still remains significant uncertainty and risk around income from fees and charges eg Building Control, Business Improvement Section and Information Services Belfast. Departments are however working hard to ensure that income and expenditure will be contained within budget. It is certain however that these risks will carry on into 2009/10.

Key Messages

A communication statement for the rates announcement will be tabled at the Strategic Policy and Resources Committee on the 23rd January 2009.

Summary

The figures now presented in this report take account of the above matters. In summary, the Revenue Estimates for 2009/10, 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 2009. 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 Strategic 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 2010.

**Summary of Estimates of Income and Expenditure
for year ending 31 March 2010**

Year Ending 31/03/2009 £	COMMITTEE	Year Ending 31/03/2010 £
15,364,330	STRATEGIC POLICY AND RESOURCES COMMITTEE	19,146,520
5,590,580	Chief Executive's Department	5,680,850
215,620	Legal Services Department	254,570
10,406,690	Corporate Services Department	12,189,780
(1,348,560)	Improvement Department	(1,478,680)
(500,000)	Rent Reviews	-
1,000,000	City Investment Fund	2,000,000
-	Corporate Thematic Priorities	500,000
23,796,450	DEVELOPMENT COMMITTEE	24,226,210
30,989,430	PARKS & LEISURE COMMITTEE	33,020,230
47,764,590	HEALTH & ENVIRONMENTAL SERVICES COMMITTEE	49,738,470
<u>31,400</u>	TOWN PLANNING COMMITTEE	<u>30,450</u>
117,946,200		126,161,880
<u>(4,518,050)</u>	Less Adjustments re Capital charges	<u>(3,399,790)</u>
113,428,150		122,762,090
	Less	
<u>(4,040,970)</u>	GENERAL EXCHEQUER GRANT	
109,387,180		
	Less	
<u>(2,400,000)</u>	ESTIMATED CREDIT BALANCE	
106,987,180		
<u>4,822,430</u>	ESTIMATED PRODUCT OF 1p RATE	
22.1853p	NON-DOMESTIC RATE IN £ FOR YEAR ENDING 31/3/2010	
0.011449	CONVERSION FACTOR	
<u>0.2540p</u>	DOMESTIC RATE IN £ YEAR ENDING 31/3/2010	

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 £19,146,520 is recommended for the Strategic Policy and Resources Committee in respect of the financial year 2009/10. Excluding capital charges of £3,451,700 this represents an increase in expenditure of £3,782,200.

This is represented by:

	£
Chief Executive's Department	5,680,850
Legal Services Department	254,570
Corporate Services Department	12,189,780
Improvement Department	(1,478,680)
City Investment Fund	2,000,000
Corporate Thematic Priorities	500,000
	19,146,520

Chief Executive's Department

A spending limit of £5,680,850 is recommended for the Chief Executive's Department for 2009/10. Excluding capital charges of £20,590 this represents an increase of £90,270 or 1.62% over last year.

Employer's superannuation costs will rise for the fifth successive year throughout the Council. The employers' superannuation rate will rise from 15% in 2008/09 to 16.0% in 2009/10. This has resulted in increased costs of £76,250 for the Department.

The budget provides for the additional post of an Advertising Manager in the **Corporate Communications** Section. This post has been approved by Committee and will require a further £41,000.

Recent legislative change relating to membership of the **District Policing Partnership** has resulted in an increase of £21,420 in the DPP budget.

The Department has reduced costs in a number of areas. The **equipment, tools and materials** budget has been reduced by £17,750 to reflect need in 2009/10. A reduction in the **conference and approved visits** budget of £24,340 reflects, in part, the downward trend in attendance of conferences, by Members, together with a reduction in this aspect for staff accompanying Members.

The principal area of growth is Peace III for which a budget of £429,180 has been provided. This budget which is for staffing and management costs is 100% funded by SEUPB (Special European Union Programme Body) and will therefore have no impact on the ratepayer.

The Department will make a contribution of £20,850 to the **efficiency programme** in 2009/10. Efficiency savings will be made as follows:

Efficiencies	£
Insurances	8,230
Personal Computers	6,660
Stationery	5,960
Total Departmental Efficiency Savings	20,850

Corporate Services Department

A spending limit of £12,189,780 is recommended for Corporate Services Department for 2009/10. Excluding capital charges of £3,427,900 this represents an increase of £1,783,100 or 25.55% over last year.

The Department will face some difficult decisions in 2009/10. There are a number of areas where costs will increase significantly, which, when taken with losses in income arising from the current economic situation necessitates a budgetary increase in excess of £1.5m. The main areas of increased expenditure and reduced income are outlined below.

The Department will incur increased **employer's superannuation and utility** costs of £222,970 and £178,320 respectively.

The re-opening of the **City Hall** will result in increased accommodation costs of £739,550. However these additional costs will be offset by **accommodation savings** of £492,630 generated with the move from Clarendon Dock, Clarendon House, Linenhall Exchange, Scottish Amicable and Callender House.

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 £249,110 to make the **Central Transactions Unit** fully operational in 2009/10.

The most difficult issue facing the Department is reflected in the loss of income. **Interest on the District Fund** is budgeted at £500,000. This is £500,000 less than in 2008/09 and reflects current interest rates.

The Department's two trading Services both face difficulties in 2009/10 due to the current difficult economic climate. **Information Services Belfast (ISB)** have budgeted for a **loss in external income** of £886,400 and the **Business Improvement Section** has budgeted for a loss of £388,600 in external income. It is important that both Services are 'right sized' during this coming financial year.

The Department will make a contribution of £127,440 to the **efficiency programme** in 2009/10 as follows:

Efficiencies	£
Insurance	46,400
Personal Computers	39,950
Stationery	41,090
Total Departmental Efficiency Savings	127,440

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

Improvement Department

The Improvement Department will make a net surplus of £1,478,680 in 2009/10. Excluding capital charges this represents an increased surplus of £130,120 or 9.63% 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	2,060,520
Procurement	139,090
Project Management	172,330
Estates Management	(3,906,080)
	(1,478,680)

The Departments improved position is as a result of projected rent reviews being undertaken in relation to the Council's **Industrial Estates**. It is anticipated that external income will increase by £263,930, however internal income will fall by £64,170 giving a net increase in income of £199,760. This additional income will offset increased **employer's superannuation** and **utility costs** of £24,910 and £18,190 respectively.

The Department will make a contribution of £210,540 to the **efficiency programme** in 2009/10. Efficiency savings will be made as follows:

Efficiencies	£
Insurances	5,740
Personal Computers	1,820
Stationery	2,980
Budgetary Efficiencies	200,000
Total Departmental Efficiency Savings	210,540

Departmental efficiencies have been achieved through increased rental income following rent reviews on a number of units in the Council's industrial estates.

City Investment Fund

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 and £2.0m in 2009/10.

The Estimates presented for 2009/10 include an amount of £2.0m. However, economic conditions dictate flexibility in the use of this fund. For this reason I suggest that the fund be used for the following purposes as and when appropriate:

- As a resource for the City Investment Strategy
- As a resource for building up the Council's reserves as recommended by the Local Government Auditor
- As a contingency to safeguard against uncertainty in the current economic climate.

Corporate Thematic Priorities

As part of the corporate planning process Members and Chief Officers have identified a number of cross-cutting priorities which cannot be solely delivered within functional budgets. It is recommended that a corporate strategy budget is established to finance these cross cutting priorities. This budget will be managed by COMT and reported to the Strategic Policy and Resources Committee. A budget of £500,000 is included in the Estimates for this purpose.

The priority areas which will have access to this budget are:

- Safer Belfast
- Older People
- Younger People
- Invest to save
- Customer Strategy

Development Committee

A spending limit of £24,226,210 is recommended for the Development Department in respect of the financial year 2009/10. Excluding capital charges of £1,326,950 this represents an increase of £429,760 or 1.91% over last year.

The main budgetary intentions of the Department for 2009/10 are set out below:

	£
Economic Initiatives Section	7,227,010
Community Services	6,456,490
Waterfront Hall / Culture & Arts	5,249,110
Directorate	5,293,600
	<u>24,226,210</u>

The Department's increased budget of £429,760 provides for increased **employer's superannuation and utility costs** of £75,180 and £207,470 respectively.

The Department will also incur increased costs with the opening of the Ulster Hall and the new funding arrangements with DETI for Local Economic Development.

The **Ulster Hall** will be fully operational in 2009/10. This will increase the Departments expenditure by £751,150 but will be mostly offset with income of £574,300.

The first phase of the European Development Funding for **Local Economic Development** is complete. Under this arrangement 50% funding was from the European Union through DETI with the remaining 50% funding being provided by the Council. Under the new programme, with the change in priority areas, it is anticipated that income from DETI will fall to 40% leaving the Council bearing 60% of the cost of the programme. This funding change will result in additional costs of £180,000 in 2009/10 and may lead to further additional costs in subsequent years.

Members will recall that a budget of £400,000 was included in the 2008/09 estimates to support the **Tall Ships** event. A budget of £200,000 has been included in the 2009/10 estimates resulting in a reduction of £200,000.

Approval was also granted in 2008/09 to support the **World Irish Dancing Championships**. This budget will not be required in 2009/10 resulting in cost reductions of £100,000.

Costs associated with **Interreg** and **BERI** projects of £59,660 and £66,780 respectively have not been included in this year's estimate. These three year European funded projects, aimed at promoting best practice across Europe, are now complete.

Cost reductions have also been made in the **Policy and Research Unit**. As a result of work carried out by Business Improvement, the Policy and Research Unit is now structured to allow much of its work to be carried out internally. This will reduce its reliance on external consultants and as a result savings of £60,940 have been included in the 2009/10 estimates.

The Department will make a contribution of £163,840 to the **efficiency programme** in 2009/10. Efficiency savings will be made as follows:

Efficiencies	£
Insurances	65,300
Personal Computers	10,940
Stationery	11,290
Budgetary Efficiencies	76,310
Total Departmental Efficiency Savings	163,840

Departmental efficiencies will be made in employee costs as a result of reviews carried out by Business Improvement Section.

Parks and Leisure Committee

A spending limit of £33,020,230 is recommended for the Department in respect of the financial year 2009/10. Excluding capital charges of £3,721,420 this represents an increase of £2,030,730 or 7.45% over last year.

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

	£
Leisure Services	13,685,010
Parks and Cemetery Services	18,155,760
Directorate	1,179,460
	33,020,230

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

Increased costs of £251,710 must be borne by the Department in respect of **employer's superannuation**.

Utility costs for the department have increased by £745,270 which reflects increases in Oil, Electricity and Gas.

It is estimated that **Leisure Centre Income** will increase by £223,510 with the continuation of the BOOST means tested benefit system and the early opening scheme. The £18.2million multi-agency **Grove Wellbeing Centre** bringing wellbeing, fitness, health and lifelong learning under one roof will see its first full year of operation. 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. This has resulted in growth of £143,730 which is included in the estimate. It should be noted that the Department will not provide a budget for **Beechmount Leisure Centre** in 2009/10 following the decision by Council to close this facility - this results in savings of £221,630.

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**. A budget of £50,000 has

been included for the development of a **Parks & Leisure Strategy** for Belfast. The **Parks Improvement Plan** is an element of this overall plan which was outlined to the Parks and Leisure Committee on 13th September 2007. The management plans of several parks include a programme of **tree safety** for which a budget of £80,000 has been provided. A budget of £30,000 is included in the estimate to meet new legislative requirements regarding the health and **safety of headstones** within cemeteries.

The Parks Improvement Plan includes a range of operational reviews which have yet to reach a conclusion. No provision for this potential growth is included in this figure and a report setting out the recommendations will be brought to committee for approval at a later stage.

The Department will make a contribution of £230,640 to the **efficiency programme** in 2009/10. Efficiency savings will be made as follows:

Efficiencies	£
Insurances	188,630
Personal Computers	18,370
Stationery	23,640
Total Departmental Efficiency Savings	230,640

Health and Environmental Services Committee

A spending limit of £49,738,470 is recommended for the Department in respect of the financial year 2009/10. Excluding capital charges of £505,440 this represents an increase of £1,973,940 or 4.18% over last year.

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

	£
Environmental Health	8,112,230
Waste Management	19,051,600
Building Control	1,311,590
Cleansing	20,363,130
Directorate Support	899,920
	49,738,470

There are a number of areas where significant change has occurred from last year, these include increased costs of **£335,770** which must be borne by the Department in respect of **employer's superannuation**, however the impact of this increase on staffing costs has been reduced through savings in **overtime of £62,970** across the department.

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 step increases which were forecast to be incurred between 2006/10. Waste Management will incur significant additional costs for 2009/10, most notably **increased landfill tax costs of £800,000** in line with the £8 per tonne annual increase announced by the Chancellor of the Exchequer in the March 2007 Budget. Additional operational costs of £669,000 and £219,600 will also be incurred in relation to **in-vessel composting** and the **food waste pilot** respectively. However, the increased cost of in-vessel composting will be somewhat offset with the cessation of **windrow composting** resulting in a saving of £214,950.

Waste Management estimates allow for **Landfill Contract** cost reductions of £1,200,000 arising from reductions in forecast "waste arisings" and the reduction of employee costs to allow for savings due to staff turnover. Further savings of £438,260 have been included arising from new

tender exercises for **Recycling Centres and Civic Amenity Sites** contract costs. The savings generated have meant that despite the major increases in operational costs for Waste Management for 2009/10 the actual increase in the cost of the service has been limited to £113,720 representing an increase of 0.60% from 2008/09.

In addition to the normal increase on employee costs and other operational costs, **Cleansing Services** will incur additional **commercial waste disposal costs** of £104,060 during 2009/10 together with estimated increases in **fuel costs** of £363,000. However fees and charges income will increase by £254,650 and fleet leasing and maintenance will reduce by £420,830. Budgetary efficiencies of £300,000 relating to **segregated waste costs** and reduced allowance for **compensation claims** of £70,000 have also been included in the estimates which has meant that the overall increase in the cost of Cleansing Services is £485,200 representing an increase of 2.44%.

The **Environmental Health Service's** budget has increased by £628,480 representing an increase of 8.40%, and includes increased costs of £168,260 relating to the **Dog Control Service** and £150,000 of additional funding for the **Community Safety Wardens Service** which will allow the generation of additional matched funding, by external bodies, for the continuation of an integrated warden service.

The economic downturn is forecast to continue to have a major impact on the **Building Control Service**, with income, estimated to decrease by £879,700 during 2009/10 mainly due to the decline in plan and inspection fees. In response to this shortfall and the estimated inflation increases in staffing and operational costs, management of the Building Control Service have undertaken a critical review of service budgets. Savings in 2009/10 costs will be generated through the non filling of posts, implementing secondments and the reduction in supplies and services costs resulting in actual reductions in gross expenditure of £120,000 in 2009/10. These cost reductions will reduce the impact of falling plan and inspection fee income to the effect that the overall increase in the net cost of the Building Control Service for 2009/10 will amount to £759,550 increasing the net cost of the service from £552,040 in 2008/09 to £1,311,590 in 2009/10.

In addition to the savings outlined above, the Department will also make a contribution of £1,005,440 to the **efficiency programme** in 2009/10. Efficiency savings will be made as follows:

Efficiencies	£
Insurance	166,730
Personal Computers	26,120
Stationery	42,590
Budgetary Efficiencies	770,000
Total Departmental Efficiency Savings	1,005,440

Budgetary efficiencies have been made by reducing the Waste Management employees budget by £100,000, by reducing the Cleansing compensation claims budget by £70,000, by the removal of the Cleansing segregated waste budget of £300,000 and by reducing landfill contract costs by £300,000.

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 £30,450 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 2009/2010 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 February 2009 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.

APPENDIX 1

REVENUE ESTIMATES 2009/10

<u>Year Ending</u> <u>31/03/2009</u>	<u>Committee</u>	<u>Year Ending</u> <u>31/03/2010</u>	<u>Var</u> <u>£</u>	<u>Var</u>
15,364,330	STRATEGIC POLICY AND RESOURCES COMMITTEE	19,146,520	3,782,190	24.62%
5,590,580	Chief Executive's Department	5,680,850	90,270	1.61%
215,620	Legal Services Department	254,570	38,950	18.06%
10,406,690	Corporate Services Department	12,189,780	1,783,090	17.13%
(1,348,560)	Core Improvement Team	(1,478,680)	(130,120)	9.65%
(500,000)	Rent Reviews	0	500,000	
1,000,000	City Investment Fund	2,000,000	1,000,000	100.00%
0	Corporate Thematic Priorities	500,000	500,000	
23,796,450	DEVELOPMENT COMMITTEE	24,226,210	429,760	1.81%
30,989,430	PARKS AND LEISURE COMMITTEE	33,020,230	2,030,800	6.55%
47,764,590	HEALTH AND ENV. SERV. COMMITTEE	49,738,470	1,973,880	4.13%
31,400	TOWN PLANNING COMMITTEE	30,450	(950)	(3.03)%
117,946,200		126,161,880	8,215,680	6.97%
(4,518,050)	Less Adjustment for Capital Charges	(3,399,790)	1,118,260	(24.75)%
113,428,150		122,762,090	9,333,940	8.23%
(4,040,970)	Less GENERAL EXCHEQUER GRANT			
109,387,180				
(2,400,000)	Less ESTIMATED CREDIT BALANCE			
106,987,180				(a)
4,822,430	NOTIONAL PRODUCT OF 1p RATE			(b)
22.1853p	NON-DOM. RATE IN £ - Y/E 31/03/10			(c)=(a)/(b)
0.011449	CONVERSION FACTOR			(d)
0.2540p	DOMESTIC RATE IN £ - Y/E 31/03/10			(c)x(d)/100

**CHIEF EXECUTIVE'S DEPARTMENT
REVENUE ESTIMATES 2009/10**

	<u>£</u>	<u>£</u>
Estimate 2008/09		5,621,980
Efficiency Savings		
Insurances	(8,230)	
Personal Computers	(6,660)	
Stationery	<u>(5,960)</u>	(20,850)
Growth		
Peace III- Management Costs		429,180
Increased Costs		
Employer's Superannuation	76,250	
Corporate Communications – Advertising Manager's Post	41,000	
DPP	<u>21,420</u>	138,670
Reduced Costs		
Conferences and Approved visits	(24,340)	
Equipment Tools and Materials	<u>(17,750)</u>	(42,090)
Increased Income		
Peace III – Management Costs Grant		(429,180)
Normal Increase (eg pay awards / supplies and services)		13,590
Estimate 2009/10		5,711,300

*Includes Town Planning Budget of £30,450.

APPENDIX 2.2**CHIEF EXECUTIVE'S DEPARTMENT
MAIN ITEMS OF ESTIMATED EXPENDITURE 2009/10**

	Inc. Capital Charges	Exc. Capital Charges
	£	£
District Policing Partnership Board	147,100	147,100
Committee Services	816,200	812,500
Lord Mayor's Support	496,100	479,200
Members' Support	307,500	307,500
Members' Allowances	651,100	651,100
Members' Facilities	238,000	238,000
Ceremonial Occasions	186,000	186,000
Good Relations	603,400	591,900
Corporate Communications/ Publicity	1,032,800	1,032,800
Departmental Administrative Support	338,000	338,000
Records Management	121,500	121,500

**CORPORATE SERVICES DEPARTMENT
REVENUE ESTIMATES 2009/10**

	<u>£</u>	<u>£</u>
Estimate 2008/09		10,406,690
Efficiency Savings		
Insurances	(46,400)	
Personal Computers	(39,950)	
Stationery	<u>(41,090)</u>	(127,440)
Increased Costs		
Employer's Superannuation	222,970	
Utility Costs	178,320	
City Hall	739,550	
CTU	<u>249,110</u>	1,389,950
Cost Reductions		
Accommodation		(492,630)
Reduced Income		
ISB External Income	886,400	
BIS External Income	388,600	
BIS Internal Income	225,670	
Loss of District Fund Interest	<u>500,000</u>	2,000,670
Increased Income		
ISB Internal Income	(876,500)	
BIS – KPI's	<u>(474,230)</u>	(1,350,730)
Normal Increase (eg pay awards / supplies)		363,270
Estimate 2009/10		12,189,780

**CORPORATE SERVICES DEPARTMENT
MAIN ITEMS OF ESTIMATED EXPENDITURE 2009/10**

	Inc. Capital Charges	Exc. Capital Charges
	£	£
City Hall	968,300	968,300
Adelaide Exchange	1,433,400	1,433,400
Clarendon Dock	370,300	370,300
Cecil Ward Building	371,300	192,700
Linenhall Exchange	45,000	45,000
HR Strategy and Workforce Development Planning	529,200	529,200
Contributions to Specified Bodies	255,000	255,000
LGA Fees	110,000	110,000
Employment Support Scheme	132,000	132,000
Corporate Strategic Objectives	150,000	150,000
Interest on District Fund	(500,000)	(500,000)
Bank Charges	60,000	60,000
Pensions	1,900,000	1,900,000
Central Transactions Unit	742,000	742,000
IAG	800,000	800,000
Project & Corporate Systems	455,800	455,800

APPENDIX 4.1

**IMPROVEMENT DEPARTMENT
REVENUE ESTIMATES 2009/10**

	<u>£</u>	<u>£</u>
Estimate 2008/09		(1,348,560)
Efficiency Savings		
Insurances	(5,740)	
Personal Computers	(1,820)	
Stationery	(2,980)	
Departmental Efficiencies	<u>(200,000)</u>	(210,540)
Increased Costs		
Employer's Superannuation	24,910	
Utility Costs	<u>18,190</u>	43,100
Normal Increase (eg pay awards / supplies and services)		37,320
Estimate 2009/10		(1,478,680)

**IMPROVEMENT DEPARTMENT
MAIN ITEMS OF ESTIMATED EXPENDITURE 2009/10**

	Inc. Capital Charges	Exc. Capital Charges
	£	£
Core Improvement Operations	2,061,000	2,061,000
Estates Management	(3,906,100)	(3,909,300)
1. Bog Meadows £(2,700,600)		
2. Duncrue £ (731,000)		
3. Gas Works £ (723,000)		
Procurement	139,000	139,000
CIT Initiatives	55,000	55,000
Project Management	172,000	172,000

**DEVELOPMENT DEPARTMENT
REVENUE ESTIMATES 2009/10**

	<u>£</u>	<u>£</u>
Estimate 2008/09		23,796,450
Efficiency Savings		
Insurances	(65,300)	
Personal Computers	(10,940)	
Stationery	(11,290)	
Departmental Efficiencies	<u>(76,310)</u>	(163,840)
Increased Costs		
Utilities	207,470	
Employer's Superannuation	75,180	
Ulster Hall	751,150	
Local Economic Development	<u>180,000</u>	1,213,800
Cost Reductions		
Tall Ships	(200,000)	
World Irish	(100,000)	
Interreg	(59,660)	
BERI	(66,780)	
Policy and Research	<u>(60,940)</u>	(487,380)
Increased Income		
Ulster Hall		(574,300)
Normal Increase (eg pay awards / supplies and services)		441,450
<hr/> Estimate 2009/10 <hr/>		<hr/> 24,226,210 <hr/>

**DEVELOPMENT DEPARTMENT
MAIN ITEMS OF ESTIMATED EXPENDITURE 2009/10**

	Inc. Capital Charges	Exc. Capital Charges
	£	£
Community Services	6,456,500	6,044,900
Waterfront and Ulster Hall	3,632,600	2,715,500
Economic Initiatives		
Events	2,398,000	2,398,000
Tourism	2,393,600	2,393,600
Arts and Culture	1,616,500	1,616,500
Economic Development	1,207,200	1,207,200
Planning and Transport	467,600	467,600
North Foreshore	400,200	400,200
Markets – Operations and Management	362,400	364,100
Directorate		
Development Directorate	2,918,600	2,918,600
City Development	930,100	930,100
Policy and Research	648,000	648,000
SNAP	501,100	501,100
European Unit	295,800	295,800

APPENDIX 6.1

**PARKS AND LEISURE SERVICES DEPARTMENT
REVENUE ESTIMATES 2009/10**

	<u>£</u>	<u>£</u>
Estimate 2008/09		30,989,430
Efficiency Savings		
Insurances	(188,630)	
Personal Computers	(18,370)	
Stationery	<u>(23,640)</u>	(230,640)
Increased Costs		
Utility Costs	745,270	
Employers Superannuation	251,710	
Grove Wellbeing Centre	143,730	
P&L Strategy	50,000	
Tree Safety	80,000	
Headstone Safety	<u>30,000</u>	1,300,710
Savings		
Beechmount Leisure Centre		(221,630)
Increased Income		
Leisure Centres		(223,510)
Normal Increase (eg pay awards / supplies and services)		1,405,870
<hr/> Estimate 2009/10 <hr/>		<hr/> 33,020,230 <hr/>

**PARKS AND LEISURE DEPARTMENT
MAIN ITEMS OF ESTIMATED EXPENDITURE 2009/10**

	Inc. Capital Charges	Exc. Capital Charges
	£	£
Leisure		
Leisure Centres	11,774,700	9,194,400
Leisure Development	811,100	811,100
Parks and Cemeteries		
Parks and Open Spaces	6,708,800	6,543,600
Zoo	1,578,700	1,284,000
Playing Fields/ Recreation Grounds	1,298,800	875,200
Playgrounds	858,000	858,000
Landscape Planning and Development	786,200	786,200
Belfast Castle/ Malone House	692,400	500,900
Cemeteries and Crematorium	772,700	711,200
Conservation and Education	520,800	517,900
Directorate		
Anti Social Behaviour	300,000	300,000

**HEALTH AND ENVIRONMENTAL SERVICES DEPARTMENT
REVENUE ESTIMATES 2009/10**

	<u>£</u>	<u>£</u>
Estimate 2008/09		47,764,590
Efficiency Savings		
Insurances	(166,730)	
Personal Computers	(26,120)	
Stationery	(42,590)	
Cleansing	(370,000)	
Waste Management – Employee Costs	(100,000)	
Landfill Contract	(1,100,000)	
Landfill Contract - Tax	<u>800,000</u>	(1,005,440)
Increased Costs		
Fuel	363,000	
In-vessel Composting	669,000	
Employer's Superannuation	335,770	
Commercial Waste Disposal	<u>104,060</u>	1,471,830
Growth		
Community Safety Wardens	150,000	
Dog Control	168,260	
Food Waste Pilot	<u>219,600</u>	537,860
Cost Reductions		
Windrow Composting	(214,950)	
Building Control	(120,000)	
Recycling Centre & CAS Contracts	(438,260)	
Fleet Leasing and Maintenance	(420,830)	
Overtime	<u>(62,970)</u>	(1,257,010)
Increased Income		
Cleansing Fees & Charges		(254,650)
Reduced Income		
Building Control		879,700
Normal Increase (eg pay awards / supplies and services)		1,601,590
Estimate 2009/10		49,738,470

APPENDIX 7.2**HEALTH AND ENVIRONMENTAL SERVICES DEPARTMENT
MAIN ITEMS OF ESTIMATED EXPENDITURE 2009/10**

	Inc. Capital Charges £	Exc. Capital Charges £
Environmental Health	8,112,200	8,097,100
Waste Management	19,051,600	18,622,300
Building Control	1,311,600	1,311,600
Cleansing	20,363,200	20,301,600