

Appendix 1 _BCC Response to Departmental Budget Plans 2011 - 2012

Summary of issues by Department

Department for Culture, Arts and Leisure (DCAL)

DCAL are expected to deliver a budget reduction in current expenditure of 9% in the period 2011/12 to 2014/15 (13% in real terms considering inflation).

The main positives surround the allocation of £6m to deliver the World Police and Fire Games on behalf of the NI Executive and a further investment of £4m in Creative Industries and the £110m capital allocation for stadia.

Consideration was also given to projected potential increases in lottery funding for Sport and Arts over the four year period. In consequence a decision has been taken to offer some level of protection to Libraries NI and to National Museums Northern Ireland.

The proposed allocations for capital investment in the years 2011-12 to 2013-14 provide funding to allow the Department to meet its contractual commitments. This will include investment to complete important projects already underway including the 50 Metre Pool, the Metropolitan Arts Centre and a number of projects in sport, museums and arts.

Work can now also progress to address regional stadium needs in sport. In addition support will be provided to sports initiatives that give rise to increased participation at a community level and target under-represented groups. Funding will also be provided to meet some pressing statutory, health and safety and essential maintenance requirements in different sectors. Investment will be made to complete the important library projects in the Belfast area already underway. It is also planned to invest in the necessary replacement of the libraries operating system, in essential maintenance and in four new mobile libraries.

However there is no money for the Central Library project in this funding round.

The Council supports...

The £4m investment in Creative Industries

The £110m being made available for stadia

The allocation of £6m to deliver the World Police and Fire Games on behalf of the NI Executive

That work can now progress to address regional stadium needs in sport. In addition support will be provided to sports initiatives that give rise to increased participation at a community level and target under-represented groups.

Investment will be made to complete the important library projects in the Belfast area already underway. It is also planned to invest in the necessary replacement of the libraries operating system, in essential maintenance and in four new mobile libraries.

The Council is concerned about...

The proposed overall reduction in DCAL capital funding

The failure to mention Central Library specifically and would seek reassurances on the funding provision for the planned restoration work

The failure to mention the Lagan Corridor project

The reduction in Capital Investment in arts to £50k per annum

Department of Environment (DOE)

DOE are expected to deliver a budget reduction in current expenditure of 6% in the period 2011/12 to 2014/15 (13% in real terms considering inflation).

The Department of the Environment will seek to deliver recurring annual savings of some **£15.4 million from next year onwards** following publication of the Executive's draft Budget proposals. In 2011-12, this amount comprises of £3.8 million reflecting the savings flowing from the Executive's decision to reallocate to higher priority areas of expenditure, £6 million to make good the continuing consequences of the fall in planning income, £1.6 million to meet additional civil service pay costs and £4 million to fund a number of environmental programmes.

In addition to these amounts, the Department will also seek to manage the implications of the reallocation of £4 million from its baseline to support the Green New Deal, with this sum to be replaced by income from a new plastic bag levy. As a consequence of the uncertainty in relation to the level of planning income over the Budget period and the pace at which the redeployment of staff will occur, and hence savings delivered, it will be necessary to refine the savings proposals over the Budget period.

In Budget 2008, the Executive allocated some £200 million of capital support to the three local government Waste Management projects (total capital expenditure estimated at £600 million). This capital was to be made available during the Budget period 2008-11 to offset the costs of the procurements on ratepayers. The Strategic Waste Infrastructure Fund (SWIF) had been intended to fund three categories of expenditure, namely: up-front project development costs (i.e. costs relating to financial, legal, technical and communications); some site purchase costs; and capital funding ('bullet' payments) to offset the cost of financing the projects.

As the projects are currently in the procurement phase, much of the expenditure to date has been on the project development for which the Department has provided 100% funding, amounting to some £7.7 million to date.

The Executive's proposed capital investment allocations to the Department in future years (totalling £23.6 million) will significantly constrain the Department's capacity to provide capital support for the strategic waste and other programmes in future years.

The Council supports...

The **Re-think Waste Fund (£9.3m over 4 years)** - BCC is supportive of this fund which is aimed at improving recycling and re-use. It will be extremely important to support investment in the infrastructure and services required to meet the ever increasing recycling targets being set by the Minister. However in 2010/11, the considerable time constraints on capital spend set by the Department severely restricted local governments ability to spend this money within the required period. BCC appeals for a review of the criteria and spending requirements.

The Council is concerned about...

The **removal of the £200m capital allocation for strategic waste infrastructure** – this represents an extremely disappointing increase in waste disposal costs to ratepayers in the future. The arc21 procurement process for residual waste treatment facilities is well underway and as with all PFI financed major capital schemes it was known that it would take a number of years to complete the procurement stage of the process. Waste disposal is a regional issue and BCC would argue that the DOE has a responsibility with local government to ensure long term affordable and sustainable treatment facilities are made available in Northern Ireland. Therefore it is extremely disappointing that the capital funding for site and facilities will not be available over the period of this budget.

The cut in the **resources grant to local councils** by £1.2m. ~~This again will increase costs to ratepayers. However it should be noted that BCC do not receive resource grant support and will not be affected by this.~~

The reduction in the **Emergency Planning Grant (reduction from £450,000 to £200,000)**. The impact of this reduction on local government will be significant and will reduce its ability to plan for and respond to local emergencies. BCC currently receives £60,000 of this money to part fund a member of staff, equipment, etc. Moreover Belfast Resilience which has proven

to be invaluable in ensuring an effective response to emergencies in the city will no longer receive any funding for its programme manager – currently £50,000. It is noteworthy that at a time when the NI Executive are investigating more robust resilience arrangements, funding for successful resilience arrangements is being removed. This needs to be highlighted with DOE, DFP and OFMDFM. BCC urges the Department to maintain the current level of funding and in particular to maintain support for Belfast Resilience and other local government structures, particularly in light of the recent response of local government to the severe weather crisis

Air Quality grants – the draft budget states that these are to be reduced from the current level of 100% funding. However, it does not specify by how much this will be reduced and this needs to be clarified. It is likely that this will impact on the level of air quality work which the Council will be able to undertake. This is significant in the Belfast context as it has relatively high levels of traffic related pollution and has declared 4 Air Quality Management Areas.

Services Financed through the new levy on plastic bags (suspended until income realised) – The environmental programmes suspended which could have an impact on district councils are:

Environmental noise

Flytipping. The issue of enforcement demarcation in respect of fly tipping has been unclear for some years. However the Department is currently consulting on a fly tipping protocol which will clarify this. If this area of work is suspended, it will lead to considerable further frustration to local people whose neighbourhoods are blighted by these problems.

Planning costs – Clearly the impact of a further net reduction £6m due to continued falling income will continue to raise issues regarding the level of resource which will be passed to Local Government when transfer takes place. BCC would call on the Department to ensure that sufficient expertise is maintained.

Clean neighbourhoods – BCC would request that the additional costs to Councils with enforcing this important piece of new legislation is considered within this budget.

Department of Enterprise, Trade and Investment (DETI)

In summary, DETI current expenditure in 2014/15 will reduce in real terms by 6.1% when compared to the 2010/11 position, while Capital investment will reduce by 63.9%.

In addition, Invest NI, which historically consumes approximately 65% of the DETI budget, will bring forward into the budget period a record level of financial commitments for unclaimed grant expenditure that will require to be funded prior to budget being made available for new activity. At the end of the 2009/10 financial year this amounted to £272 million, and which reflected an increase of £78 million on the 2008/09 level.

The proposed budget reduction and the need to fund a significantly higher brought forward commitment than has generally been the norm over recent times will create a significant challenge for DETI and will necessitate an increased need for the prioritization of its resources to maximise economic impact. An inevitable consequence is that in some cases good projects will not be able to be supported unless additional funding is made available to DETI.

The Council supports...

The proposed £5m investment in the Paint Hall

The Council is concerned that...

No capital funding is being provided to further develop existing business parks e.g.

Springvale or to support business accommodation projects by third parties

Inward investment may be lost due to the inability to financially support some good projects.

There is no capital provision for exhibition or conference facilities.

There is no specific additional funding for NITB for 2012 events.

The NITB Budget is to reduce by 17% over the period.

Grants will inevitably be reduced for tourism schemes impacting upon the Councils ability to deliver its tourism framework and will impact BVCB.

[A strong political case needs to be made for funding for events in the period 2011/12/13 for Belfast, Derry/Londonderry and Northern Ireland 2012 and the Committee needs to politically lobby at DETI, OFMDFM and DFP levels.](#)

Department for Regional Development (DRD)

The Draft Budget allocations will help DRD to continue to improve elements of our roads, transport and water infrastructure. They would also allow DRD to continue to fund the majority of our existing programmes including concessionary fares across DRD, albeit at a much reduced level.

The Draft Budget allocations would provide capital investment to DRD of almost £2 billion over the Budget 2010 period. This includes over £1.1 billion for roads, around £185 million for public transport and over £665 million for water and sewerage services.

However whilst Roads Service has a significant allocation, around £790 million (or 70% of it) is tied up in two major road schemes – the A5 between Derry and Aughnacloy and the A8 between Belfast and Larne. The overall reduction of 40% in the Executive's Spending Review settlement, and the scale of these schemes, means that there are no allocations to commence construction on other major roads schemes such as:

the A6 Randalstown to Castledawson;

the A2 Greenisland;

the York Street Flyover; and

the Sydenham Bypass Widening.

In addition there will be significant reductions in other capital improvement programmes such as walking and cycling, traffic calming, collision remedial, traffic management measures, local safety improvements and bridge strengthening. The impact will be particularly severe in 2012-13 and 2013-14.

This funding of the A5 and A8 also reduces the available funding for the transport and water and sewerage programmes, and there is no funding for the Knockmore to Lurgan track

replacement or to fund the Utility Regulator's recommended capital funding level in 2012-13.

As part of the Draft Budget the Executive signalled its intent to continue to focus on additional revenue raising methods. If, over the course of the budget period, additional funding became available to DRD as a consequence of such methods then the Department would seek to allocate funding to valuable projects which are currently unfunded, such as the Knockmore to Lurgan rail track improvement project, major roads schemes, and further funding to meet the current investment shortfall for water and sewerage infrastructure

The Council supports...

DRD investment in a number of sustainable transport initiatives - electric vehicle charging infrastructure, the 'Belfast on the Move' proposals, and some other bus priority measures

The Council is concerned that...

There are no allocations for York Street Flyover or the Sydenham Bypass Widening schemes.

There are significant reductions in walking and cycling schemes.

Funding is available for only the development of the Belfast Rapid Transport scheme and not the implementation.

Department for Social Development (DSD)

The DSD Minister has decided that there must be no reduction in vital programmes which target the most vulnerable households, including revenue and capital programmes to address fuel poverty (Warm Homes), supported housing (Supporting People), new build housing, and disadvantaged communities (Neighbourhood Renewal).

In protecting funding for these priorities, it will be important that steps are taken to achieve reductions in administration expenditure, such as consultancy, travel, corporate services, and identify opportunities for sharing services etc, which do not impact on the delivery of services to the public.

Also, redesigning delivery models in social security and child maintenance to improve levels of customer service further is considered a continuing long-term priority. Finally, seeking to protect investment in Neighbourhood Renewal, Public Realm and Voluntary and Community Services will help those most in need at this time of economic difficulty.

The Council supports...

The DSD commitment that there will be no reduction in vital programmes which target the most vulnerable households, including revenue and capital programmes to address fuel poverty (Warm Homes), supported housing (Supporting People), new build housing, and disadvantaged communities (Neighbourhood Renewal).

The Council is concerned about...

The lack of clarity with regards to part funded capital projects such as:

Woodvale and Dunville Parks and the potential therein to not only secure built and natural heritage but also to deliver across a number of key government priorities including community safety, health and well-being and prosperity. We strongly recommend that the DSD urban regeneration capital budget prioritises these 2 investments in the city.

Girdwood site infrastructure. EU funding decision on the community/leisure hub is pending on the decision of the Department to proceed with the necessary infrastructure and overall master plan. There is community and political appetite to secure significant investment in the site, which has potential for an enormous catalytic effect on the broader regeneration of North Belfast. It would be a missed opportunity for the city if the DSD capital budget did not prioritise Girdwood. In turn, we commit to play our part in the realisation of the master plan.

Public Realm Improvement in City Centre

More clarity is required on whether funding is available for Phase II of the Public Realm Scheme for the City Centre.

Department of Finance and Personnel (DFP)

The cash increase in the department's current expenditure baseline in 2011-12 and 2012-13 in particular, will allow the department to deliver Census 2011, for which the department had sought additional funding of **£2.1m** in 2011-12 and provide additional funding of **£5m** to the Land and Property Services agency in each year to support the collection of over £980m per annum in rates revenue. However, the impact of inflation at some 2% per annum effectively means that by 2012-13 the department is facing a real-terms reduction in its baseline of some **£3.2m**.

The cash reductions in 2013-14 and 2014-15 will present challenges for the department as it seeks to maintain the delivery of essential shared services on behalf of the wider Northern Ireland Civil Service (NICS) and other public bodies, and maintain frontline service delivery in the Land and Property Services agency and the Northern Ireland Statistics and Research Agency.

The proposed allocations for capital investment in the years 2011-12 to 2013-14 represent the minimum funding necessary to allow the department to meet its contractual commitments and maintain an acceptable level of service delivery. The department will seek to manage the proposed capital investment allocations flexibly in light of emerging issues, and seek to maximise the benefits from its capital investment. The department holds the funding for the government office estate which it manages on behalf of the wider NICS. The proposed allocations in these years clearly limit the extent to which the department can make significant improvements in this area.

However, the increased capital investment allocation in 2014-15 would allow the department to plan and implement some major investment in the office estate. In order to take forward such an increase in investment in the final year of the Budget, careful planning will be required to ensure that necessary preliminary work is both adequately funded and completed.

[In addition we need to highlight to DFP the need for special case funding for 2011-13 world scale events.](#)

The Council supports...

The additional LPS revenue funding towards maximising rates revenue collection for Councils.

The additional LPS capital funding to maintain existing services including IT systems which assist in the rates collection process.

The Council is concerned with...

The proposed discontinuation of the Central Energy Efficiency Fund (CEEF) - which supported energy efficiency projects within buildings occupied by public sector bodies in Northern Ireland, for example, local councils.

The Office of the First Minister and Deputy First Minister (OFMDFM)

Growing the economy, tackling disadvantage, protecting the most vulnerable, promoting employment, delivering efficient and effective public services and investing in the future

remains a key priority for the Executive and for OFMDFM in the Budget 2010 period.

OFMDFM will continue to support and co-ordinate the Executive on the local response to the economic downturn, and its associated social impacts, and will support Ministers in their plans for economic growth, tackling disadvantage and building a recovery

Regeneration activity sponsored by OFMDFM in the Budget 2010 period will focus on the continued regeneration work at Maze Long Kesh, Ebrington Barracks, and Crumlin Road Gaol.

Creating opportunities and tackling disadvantage is key priority for OFMDFM in the 2011 to 2015 period. OFMDFM will develop and deliver a Social Investment Programme to promote prosperity, employment and sustainability in partnership with other Government departments, organisations and disadvantaged communities. OFMDFM will also bring forward a Social Protection Fund to specifically target those who are vulnerable in recognition that the current climate will impact negatively on many of our most disadvantaged citizens.

Cohesion, Sharing and Integration has been the subject of extensive consultation in 2010. OFMDFM will bring forward for Executive consideration a finalised CSI programme. CSI will be led by OFMDFM and the programme may include the priority areas of Interfaces and Contested Spaces, Supporting Young People at risk of violence, Respecting Cultures and Tackling Hate Crime.

The work in support of the Ministerial Sub-Committee for **Children and Young People** will continue to place children and young people at the heart of government's agenda and improve the integration of policy and service delivery on cross-cutting issues. The establishment of a **Commissioner for Older People** will provide a voice for older people and make a difference to their daily lives by influencing policy, challenging service delivery, and raising awareness of the needs of older people and the positive contribution that older people make to our society.

Savings

The Department has a formal target to deliver savings of £3.8 million, £6.9 million, £10.3m and £13.8 million respectively over the period 2011-15. The Department has developed a series of savings plans to deliver these savings, and to provide additional spending capacity for priority programmes within the constraints of the Draft Budget 2010 allocations for OFMDFM.

The significant constraints on capital spend across the Budget 2010 period will have a corresponding impact on the number of capital projects to be taken forward by departments, and the corresponding level of support to be provided by the **Strategic Investment Board**. In that context, the SIB budget will be reduced by £1.9m.

OFMDFM's **EU funding** across the Budget 2010 period will increase by £48m in comparison to funding levels in the Budget 2008-11 period. Additional funding of £29.7m has been secured under Priority 1 of Peace III, *Reconciling Communities*, and an additional £16.9m has been secured under Priority 2, *Contributing to a Shared Society*. This additional spending capacity will be focused on the needs of victims and survivors, and on good relations programmes. In addition, the Executive's new Social Investment Fund will provide an additional £20m per annum to support Executive projects to tackle disadvantage.

Ministers are considering the options for any future constitution of the **Civic Forum**. However, we anticipate delivering savings of at least £0.3m per annum.

OFMDFM will reduce spend on **Play Policy** by £0.55m per annum in the 2011-15 period. Work on the Play Implementation Plan is nearing completion, and spend during the Budget 2008-11 period has focused on building capacity and setting up structures for the planning and delivery of the play at local level. The proposed reductions will not give rise to any adverse impact due to the increased capacity within the sector, and the advanced status of the Play Implementation Plan.

The Council supports...

Further engagement to secure a Peace IV Programme

The proposed £2.8m investment in Crumlin Road Jail

The creation of a new Social Investment Programme for deprived areas.

The Council welcomes the commitment to tackle the complex problems of disadvantage in those neighbourhoods located at the interface. We would advocate that this work is tied to emerging models on community planning that is likely to be led by the Council. It is critical for these programmes to minimise duplication and maximise complementarity with Council-led services and initiatives, such as community development and community safety. As we move towards local area planning, we need to collectively design synchronised services and programmes, maximising the social outcomes for the city from the public purse, and ensure funding streams from across Government and the city are integrated for the common good.

The Council is concerned with...

The proposal to reduce spend on Play Policy by £0.55m per annum over the 4 year period.

Department of Employment and Learning (DEL)

The Department faces a number of key issues and challenges over the Budget 2010 period.

DEL's cash funding is reduced by £53m over the Budget 2010 period, increasing to a reduction of over £124m when inflation at 2% pa is included. These reductions exclude the pressures being exerted on the Department's budget in its response to the economic downturn, and from the increase in the numbers unemployed, welfare reform, higher demand for student support and cessation of funding for innovation and research.

When these are taken into account the Department has a funding deficit of £40m and £31m in years 20011-12 and 2012-13 respectively after delivering savings of £40/72/108/144m across the four years of the budget settlement period. This reduction in funding and the deficit above is impacting at a time when DEL's services are most needed to assist increasing numbers of unemployed adults back to work, to support our young people to improve their skills and find work and to help industry to climb out of the downturn through improving its skills base.

The Department's plans seek to protect capacity in these essential services as far as possible but as a result of the budget settlement DEL will struggle to deliver parity in our services to the unemployed with the rest of the UK.

The Council is concerned with...

The overall funding deficit of £40m which may have a negative impact on the city's competitiveness

The adverse impact this deficit will have on both employment and skills funding

The impact on the implementation of the Skills Strategy which may lead to reduced support to the skills development of young people in Belfast

Department of Agriculture and Rural Development (DARD)

The proposed allocations include Executive allocations of £9.5m in 2011/12 and £9.0m in 2012/13 to enable DARD to complete the Land Parcel Identification System (LPIS) project which will help mitigate the threat of future disallowance from Europe in respect of the area based support schemes.

The cash reductions in 2013/14 and 2014/15 will present challenges as DARD seek to maintain the delivery of priority services. DARD will revise the NI Rural Development Programme's Public Expenditure (PE) and European funding co-financing rates to optimise the funding from Europe and enable the Programme's PE requirement to be met within available current expenditure baselines.

The proposed allocations for capital investment pose major challenges for DARD as they seek to balance the competing priorities of investment in capital infrastructure/equipment and capital grants to the rural, agri-food and fishing sectors. However, the increased allocation in 2014/15 would allow DARD to reserve an allocation to progress consideration of the relocation of DARD Headquarters outside the Greater Belfast area, enhancing the quality and availability of public sector jobs in rural communities. The 2013/14 and 2014/15 allocations would also provide part funding for DARD to progress a replacement for the animal traceability IT system, which helps to support the agri-food industry's ability to trade and the control of animal disease.

The Council supports...

Additional funding for Floods Directive (£0.2m/£0.4m/£0.5m/£0.4m). DARD will continue to implement the Floods Directive taking on new responsibilities for reservoir safety, coastal erosion and sustainable urban drainage systems.

The Council is concerned with...

The lack of a guarantee on funding for Connswater Community Greenway flood alleviation measures.

Department of Justice (DOJ)

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The draft produced is so high level and does not contain explanations or comparisons with the current levels of expenditure and therefore it is impossible to comment in any meaningful way.

The Council is concerned that...

In respect of Policing and community safety partnerships and arms length bodies - it would appear that the DOJ intends to make increasing levels of savings from £3.5m in 2011/12 to 6.2 m in 14/15. Whilst there is no explanation, it should be pointed out that the Department did say that merging the CSPs and DPP was not a cost saving exercise and BCC has always called for any savings which are made from merging the partnerships to be re-invested in front line services.

It is clear however that the DOJ intend to stop paying individual allowances to members of DPPs.

Department of Education (DE)

The Department intends to reduce spending in the following areas to achieve the additional resource savings that would be required over the Budget 2010 period in order to live within budget:

- Home to School Transport
- ICT in Schools
- Reclassify £41m of Capital monies in 2011/12 as Resource.
- Professional Support for Schools
- The Entitlement Framework
- Access NI Costs
- Capacity-Building in Mainstream Schools
- School Meals
- Administration and Management (within DE and our Arm's Length Bodies)
- Procurement: Goods, Services and Energy
- Teacher Substitution
- GTCNI
- RPA Institutions
- Transfer Primary School Interviews

The Aggregated Schools Budget

The Council would be concerned that...

the reduction in spending in the areas above will have a negative impact on the educational well being of the young people in Belfast.

It also appears there is very limited capital means of investment in new school projects in the city.

Department of Health Social Services and Public Safety (DHSSPS)

On the basis of the proposed allocation for DHSSPS the extent of shortfall against assessed need by 2014-15 is more than £800 million (15%). This presents a significant and real challenge for the Department to deliver effective Health, Social Care and Public Safety services in a way that ensures the most effective use of all available resources and effective service delivery across all areas in the context of increased demand across services and the fastest growing and ageing population in the United Kingdom.

The proposed allocation for DHSSPS will require significant change to the nature and extent of delivery of Health, Social Care and Public Safety services in Northern Ireland and it will take time to develop proposals that will allow these changes to be taken forward in a planned and manageable way.

The current profile across the Budget period presents an immediate challenge in relation to 2011-12 and a compelling need to control cash expenditure within a very tight timescale. The proposed allocations provides for a 1% uplift in 2011-12 against inflation of around 2%. This means there is a real terms decrease of 1% (almost £45 million). Consequently decisions will reflect this necessity and will mean that many of the following could occur:

- Restricted access to community care;
- Closures of beds;
- Hospital Beds will get blocked;
- Waiting lists will extend, both for hospital and community services;
- No ability to implement NICE Guidance;
- Reduction in grants to the voluntary sector;
- No new patients on high cost drugs;
- Jobs will be lost - c. 4000;
- A moratorium in employment;
- Cash control on necessary agency and locum spend leading to unplanned closure;
- New buildings currently in construction left unopened;
- Co-payments;

- Downgrading of fire stations; and
- Reduced service levels.

The Department's strategy for delivering the necessary reductions in expenditure will focus on:

- improvements in productivity;
- reviewing administrative costs;
- reconfiguration of HSC services;
- bearing down on pay and price inflation; and
- seeking greater contributions from service users.

The Council would welcome...

That the Department seeks every opportunity to reprofile funding and maximise resource availability. The Council would emphasise the importance of partnership working between statutory agencies in support of this.

[It is the Council's view that a significant focus in terms of investment is needed in dealing with the health inequalities that exist in Northern Ireland, which are particularly prevalent in Belfast.](#)

The Council looks forward to working with the Belfast Trust and the Public Health [Agency](#) through the Belfast Health Development Unit in support of a collaborative and efficient approach to [dealing with the health inequalities which exist. However this will require a change in how each of the organisations plan and deploy resources. This needs to be considered in the outworkings of the budgeting process.](#)