



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Update on NI Budget 2011 – 2015
Date:	18 th March 2011
Reporting Officer:	P McNaney, Chief Executive
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Purpose of the report

1. The purpose of this report is to present Members with an update on the key elements of the Assembly's Final Agreed Budget for the period 2011 – 2015.

Background

2. The initial draft Budget and individual NICS Departmental Spending plans 2011 – 2015 were issued for consultation by the Department of Finance and Personnel in December 2010. Members received a report on the 4th February (**see appendix 1**) summarising the issues arising out of the various departmental spending plans which could have an impact upon the work of the Council.

3. The Council provided a written response where appropriate to each of the individual spending plans on the 16th February 2011.

4. The Finance Minister made a statement on the Final Draft Budget on the 4th March 2011 (**see Appendix 2**) in which he presented revised spending allocations providing an extra £450million for key services over the initial budget position presented in December.

5. The revised Final Draft Budget position was passed by the Assembly on the 9th March 2011 by 67 votes to 31.

6. A summary of the revisions made to the budget are listed below for Members information.

Headline revisions

- £120million for Health;
- £154million for Education;
- £51million for Employment and Learning; and
- £107million for Regional Development.

Summary of budget allocation revisions

Health

- DHSSPS are to receive an additional contribution of £120million to over the 2011-15 period.
- The Finance Minister has permitted an internal reclassification that generates a further £69 million of genuine spending power for the department.
- Defers final judgment on the position for DHSSPS until work being carried out by the Performance and Efficiency Delivery Unit (PEDU) is concluded.

Economy

- Over £250 million has been transferred from current expenditure to capital investment.
- The Finance Minister will bring forward proposals to significantly extend the small business rate relief scheme – effectively doubling the current position of reliefs.
- The Minister has announced plans to consult on the proposal to cross subsidise the small business rate relief scheme by applying a levy to large retail properties, including major out of town shopping developments.

Education

- An additional £114 million current expenditure has been added to the Draft Budget provision
- A further £40million has been allocated for capital investment.

Employment and Learning

- The Executive have agreed to make a further £51million available in current expenditure.

Justice

- The Department of Justice to receive an additional £200 million which has been negotiated with the UK Government over the Budget period.

Belfast Port

- Belfast Port to make £20 million per annum available to the Regional Development Minister year three and four of the Budget.
- Executive to provide £5 million towards the development of the Paint Hall in the Harbour Estate. Originally, this funding was to come from Belfast Port.

Libraries and Arts funding

- DCAL has been given additional funding for local libraries and the arts sector for the 2011-15 period in recognition of the representations made during the consultation exercise.
- The Arts sector are to receive an additional £700,000 in year one and £950,000 for the following three years.

Stadia Issue

- The budget confirmed that the £110 million allocated to the three stadiums — Casement Park, Ravenhill and Windsor Park — has been rephased to take place over 6 years as opposed to 4 years. This should enable work on those projects to start sooner.
- The Executive is expected to approve the package for Sports Stadiums on Friday 11th March – with the expected breakdown being £61.4m for Casement, £25.2m for Windsor and £14.7m for Ravenhill.
- An additional £36m for Irish League soccer grounds will be given by the Executive when money becomes available – this may be 4 years away.

Rates Relief

- A levy is to be imposed on large out-of-town shopping developments to subsidise extra rates relief for small businesses.

Childcare Strategy

- About £3m a year to go towards providing support for a childcare strategy which will reduce barriers to employment for parents.

Enterprise, Trade and Investment

- The Department of Enterprise, Trade and Investment (DETI) to receive an additional £2million in current expenditure.

Impact on the Council's activity

7. The Council welcomes the additional £450m funding which has been provided for key services in the revised Budget. However, it should be noted that many of the Council's key concerns (outlined below) remain.

- Removal of £200m capital allocation for strategic waste infrastructure
- Emergency Planning Grant (reduction £200,000)
- A reduction in DCAL capital funding
- The impact of DEL funding deficit on competitiveness in the city
- No capital provision for exhibition or conference facilities
- No capital funding for the further development of existing business parks
- No specific addition to NITB for 2012 events
- NITB budget to reduce by 17% over the 4 year period

- No allocation for York Street Flyover or Sydenham Bypass widening
- Significant reduction in walking and cycling schemes
- £0.55m reduction in Play Policy Implementation
- DSD budget reductions in neighbourhood renewal
- Lack of clarity around DSD capital spend in Belfast
- Lack of clarity regarding part funded capital projects

8. The Council will need to ensure that an appropriate resourcing strategy and medium term financial plan is developed to enable the Council to meet the challenges which this budget will present for the city over the next 4 years.

Recommendation

9. Members are asked to note the summary of budget allocation revisions as set out at point 6 of the report and the Final Budget Statement made by the Minister on 4th March attached at Appendix 2.