

Title of Report:	Report by the Chief Financial Officer on the 2023/24 estimates
Committee Report Submitted To:	Council
Date of Meeting:	9 February 2023
For Decision or For Information	

Linkage to Council Strategy (2021-25)	
Strategic Theme	Cohesive Leadership
Outcome	Council has agreed policies and procedures and decision making is consistent with them.
Lead Officer	Chief Financial Officer

Budgetary Considerations	
Cost of Proposal	Annual Estimates
Included in Current Year Estimates	YES/NO
Capital/Revenue	
Code	
Staffing Costs	

Screening Requirements	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
Section 75 Screening	Screening Completed:	Yes/No	Date:
	EQIA Required and Completed:	Yes/No	Date:
Rural Needs Assessment (RNA)	Screening Completed	Yes/No	Date:
	RNA Required and Completed:	Yes/No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	Yes/No	Date:
	DPIA Required and Completed:	Yes/No	Date:

1.0 Purpose of the report

1.1 To provide Members with an update in relation to the robustness of the 2023/24 Rate estimates.

2.0 Background

2.1 This report is prepared to facilitate Council's duty under Section 4 of the Local Government Finance Act (Northern Ireland) 2011 which states:

(1) The chief financial officer of a council shall submit to the council a report on the robustness of the estimates.

(2) A council shall have regard to that report when considering the estimates under section 3(2)(a).

(3) In this section "the estimates" means the estimates submitted to the council under section 3(1).

3.0 Report of the Chief Finance Officer on the 2023/24 estimates

3.1 The 2023/24 Rate estimates have been prepared, in so far as possible, on a zero-base basis. This is generally accepted as a more robust method of preparing budgets than the more usual practice of incremental based budgeting.

3.2 The amounts included within the Rate estimates have been prepared based on extensive discussions with the relevant Directors and associated budget holders and have regard to the officers' best estimates of known financial pressures and the resource requirements of continuing to deliver Council services in 2023/24.

3.3 The recommended rate estimates expressly provide for the:

- Annual pay award of £1,925 per full time employee ;
- Increased utility (Gas, electricity, water) costs
- Capital financing costs of approximately £9.2m

3.4 Uncertainties

3.4.1 As in all budget estimate processes, senior officers have utilised their professional judgment where appropriate and had regard to market forces in so far as it has been practicable to do so.

3.4.2 The estimation of future financial requirements has also had regard to the projected financial outturn in 2022/23 and the desire to utilise prior period surpluses, where possible, to deliver outcomes in the Borough as agreed with Council.

- 3.4.3 Members should note that the proposed estimates have been prepared on the basis of assumptions and information provided to Council by third parties such as the Department for Communities and Land and Property Services previously notified to the Council.
- 3.4.4 Members will be aware of the continuing uncertainty surrounding the quantum of Rate Support Grant (RSG) which will ultimately be allocated to Council. As previously reported both the Departmental allocation to this grant and Council's allocation of the grant have reduced meaning the projected income from this source has reduced from £2,124,324 to £610,402.
- 3.4.5 The on-going situation with regards the worldwide pandemic recovery and the more recent inflationary increases continue to disrupt all facets of daily life including the local economy. It is too early to be able to project the long-term effects this will have but the potential remains high for a longer-term adverse effect on the local economy and consequently the non-domestic rates base in this Borough. These effects have been offset by Central Government support in 2021/22 which has been set aside in the Financial Recovery Reserve but Council will need to be careful in its use of these reserves as ultimately it is a finite resource.

4.0 Conclusion

- 4.1 Subject to the ongoing inflationary pressures and on the assumption that Council approves rate estimates which make provision for the cost pressures as set out in 3.3 above I am satisfied that the recommended rate estimates as presented are sufficiently robust to allow Council to deliver all its services in 2023/24.