

TITLE OF REPORT Report by the Chief Financial Officer on the 2018/19 estimates	DATE 8 February 2018
To Council	

Linkage to Council Strategy (2015-19)	
Strategic Theme	All themes
Outcome	Striking the Rate
Lead Officer	David Jackson
Cost: (If applicable)	Rates Estimates

Report by the Chief Financial Officer on 2018/19 Estimates

Under Section 4 of the Local Government Finance Act (NI) 2011 the Chief Financial Officer of a council shall submit to the council a report on the robustness of the estimates and the Council shall have regard to that report when considering the estimates.

During the Rates setting process Council's general consensus indicated a 0% increase in the District Rates for 2018/19 could be considered acceptable. The final estimates submitted to Council shows a 0% increase in the District Rates for 2018/19.

Approximately 46.4% of the gross expenditure is salaries and wages budgets. These budgets include adequate provision for employers pension and national insurance costs, including the additional 1% additional employer's pension costs being introduced for all employers from 1st April 2018, plus a pay award for all employees based on the latest employers offer to unions. No provision however has been made for replacement cover for sickness absence.

Another significant percentage of expenditure is for utility costs and plant and vehicle maintenance. Budgetary provision has been made based on current usage, planned maintenance and contract prices where available however due to the current gas and electricity contract coming to an end it has been anticipated that we could face an increase of 12%, this has been provided for in the budgets.

Budgetary provision has been made for the Council's insurance portfolio based on current premiums, some of which are long term agreements but with a 10% increase built in to take account of the recent increase in insurance premiums.

A general inflationary increase has not been applied across budgets nor have contingencies

been included for unforeseen events/incidents.

On the income side the Estimated Penny Product calculated by Land & Property Services has been used to calculate the District Rates.

The Transferred Functions Grant and De-rating Grant penny products together with the Rates Support Grant allocation (as updated has been supplied by the Department for Communities (DfC)) have been included in the estimates, this includes an estimated reduction of 10% approximately in the level of Rates Support Grant expected to be received. Assumptions have been made about the level of grants from other governments departments where final offers or indications have not yet been received.

I am broadly satisfied that the estimates put before Council this evening are sufficiently robust to enable the Council to deliver its services to a satisfactory level, in normal circumstances in 2018/19.