

<b>TITLE OF REPORT</b> Report by the Chief Financial Officer on the 2019/20 estimates To Council	<b>DATE</b> 7 February 2019
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<b>Linkage to Council Strategy (2015-19)</b>	
<b>Strategic Theme</b>	All themes
<b>Outcome</b>	Striking the Rate
<b>Lead Officer</b>	David Jackson
<b>Cost: (If applicable)</b>	Rates Estimates

### **Report by the Chief Financial Officer on 2019/20 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 1.5% increase in the District Rates for 2019/20 could be considered acceptable. The final estimates submitted to Council shows a 1.5% increase in the District Rates for 2019/20.

Approximately 50% 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 1<sup>st</sup> April 2019, plus a pay award for all employees based on the latest employers offer to unions. Provision has also been included for the reduction in agency staff leading to additional employed staff the consequence of which is a 17% increase in employer costs due to pension contributions. 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.

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 20% increase built in to take account of the recent increase in insurance premiums.

Income budgets in areas such as car parking and trade waste have been adjusted to reflect current activity levels resulting in an approximate 2% of pressure on the district rate.

Waste collection and disposal services have seen significant changes to the level of service provided and the market in which these services sit. The budgets for these areas have been reworked from a zero base to ensure that the figures included in the estimates accurately reflect what is happening on a daily basis, this has again led to a significant additional cost pressure on the district rate.

A general inflationary increase has not been applied across budgets nor have contingencies been included for unforeseen events/incidents however we are beginning to see inflation having an effect on market prices and this position is not sustainable in the longer term.

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 increase of 30% approximately in the level of Rates Support Grant expected to be received due to the successful challenge to the calculation of the grant allocation by another Council the result of which means Causeway Coast and Glens Borough Council receives a greater allocation. Assumptions have been made about the level of grants from other governments departments where final offers or indications have not yet been received.

Income budgets have been revised upwards in areas showing strong performance such as building control, planning and tourism.

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 2019/20.