

Causeway Coast & Glens Borough Council

To: Corporate, Policy and Resources Committee

Rates Estimates

Date 14/04/15

For Information

1.0 Reporting to committee

Linkage to Corporate Plan	
Strategic Priority	Rate Setting Process
Objective	Robustness of Estimates
Lead Officer	David Wright
Cost: (If applicable)	£nil

1.1 Background

Causeway Coast and Glens District Council struck in February the district rate for 2015/2016.

1.2 Detail

Under Section 4 of the Local Government Finance Act the Chief Financial Officer is required to submit a report on the robustness of the estimates, ordinarily there are two reports the second one being on the level of reserves held by Council. The report on reserves has been exempted for this year however the report on the robustness of estimates is still required.

1.3 Report on the Robustness of the Estimates

At the commencement of the rates setting process council indicated its intention to set as low an increase as possible given the effect of combining the budgets of the four legacy councils especially on those rate payers enjoying the lower rates factors in the new Borough area. The final version of the rates estimates shows a 1.5% increase on the weighted average domestic rate for the new Causeway Coast and Glens Borough Council.

Approximately 45% of gross expenditure is salaries and wages budgets. These budgets include adequate provision for employer's pension, national insurance costs plus the nationally agreed 2.2% pay award which is effective from 1 January 2015. Also included are the amendments imposed by the new pension scheme rules which mean pension contributions calculations now include additional items such as overtime.

Provision had been made in the estimates for the transferring functions such as Planning, Off-street Car Parking, etc. based upon figures provided by the Department of Environment (DoE), Department of Regional Development (DRD) and other transferring departments. Council officers have carried out due diligence on these figures prior to their inclusion in the estimates.

Budgetary provision has been made for the new Council's insurance portfolio based upon initial returns from the insurance tendering process which has indicated substantial savings will be made.

With the exception of landfill tax no inflationary increase has been applied across budgets nor have contingencies been included for unforeseen events, in some cases based on current market conditions small reductions have been applied, for example fuel and energy costs.

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

The Rates Support Grant, De-rating Grant and Transferring Functions Grant have been included in accordance with the information supplied by DoE, it should be noted that Rates Support Grant indicates a cut on previous years which equates to approximately 2% on the district rate.

The formation of the new Causeway Coast and Glens Borough Council will ultimately lead to opportunities for efficiency and economies of scale and whilst it is too early to identify with any certainty some of these opportunities there is provision in the budgets for salary savings in the first year of operation of the new organization.

I am broadly satisfied that the estimates put before Council are sufficiently robust to enable Council to deliver its services to a satisfactory level, in normal circumstances in 2015/2016.

David Jackson
Chief Executive

1.4 Recommendation

It is recommended that the Causeway Coast and Glens Borough Council adopt the report from the Chief Financial Officer on the Robustness of the Estimates as part of the rates setting process.