

REPORT BY THE CHIEF FINANCIAL OFFICER ON THE 2016/17 ESTIMATES	4th February 2016
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 2016/17 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.

At the commencement of the Rates setting process Council indicated its wish to have a 0% increase in the District Rates for 2016/17. The final estimates submitted to Council shows a 0% increase in the District Rates for 2016/17.

Approximately 45% of the gross expenditure is salaries and wages budgets. These budgets include adequate provision for employers pension and national insurance costs, including the additional 3.4% employers national insurance as a result of the Chancellor's removal of the reduced contracted out rate where an employee is a member of an approved pension scheme, 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.

Budgetary provision has been made for the Council's insurance portfolio based on current premiums, some of which are long term agreements.

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 supplied by the DOE have been included in the estimates. 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 2016/17.