



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Financial Estimates and District Rate 2013/14
Date:	25 January 2013
Reporting Officer:	Ronan Cregan, Director of Finance and Resources
Contact Officer:	Mark McBride, Head of Finance and Performance

1	Relevant Background Information
1.1	<p>Members will recall that the following process has been agreed for the setting of the district rate and agreeing the estimates for 2013/14.</p> <p style="text-align: center;">Agreed rate setting process for 2013/14</p> <p>The chart details the following process:</p> <ul style="list-style-type: none"> Apr: Budget Panel and SP&R; Indicative rate, efficiency target and overview of efficiency programme Jun: Budget Panel and SP&R; Year End Report; Agree Efficiency Programme Aug: Budget Panel and SP&R; Issue Guidance on estimates and medium term financial plan to Departments; Q1 Finance Report Sep-Oct: Budget Panel and SP&R; Update on Rates Position; Update on Medium Term Financial Plan; Capital Investment Programme Nov: SP&R; Further update on rate to highlight key issues & Scenario analysis; Q2 Finance Report Dec: Budget Panel and SP&R; Discuss and finalise options for rates position taking into account Medium Term Financial Plan, capital financing strategy and treasury management strategy Jan: SP&R; Department Committees; SP&R; Recommendation to Council on district rate and medium term financial plan Feb: Council; Agree district rate Report

1.2 At the meeting of the Strategic Policy and Resources Committee on 11 January 2013, Members approved the following recommendations in relation to the 2013/14 revenue estimates, which would result in a zero increase in the district rate for 2013/14:

1. That the total amount to be raised through the district rate for 2013/14 of £129,716,357
2. That the revenue estimates for the Strategic Policy and Resources Committee and the cash limit for the Strategic Policy and Resources Committee of £32,514,524 for 2013/14.
3. That the cash limit for the Town Planning Committee of £10,000 for 2013/14.
4. That the following departmental cash limits should apply for 2013/14:
 - Health and Environmental Services Department £39,221,866
 - Parks and Leisure Department £23,631,236
 - Development Department £19,229,488
5. That the general reserves will not be enhanced through the district rate in 2013/14
6. That a central budget of £843,000 to make provision for a 1% pay rise. This budget will be retained centrally under the control of the Director of Finance and Resources and only released to departments on the basis of a nationally agreed pay award.

1.3 The purpose of this report is to consider the district rate increase for 2013/14, including the domestic and non-domestic rate increase, following the presentation of the detailed revenue estimates reports and cash limits to the to the standing committees.

2 Key Issues

2.1 **The table below summarises the revenue estimates for Belfast City Council for 2013/14 based on a Zero District Rate increase.**

<u>REVENUE ESTIMATES</u>	<u>2013/14</u>
	£
Policy and Resources Committee	32,514,524
Development Committee	19,229,488
Parks and Leisure Committee	23,631,236
Health and Environmental Services Committee	39,221,866
Town Planning Committee	10,000
Employee Pay Rise	843,000
NET DEPARTMENTAL EXPENDITURE	115,450,114
WASTE FUND CONTRIBUTION	2,600,000
CAPITAL FINANCING	10,137,676
BELFAST INVESTMENT FUND	6,000,000
LESS GENERAL EXCHEQUER GRANT	<u>(4,471,433)</u>
AMOUNT TO BE RAISED THROUGH DISTRICT RATE	<u>129,716,357</u>

	<p>Standing Committees</p> <p>2.2 Detailed reports on the revenue estimates and departmental cash limits were considered and agreed by each Standing committee during the period 10 - 16 January 2013</p> <p>Key Messages</p> <p>2.3 A summary of the key messages and lines to take in relation to the setting of the district rate for 2013/14 has been prepared by the Head of Corporate Communications and included as Appendix A to this report.</p> <p>Impact on Ratepayer</p> <p>2.4 A rates bill in Belfast is made up of 55% Regional Rate and 45% District Rate. The Regional Rate, subject to Executive approval, is due to increase by 2.7%. A zero rate set by the council will mean that a ratepayer's total bill will increase by 1.49%. The table included in Appendix B illustrates the monetary impact on average property types.</p>
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3	Recommendations
3.1	<p>Members are requested to note the contents of the report and agree:</p> <ul style="list-style-type: none"> • That the increase in the district rate for 2013/14 should be zero, based on an Estimated Penny Product of £4,800,110 which means that the domestic rate for 2013/14 is recommended to be 0.3094p and the non domestic rate to be 27.0236p.
4	Decision Tracker
	<p>Responsible Officers: Director of Finance & Resources</p>

