

Budget and Transformation Panel

Minutes of Meeting No. 5

13 November 2009

Present:

Cllr T Hartley	Sinn Fein (Chair)
Cllr W Browne	DUP
Cllr D Browne	UUP
Cllr M Jones	Alliance
P McNaney	Chief Executive
J Thompson	Director of Finance & Resources
R Cregan	Improvement Manager

Apologies:

Cllr M Browne	Sinn Fein
Cllr P Convery	SDLP
G Millar	Director of Improvement

1. Introduction

The Chair welcomed Julie Thompson, the new Director of Finance and Resources, to the meeting.

2. Finance Update

- a. **Year end balances 2008/09** - The Director of Finance and Resources informed Members that at the start of 2009/10 district fund reserves amount to £5.3m. However, during 2009/10 these reserves are planned to fall by £2.4m to subsidise the rate, as was agreed when the rate was set last year. Also, £0.3m has been specified for use on projects which were carried over from 2008/09. Members agreed that improving the reserves position will be an important element of setting the rate over the next few years.
- b. **Current Position 2009/10** - The Director of Finance and Resources informed Members that at present the budget would appear to be balanced but a further update on the half year position would be brought to the Panel for consideration in December.

- c. **Estimates and District Rate 2010/11** - the key elements which will need to be considered as part of the rate setting process were outlined by the Director as being:
- i. Reserves strategy
 - ii. Financing of the City Investment Strategy
 - iii. Financing of the Capital Programme
 - iv. Department Estimates
 - v. Thematic Budgets
 - vi. Estimate Penny Product – estimate of rates income

It was proposed that a range of options would be presented for Members at the December meeting which provide clarity on the implications for rate payers to help inform decision making. The Director also informed Members that a number of important external factors would have to be considered when setting the rate. These will include:

1. 2010/11 will be the last year of the three year freeze on the regional rate.
 2. 2010/11 will be the last rate set before RPA if the timetable goes ahead as planned. At this stage the financial impact of RPA on the Council is unknown both in terms of transferring functions, boundary changes and assets and liabilities.
 3. The NI economy is still in decline and this may lead to further reduced levels of external income, increased rate write-offs and delays in rationalising assets.
- d. **Voluntary Redundancy & Review of the Centre** - the Panel agreed that these were two important exercises in delivering savings and that they needed to be delivered within the context of robust Human Resource policies.

Decision

1. **The Members agreed that a process which would provide Members with the appropriate information and time to make decisions would be presented to the Strategic Policy and Resources Committee at its meeting on 20th November.**
2. **Given the importance of the rates to the Council it was agreed that a deputation of Members should meet with the Minister to discuss the role and performance of Land and Property Services.**

3. Capital Programme & City Investment Strategy

The Chief Executive informed Members that a report would be brought to the Strategic Policy and Resources Committee on 20th November which would discuss the following:

1. a first cut of a prioritised Capital Programme for political discussion and direction which will need, in due course, to be subject to affordability considerations;
2. seek approval to explore options for how the ongoing maintenance backlog is dealt with in the Council;
3. an update on the current position with regard to the City Investment Strategy which included an assessment of asset disposals; and,
4. an update on sources of funding for investment (loans, grants and alternative sources of financing) which will be further explored in a Capital Financing Strategy being prepared for December.

Decision

- 1. The Members agreed that the paper should be presented to the Strategic Policy and Resources Committee at its meeting on 20th November and that this would act as a basis for further discussion and exploration in party briefings.**
- 2. It was emphasised that the receipts forecast from the disposal of assets needed to be realistic in terms of both scale and timing.**

5. Date of Next Meeting

4th December 2009 @ 12.30

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