



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Budget and Transformation Panel Minutes of Meeting on 2 September 2010
Date:	24 September 2010
Reporting Officer:	Julie Thompson, Director of Finance and Resources
Contact Officer:	Julie Thompson, Director of Finance and Resources Gerry Millar, Director of Property and Projects

Relevant Background Information

These are the minutes of the meeting of the Budget and Transformation Panel held on 2 September 2010.

PRESENT:

Councillor I Crozier	DUP (Chair)
Councillor D Browne	UUP
Councillor M Browne	SF
Councillor M Jones	All
Councillor P McCarthy	SDLP
P McNaney	Chief Executive
J Thompson	Director of Finance and Resources
G Millar	Director of Property and Projects
A Hassard	Director of Parks and Leisure
R Cregan	Head of Finance and Performance
S McNicholl	Strategic Planning Manager

Key Issues

1. Financial Position 2010/11

The Director of Finance and Resources informed Members that the forecast for the year end position 2010/11, based on the first three months of actual income and expenditure, is an under spend of £2.9m. She explained that the forecast under spend is a consequence of:

- the current unutilised pay rise budget
- additional electricity generation income

- fuel costs being lower than anticipated
- the deferred roll out of food collection as part of the waste management plan.

The Director advised that given the forecast is based on the first three months performance, Members would need to apply a high level of prudence when deciding on how to manage the under spend. Members agreed that care should be exercised over spending resources based on an early forecast and therefore only £1.9m of the £2.9m, at this stage, should be considered available for alternative uses. A further report should be brought to the Panel and the Strategic Policy and Resources committee in October.

2. Issues For Rate Setting 2011/12

The Director of Finance and Resources reminded Members that the Strategic Policy and Resources Committee had already set an indicative rate upper limit of 2.5% and a £1.7m efficiency target.

The Chief Executive informed Members that the 2011/12 rate setting process would be particularly difficult because of the potential impact of the central governments spending review, the ending of the regional rate freeze and the stagnation of the rate base.

The Director of Finance and Resources provided Members with an overview of the proposed rate setting process which would provide Members sufficient time to consider issues in the context of various rate setting scenarios, for example, 2.5%, 1% and 0% (process attached at Appendix A).

3. Agreement on Future Capital Programme

The Director of Property and Projects informed Members that he has provided Members, on a North, South, East, West basis, with an update on the current capital programme and proposals for new schemes. The key messages from the briefings are that the new proposals require prioritisation and that decisions about financing them must be made in the context of the current council commitments and the level of district rate set by Members.

4. Strategic Planning Workshop

Members agreed the agenda for the Strategic Planning Workshop being held on 8 September 2010.

5. Financial Training For Members

The Director of Finance and Resources reminded Members that training on financial management would be available for all Members on 27 September. The programme would be delivered in conjunction with the ID&A and cover:

- The role of council, committees and councillors in financial management
- The new financial reporting packs and how they may be used.

Recommendations

The Budget and Transformation Panel recommend to the Strategic Policy and Resources Committee that:

- The Director of Finance and Resources provides the Budget and Transformation Panel and the Strategic Policy and Resources Committee with options for use of £1.9m of the £2.9m forecast in October 2010.
- The Director of Finance and Resources will frame the discussion on the rate setting for 2011/12 in the context of three main scenarios - 2.5%, 1% and 0%, with indications of how much additional / less investment would be available for rate increases / decreases outside this range.
- The Director of Property & Projects provides a first cut prioritised capital programme agreed by COMT for political consideration within affordability limits

Appendix A: Proposed rates setting process for 2011/12

March	Budget Panel and SP&R 19 March	Agreement on rates process for 2011/12 and Overview of efficiency programme
May	Budget Panel and SP&R May	Indicative rate and efficiency target For 2011/12
Aug		Issue rates guidance to depts. Progress efficiency programme
Sept	Member briefing on capital prog. Budget Panel 2 Sept Corporate Plan workshop 8 Sept SP&R 24 September	Preparation of draft estimates by Department Discussion on capital programme & SRFs Discussion on corporate priorities Financial position 2010/11 Update on efficiency programme
Oct	Budget Panel 12-14 Oct SP&R 22 Oct	First cut on rates position 2011/12 Financial priorities, cap prog & corp plan
Nov	Member briefings Budget Panel	Second iteration of rates position Impact of Spending Review and EPP
Dec	Budget Panel and SP&R December	Discuss and finalise options for rates position taking into account potential savings and the implications of managing reserves & financing the capital programme
January	SP&R January Department Committees	Recommendation to Council on district rate 2011/12
February	Council February	Agree district rate 2011/12