



Report to:	Strategic Policy and Resources Committee
Subject:	Financial Estimates and District Rate 2011/12
Date:	21 January 2011
Reporting Officer:	Julie Thompson, Director of Finance and Resources
Contact Officers:	Julie Thompson, Director of Finance and Resources Ronan Cregan, Head of Finance and Performance

1.0	Relevant Background Information and Purpose of Report
1.1	Members will recall that the following process has been followed for setting the district rate and financial estimates for 2011/12.
	<p>Agreed rate setting process for 2011/12</p> <p>The diagram illustrates the agreed rate setting process for 2011/12, showing key events and milestones from March to February. The process involves multiple stages, including budget panels, SP&R (Strategic Policy and Resources) reports, and council decisions. Key milestones include the agreement on the rates process in March, the preparation of draft estimates in September-October, and the final agreement on the district rate in February.</p>
1.2	<p>The purpose of this report is to:</p> <ul style="list-style-type: none"> • update Members on Committee discussions on the revenue estimates; • agree the domestic and business district rates for 2011/12; and, • agree the key messages associated with the setting of the rate.

2.0	Key Issues																																	
2.1	<p>At the Strategic Policy and Resources Committee on 7 January Members agreed the cash limits for committees as follows:</p> <ul style="list-style-type: none"> • Strategic Policy and Resources £31,567,500 • Health & Environmental Services £40,627,499 • Parks and Leisure £22,940,266 • Development Committee £19,783,734 																																	
2.2	<p>Since the last Strategic Policy and Resources Committee, each department committee has considered and agreed its revenue estimates in line with the above cash limits.</p>																																	
2.3	<p>The table below summarises the key elements of the council's finances for 2011/12 as agreed by Members at the Strategic Policy and Resources Committee on 7 January. Based on the Estimated Penny Product of £4,893,170 provided by Land and Property Services this means that the domestic rate for 2011/12 is recommended to be 0.3002 and the non-domestic rate to be 26.2248.</p> <p style="text-align: center;">District Rate and Estimates 2011/12</p> <table border="1" data-bbox="373 949 1340 1312"> <thead> <tr> <th></th> <th style="text-align: right;">2011/12 Increase / (Decrease)</th> <th style="text-align: right;">% Rate Increase</th> </tr> </thead> <tbody> <tr> <td>Department Estimates</td> <td style="text-align: right;">1,478,413</td> <td style="text-align: right;">1.14</td> </tr> <tr> <td>Current Capital Programme</td> <td style="text-align: right;">528895</td> <td style="text-align: right;">0.40</td> </tr> <tr> <td>Additional Capital Schemes</td> <td style="text-align: right;">3,200,000</td> <td style="text-align: right;">2.48</td> </tr> <tr> <td>City Investment Strategy</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>Waste Plan</td> <td style="text-align: right;">1,300,000</td> <td style="text-align: right;">0.99</td> </tr> <tr> <td>City Priorities</td> <td style="text-align: right;">1,000,000</td> <td style="text-align: right;">0.77</td> </tr> <tr> <td>General Exchequer Grant</td> <td style="text-align: right;">(214,000)</td> <td style="text-align: right;">0.16</td> </tr> <tr> <td>Movement in Reserves</td> <td style="text-align: right;">-4,500,000</td> <td style="text-align: right;">-3.46</td> </tr> <tr> <td>District Rate Increase</td> <td></td> <td style="text-align: right;">2.50</td> </tr> <tr> <td>Average impact on ratepayer</td> <td></td> <td style="text-align: right;">£8.39</td> </tr> </tbody> </table>		2011/12 Increase / (Decrease)	% Rate Increase	Department Estimates	1,478,413	1.14	Current Capital Programme	528895	0.40	Additional Capital Schemes	3,200,000	2.48	City Investment Strategy	0	0.00	Waste Plan	1,300,000	0.99	City Priorities	1,000,000	0.77	General Exchequer Grant	(214,000)	0.16	Movement in Reserves	-4,500,000	-3.46	District Rate Increase		2.50	Average impact on ratepayer		£8.39
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3.0	Key Messages																																	
3.1	<p>The Head of Corporate Communications has drafted a set of key messages and communications plan to accompany the rates announcement. It is recommended that all communication in regards to the rate is based around the following three key messages:</p> <ol style="list-style-type: none"> 1. Belfast City Council's political parties have agreed to strike the rate at 2.5 per cent, significantly below the rate of inflation and representing a cut in real terms. 2. We have successfully balanced the need for efficient and value for money services with investment in the city's physical infrastructure. 																																	
	3. We will support our communities and business during these difficult																																	

3.2	<p>economic times to secure jobs and improve quality of life.</p> <p>The notes to accompany these key messages and the communications plan is provided at Appendix 1.</p>
4.0	Recommendations
4.1	<p>Members are requested to note the contents of the report and agree:</p> <ol style="list-style-type: none"> 1. A district rate increase of 2.5% for 2011/12 based on the Estimated Penny Product of £4,893,170 provided by Land and Property Services which means that the domestic rate for 2011/12 is recommended to be 0.3002 and the non-domestic rate to be 26.2248. 2. The key messages associated with the rates increase as outlined in paragraph 3.1 above and detailed in Appendix 1 of this report.
5.0	Documents attached
	<p>Appendix 1 Rates Communication Plan Appendix 2 Draft Rates Leaflet 2011/12</p>