

Third draft high level analysis of anticipated financial pressures impacting on the 2018/19 Rate estimates - To be discussed at P&R February 2018

	2018/19 £	2018/19 £	2018/19 £	2018/19 £
Estimated net cost of services 2017/18 - agreed to prior year documentation				Total 40,288,641
Pressures:				
<u>Payroll:</u>				
2% NJC Employer Side Offer		740,864		
Increments		188,721		
1% increase in Employer Superannuation contribution rate		<u>126,233</u>		
			1,055,818	
New Posts:				
Consequence of GLC coming inhouse (as opposed to Pulse T&C)	300,000			
Potential consequences of Lesiure Service's review to include lifeguards & 40 to 37 hours	<u>100,000</u>			
	<u>400,000</u>			
Internal Audit	25,000			
Payroll	20,000			
Arts & Culture - Marketing Advisers	50,000			
Customer Services/Complaints	<u>60,000</u>			
	<u>155,000</u>			
Sperrins management structures	20,000			
Dark Skies facility	<u>35,000</u>			
	<u>55,000</u>			
Total New Posts			610,000	
			<u>1,665,818</u>	
Total Payroll Costs			1,665,818	
<u>General goods and services:</u>				
Inflation - estimated - 3%		362,204		
Inflation - absorbed		<u>(200,000)</u>		162,204
<u>Rate Support Grant reductions (2016/17 actual - £2,966,485; 2017/18 budget - £2,891,400; actual - £2,789,881):</u>				
2017/18 in year reduction from 2017/18 budget			101,519	
Anticipated reduction in 2018/19 (from 2017/18 actual):				

	4% or	111,595		
	8% or	223,190	223,190	
	12%	334,786		
Total RSG reduction				324,709
<u>Additional MRP to fund capital programme</u>				500,000
<u>Insurances:</u>				
Underbudgeted in 2017/18 due to year end payroll declaration post estimates			50,000	
Market hardening - estimated 5% increase			<u>30,000</u>	80,000
<u>Additional cost associated with annual asset revaluation required by Cipfa Code</u>				25,000
<u>Waste management</u>				452,000
<u>Facility pressures:</u>				
Additional maintenance requirement			55,000	
Central Services budget realignment			52,050	
			<u></u>	107,050
<u>Affordable Warmth:</u>				
Funding reduction			80,000	
Activity reduction			<u>(80,000)</u>	0
<u>Planning Portal - building up annual maintenance budget (50% of £60,000 pa)</u>				30,000
Total Identified Pressures				3,346,781
Estimated potential savings/increases in income:				
<u>Environmental Services</u>				
Tullyvar Closure (Reduction in fuel, Refuse Collection)		(15,000)		
Tullyvar Closure (Reduction in Wages)		<u>(34,418)</u>		
		(49,418)	(50,000)	
Clogher Civic Amenity Site Closure (Revenue costs)		(3,400)		
Clogher Civic Amenity Site Closure (Wages)		<u>(36,423)</u>		
		(39,823)	(40,000)	

Bulky uplift income/reduction in service requests		(20,000)	
Charging for commercial green waste - 2,500 tonnes @ £50/tonne		(125,000)	
Car parking charges (Cookstown, Central Magherafelt tariff alignment and £1 for 3 hours)		(60,000)	
Castledawson Civic Amenity Site Closure (Wages)	(38,877)		
Castledawson Civic Amenity Site Closure (Other)	(3,100)		
	<hr/>	(41,977)	(42,000)
Magheraglass Closure (Plant hire & contractor)	(35,000)		
Magheraglass Closure (Leachate)	(30,000)		
	<hr/>	(65,000)	(65,000)
Caledon Public Convenience Closure (Automatic)		(30,000)	
Festive Lights		(1,600)	
Tullyvar Civic Amenity Site		(3,450)	
Magherafelt Depot		(5,000)	
Oaks Road Depot		(5,000)	
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Total Environmental Services Directorate			- (447,050)
<u>Leisure & Outdoor Recreational Services</u>			
Leisure Centres - closure on Bank Holidays		(30,000)	
Increase in Leisure prices		(100,000)	
Increase in Parks income		(40,000)	
Additional leisure savings		(100,000)	
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Total Leisure & Recreational Services Directorate			(270,000)
<u>Chief Executive's Department</u>			(50,000)
<u>Business & Communities Directorate</u>			(50,000)
<u>Finance Directorate</u>			(50,000)
<u>Organisational Design Directorate</u>			(50,000)
<u>Public Health & Infrastructure Directorate</u>			(50,000)

<u>Cross Cutting Savings</u>			
Overime	(50,000)		
Mileage	(50,000)		
Advertising	(25,000)		
Other materials	(50,000)		
Total Contribution from Cross Cutting savings		(175,000)	
Total net savings identified by Officers			(1,142,050)
Reduction in Council's recurrent contribution to fund Opportunities			(300,000)
Estimated net cost of services 2018/19			42,193,372
Reduce by RSG pressures identified above to allow for anticipated 2018/19 RSG to be deducted below			
2017/18 in year reduction from 2017/18 budget			(101,519)
Potential cut in 2018/19 allocation - 12% (see above)			(223,190)
	% increase	#DIV/0!	41,868,663
Less estimated Rate Support Grant - amount anticipated to to be received in 2018/19			(2,566,691)
			39,301,972
Less Transferring Functions Grant - methodology to strike Rate shows TFG as nil at this point		0	
Less De-ratng Grant - methodology to strike Rate shows DRG as nil at this point		0	0
Less balance applied - not a sustainable financial practice			0
Savings to be made to produce acceptable Rate increase			
Net amount to be raised			39,301,972
Estimated Penny Product			
Stage 1 EPP	1,426,810		
Stage 2 EPP	1,620	1,428,430	

Prior Year TFG EPP		28,120	
Stage 1 De-rated EPP		<u>165,010</u>	<u>1,621,560</u>
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Non-domestic District Rate (properly rounded to 4 decimal places for calculations)	2.97% increase from prior year		24.2371
Non-domestic District Rate Poundage			0.242371
Non-domestic Regional Rate Poundage - estimated			
2017/18 actual		0.329200	
Estimated inflationary increase - most recent GDP inflator (2017/18 used 1.6%)	3.00%	<u>0.009876</u>	<u>0.339076</u>
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Non-domestic Rate Poundage pre convergence relief	3.95% increase from prior year		0.581447
Conversion factor to convert non-domestic District Rate to domestic District Rate			0.013283
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Domestic Rate (properly rounded to 4 decimal places)	2.98% increase from prior year		0.3219
Domestic Regional Rate			
2017/18 actual		0.4177	
Estimated inflationary increase - most recent GDP inflator (2017/18 used 1.6%)	3.00%	<u>0.0125</u>	<u>0.4302</u>
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Domestic Rate pre convergence relief	3.92% increase from prior year		0.7521