



Title of Report:	De-Rating Forecast analysis
Committee Report Submitted To:	Finance Committee
Date of Meeting:	9 November 2023
For Decision or For Information	For information
To be discussed In Committee YES/NO	No

Linkage to Council Strategy (2021-25)	
Strategic Theme	Cohesive Leadership
Outcome	Council has agreed policies and procedures and decision making is consistent with them.
Lead Officer	Chief Finance Officer

Budgetary Considerations	
Cost of Proposal	
Included in Current Year Estimates	YES/NO
Capital/Revenue	Revenue
Code	
Staffing Costs	

Legal Considerations	
Input of Legal Services Required	YES/NO
Legal Opinion Obtained	YES/NO

Screening Requirements	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
Section 75 Screening	Screening Completed:	Yes/No	Date:
	EQIA Required and Completed:	Yes/No	Date:
Rural Needs Assessment (RNA)	Screening Completed	Yes/No	Date:
	RNA Required and Completed:	Yes/No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	Yes/No	Date:
	DPIA Required and Completed:	Yes/No	Date:

1.0 Background

De-rating is a central government policy which reduces the rating burden on a number of sectors, the most notable being manufacturing. The effect of this policy is that less rates are collected than would be expected applying the district and regional rate factors to a property's Net Annual Value (NAV) consequently there is a reduction in the income to Council from rates.

2.0 Detail

As Council has no operational influence in the application any such policy De-Rating grant is a statutory mechanism through which central government compensates the local Councils for any loss incurred as a result of the central policy. The grant is linked to the NAV's of those non-domestic properties where de-rating applies and is therefore affected by any increase in the District Rate factor as set by Council annually.

2.1 Quarterly Analysis

Land and Property services have provided us with the first quarterly projection for de-rating grant for 2023/24. This indicates a positive finalisation at the end of September 2023 of approximately £46k (June - £56k). The tables in the appendix to this report show some analysis of the de-rating grant for all Councils.

ACTUAL PENNY PRODUCT (APP) DATA

The audited APP data shown in the final box is the basis for the finalisation (settlement) of the de-rating grant. The quarterly APP data is provided to assist councils' monitoring of this grant during the year. The APP data cannot be broken down into the de-rated categories as the APP data is calculated on projected monetary values which include case settlements etc.

District	Non-Domestic District Rate 23/24	Estimated De-rating Grant Paid	Quarter 1: 30 June 2023			Quarter 2: 30 September 2023			Quarter 3:	30 November 2023			Indicative Year End: April/ May 2024			Finalisation: September/October 2024		
			Forecast APP	Forecast De-Rating Grant	Projected Settlement	Forecast APP	Forecast De-Rating Grant	Projected Settlement	Forecast APP	Forecast De-Rating Grant	Projected Settlement	Unaudited APP	Indicative De-rating Grant	Indicative Settlement	Audited APP	De-rating Grant Payable	Final Settlement of De-rating Grant	
Antrim & Newtownabbey	26.2079	3,243,490	125,168	3,280,390	36,900	124,809	3,270,982	27,492	0	0	0	0	0	0	0	0		
Ards & North Down	26.2740	1,755,629	67,613	1,776,464	20,835	67,009	1,760,594	4,965	0	0	0	0	0	0	0	0		
Armagh , Banbridge & Craigavon	28.4645	4,954,246	176,291	5,018,035	63,789	176,350	5,019,715	65,469	0	0	0	0	0	0	0	0		
Belfast	29.3221	6,159,107	216,346	6,343,719	184,612	217,465	6,376,530	217,423	0	0	0	0	0	0	0	0		
Causeway Coast & Glens	27.6325	1,968,539	73,264	2,024,467	55,928	72,913	2,014,768	46,229	0	0	0	0	0	0	0	0		
Derry & Strabane	35.4362	3,161,972	89,666	3,177,422	15,450	89,917	3,186,317	24,345	0	0	0	0	0	0	0	0		
Fermanagh & Omagh	24.4180	2,383,685	100,808	2,461,530	77,845	100,791	2,461,115	77,430	0	0	0	0	0	0	0	0		
Lisburn & Castlereagh	24.7146	3,429,151	134,552	3,325,399	-103,752	137,750	3,404,436	-24,715	0	0	0	0	0	0	0	0		
Mid & East Antrim	34.1696	3,758,998	109,347	3,736,343	-22,655	106,049	3,623,652	-135,346	0	0	0	0	0	0	0	0		
Mid Ulster	25.4449	5,815,177	227,287	5,783,295	-31,882	238,160	6,059,957	244,780	0	0	0	0	0	0	0	0		
Newry Mourne & Down	27.2846	2,890,258	106,408	2,903,300	13,042	107,696	2,938,442	48,184	0	0	0	0	0	0	0	0		
TOTALS		39,520,252		39,830,364	310,112		40,116,508	596,256		0	0		0	0		0		

NB: The finalisation (settlement) is the difference between the de-rating grant paid during the year (calculated by multiplying the council's non-domestic district rate by the de-rated EPP used by the council in the rate setting process) and the Year End De-rating Grant (calculated by multiplying the council's non-domestic district rate by the audited APP). A negative number indicates clawback of De-rating Grant with a positive number resulting in additional De-rating Grant to that council in the subsequent financial year.

ESTIMATED PENNY PRODUCT (EPP) DATA for DE-RATING GRANT

2023/2024

The following additional data provides a quarterly overview of EPP data totals which is then further broken down for each de-rated category. This data is based on net annual valuations (NAV). The EPP has been derived by dividing the NAV data, provided by LPS, by 100 and multiplying by the percentage relevant for that category (as shown in category headings). As mentioned above the APP data cannot be directly correlated as APP figures are based on monetary values whereas NAV/EPP data is taken from the valuation list at a point in time.

District	EPP Totals				
	De-rated EPP at 14 December 2022	De-rated EPP Used by Councils to Set District Rate (No category breakdown)	Q1 Total 30 June 2023 De-rated EPP	Q2 Total 30 September 2023 De-rated EPP	Q3 Total 30 November 2023 De-rated EPP
Antrim & Newtownabbey	123,765	123,760	112,276	112,567	0
Ards & North Down	66,826	66,820	61,977	61,977	0
Armagh , Banbridge & Craigavon	174,057	174,050	161,424	161,613	0
Belfast	210,052	210,050	197,508	197,667	0
Causeway Coast & Glens	71,244	71,240	68,720	68,348	0
Derry & Strabane	89,232	89,230	84,811	85,117	0
Fermanagh & Omagh	97,627	97,620	95,005	94,958	0
Lisburn & Castlereagh	138,757	138,750	118,932	120,010	0
Mid & East Antrim	110,015	110,010	103,951	101,209	0
Mid Ulster	228,543	228,540	198,309	198,989	0
Newry Mourne & Down	105,937	105,930	103,945	104,404	0
TOTALS	1,416,053	1,416,000	1,306,858	1,306,859	0

District	EPP Data broken down by Category & Quarter															
	80% of Sport & Recreation (excluding CASC)				100% Community Amateur Sports Clubs Category (CASC)				70% of Industrial				75% of Freight & Transport			
	Dec 2022	Quarter 1	Quarter 2	Quarter 3	Dec 2022	Quarter 1	Quarter 2	Quarter 3	Dec 2022	Quarter 1	Quarter 2	Quarter 3	Dec 2022	Quarter 1	Quarter 2	Quarter 3
Antrim & Newtownabbey	4,413	4,029	4,029	0	652	652	652	0	118,701	107,596	107,886	0	0	0	0	0
Ards & North Down	8,620	8,232	8,232	0	1,440	1,440	1,440	0	56,508	52,056	52,056	0	259	250	250	0
Armagh , Banbridge & Craigavon	6,044	6,792	6,859	0	1,534	1,534	1,534	0	166,478	153,097	153,220	0	0	0	0	0
Belfast	14,150	14,060	14,060	0	1,081	1,081	1,081	0	161,573	150,949	151,109	0	33,248	31,418	31,418	0
Causeway Coast & Glens	7,945	8,105	8,159	0	2,235	2,235	2,235	0	60,929	58,238	57,812	0	136	143	143	0
Derry & Strabane	3,445	3,641	3,793	0	1,985	1,985	1,985	0	81,927	77,459	77,614	0	1,875	1,725	1,725	0
Fermanagh & Omagh	4,362	4,624	4,624	0	2,910	2,910	2,910	0	90,355	87,470	87,424	0	0	0	0	0
Lisburn & Castlereagh	2,401	2,561	2,561	0	455	455	455	0	135,902	115,916	116,993	0	0	0	0	0
Mid & East Antrim	3,550	3,542	3,637	0	893	893	893	0	103,535	97,416	94,579	0	2,036	2,100	2,100	0
Mid Ulster	4,936	4,578	4,611	0	3,874	3,874	3,874	0	219,733	189,857	190,504	0	0	0	0	0
Newry Mourne & Down	7,451	8,322	8,322	0	2,188	2,188	2,188	0	93,527	90,830	91,288	0	2,771	2,604	2,604	0
TOTALS	67,315	68,486	68,887	0	19,248	19,248	19,248	0	1,289,166	1,180,885	1,180,484	0	40,324	38,239	38,239	0