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| Non-Domestic Property Revaluation | 15/05/2018 |
| Corporate, Policy and Resources Committee – FOR INFORMATION | |

| Linkage to Council Strategy (2015-19) | |
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| Strategic Theme | Leader and Champion |
| Outcome | Our Elected Members will provide civic leadership to our citizens, working to promote the Borough as an attractive place to live, work, invest and visit. |
| Lead Officer | Chief Finance Officer |
| Cost: (If applicable) | |

1.1 Background

In 2015 Land & Property Services (LPS) completed a revaluation of the entire non-domestic property list. This had been the first full revaluation for some time and resulted in significant variances in property valuations and hence the associated rates bills.

1.2 Detail

LPS are planning to commence the next cycle of non-domestic revaluations which will then come into effect for rates bills after 1 April 2020 hence the name Reval2020. The legislation is already in place to allow this cycle to occur and will bring Northern Ireland into line with the rest of the UK whereby no longer than 5 years occurs between revaluations. This will in turn mean that rates bills are more accurately reflecting the market conditions existing in our towns and villages and by increasing the frequency of the revaluations should eliminate the massive variances in valuations and thereby rates bills which affected a large number of businesses as a result of the last revaluation.

1.3 Guidance

Appendices A-B to this report include a letter to Council outlining what Reval2020 is and a fact sheet for Councillors to use in supporting our local businesses through this process as no doubt members will be contacted by rate payers seeking information. There will be information requested from rate payers to assist with the revaluation and some of this will be vital to ensure that the valuation placed upon a property is accurate and fair which in turn will mean the correct level of rates will be billed. Members are asked to encourage their constituents to complete these questionnaires as soon as possible providing LPS with the correct information so that they can make an accurate valuation of the property in question. Should members require any further information or assistance with regards the revaluation they can contact the Chief Finance Officer or LPS directly.



Land &
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Mr David Jackson
Chief Executive
Causeway Coast & Glens Borough Council

Date: 20th April 2018

(by e-mail)

Dear David

Revaluation of Non Domestic Properties

I am writing to advise you that we are now entering a public phase of the next rating revaluation of all non-domestic properties in Northern Ireland and to provide you with some background.

Preparatory work is already well under way within Land & Property Services (LPS). For a project of this scale and complexity, a two and a half year lead in time is required by LPS to revalue over 75,000 non-domestic properties. It is planned that the new Valuation List will come into effect on 1 April 2020 based on rental values at 1 April 2018. The legislation fixing that date is already in place. As you know, the last revaluation of non-domestic properties in Northern Ireland was in 2015 and was based on April 2013 rental values. This, therefore, ensures that the gap between revaluations will not exceed five years.

You will be well aware that this is an exercise in redistribution, and revaluation in itself does not raise more money for public finances. Revaluation, however, will ensure that the rating system remains as closely aligned to market values as possible for ratepayers. There are a number of benefits for councils; in particular more frequent revaluations result in reduced swings in values, but they also restrict excessive backdating of business rates.

Preparatory work has included meeting with trade bodies and other organisations on how Revaluation 2015 was handled and particularly how LPS could improve our interaction with business organisations. We have been seeking the co-operation of business groups by asking them to encourage their members to provide information to LPS. To ensure that the new assessments are fair and accurate, we require up to date rental and lease information.

Reval2020 is now entering a new public phase. Next week, commencing 23 April, LPS is contacting all business occupiers and a Press Release will issue from the Department of Finance. LPS is urging business ratepayers to provide their rental information now. The data collected will be analysed and used to produce new rateable values. These values will then be used to calculate rate bills from April 2020.

LPS will write to all ratepayers and ask them to complete a Rent and Lease Questionnaire (RALQ). Most ratepayers will use the online service to submit their rent and lease information; ratepayers in some particular property types will receive forms to complete. The revaluation of certain types of property will also require trading information including accounts over several years, for example, for petrol filling stations, hotels and public houses. This process is to ensure that valuations reflect current market conditions. Legislation requires that business ratepayers must provide the information; fines for non-compliance can be imposed. It is also in their interest to do so, thereby helping to ensure that they pay the correct amount of business rates from April 2020.

Amongst the organisations that my colleagues and I met was NILGA. As a result of the meeting with Derek McCallan we have recently provided a fact sheet on this phase of Reval2020 to NILGA which they in turn have distributed to local councillors. We are in the process of provided tailored fact sheets to other groups. I have attached a copy of the Councillors fact sheet for your information. You may be interested to note that I will brief representative District Council Finance Officers on Reval 2020 at the planned Penny Product Working Group meeting on 3 May.

I hope that this information is helpful; should you or your Council require further information at this time on Reval2020, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read "Alan Brontë". The signature is stylized with a large initial 'A' and a long horizontal stroke at the end.A short, horizontal black line, likely a separator or a decorative element.

Alan Brontë

Reval2020

Revaluing properties for business rates



INFORMATION FOR LOCAL COUNCILLORS

What is this about?

Land & Property Services (LPS) is revaluing properties in Northern Ireland for business rates. The last revaluation was held in 2015 based on 2013 rental levels which will result in a five year gap to 2020.

Why is LPS carrying out this revaluation?

LPS is carrying out this revaluation now to ensure that business rates stay up to date and reflect local economic changes by distributing rate liability fairly across all sectors in line with changes in rental values.

How will this affect ratepayers?

LPS is urging business ratepayers to provide their rental information now in 2018. The data collected will be analysed and used to produce new rateable values. These values will then be used to calculate rate bills from April 2020.

LPS will write to ratepayers and ask them to complete a Rent and Lease Questionnaire (RALQ). Ratepayers should provide LPS with the information requested now.

You may receive requests for advice on the revaluation from your constituents. Please advise them that they should provide LPS with the information requested.

Why should ratepayers complete the questionnaire?

Legislation requires that business ratepayers must provide the information; fines for non-compliance can be imposed. It is also in their interest to do so; helping to ensure that they pay the correct amount of business rates from April 2020.

When will this happen?

The questionnaire will be available from the end of April. The data collected will be analysed and reviewed to produce new rateable values. LPS will publish the new values in draft format online in late autumn 2019, with rate bills based on the new values issued from 1st April 2020.

Will rate bills change?

At this stage it is impossible to say what the impact on individual ratepayers will be. As a result of revaluation some rate bills will go down but some will go up. Many will stay almost the same. This is an exercise in readjustment. The District Rate and the Regional Rate decides the actual level of rates paid.

How does LPS value property for rates?

There are 3 industry standard methods to assess a rental value.

COMPARATIVE METHOD

LPS analyses all actual rents collected, this method is used for the majority of properties such as shops, offices, warehouses and factories.

RECEIPTS AND EXPENDITURE METHOD

LPS analyses trading information such as turnover or throughput. This method is used to assess the rental value of a property where there is limited or no rental evidence available and the property's rental value is related to its level of trade. A pub would be an example.

CONTRACTOR'S METHOD

LPS analyses building costs and land values, this method is used to assess the rental value of a property where there is no rental or trading information available. A school or hospital would be an example.

For your information

Most ratepayers will use the online service to submit their rent and lease information, some ratepayers will receive forms to complete. Ratepayers who have no access to a computer can get help to fill in the questionnaire by calling **0300 200 7801**. All the information gathered from the questionnaire is subject to the Data Protection Act and General Data Protection Regulations legislation.

Are there plans to carry out a domestic revaluation?

There are no plans for a revaluation of domestic properties.

Where can I find out more information?

You can find out more on our website
www.finance-ni.gov.uk/reval-2020-ni