



**Causeway
Coast & Glens
Borough Council**

Anthony Carleton
Department for Communities
Causeway Exchange
1 – 7 Bedford Street
Belfast
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By email: [REDACTED]@communities-ni.gov.uk

7 May 2024

Dear Anthony,

Review of Rates Support Grant (RSG)

I am writing on behalf of Causeway Coast and Glens Borough Council to express Council's disappointment having not been consulted regarding the recently circulated terms of reference for the RSG review process, despite being one of the seven Councils who receive this vital source of funding.

Council would have welcomed the chance to input to this process especially in light of the ongoing Departmental policy of reducing the funding on a now almost annual basis. Council does recognise the additional funding that was made available for RSG in 2021/22 however Councils would benefit more from a settled funding position as opposed to one-off top-ups as this would allow some certainty when assessing Council budgets annually, in recent years Councils have had to use an element of guesswork when considering its budgetary position knowing that if assumptions around RSG were incorrect then the entire budgetary process could be invalidated, indeed Councils' Chief Financial Officers are required, as part of the rate setting process, to issue a statement on the robustness of the estimates, unanticipated reductions to a funding stream as significant as RSG could adversely impact the validity of these statements.

Whilst the terms of reference states that the current RSG mechanism has been in place since 2003 it does not mention the existence of a predecessor funding mechanism, namely General Exchequer Grant. The former grant had two elements to it, a de-rating element and a resources element, both of which can be clearly identified with the current De-rating and Rates Support grants.

The terms of reference sets out a number of criteria that it will focus on to assess the relevance of and need for the grant however there is one glaring omission from this list. The omission is to assess the current level of funding being allocated to the grant, failure to adequately resource what is a statutory funding stream will undoubtedly lead to a failure to meet many if not all of the other criteria being reviewed making this review potentially a foregone conclusion in some respects.

Council is intrigued by the question as to whether property values are still the best measure of wealth for Councils. The whole premise of RSG is to assist those Councils whose rates

base is not as wealthy as others and therefore limits the amount of rates a Council can reasonably raise from its ratepayers without adversely impacting them in comparison to those who reside in another “more wealthy” borough/district. What other measure of wealth can be used that is directly related to the rates base of the area?

Causeway Coast and Glens Borough Council urges the Department to pause any review of RSG until the Councils themselves have had the opportunity to input to the process especially since it will be Councils and ultimately their ratepayers alone who will be directly impacted by any outcomes of this review.

Yours sincerely,

Councillor L Peacock
Finance Committee Chair