

# Causeway Coast & Glens Borough Council

To: Corporate, Policy and Resources Committee

Actual Penny Product Forecast

Date 06/11/15

## For Information

### 1.0 Reporting to Committee

<b>Linkage to Corporate Plan</b>	
<b>Strategic Priority</b>	Budgetary Control
<b>Objective</b>	Rates Penny Product
<b>Lead Officer</b>	David Wright
<b>Cost: (If applicable)</b>	

### 1.1 Background

Land and Property Services (LPS) who issue bills and collect rates on behalf of Councils issue in year forecasts on the Actual Penny Product (APP) and projected outturns with regards the amount of rates actually collected.

### 1.2 Detail

LPS issued to Councils the first in year forecast for the APP based on figures at 30 June 2015 which is the end of the first quarter. The forecast for Causeway Coast and Glens Borough Council indicated that we were on course to receive a positive finalisation in terms of rates income amounting to £353,491. The figures for the second quarter have now been received and this indicates a positive finalisation of £457,110.

This is an encouraging indication of the strength of our rates base however as on previous occasions some caution still needs to be exercised due the ongoing challenges to the non-domestic revaluation.

The second part of the report from LPS relates to the non-domestic revaluation which was carried out last year. The actual level of challenge to date has been lower than expected although again it has to be stressed that there may be many more challenges to come, ratepayers having up to 31 March 2016 to lodge any challenge, Causeway Coast and Glens Borough at 30 September had 142 (162 at 30 June) outstanding challenge cases with 89 (19 at 30 June) completed. The average result from those challenge cases resulted in a 16.4% (15.3% at 30

June) reduction in rateable value, these cases have been factored into the quarter's APP. It should also be noted that some of the completed cases may be subject to appeal.

With regards the outstanding cases a total of just over £6m of rateable value is being challenged therefore if the current average loss of 16.4% is applied to these cases there could be a potential reduction in rateable value of approximately £991,000 which would translate into a reduction in rates income to Council of approximately £431,000. It should be noted that this is a very crude extrapolation of the current position and may bear no resemblance to the eventual outcome of individual cases but is purely to illustrate that current forecasts could be quite easily reversed under certain circumstances.