



Title of Report:	Estimates Penny Product Forecast 2nd Draft
Committee Report Submitted To:	Finance Committee
Date of Meeting:	14 December 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

Land and Property Services (LPS) who issue bills and collect rates on behalf of Councils issue forecasts on the Estimated Penny Product (EPP) which is used in the rates setting process by Councils in order to determine the rate to be struck.

2.0 Detail

LPS have issued to Councils the second in year forecast for the EPP based on figures at 31 October 2023 and subsequently updated this forecast. The 2nd forecast for Causeway Coast and Glens Borough Council gives an EPP of £2,008,450, slightly up from the first draft of £2,005,970 but still well down when compared to £2,028,940 from last year which was used in calculating our rate for the current year. This represents a decrease of around 1.01% compared to last year, the majority of this arising on the non-domestic side which is showing a 3.66% decrease. On the domestic side we see approximately 0.37% of growth therefore this Council continues to see growth but relatively slower in this area. It is clear Council cannot rely on rates base growth to overcome the ongoing cost pressures in the provision of services, other efficiencies or sources of revenue generation must be explored and maximised to minimise the impact upon our ratepayers. Officers are currently investigating any potential sizable properties which have been approved recently or are imminent so that they could be added to our EPP thereby reducing potential additional ratepayer burden.

2.1 Updated information

Council officers have held a meeting with LPS to discuss the figures and at this meeting the significant decrease in non-domestic Rateable NAV's was highlighted and questioned. LPS were asked to explore how the figure had reduced by £3.3m approximately in such a short time, was this the effect of revaluation challenges and if so, would these filter through to the Actual Penny Product forecasts for 2023/24. Subsequently LPS issued an updated 2nd forecast explaining that the original forecast was using pre-revaluation NAV's and once these were updated a new improved forecast was generated. The updated forecast gives an EPP for this Council of £2,036,500 which is approximately 0.4% higher than the EPP used in last year's rate setting. Council officers will continue to investigate any significant properties that may come onto the rating lists before 1 April to assess whether further adjustments can be made to the EPP figure.

3.0 EPP analysis

The tables below sets out the variance of the EPP forecast from the Estimated Penny Product (EPP) from previous calculations, the first table is the domestic property side and the second sets out the non-domestic calculations.

EPP Analysis 2024(25)							
Causeway Coast & Glens Council							
Figures used in EPP Calculation							
Domestic							
	24(25)	24(25)	23(24)	23(24)	22(23)	22(23)	21(22)
	Stage 2	Stage 1	Stage 2	Stage 1	Stage 3	Stage 1	Final
	Oct-23	Sep-23	Dec-22	Oct-22	Dec-21	Sep-21	Jan-21
Rateable CV's	8,225,677,850.00	8,225,487,850.00	8,194,639,950.00	8,184,163,950.00	8,080,915,200.00	8,075,598,700.00	8,012,147,200.00
Collectable Rates %	96.43%	96.42%	96.43%	96.43%	96.31%	96.31%	95.92%
Losses							
Allowances	1,029,667.19	1,029,667.19	997,012.84	997,012.84	992,546.87	992,546.87	953,375.41
Vacancies	-	-	184.00	184.00	(130.31)	(130.31)	65.02
Irrecoverables	288,108.43	288,108.43	222,861.35	222,861.35	193,095.41	193,095.41	457,198.18
REH Discharge	235,354.32	235,354.32	181,975.12	181,975.12	250,213.90	250,213.90	240,007.83
3% HB					-		
CAP	289,945.03	289,945.03	290,712.93	290,712.93	284,644.27	284,644.27	283,587.94
Cost of Collection	903,825.39	908,892.93	846,790.77	850,452.09	835,365.58	835,232.09	834,909.51
Total	2,746,900	2,751,968	2,539,537	2,543,198	2,555,736	2,555,602	2,769,144
Gross Rate Income	77,014,510.25	76,934,917.86	71,190,131.63	71,190,131.63	69,233,129.65	69,198,999.48	67,795,049.86
% Total Losses/Gross Rate Income	96.43	96.42	96.43	96.43	96.31	96.31	95.92
Domestic EPP (CV's X Loss %)	79,320,211.51	79,310,153.85	79,020,913.04	78,919,892.97	77,827,294.29	77,776,091.08	76,852,515.94
Rounded	79,320,210.00	79,310,150.00	79,020,910.00	78,919,890.00	77,827,290.00	77,776,090.00	76,852,510.00
Conversion Factor/Growth Factor	0.016128	0.016128	0.016128	0.016046	0.015656	0.015656	0.015656
Domestic EPP Converted	1,279,276	1,279,114	1,274,449	1,266,354	1,218,464	1,217,662	1,203,203
Rounded	1,279,270	1,279,110	1,274,440	1,266,350	1,218,460	1,217,660	1,203,200
EPP (Dom + Ndom)	2,036,500	2,005,970	2,028,940	2,009,470	1,935,200	1,934,080	1,910,560

Non Domestic							
	24(25)	24(25)	23(24)	23(24)	22(23)	22(23)	21(22)
	Stage 2	Stage 1	Stage 2	Stage 1	Stage 3	Stage 1	Final
	Oct-23	Sep-23	Dec-22	Oct-22	Dec-21	Sep-21	Jan-21
Rateable NAV's	81,005,210.00	77,714,857.50	81,051,147.50	79,819,754.00	77,243,853.50	77,209,359.50	76,870,343.50
	93.48%	93.53%	93.09%	93.10%	92.79%	92.79%	92.02%
Losses							
Allowances	5,211.86	5,211.86	1,177.52	1,177.52	(277.48)	(277.48)	6,010.96
Vacancies	244,818.65	247,524.18	229,616.89	229,616.89	230,803.74	230,803.74	214,084.89
Irrecoverables	250,444.09	250,444.09	442,553.18	442,553.18	527,413.68	527,413.68	527,413.68
3mth Vacant Rating	134,192.10	134,192.10	90,193.09	90,193.09	83,619.92	83,619.92	193,514.42
NDVR 50%	1,018,694.15	1,042,088.99	986,356.50	986,356.50	989,992.23	991,982.25	945,323.93
NDVR Exclusions	701,321.62	674,930.40	602,337.36	602,337.36	621,950.09	621,950.09	810,877.07
Cost of Collection	565,196.54	545,291.61	531,837.68	526,695.51	507,053.35	507,079.55	508,654.64
Total	2,919,879	2,899,683	2,884,072	2,878,930	2,960,556	2,962,572	3,205,880
Gross Rate Income	44,774,629.93	44,799,752.58	41,734,294.52	41,734,294.52	41,063,501.51	41,115,068.02	40,162,750.02
% Total Losses/Gross Rate Income	93.48	93.53	93.09	93.10	92.79	92.79	92.02
Non Dom EPP (NAV's X Loss%)	757,237	726,867	754,505	743,122	716,746	716,426	707,361
Rounded	757,230	726,860	754,500	743,120	716,740	716,420	707,360