

Title of Report:	Rates Estimates for 2024/2025
Committee Report Submitted To:	Full Council
Date of Meeting:	8 February 2024
For Decision or For Information	For decision
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:

1.1 Background

Councils are required to consider their budgetary position annually and agree these budgets which are then converted into a domestic rating factor and non-domestic rating factor by 15 February.

1.2 Detail

This report and the appendix to it entitled “Draft Rates Estimates 6 Feb 2024” set out the budgetary requirements of Council services for the 2024/2025 financial year. These estimates, as shown in the table below, demonstrate revenue to be raised totaling £63,523,454, £363,391 being raised through anticipated Rates Support Grant and £431,585 being an application from reserves as agreed by Council in respect of the net cost of the Air Show leaving a balance of £62,728,478 being raised through a combination of the district rate, derating grant and transferred function grant, all of which are derived from a penny product value. The split of these three areas of funding is shown in the second table below.

	2023/2024 Budget	2024/2025 Budget	Rate Increase
Total Amount to be Raised	61,665,213	63,523,454	3.01%
Reduced by Rates Support Grant	(610,402)	(363,391)	-40.47%
+/- Balance Applied	(2,612,000)	(431,585)	-83.48%
Amount to be Raised <i>(via District Rates, De-rating and Transferred Functions Grants)</i>	58,442,811	62,728,478	7.33%
Total Penny Product <i>(from table below)</i>	2,115,000	2,123,590	0.41%
Non-Domestic District Rate	27.6325	29.5389	6.90%
Council Specific Conversion Factor	0.016128	0.016128	
Domestic District Rate	0.4457	0.4764	6.90%

Grants payable by DfC			
Estimated De-rating Grant (DRG) <i>(De-rating Grant payable by DfC during year will be Estimated PP (De-rated) x Non-domestic District Rate)</i>	1,968,539	2,134,776	
Transferred Functions Grant (TFG) <i>(includes NI Local Government Commissioner for Standards Costs)</i> <i>(Derived Penny Product (TFG) x Non-domestic District Rate)</i>	409,514	437,766	
Amount payable by DoF			
Estimated Amount to be Raised via District Rates (Rateable)	56,064,758	60,155,936	

1.3 Assumptions

These estimates include a number of assumptions which are set out below:

- Pay award - 4% - after allowing for current year shortfall
- Property rates – 5%
- Insurance – last year actual plus inflationary increase
- All income budgets reviewed and increased where applicable
 - Inflationary increases 8.5% in some areas
 - Leisure VAT review
 - Investment income increased from £224k to £400k
 - RSG included at last year's level* but revised for Council's new allocation
- Utility costs revised based on current (P8) position projected
 - Electricity - 65% budget utilisation – budget set at 72.5%
 - Gas – 77% budget utilisation – budget set at 82.5%
- Waste management
 - Fees and charges revised for contractual inflationary increase
 - New rates of landfill tax
 - Tonnages revised based on current levels
 - Assumes landfill closure after 6 months
- Interest payable reduced to reflect lower debt levels

1.4 Assumptions included but requiring Council decision

There are in addition to those listed at 1.3 above a number of items which require Council ratification before they can be fully implemented and these are listed below (a cross reference to any previous relevant Council/Committee report has been included where applicable to enable access to the detailed backup):

- Increase commercial waste collection charges by 4.6% - £18,194 – *Environmental Services Committee 9 January 2024 item 23c*
- Car parking charges - various elements - £786,592 - *Environmental Services Committee 9 January 2024 item 23d*
- Increase cemetery charges - £62,920 - *Environmental Services Committee 9 January 2024 item 23c*
- Re-introduction of dog and litter enforcement team - £15,000 - *Environmental Services Committee 9 January 2024 item 23b*
- Harbours and Marina Charges inflationary increase 4.6% - £19,935 - *Environmental Services Committee 9 January 2024 item 23b*
- Leisure income inflationary increase 8.5% - £100,000 – to be consistent with other Leisure and Development Service area increases already agreed.

1.5 Effect on rate of recommendations in 1.4 above

The effect of each of the options listed in 1.4 above on the district rate factor increase is detailed in the table below:

Item	Effect on the rate
Commercial waste Charges	0.03%
Car parking charges	1.34%
Cemetery charges	0.11%
Dog and litter enforcement	0.02%
Harbour and marina charges	0.03%
Leisure income	0.17%
Total	1.71%

1.6 Recommendation

It is recommended that Council consider the rates estimates as presented together with the items listed in paragraph 1.4 above and agree a budget for 2024/2025 thereby setting the district rate factors for both domestic and non-domestic properties in the Borough.