

<b>Title of Report:</b>	<b>Actual Penny Product Forecast analysis</b>
<b>Committee Report Submitted To:</b>	<b>Finance Committee</b>
<b>Date of Meeting:</b>	<b>9 May 2024</b>
<b>For Decision or For Information</b>	<b>For information</b>
<b>To be discussed In Committee YES/NO</b>	<b>No</b>

<b>Linkage to Council Strategy (2021-25)</b>	
Strategic Theme	Cohesive Leadership
Outcome	Council has agreed policies and procedures and decision making is consistent with them.
Lead Officer	Chief Finance Officer

<b>Budgetary Considerations</b>	
Cost of Proposal	
Included in Current Year Estimates	<b>YES/NO</b>
Capital/Revenue	Revenue
Code	
Staffing Costs	

<b>Legal Considerations</b>	
Input of Legal Services Required	<b>YES/NO</b>
Legal Opinion Obtained	<b>YES/NO</b>

<b>Screening Requirements</b>	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 in year forecasts on the Actual Penny Product (APP) and projected outturns with regards the amount of rates actually collected.

## 2.0 Detail

LPS has issued to Councils unaudited indicative final in year forecast for the APP based on figures at 31 March 2024. The forecast for Causeway Coast and Glens Borough Council has been based on actual figures as opposed to using in year assumptions for previous months.

### 2.1 Monthly Analysis

Month	Jun	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Forecast	£421	£322	£334	£335	£364	£256	£377	£-27

All figures £'000

### 2.2 Additional analysis

The March figure shows a significant adverse movement when compared to previous periods resulting in a finalisation clawback of approximately £27k. Adjustment for this figure will be made, following audit completion, in October or November of this year however provision will be included in the 2023/24 accounts for its impact so there will be no carried forward consequence for 2024/25 accounts. Clarification has been sought around the reasons for this movement and there are two major contributing factors. Firstly, as has been previously reported, a significant revaluation challenge has been settled which is also back date for three years, the estimated effect of this settlement is £270k. Secondly the cost of collection has increased in March by 11.8% and the question has been asked as to how this could suddenly arise. The reason for this increase has been mainly attributed to a back dated pay award for civil service staff which also includes a one off lump sum payment.

## 3.0 APP analysis

The tables below set out the analysis of the APP forecast for the current financial year in terms of both domestic and non-domestic properties.

<b>APP Analysis 2023/24</b>						
<b>Causeway Coast &amp; Glens</b>						
	In Year	In Year	In Year	In Year	In Year	In Year
	23/24	23/24	23/24	23/24	23/24	23/24
Domestic	March	February	January	December	November	October
<b>Gross Rate Income</b>	<b>77,130,849</b>	<b>77,127,159</b>	<b>77,109,367</b>	<b>77,101,061</b>	<b>77,055,115</b>	<b>77,014,510</b>
<b>Losses</b>						
Allowances	(1,025,318)	(1,024,096)	(1,023,823)	(1,023,279)	(1,021,734)	(1,017,574)
Vacancies	5	5	5	0	0	0
REH's Discharge	(260,957)	(242,377)	(241,363)	(227,874)	(229,651)	(226,209)
Irrecoverables	(417,391)	(217,409)	(192,443)	(180,498)	(129,593)	(109,685)
CAP	(270,912)	(270,912)	(270,912)	(274,608)	(276,138)	(276,138)
Cost of Collection	(957,861)	(857,015)	(856,625)	(856,314)	(855,988)	(854,935)
<b>Total Losses</b>	<b>(2,932,433)</b>	<b>(2,611,804)</b>	<b>(2,585,161)</b>	<b>(2,562,573)</b>	<b>(2,513,105)</b>	<b>(2,484,541)</b>
Income less Losses	<b>74,198,416</b>	<b>74,515,356</b>	<b>74,524,206</b>	<b>74,538,489</b>	<b>74,542,010</b>	<b>74,529,970</b>
% Collectable	96.20%	96.61%	96.65%	96.68%	96.74%	96.77%
District Rate	0.4457	0.4457	0.4457	0.4457	0.4457	0.4457
Regional Rate	0.4848	0.4848	0.4848	0.4848	0.4848	0.4848
<b>Total Rate</b>	<b>0.9305</b>	<b>0.9305</b>	<b>0.9305</b>	<b>0.9305</b>	<b>0.9305</b>	<b>0.9305</b>
District Due Domestic	35,540,284	35,692,095	35,696,334	35,703,175	35,704,862	35,699,095
District Due Non Domestic	20,496,992	20,750,036	20,745,840	20,866,562	20,889,661	20,912,747
<b>Total District Due</b>	<b>56,037,275</b>	<b>56,442,131</b>	<b>56,442,174</b>	<b>56,569,737</b>	<b>56,594,523</b>	<b>56,611,842</b>
To be paid	(56,064,758)	(56,064,758)	(56,064,758)	(56,064,758)	(56,064,758)	(56,064,758)
<b>Finalisation</b>	<b>(27,483)</b>	<b>377,373</b>	<b>377,416</b>	<b>504,979</b>	<b>529,765</b>	<b>547,084</b>

	In Year 23/24	In Year 23/24	In Year 23/24	In Year 23/24	In Year 23/24	In Year 23/24
Non Domestic	March	February	January	December	November	October
<b>Gross Rate Income</b>	<b>44,308,443</b>	<b>44,670,820</b>	<b>44,554,361</b>	<b>44,766,187</b>	<b>44,739,060</b>	<b>44,774,630</b>
<b>Losses</b>						
Allowances	(6,917)	(6,941)	(6,941)	(6,825)	(6,825)	(6,825)
Vacancies	(241,122)	(244,009)	(242,467)	(242,150)	(245,742)	(244,819)
Irrecoverables	(383,281)	(305,331)	(226,881)	(208,002)	(155,626)	(140,605)
3mth Vacant Rating	(121,336)	(112,752)	(94,124)	(81,706)	(76,202)	(73,487)
NDVR 50%	(972,603)	(1,004,122)	(1,020,621)	(1,018,889)	(1,009,625)	(1,018,694)
NDVR Exclusion	(764,666)	(736,527)	(701,067)	(703,488)	(703,488)	(701,322)
Cost of Collection	(626,111)	(560,192)	(569,747)	(570,003)	(560,004)	(560,935)
	<b>(3,116,036)</b>	<b>(2,969,875)</b>	<b>(2,861,849)</b>	<b>(2,831,062)</b>	<b>(2,757,513)</b>	<b>(2,746,687)</b>
	<b>41,192,407</b>	<b>41,700,945</b>	<b>41,692,512</b>	<b>41,935,125</b>	<b>41,981,547</b>	<b>42,027,943</b>
				-6.73%	-6.73%	-6.73%
	28	28	28	28	28	27.6325
	28	28	28	28	28	27.9000
	<b>55.5325</b>	<b>55.5325</b>	<b>55.5325</b>	<b>55.5325</b>	<b>55.5325</b>	<b>55.5325</b>
	20,496,992	20,750,036	20,745,840	20,866,562	20,889,661	20,912,747

#### **4.0 Revaluations**

The figures presented in this report demonstrate how detrimental the effect of successful valuation challenges can be. It should be noted that there are still a number of outstanding challenge cases to be heard and whilst they will no longer affect the figures for 2034/24 they could impact on our APP for 2024/25 however most of the significant challenges have by now been dealt with.

#### **5.0 Recommendation**

**It is recommended that Council note the report.**