Causeway Coast & Glens Borough Council

Title of Report:	**Review of Rates Support Grant**
Committee Report Submitted To:	**Finance Committee**
Date of Meeting:	**12 November 2026**
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

Estimated Timescale for Completion	
Date to be Completed	30 November 2026

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 Purpose of Report

1.1 The purpose of this report is to present to Council with a draft response to consultation from the Department for Communities (DfC) regarding the recent review of Rates Support Grant conducted by DfC.

2.0 Background

2.1 DfC has conducted a review of Rates Support Grant and the resulting report on that review was circulated in 2025 containing a number of recommendations.

2.2 This element of the consultation relates to recommendation 4 of that report.

2.3 Council's draft response to the consultation is attached as an appendix to this report for consideration

3.0 Recommendation

It is recommended that the Finance Committee consider and approve the response to the consultation.

Department for Communities
www.communities-ni.gov.uk

Local Government and Housing
Regulation Division
Finance Branch
Causeway Exchange
1-7 Bedford Street
BELFAST
BT2 7EG
Phone: 028 9082 3375
[redacted]

Chief Executive of each District Council
cc: Finance Officer of each District Council

Our ref: CO1-24-890~002

Date: 3 March 2026

Dear Chief Executive

REVIEW OF RATES SUPPORT GRANT – RECOMMENDATION 4 AND EXTENSION TO OTHER RECOMMENDATION DEADLINES

Recommendation 4

In relation to the Rates Support Grant (RSG) review undertaken by Business Consultancy Services (BCS), Recommendation 4 proposed that the Department, in collaboration with councils, develop a proforma with a standardised drop-down list for expenditure items. Following further consideration, the Department's view is that the pro-forma does not readily support a drop-down menu format and that expanding it to do so could add unnecessary complexity for both councils and the Department.

The Department is also mindful that councils accounts, prepared under CIPFA's *Telling the Story* guidance, are not uniform in presentation and that councils operate different accounting systems and reporting structures. Therefore, to support councils, a draft table of high-level expenditure categories has been prepared and is enclosed for comment. We would welcome your Council's views on the table, including any additions or suggestions, as well as any wider feedback on Recommendation 4

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Return Deadline

I would also like to advise that, in response to feedback from some councils on the practical challenges of providing the required information, the Department is content to now receive all three returns from councils by no later than **30 April 2026** relating to the RSG review (i.e. this recommendation 4 request; recommendation 2 regarding RSG work delivered which was issued on 16 January as a letter from the below e-mail address; and recommendation 8 regarding wealth measurement issued 9 February 2026 from the below e-mail address). We are thankful for the feedback already submitted on Recommendation 2.

If you require any clarification, please contact the Department at **LGPDfinance@communities-ni.gov.uk**

Thank you for your continued co-operation and engagement.

JEFF GLASS
Local Government and Housing Regulation

Causeway Coast and Glens Borough Council – Review of Rates Support Grant

The purpose of this paper is to set out Causeway Coast and Glens Borough Council's response to the request for information on 3rd March 2026 regarding recommendation 4 of the recent Review of Rates Support Grant.

The information requested by the Department for Communities (DfC) is as follows:

In relation to the Rates Support Grant (RSG) review undertaken by Business Consultancy Services (BCS), Recommendation 4 proposed that the Department, in collaboration with councils, develop a proforma with a standardised drop-down list for expenditure items. Following further consideration, the Department's view is that the proforma does not readily support a drop-down menu format and that expanding it to do so could add unnecessary complexity for both councils and the Department.

The Department is also mindful that councils accounts, prepared under CIPFA's Telling the Story guidance, are not uniform in presentation and that councils operate different accounting systems and reporting structures. Therefore, to support councils, a draft table of high-level expenditure categories has been prepared and is enclosed for comment. We would welcome your Council's views on the table, including any additions or suggestions, as well as any wider feedback on Recommendation 4.

In order to answer these questions it is important to first consider the origins of Rates Support Grant and the mechanisms around it.

Rates Support Grant is there to provide financial support, on an annual basis, to those councils whose needs exceed their wealth relative to other councils in Northern Ireland. The qualification for receiving this grant is set out in Section 27 of the Local Government Finance Act (Northern Ireland) 2011and The Local Government (Rates Support Grant) Regulations (Northern Ireland) 2011, schedule 1 of the latter setting out a formula to calculate the amount of grant payable to any Council. Prior to 2011 Rates Support Grant and De-rating grant were paid together as part of the General Grant paid to local Councils in Northern Ireland under the Local Government (General Grant) Regulations (Northern Ireland) 2003.

Wealth for the purposes of the grant is currently determined in the legislation by comparing the penny product for an individual Council to the combined penny products for all eleven Councils in Northern Ireland. Wealth therefore is a measure of an individual Council's ability to raise revenue directly from its rates base within the local Borough or District that revenue then being utilised to finance the functions and services provided for those rate payers specifically.

This leads us onto the purpose of the Key Services as mentioned above and their role in the calculation of the allocation of RSG amongst qualifying Councils. The Table below

sets those key service areas and the list of proposed expenditure items as mentioned in DfC's consultation request above:

Key Service	Expenditure Items
1.Tourism Services	Destination development Tourism promotion Events & festivals Destination marketing / management Visitor servicing / information Tourism engagement with industry support partners
2.Community Services	Facilities & operations Provision of community centres and hubs Community planning, development & engagement Voluntary Community Service expenditure grants & expenditure programmes Community safety Wellbeing & resident programmes / services
3.Other Cleaning	Routine public realm cleaning Street cleaning Reactive cleaning Deep cleaning & specialist services Cleaning of outdoor assets (e.g. benches, play areas etc.)
4.Waste Collection	Core waste collections – refuse collection Civic amenity sites Recycling services Food waste
5.Economic Development	Business support / growth Town centre regeneration & place-making Employability & skills partnerships Workspace management & enterprise hubs Inward investment activity & promotion Core programme management Local Economic Strategy

Causeway Coast and Glens Borough Council welcomes the provision of expenditure items that should be included under each of the key service areas. The Key Service areas are laid out in the legislation however what should/should not be included under each heading is not therefore there is potential for Councils to make a judgement regarding what expenditure to include or exclude from their returns to the Department annually. The figures provided to DfC are audited as part of the Annual Accounts but the Treasury return to DfC is not therefore the potential for inconsistency across Councils exists.

In relation to the proforma DfC have indicated that the mechanism of a drop down menu list may be unworkable, Council would suggest that a list of subheadings under each key service area may be a more workable solution and could assist with demonstrating the build-up of the total expenditure being put forward by each Council and also make the process of matching backup provided to the expenditure easier.

The Department has also requested some wider feedback around recommendation 4. Recommendation 4 is focussed around the key service areas as set out in the legislation which attract weightings in respect of their effect on the overall allocation of the available grant funding pot. However the effect of including/excluding individual items of expenditure within these areas has minimal effect on the overall allocation calculation. The calculations are predominantly driven by the population and wealth figures for each Council therefore it would be more appropriate to review the various weightings and elements of the formula to ensure it is still relevant in today's environment. DfC has however already stated that they do not intend to bring forward any legislative changes in relation to the grant or its operation, therefore this consultation is almost meaningless. The effect of the inclusion/exclusion of expenditure in any given key service area only increases/decreases the percentage of overall expenditure across all eleven Councils and this "average" percentage expenditure on that key service is then applied to the population adjustment for each Council area. For example if all Councils increased their expenditure on Tourism then the effect on the overall average percentage of Tourism expenditure in relation to Total expenditure (currently 3.89%) would be applied to the population adjustment for all Council areas so for example if this figure increased to 5% then the effect on Council s would be as follows:

Council	Current	Example
Antrim and Newtownabbey	-754	-969
Ards and North Down	-1110	-1426
Armagh, Banbridge and Craigavon	-434	-558
Belfast	2688	3454
Causeway Coast and Glens	94	121
Derry City and Strabane	1480	1902
Fermanagh and Omagh	-69	-89
Lisburn City and Castlereagh	-1275	-1639
Mid and East Antrim	-652	-839
Mid Ulster	-93	-119
Newry, Mourne and Down	126	161

In terms of the effect on the overall grant allocation this is shown in the table below:

Council	Current	Example
Antrim and Newtownabbey	0	0
Ards and North Down	0	-0
Armagh, Banbridge and Craigavon	17.59	17.47
Belfast	0	0
Causeway Coast and Glens	7.08	7.10
Derry City and Strabane	21.12	21.44
Fermanagh and Omagh	7.23	7.21
Lisburn City and Castlereagh	0	0
Mid and East Antrim	16.65	16.48
Mid Ulster	15.92	15.88
Newry, Mourne and Down	14.41	14.42

To provide some context in order to increase the percentage of net expenditure on Tourism to 5% would require over £8m of additional spend on Tourism activities across all eleven Councils relative to all other areas of expenditure.

The point of this illustration is that the focus is almost entirely in the wrong area, whilst there should be clarity and robust process around the data collection and verification of that data it is clear that the overall effect of this data is quite minimal in terms of the overall grant allocation. Furthermore any changes to this data or the weighting factors can only result in a redistribution of the grant amongst the recipients.

What is clear however and has been largely ignored by this review and the various consultations that have arisen out of it, is that the major contributing factor to the effective operation of the grant is the funding pot made available for it. This pot has been dwindled away in recent years through Departmental cuts which took into account no regard for the knock-on effect of those cuts resulting in what has effectively been taxation transfer from Central to Local Government with those Councils whose funding has been continuously reduced having to pass that cost onto the ratepayer in their respective Districts and Boroughs through increased rates. It is quite absurd that a statutory grant has no statutory basis to set the level of funding despite having a statutory basis for its distribution.