

<b>Title of Report:</b>	<b>De-Rating Grant Finalisation</b>
<b>Committee Report Submitted To:</b>	<b>Finance Committee</b>
<b>Date of Meeting:</b>	<b>15 May 2025</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>Estimated Timescale for Completion</b>	
Date to be Completed	

<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:	<del>Yes</del> /No	Date:
	EQIA Required and Completed:	<del>Yes</del> /No	Date:
Rural Needs Assessment (RNA)	Screening Completed	<del>Yes</del> /No	Date:
	RNA Required and Completed:	<del>Yes</del> /No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	<del>Yes</del> /No	Date:
	DPIA Required and Completed:	<del>Yes</del> /No	Date:

## **1.0 Background**

De-rating is a central government policy which reduces the rating burden on a number of sectors, the most notable being manufacturing. The effect of this policy is that less rates are collected than would be expected applying the district and regional rate factors to a property's Net Annual Value (NAV) consequently there is a reduction in the income to Council from rates.

## **2.0 Detail**

As Council has no operational influence in the application any such policy De-Rating grant is a statutory mechanism through which central government compensates the local Councils for any loss incurred as a result of the central policy. The grant is linked to the NAV's of those non-domestic properties where de-rating applies and is therefore affected by any increase in the District Rate factor as set by Council annually.

### **2.1 Quarterly Analysis**

Land and Property services have provided us with the unaudited final projection for de-rating grant for 2024/25. This indicates a positive finalisation at the end of March 2025 of approximately £21k (December £9k negative). The tables in the Appendix A to this report show some analysis of the de-rating grant for all Councils.

ACTUAL PENNY PRODUCT (APP) DATA

The audited APP data shown in the final box is the basis for the finalisation (settlement) of the de-rating grant. The quarterly APP data is provided to assist councils' monitoring of this grant during the year. The APP data cannot be broken down into the de-rated categories as the APP data is calculated on projected monetary values which include case settlements etc.

			Quarter 1: 30 June 2024			Quarter 2: 30 September 2024			Quarter 3:	30 November 2024		Indicative Year End: April/ May 2025			Finalisation:	September/October 2025	
District	Non-Domestic District Rate 24/25	Estimated De rating Grant Paid	Forecast APP	Forecast De-Rating Grant	Projected Settlement	Forecast APP	Forecast De-Rating Grant	Projected Settlement	Forecast APP	Forecast De-Rating Grant	Projected Settlement	Unaudited APP	Indicative De- rating Grant	Indicative Settlement	Audited APP	De-rating Grant Payable	Final Settlement of De-rating Grant
Antrim & Newtownabbey	27.5128	3,443,502	118,850	3,269,896	-173,606	122,480	3,369,768	-73,734	122,941	3,382,451	-61,051	122,761	3,377,499	-66,003	0	0	0
Ards & North Down	27.8467	1,881,323	65,859	1,833,956	-47,367	66,533	1,852,724	-28,599	66,533	1,852,724	-28,599	66,608	1,854,813	-26,510	0	0	0
Armagh , Banbridge & Craigavon	29.9353	5,250,951	176,317	5,278,102	27,151	178,740	5,350,636	99,685	180,295	5,397,185	146,234	180,383	5,399,819	148,868	0	0	0
Belfast	30.9162	6,520,845	211,158	6,528,203	7,358	206,916	6,397,056	-123,789	202,054	6,246,742	-274,103	203,313	6,285,665	-235,180	0	0	0
Causeway Coast & Glens	29.5282	2,134,003	72,329	2,135,745	1,742	72,147	2,130,371	-3,632	72,584	2,143,275	9,272	72,985	2,155,116	21,113	0	0	0
Derry & Strabane	37.7408	3,414,033	93,532	3,529,973	115,940	91,821	3,465,398	51,365	91,104	3,438,338	24,305	90,712	3,423,543	9,510	0	0	0
Fermanagh & Omagh	25.5700	2,528,617	100,781	2,576,970	48,353	101,822	2,603,589	74,972	102,600	2,623,482	94,865	102,945	2,632,304	103,687	0	0	0
Lisburn & Castlereagh	25.6984	3,557,173	134,604	3,459,107	-98,066	133,302	3,425,648	-131,525	137,702	3,538,721	-18,452	137,996	3,546,276	-10,897	0	0	0
Mid & East Antrim	38.2215	4,087,407	105,280	4,023,960	-63,447	105,995	4,051,288	-36,119	106,609	4,074,756	-12,651	106,407	4,067,035	-20,372	0	0	0
Mid Ulster	26.9452	6,325,925	233,216	6,284,052	-41,873	237,406	6,396,952	71,027	240,052	6,468,249	142,324	242,836	6,543,265	217,340	0	0	0
Newry Mourne & Down	29.0334	3,113,251	107,567	3,123,036	9,785	107,041	3,107,764	-5,487	107,654	3,125,562	12,311	108,036	3,136,652	23,401	0	0	0
TOTALS		42,257,030		42,043,000	-214,030		42,151,194	-105,836		42,291,485	34,455		42,421,987	164,957		0	0

NB: The finalisation (settlement) is the difference between the de-rating grant paid during the year (calculated by multiplying the council's non-domestic district rate by the de-rated EPP used by the council in the rate setting process) and the Year End De-rating Grant (calculated by mulitplying the council's non-domestic district rate by the audited APP). A negative number indicates clawback of De-rating Grant with a positive number resulting in additional De-rating Grant to that council in the subsequent financial year.

ESTIMATED PENNY PRODUCT (EPP) DATA for DE-RATING GRANT

2024/2025

The following additional data provides a quarterly overview of EPP data totals which is then further broken down for each de-rated category. This data is based on net annual valuations (NAV). The EPP has been derived by dividing the NAV data, provided by LPS, by 100 and multiplying by the percentage relevant for that category (as shown in category headings). As mentioned above the APP data cannot be directly correlated as APP figures are based on monetary values whereas NAV/EPP data is taken from the valuation list at a point in time.

District	EPP Totals				
	De-rated EPP at 31 October 2023	De-rated EPP Used by Councils to Set District Rate (No category breakdown)	Q1 Total 30 June 2024 De- rated EPP	Q2 Total 30 September 2024 De-rated EPP	Q3 Total 30 November 2024 De-rated EPP
Antrim & Newtownabbey	125,163	125,160	111,935	122,102	122,570
Ards & North Down	67,569	67,560	61,766	67,445	67,197
Armagh , Banbridge & Craigavon	175,418	175,410	162,066	177,450	178,208
Belfast	210,928	210,920	197,566	211,804	209,848
Causeway Coast & Glens	72,278	72,270	68,272	72,393	72,635
Derry & Strabane	90,466	90,460	85,488	90,215	89,524
Fermanagh & Omagh	98,899	98,890	94,313	101,777	102,159
Lisburn & Castlereagh	138,428	138,420	120,157	138,365	139,308
Mid & East Antrim	106,949	106,940	101,372	107,582	107,543
Mid Ulster	234,777	234,770	198,915	238,918	239,574
Newry Mourne & Down	107,235	107,230	104,469	107,942	107,861
TOTALS	1,428,110	1,428,030	1,306,317	1,435,994	1,436,427

District	EPP Data broken down by Category & Quarter															
	80% of Sport & Recreation (excluding CASC)				100% Community Amateur Sports Clubs Category (CASC)				70% of Industrial				75% of Freight & Transport			
	Oct 2023	Quarter 1	Quarter 2	Quarter 3	Oct 2023	Quarter 1	Quarter 2	Quarter 3	Oct 2023	Quarter 1	Quarter 2	Quarter 3	Oct 2023	Quarter 1	Quarter 2	Quarter 3
Antrim & Newtownabbey	3,982	4,065	3,941	3,941	607	607	607	607	120,575	107,263	117,554	118,022	0	0	0	0
Ards & North Down	9,277	8,828	9,332	9,332	695	695	695	695	57,339	51,994	57,160	56,911	259	250	259	259
Armagh , Banbridge & Craigavon	6,640	7,023	6,648	6,648	1,323	1,323	1,323	1,323	167,455	153,720	169,480	170,238	0	0	0	0
Belfast	14,208	14,465	14,137	13,944	576	576	576	576	162,897	151,108	163,845	162,081	33,247	31,418	33,248	33,248
Causeway Coast & Glens	8,357	8,463	8,372	8,476	1,792	1,792	1,792	1,792	61,993	57,875	62,093	62,231	136	143	136	136
Derry & Strabane	4,080	4,422	4,037	4,152	1,442	1,442	1,442	1,442	83,069	77,899	82,862	82,056	1,875	1,725	1,875	1,875
Fermanagh & Omagh	5,166	5,147	5,277	5,277	2,256	2,256	2,256	2,256	91,476	86,909	94,244	94,626	0	0	0	0
Lisburn & Castlereagh	2,264	2,636	2,322	2,322	361	361	361	361	135,804	117,160	135,682	136,625	0	0	0	0
Mid & East Antrim	3,853	4,111	3,875	3,875	301	301	301	301	100,759	94,860	101,369	101,331	2,036	2,100	2,036	2,036
Mid Ulster	5,584	5,294	6,223	6,296	3,021	3,021	3,021	3,021	226,173	190,601	229,674	230,257	0	0	0	0
Newry Mourne & Down	8,309	8,589	8,313	8,305	1,855	1,855	1,855	1,855	94,301	91,420	95,004	94,931	2,771	2,604	2,771	2,771
TOTALS	71,719	73,042	72,478	72,568	14,226	14,226	14,226	14,226	1,301,841	1,180,809	1,308,966	1,309,308	40,324	38,239	40,324	40,324