



| | |
|--|---|
| Title of Report: | Finance Committee (Rates Estimates) - Addendum |
| Committee Report Submitted To: | Council – Rates Estimates |
| Date of Meeting: | 12 February 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 | 15 February 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

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 annually.

2.0 Background

A report and appendices to the Finance Committee (Rates Estimates) meeting on 22 January 2026 set out the budgetary requirements of Council services for the 2026/2027 financial year. The appendices included the various reports tabled by the Directorates at Finance Committee during the autumn which detailed the majority of cost pressures and their effect on the budgets. Committee agreed to recommend the report to Council for the purpose of setting the rate for the ensuing year.

2.1 Update

Since that meeting a decision by the Minister for Finance has rendered the report presented to Committee obsolete and therefore the need for this addendum to address that issue.

2.2 Addendum

The Minister's decision was to suspend the revaluation of all non-domestic properties for 2026, the consequence of this decision being that the figures upon which Council's estimates were based have now changed, the figures changing being the Estimated Penny Product (EPP) and the conversion factor due to both now reverting to a pre-revaluation basis.

2.3 Impact

The initial impact of these changes was to reduce the increase on the domestic rate factor from 3.99% to 3.68% whilst the non-domestic rate factor now matches the domestic at 3.68% from previously having been a reduction of 8.47%. In a further amendment to the budgets officers have recommended a reduction in the pay award assumption of 0.5% reducing the overall estimated budget by approximately £220,000. This results in an updated rates increase of 3.35% on both the domestic and non-domestic rate factors as detailed in the tables below:

| | 2025/2026 Budget | Updated 2026/27 Budget | Updated Rate Increase |
|---|-------------------|------------------------|-----------------------|
| Total Amount to be Raised | 66,005,704 | 68,686,916.63 | 4.06% |
| Reduced by Rates Support Grant | (230,545) | (218,055) | -5.42% |
| +/- Balance Applied | 0 | | 0.00% |
| Amount to be Raised (via District Rates, De-rating and Transferred Functions Grants) | 65,775,159 | 68,468,862 | 4.10% |
| Total Penny Product (from table below) | 2,149,170 | 2,164,770 | 0.73% |
| Non-Domestic District Rate | 30.6049 | 31.6287 | 3.35% |
| Council Specific Conversion Factor | 0.016128 | 0.016128 | |
| Domestic District Rate | 0.4936 | 0.5101 | 3.35% |

3.0 Recommendation

It is further recommended that Council consider the updated rates estimates as presented.