



Title of Report:	Review of Rates Support Grant
Committee Report Submitted To:	Finance Committee
Date of Meeting:	12 March 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 April 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 8 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.

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 9th February 2026 regarding recommendation 8 of the recent Review of Rates Support Grant.

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

In respect of the Rates Support Grant (RSG) review carried out by Business Consultancy Services (BCS), recommendation 8 asked for consideration to be given to include all Council revenue as a measure of wealth.

The Department would therefore welcome the Council's views on this recommendation and responses to the following questions:

- 1. Is your Council content with the present wealth measure in use (based on property values)?*
- 2. Does your Council consider that wealth measurement would be more robust by considering any additional wealth that councils may receive over and above the property values presently being used in the RSG calculation, and how that could be incorporated into the wealth measurement?*
- 3. Does your Council have any views on using a Council's audited accounts figure of total income as a measure of wealth instead of property values, and would a Council's audited accounts total income be a more robust wealth measurement?*
- 4. Any other general comments / views that the Council has in respect of the measure of wealth.*

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) 2011 and 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 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.

- (i) *Is your Council content with the present wealth measure in use (based on property values)?;*

Currently there is no viable alternative to the current property-based taxation system which despite it's constraints is relatively easy to manage and maintain, the only complication being the periodic revaluations that take place on the non-domestic side. These valuations, whilst necessary to ensure a fair distribution of the financial burden, do lead to a loss of revenue for Councils as businesses impacted by valuation increases have the ability to challenge these new valuations and if successful then incur a reduced rates bill which in turn leads to a loss in revenue for the local Council, in some cases this financial loss has been substantial and can lead to a clawback scenario for a Council at year end which has therefore operational and cashflow implications for that Council.

- (ii) *Does your Council consider that wealth measurement would be more robust by considering any additional wealth that councils may receive over and above the property values presently being used in the RSG calculation, and how that could be incorporated into the wealth measurement?;*

As stated above in the response to question (i) the measure of a Council's wealth is based on its ability to raise revenue from its rate payers in the current form of a property-based tax. It would be wrong therefore to include other forms of income in this calculation as this would materially distort the underlying revenue raising ability of any individual Council. Each Council is different in many ways and the rates base of each Council has its own unique characteristics which will impact upon the revenue raising ability for that Council. Councils who have been deemed under the current system to be less wealthy have relied upon the Rates Support Grant to underpin their finances in order to assist them to provide similar levels of service to their rate payers as could reasonable be expected in other Council areas but without unfairly burdening those same rate payers purely because of where they reside. With the severe reductions in funding for rates support grant over the last 10 years or so, seven of the eleven councils have been impacted causing an unfair additional burden on them and consequently on their rate payers with decisions having to be taken to either reduce service levels or increase local rates. This continued policy has worked contrary to the central policy of ensuring a fair and equitable burden on all rate payers by simply placing an additional burden on rate payers in seven of the local Council areas, it is also an example of taxation transfer from Central to local Government in these seven areas in this regard. In order to minimise the

impact of these grant cuts Councils will have sought alternative ways to raise revenue in order to replace the lost revenue by virtue of the cut to rates support grant. If these revenue streams were to now be included in the measure of wealth then those seven Councils could potentially find the impact being compounded and effectively being impacted twice, firstly by virtue of the grant cut and then secondly seeing their relative wealth being increased by the very income stream that replaced that funding cut and suffering another adverse impact as a result.

Furthermore, Councils draw in funding from numerous sources at various times. Causeway Coast and Glens Borough Council do not support the view that these should be taken into account given the sporadic nature of the funding, for example significant grant funded programmes such as Growth Deals will show very high levels of income for a short period and it is wrong therefore to simply deduce that a Council's wealth has suddenly increased for this period. Rates support grant is by its nature supposed to be there to provide stability for Councils and should not be based on any measures that can fluctuate significantly over time.

(iii) Does your Council have any views on using a Council's audited accounts figure of total income as a measure of wealth instead of property values, and would a Council's audited accounts total income be a more robust wealth measurement?

Causeway Coast and Glens Borough Council does not support the use of audited accounts figures for total income as a measure of wealth for all the same reasons as set out in the response to (ii) above.

(iv) Any other general comments / views that the Council has in respect of the measure of wealth.

Any future definition of wealth must be directly linked to a measure of that Council's ability to raise revenue from its citizens and businesses directly. It must have a high degree of stability so that annual budgets can be prepared on a consistent basis without major variances for those funding the budgets from year to year thereby allowing Councils to continue to provide a high level of service consistently.