

# Causeway Coast & Glens Borough Council

To: Corporate, Policy and Resources Committee

Estimated Penny Product Forecast

Date 06/11/15

For Information

## 1.0 Reporting to Committee

<b>Linkage to Corporate Plan</b>	
<b>Strategic Priority</b>	Budgetary Control
<b>Objective</b>	Rates Penny Product
<b>Lead Officer</b>	David Wright
<b>Cost: (If applicable)</b>	

## 1.1 Background

Land and Property Services (LPS) who issue bills and collect rates on behalf of Councils issue forecasts on the Estimated Penny Product (EPP) which is used in the rates setting process by Councils in order to determine the rate to be struck.

## 1.2 Detail

LPS have issued to Councils the first in year forecast for the EPP based on figures at 30 September 2015. The forecast for Causeway Coast and Glens Borough Council gives an EPP of £1,679,200 compared to £1,628,620 which was used in calculating our rate for the current year. This represents an increase of around 3% which is a very encouraging position for Council to be in at this stage and is an indication of the strength of our rates base however some caution still needs to be exercised due the ongoing challenges particularly with regard to the non-domestic revaluation.

Outstanding challenge cases and their eventual results will have an impact on this figure and I would advocate that we do not take account of the increase in the EPP at the outset of the rates process but rather wait for further iterations of the calculation, there will be another at the end of November, and until more of the valuation challenges are settled to allow more comfort with the figure as presented. For example in the last rate setting process the EPP for this council decreased slightly between the first calculation and the eventual figure used in the rate setting process.

With regards the outstanding cases a total of just over £6m of rateable value is being challenged and if the current average loss of 16.4% is applied to these cases there could be a potential reduction in rateable value of approximately £991,000 which would translate into a reduction in the EPP for Council to approximately £1,660,000. It should be noted that this is a very crude extrapolation of the current position and may bear no resemblance to the eventual outcome of individual cases but is purely to illustrate that current forecasts are very susceptible to a variety of factors.