

De-rating Penny Product Forecast	16/5/2017
Corporate, Policy and Resources Committee – For information	

Linkage to Council Strategy (2015-19)	
Strategic Theme	Innovation and Transformation
Outcome	The Council will continuously examine and introduce ways to provide services in more accessible and efficient ways
Lead Officer	Chief Finance Officer
Cost: (If applicable)	N/A

1.1 Background

Land and Property Services (LPS) who issue bills and collect rates on behalf of Councils issue in year forecasts on the Actual Penny Product (APP) and projected outturns with regards the amount of rates actually collected. In addition they also provide data on the de-rating grant element which has a penny product figure of its own.

1.2 Detail

Council has received an indicative figure for the de-rating grant finalisation which estimates council to be in a deficit position of £37,744 which means Council will have to repay this amount. This is a significant variance from the other in year forecasts despite the borough not having any major bad news in terms of businesses who would have an effect on this grant.

At the time of writing this report LPS have been asked for further detail as to where this variance has arisen and this will be communicated to members as soon as it is received.

Details of the De-rating grant award are in the tables attached.

Members are asked to note the potential shortfall in this grant and adverse impact on overall income.

MONITORING AND FINALISATION DATA for DE-RATING GRANT 2016/17

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.

District	Non-Domestic District Rate 16/17	Estimated De-rating Grant Paid	Quarter 1: 30 June 2016			Quarter 2: 30 September 2016			Quarter 3: 30 November 2016			Indicative Year End: April/May 2017			Finalisation: September/October 2017		
			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	24.2060	2,359,117	97,513	2,360,400	1,283	96,756	2,342,076	-17,041	98,323	2,380,007	20,890	105,171	2,545,769	186,652	0	0	0
Armagh , Banbridge & Craigavon	24.4252	3,596,195	147,313	3,598,149	1,954	146,182	3,570,525	-25,671	148,590	3,629,340	33,145	150,106	3,666,369	70,174	0	0	0
Belfast	25.8601	5,229,119	197,808	5,115,335	-113,784	197,711	5,112,826	-116,293	197,037	5,095,397	-133,723	192,742	4,984,327	-244,792	0	0	0
Causeway Coast & Glens	24.4776	1,367,857	55,855	1,367,196	-661	56,520	1,383,474	15,617	56,181	1,375,176	7,319	54,340	1,330,113	-37,744	0	0	0
Derry & Strabane	28.3811	1,850,448	66,846	1,897,163	46,715	67,689	1,921,088	70,641	67,593	1,918,364	67,916	69,411	1,969,961	119,513	0	0	0
Fermanagh & Omagh	20.1200	1,649,639	82,046	1,650,766	1,127	82,657	1,663,059	13,420	82,446	1,658,814	9,175	81,626	1,642,315	-7,324	0	0	0
Lisburn & Castlereagh	20.9216	2,225,556	113,337	2,371,191	145,635	118,470	2,478,582	253,026	119,706	2,504,441	278,885	118,905	2,487,683	262,127	0	0	0
Mid & East Antrim	27.9666	2,824,039	102,944	2,878,994	54,954	102,702	2,872,226	48,186	102,323	2,861,626	37,587	101,156	2,828,989	4,950	0	0	0
Mid Ulster	23.1969	3,856,809	164,024	3,804,848	-51,961	164,776	3,822,292	-34,517	164,876	3,824,612	-32,197	157,922	3,663,301	-193,509	0	0	0
Newry Mourne & Down	22.3951	1,962,483	85,280	1,909,854	-52,628	85,889	1,923,493	-38,990	86,746	1,942,685	-19,797	86,395	1,934,825	-27,658	0	0	0
Ards & North Down	21.3113	1,217,536	58,202	1,240,360	22,824	58,473	1,246,136	28,600	59,727	1,272,860	55,324	59,167	1,260,926	43,390	0	0	0
TOTALS		28,138,798		28,194,256	55,458		28,335,776	196,978		28,463,322	324,524		28,314,578	175,779		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 multiplying 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 2016/2017

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				
	Original data of 31 Oct 2015 EPPs (to aid rate setting process)	De-rated EPP Used by Council to Set District Rate (No category breakdown)	Q1 Total 30 June 2016 De-rated EPP	Q2 Total 30 Sep 2016 De-rated EPP	Q3 Total 30 Nov 2016 De-rated EPP
Antrim & Newtownabbey	97,460	97,460	97,756	96,656	99,347
Armagh , Banbridge & Craigavon	147,233	147,233	147,998	148,504	149,327
Belfast	202,208	202,208	200,838	200,946	200,705
Causeway Coast & Glens	55,882	55,882	55,840	56,468	56,046
Derry & Strabane	65,200	65,200	67,075	67,300	67,122
Fermanagh & Omagh	81,990	81,990	84,157	85,251	84,795
Lisburn & Castlereagh	106,376	106,376	110,150	112,576	112,480
Mid & East Antrim	100,979	100,979	102,549	102,383	101,958
Mid Ulster	166,264	166,264	165,869	164,726	164,570
Newry Mourne & Down	87,630	87,630	87,551	88,097	88,566
Ards & North Down	57,131	57,131	58,307	59,107	59,734
TOTALS	1,168,353	1,168,353	1,178,090	1,182,013	1,184,650

District	EPP Data broken down by Category & Quarter												
	80% of Sport & Recreation (Including CASC Quarters 1,2 and 3 and Excluding CASC in Quarter 3)				Community Amateur Sports Clubs Category	70% of Industrial				75% of Freight & Transport			
	Original	Quarter 1	Quarter 2	Quarter 3	Quarter 3	Original	Quarter 1	Quarter 2	Quarter 3	Original	Quarter 1	Quarter 2	Quarter 3
Antrim & Newtownabbey	5,219	5,297	5,280	5,268	0	92,241	92,459	91,376	94,079	0	0	0	0
Armagh , Banbridge & Craigavon	7,338	7,418	7,418	7,418	0	139,895	140,580	141,085	141,909	0	0	0	0
Belfast	14,352	14,272	14,398	14,398	0	159,045	157,754	157,737	157,496	28,811	28,811	28,811	28,811
Causeway Coast & Glens	9,145	9,189	9,189	9,058	0	46,589	46,504	47,132	46,841	148	148	148	148
Derry & Strabane	4,203	4,295	4,383	4,308	0	59,722	61,505	61,642	61,539	1,275	1,275	1,275	1,275
Fermanagh & Omagh	6,148	6,297	6,286	6,290	0	75,842	77,860	78,966	78,505	0	0	0	0
Lisburn & Castlereagh	2,703	2,704	2,704	2,704	0	103,673	107,446	109,872	109,777	0	0	0	0
Mid & East Antrim	4,765	4,737	4,580	4,580	0	94,343	95,941	95,932	95,507	1,871	1,871	1,871	1,871
Mid Ulster	6,844	6,968	6,968	6,995	0	159,420	158,901	157,757	157,575	0	0	0	0
Newry Mourne & Down	8,463	8,745	8,883	8,883	0	77,275	76,914	77,321	77,790	1,892	1,892	1,892	1,892
Ards & North Down	8,733	8,710	8,926	9,005	0	48,130	49,328	49,913	50,461	268	268	268	268
TOTALS	77,913	78,632	79,014	78,906	0	1,056,175	1,065,193	1,068,733	1,071,478	34,265	34,266	34,266	34,266