



Belfast City Council

Report to:	Shadow Strategic Policy and Resources Committee
Subject:	Non Domestic Property Revaluation
Date:	19 December 2014
Reporting Officer:	Ronan Cregan, Director of Finance and Resources and Deputy Chief Executive
Contact Officer:	Mark McBride, Head of Finance and Performance

1.0	Relevant Background Information
1.1	At the meeting of the Shadow Strategic Policy and Resources on the 28 November 2014, Members received an update on the Non Domestic Property Revaluation referred to as "Reval 2015 NI".
1.2	At this meeting, the Committee was advised that the Council had been provided with revaluation data for all of the non domestic properties (approximately 17,200) in the new Belfast City Council area and that finance officers were analysing the data and that a further report would be presented to the December meeting of the Committee.

2.0	Key Issues
2.1	Draft Schedule of New Values The draft schedule of new values was published by LPS on the 17 November 2014. The following analysis is based on this draft schedule of new Net Annual Valuations (NAVs) and its comparison to existing NAVs.
2.2	Rate bills based on the published Valuation List will be issued in April 2015. However ratepayers will be able to calculate their new rates bill in February 2015, when the District rate is struck by the Council and the Regional rate is struck by the Executive.
2.3	Preliminary Outcomes of the Draft Schedule In November it was highlighted that the preliminary outcomes of the revaluation by type were. <ul style="list-style-type: none"> • The total of Belfast NAV's increased by 4.6% as a result of the revaluation. • The total NAVs for Belfast Offices have reduced by 4%. • The total NAVs of Belfast Retail have reduced by 13%.

	<ul style="list-style-type: none"> • The total NAVs of Belfast Warehouses and Stores have reduced by 5%. • The total NAVs of Belfast Industrials have reduced by 10%. • The total NAVs for Supermarkets has increased by 24%. • The Power transmission and distribution NAV (which is calculated at NI level) has increased by 40%. 																																																												
2.4	It should be noted that the above changes show the net position of properties within the property category. Within each type there can be major decreases and increases, especially depending on location of the property, which make up the overall percentage movement.																																																												
2.5	Some of the overall preliminary outcomes of the revaluation by location are highlighted below. <ul style="list-style-type: none"> • Excluding large shops and department stores, the total NAVs for Victoria Square have reduced by 17%. • Excluding large shops and department stores, the total NAVs for Castle Court have reduced by 45%. • Excluding large shops department stores, the total NAVs for Donegall Place have reduced by 48%. • The total NAVs for the Kennedy Centre have increased by 22%. • The total NAVs for Boucher Crescent have increased 66%. 																																																												
2.6	An analysis by District Electoral Area will be provided to Members at the meeting and this will then be distributed to all Council Members. The analysis will show: <ul style="list-style-type: none"> • properties which may lose Small Business Rates Relief. • properties which may gain Small Business Rates Relief. <p>(The level of relief available is related to the NAV of the property for example the Small Business Rates Relief provides 50% relief for NAV's under £2,000, 25% relief for NAV's between £2,000 and £5,000 and 20% relief between £5,000 and £15,000.)</p> <ul style="list-style-type: none"> • properties which may face an increase in amount of rates payable. 																																																												
2.7	Tables 1 and 2 below show the top 10 wards with the largest overall percentage increase and the 10 with the lowest overall percentage increase.																																																												
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**Table 2
Top 10 Wards with Lowest Percentage Increase**

Ward	Existing NAV	Revalued NAV	Var	% Var
Falls	32,841,685	27,899,880	-4,941,805	-15.05%
Bloomfield	5,623,730	4,998,880	-624,850	-11.11%
Beechmount	4,263,120	3,917,640	-345,480	-8.10%
Musgrave	4,202,920	3,983,080	-219,840	-5.23%
Malone	3,485,235	3,316,880	-168,355	-4.83%
Shaftesbury	128,992,890	126,055,270	-2,937,620	-2.28%
Windsor	5,886,510	5,817,570	-68,940	-1.17%
Botanic	13,651,935	13,608,965	-42,970	-0.31%
Total	198,948,025	189,598,165	-9,349,860	

2.8 Given the significant increase which some businesses will phase as a result of the non domestic revaluation the Committee agreed, at its meeting on the 28 November 2014, that the Council should write to the Finance Minister asking him to consider providing a separate relief scheme for those businesses who face significant increases in their rate bills as a result of the non domestic revaluation.

2.9 A draft of the letter has been attached as Appendix 1 and this also includes a request for the Minister to reconsider the NAV limits currently applied to existing relief schemes given that a number of properties in Belfast will lose their existing relief as a result of the non domestic revaluation.

Engagement Businesses
2.10 The purpose of the publication of the draft valuation list by the Land and Property Service in November 2014 is to allow time for any major errors in the list to be addressed and to give ratepayers the opportunity to contact LPS for explanation of the revaluation and draft values prior to the final list being published in April 2015.

2.11 From the 1 April 2015, ratepayers who are not satisfied with the revaluation of their non domestic property can take the following action:

- Make an application to the District Valuer to have their NAV reviewed.
- If not resolved, then submit a subsequent appeal to the Commissioner of valuation.
- Finally if still not satisfied, then submit a subsequent appeal to the Lands Tribunal for Northern Ireland.

2.12 It was originally agreed that the Council would host a number of briefing sessions for businesses which have been adversely impacted by the revaluation. LPS, however, has informed the Council that officials have been conducting briefing sessions through representative bodies such as Retail Trade Associations, Pubs of Ulster and with the major retailers and utility providers. It is therefore recommended, in order to avoid duplication, that the Council does not provide briefing sessions on this matter.

3.0 Resource Implications

3.1 The Council received approximately 66% of its rate income from non domestic properties. The total amount of money to be raised through the rates will not change as a result of revaluation; however individual ratepayers may see an increase or decrease in their rates bills as a result of the revaluation.

4.0	Equality and Good Relations Implications
	There are no equality and good relations implications associated with the report.
5.0	Recommendations
	<p>The Committee is asked to :-</p> <ul style="list-style-type: none"> • Note the report on the non domestic revaluation. • Approve the draft letter to the Finance Minister included as Appendix 1. • Agree not to hold briefing sessions as previously agreed.

6.0	Documents Attached
	Appendix 1 Draft Letter to the Finance Minister