



Belfast City Council

Report to:	Shadow Strategic Policy and Resources Committee
Subject:	Non Domestic Property Revaluation
Date:	28 November 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	This report provides an update for the Committee on the Non Domestic Property Revaluation referred to as "Reval 2015 NI".
1.2	Reval 2015 NI is the process by which Land & Property Services (LPS) re-valued all non-domestic properties in Northern Ireland for rating purposes. Currently business rates are based on 2001 values, however following the revaluation, the rateable value of all non-domestic properties will be in line with property values as at 1 April 2013.
1.3	Belfast City Council currently receives 66% of its rates income from non domestic properties. The rateable values of non domestic properties in the City are used to calculate the share of the rates burden which each non domestic property is liable for, although this will also be affected by the level of rates exemption and any rates relief allowance.
1.4	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.

2.0	Key Issues
	Draft Schedule of New Values
2.1	The draft schedule of new values was published by LPS on the 17 November 2014.
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.
	Preliminary Outcomes of the Draft Schedule
2.3	<p>Some of the overall preliminary outcomes of the revaluation by type of are highlighted below.</p> <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%. • 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%. • The Gas NAV (which is calculated at NI level) has increased by 40%.
2.4	<p>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. For example the revaluation of Pubs in Belfast has resulted in a range of changes from a reduction of 40% to an increase of over 500%.</p>
2.5	<p>Some of the overall preliminary outcomes of the revaluation by location are highlighted below.</p> <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	<p>Actual rate bills for 2015/16 cannot be calculated until February 2015, when the district and regional rates are struck. However Land and Property Services have estimated that in terms of the revaluation itself, 60% of non domestic ratepayers would be better off and 70% of shops would be the same or better off. It is also clear that some non domestic ratepayers will see a significant increase in their rates bill as result of the revaluation exercise. Some of these ratepayers are based in locations transferring into the new Belfast area and they will face an increase as the result of the boundary change and a further increase arising from the revaluation.</p>
2.7	<p>Members will be aware that the Finance Minister has set aside £30m to fund a rates convergence scheme which will provide phased relief to those whose rate bills will be increased as a result of local government reform boundary changes.</p>
2.8	<p>Given the significant increase which some businesses will face as a result of the non domestic revaluation, Members may wish to write to the Finance Minister asking him to consider providing a separate relief scheme for those businesses whose face significant increases in their rate bills as a result of the non domestic</p>

	revaluation.
2.9	The purpose of the publication of the draft valuation list by the Land and Property Service in November 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.
2.10	From the 1 April 2015, ratepayers who are not satisfied with the revaluation of their non domestic property can take the following escalating action. <ul style="list-style-type: none"> • 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.
2.11	It should be noted that the above review and appeals process is not available until 1 April 2015.
2.12	Members are also asked to note that officers are currently analysing the new valuation list in order to identify individual businesses which will face significant increases in their rates bills. This information will be made available to Members as soon as it is ready.

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
	The Committee is asked to :- <ul style="list-style-type: none"> • Note the report on the non domestic revaluation. • Consider whether a request should be made to the Finance Minister to ask him to consider providing a non domestic revaluation relief scheme for those non domestic ratepayers who face significant increases arising from the non domestic revaluation.

6.0	Documents Attached