

POLICY DEVELOPMENT PANEL C
RECOMMENDATIONS ON STRIKING DISTRICT RATES FOR 2011/2012

Agenda: 6

Summary: This paper outlines Policy Development Panel C's recommendations for striking 2011/2012 district rates.

Action Required: The SLB is asked to:

- endorse 'Option 3' as its preferred option for striking 2011/2012 district rates and note the arrangements for the related factors;
- ensure that the appropriate legislation is put in place to give effect to this option and any supporting factors;
- task the RTCG with overseeing the implementation of the preferred option which should include the provision of appropriate operational guidance for Statutory Transition Committees and existing councils;
- approve the issue of Annex 2 to Transition Committees; and
- endorse the Panel's view that further modelling should be undertaken by central government to assess the impact of reorganisation on individual councils within groupings.

BACKGROUND

The restructuring of local government from 26 to 11 District Councils is due to take place in May 2011. As this falls during a financial year, two different council structures will exist in 2011/2012 ie:

- 26 councils from 1 April 2011 to mid-May 2011; and
- 11 councils from mid-May 2011 to 31 March 2012.

For this reason, the methodology for striking district rates by 15 February 2011 for the incoming financial year needed to be reviewed and the Panel was presented with its

Finance and Estates Working Group's option analysis which included a preferred option for striking the 2011/2012 district rates.

The following papers are attached for the attention of the SLB:

- Annex 1 – Finance and Estates Working Group options paper;
- Annex 1a – joint secretariat summary (to Annex 1); and
- Annex 2 – Two supporting tables

DETAIL

The preferred option for striking the 2011/2012 district rate, which was endorsed by the Panel at its meeting on 23 September 2009, would see the Statutory Transition Committees strike the district rate on an 11-council basis, not just from mid-May 2011 when the new councils come into being, but for the entire financial year. This would mean that for approx 6-weeks (1 April 2011 until mid-May 2011) ratepayers will pay the rate of the new 11-council structure rather than that of the existing 26-councils. Legal advice sought by the Finance and Estates Working Group suggests that if this policy was the enacted will of the Assembly, the courts would be unlikely to uphold a legal challenge.

The tables (attached as Annex 2) were produced by Local Government Policy Division, DoE to assist the Panel in considering this policy area, specifically in relation to the 6-week issue. They compare the existing 26-council rates with a hypothetical 11-council rate. Whilst the exercise had its limitations, not least that it does not include any potential changes to boundaries, this was a best effort attempt to show what an 11-council rate might look like if reorganisation took place today and councils' financial requirements under the 11-council structure were no different than they were when the 26 councils struck the 2009/2010 district rates.

There is currently insufficient information to enable the boundary changes to be factored into a modelling exercise and therefore the base information used in the attached tables is the 2009/2010 rates grouped into 11 councils without any boundary changes. The General Grant (Resources) distribution will look much different under the

11-council structure and therefore revised calculations were factored in, along with a combined conversion factor for calculating the domestic rates (derived by DFP).

- Table 1 compares a combined regional and district rate between the 26 and 11-council structures; and
- Table 2 compares the district rate alone.

Points of Clarification

In considering the range of options, the Panel recognised that each was not without its own difficulties and there were no perfect solutions available. Following some detailed discussion the Panel agreed that Option 3 was the preferred option but would make the following points of clarification:

- In carrying out the options analysis, it was a core assumption of the Finance and Estates Working Group that the local government elections to the 11-council structure will be held in May 2011 and the new structure will come into being 4 days later. If the anticipated date of the local government elections were to change it is recommended that the feasibility and impact of the options in Annex 1 are reassessed; and
- The recommended option **would not directly impact** on levels of 2011/2012 district rates but would purely **extend the timeframe** in which the new council rate will be in place by approximately 6 weeks.

Other related factors

If implemented, other factors would be involved, such as i) who would receive the rates income for the initial 6 weeks of 2011/2012; ii) the structure and timeframe under which General Grant (Resources and Derating) would be calculated; and iii) the presentation of accounts.

i. Rates Income

The Panel understands that there could be a number of methods for dealing with rates income over the 6 week period and DoE are currently exploring the legislative and legal implications of these. Whilst the Panel's recognises that it may be necessary for the Statutory Transition Committees to receive the rates

income for a rate they have struck, it would be the Panel's preference that the Statutory Transition Committees pass this income to existing councils, through an agreed formula, to enable them to continue to carry on the day to day business until reorganisation takes place.

ii. General Grant calculations

The Panel welcomes a detailed exploration of how General Grant will be calculated for 2011/2012 but understands that it is likely that it might have to follow the same process and period for the striking of 2011/2012 district rates.

iii. Accounts

The Panel supports the recommendation of the Finance and Estates Working Group ie that the presentation of councils' accounts should be prepared in line with FRS 6 (Financial Reporting Standard 6) ie the new organisation will prepare accounts for the full 12 month period 01 April 2011 to 31 March 2012.

Implementation

Once an option has been agreed, further detailed work and discussion will be required on the practical implementation of the chosen option to include the necessary legislative changes. It would be useful if the Regional Transition Coordinating Group (or its successor) could oversee the implementation of this policy and any related factors.

Averaging of rates

The Panel recognises that, at the point of reorganisation, there will be an 'averaging' of rates across the council groupings when the district rate for new councils is struck. This will not be a simple 'averaging' as other factors will impact on rates such as the redistribution of the Rate Support Grant which will inevitably occur under a new council structure.

The Panel understands that the information in Tables 1 and 2 (attached) is purely hypothetical and should not therefore be construed as factual or definitive. It is also recognised by the Panel that there will be many variables, which can not yet be quantified but which could influence future rates such as severance costs, costs

associated with the implementation of reorganisation and the transfer of functions, or indeed any efficiencies which might be identified in the PriceWaterhouse Cooper report.

Nevertheless, the attached tables highlight a particular trend and it is the view of the Panel that further modelling should be undertaken by central government to assess the impact of reorganisation on individual councils within groupings.

RECOMMENDATION

The Panel recommends that the SLB:

- endorse 'Option 3' as its preferred option for striking 2011/2012 district rates and notes the arrangements for the related factors;
- ensure that the appropriate legislation is put in place to give effect to this option and any supporting factors;
- task the RTCG with overseeing the implementation of the preferred option which should include the provision of appropriate operational guidance for Statutory Transition Committees and existing councils;
- approve the issue of Annex 2 to Transition Committees; and
- endorse the Panel's view that further modelling should be undertaken by central government to assess the impact of reorganisation on individual councils within groupings.

REVIEW OF PUBLIC ADMINISTRATION – OPTIONS FOR STRIKING DISTRICT RATES FOR THE FINANCIAL YEAR 2011/2012

1. BACKGROUND

The restructuring of local government in Northern Ireland from 26 to 11 District Councils is due to take place in May 2011. The Finance and Estates Working Group (FEWG) was tasked with examining a number of issues arising from that restructuring and reporting with options to Policy Development Panel C.

Issue Number 2 in the Group's programme of work tasked the FEWG to:

'establish options on the timing of striking rates/estimates due to the re-organisation of local government taking place mid-rating year';

with the broad aim described as;

'preparation of an options paper which explores the pros and cons regarding the striking of rates'.

2. INITIAL CONSIDERATION BY FEWG

2.1 The Issue

The Rates Regulations (Northern Ireland) 2007 provide that the date in any year not later than which a district council must make the district rates for the next following year shall be the 15 February. Normally the process begins 5 months earlier when an estimate of what a penny on the rates will raise is calculated by Land and Property Services (LPS) and given to councils to assist in the striking of a rate. However the restructuring of local government envisages that Transition Committees will initially have the ability to strike district rates for the 11-council structure and this will be done in advance of May 2011. The issue that therefore arises is how district rates will be struck for the 2011/2012 financial year given that the following two different council structures will span that financial year;

- April 2011 - May 2011 existing 26 council structure
- May 2011 – March 2012 new 11 council structure

and in addition LPS will need to know the way forward so that EPPs can be calculated for councils and preparations made for the billing of ratepayers from the beginning of April 2011. Furthermore the striking of the Regional Rate cannot be excluded from the process for striking the District Rates.

The FEWG concluded that a special exercise was required to examine how district rates can or should be struck by district councils for the financial year 2011/2012. The exercise was considered urgent to establish the need for legislative change and/or significant work to be undertaken.

2.2 Method of Approach/Responsibility

Following consideration of the issue by the FEWG it was agreed that a small group should be established to explore the issue and make recommendations. The Membership of the Group was agreed as Iain Greenway (LPS) (Leader), Gail Fryer (LPS), Fred Hempton (LPS), Marie Finnegan (DOE), Janet Cooper (DOE), John Buchanan (NIAO), Brian McClure (RPD), Brona Slevin (Craigavon BC), Brendan Hegarty (Fermanagh DC), and Dave Clarke (Ards BC). The Group was to agree who would report back to the FEWG.

2.3 Group Remit

The remit given to the Group was:

‘to explore options for striking district rates for the financial year 2011/2012’.

It was recommended that the Group consider the options paper ‘key financial issues for 2011/2012’ previously provided by Local Government Policy Division (DOE).

3. THE PURPOSE OF THIS PAPER

The purpose of this paper is to set out all possible options for the striking of district rates for the year 2011/2012, to give a detailed analysis of each option and to provide a recommendation on the most suitable option for the striking of district rates for that year. The paper has been prepared with the assistance of the FEWG.

3.1 Key Considerations

In assessing each potential option cognisance was taken of the following key criteria:

- legislative and legal issues
- ratepayer issues
- billing and IT issues, and
- practicality and timing

3.2 Core Assumptions

The paper and options are based on the assumption that elections to the new 11-council structure will be held in May 2011 and that the new structure will come into being around the middle of that month. If this should change the feasibility and impact of the preferred option would need to be reassessed, not least due to the potential for change in the legal and operational risks. If this should change, the feasibility and impact of the preferred option would need to be reassessed, not least due to the potential for change in the legal and operational risks.

3.3 Annual Accounts

The option recommended in this paper for the striking of district rates for the financial year 2011/2012 should be taken into account when options for closure accounts are being considered.

4 RECOMMENDATION

Having considered the full range of options available the Group believes that options 5, 6 and 7 are not workable. With regard to:

- option number 1 the Group believes that the timescale for successful implementation has already passed and option should be excluded;
- option number 2 the Group feels could work but is considered too costly to implement, is not customer friendly and should be excluded;
- option number 3 it is the view of the Group that this presents the most realistic way forward and is the Group's preferred option;
- option number 4 the Group feels is workable but would remove the independence and local accountability of Councils and should be excluded.

It should be noted that the consideration of, and need for any of, these options is due to the absence of elections bringing the new 11-council structure into being on 1 April 2011.

Any legislative changes should preferably be dealt with through the Local Government (Miscellaneous Provisions) Bill currently going through the Assembly. This is not least due to the fact that it contains powers relating to the Transitional Committees and rate striking. These are likely to need to be amended somewhat, as well as changes made to rating legislation and amending powers granted.

5. OPTIONS IDENTIFICATION

Following a number of meetings and consultation with the FEWG a number of options for striking district rates for the financial year 2011/2012 were identified. The options identified were as follows:

5.1 Option 1

This option envisages an initial 14-month period of district rate from 1 April 2010 to 15 May 2011 based on the current 26 district council structure and rates levied in financial year ending 31 March 2011. The district rate would be struck by Councils in February 2010. This would be followed by a 10-month period of district rate from 16 May 2011 to 31 March 2012 based on the new 11-council structure with rates levied in year ending 31 March 2012. The district rate would be set by Transition

Committees on behalf of councils in February 2011. The Estimated Penny Product (EPP) and billing of ratepayers would be based on this scenario.

5.2 Option 2

This option envisages splitting the 2011/2012 financial year into two separate periods for EPP and billing purposes. The first period from 1 April 2011 to 15 May 2011 would be based on a 26 district council basis and the second period covering from 16 May 2011 to 31 March 2012 would be based on the new 11-council structure.

5.3 Option 3

This option envisages setting the EPP and billing of ratepayers for the 2011-2012 financial year based on the new 11-council structure. The district rate would be set in conjunction with the Transition Committees and monthly payments made to the Transition Committees until the new Councils are established.

5.4 Option 4

This option envisages dispensing with any form of District Rate for the year 2011-2012 only. A single Regional Rate for Northern Ireland to include funding for Councils would be set by the Department of Finance and Personnel (DFP) for the 2011-2012 year only and DFP would fund Councils directly from this income. The option does not envisage a final settlement for Councils. Ratepayers would be billed on this basis.

5.5 Option 5

This option envisages calculating an EPP from 1 April 2011 to 15 May 2011 based on the 26-council structure; calculating a further EPP from 16 May 2011 to 31 March 2012 based on the new 11-council structure and then calculating a hybrid EPP. Ratepayers would be billed on the basis of any district rate struck from the hybrid EPP.

5.6 Option 6

This option envisages calculating EPPs for the financial year 2011-2012 based on the 26-council structure. In-year payments made by DFP would be based on this structure and finalisations at year end calculated on this basis. Ratepayers would be billed on a 26-council basis.

5.7 Option 7

This option envisages dispensing with an EPP for all 26-councils for the period 1 April 2011 to 15 May 2011. The Regional Rate would be calculated for 12 months from 1 April 2011 to 31 March 2012 to include district rate revenue for the 26 councils for the period 1 April 2011 to 15 May 2011 and the 26 councils funded from that revenue stream. An EPP based on the 11-council structure would be calculated for the period 16 May 2011 to 31 March 2012 and the district rate struck on that period. Billing of ratepayers would be on the 11-council structure with a District and Regional Rate.

6.0 OPTIONS ANALYSIS

6.1 Option 1

This option envisages an initial 14-month period of district rate from 1 April 2010 to 15 May 2011 based on the current 26 district council structure and rates levied in financial year ending 31 March 2011. The district rate would be struck by Councils in February 2010. This would be followed by a 10-month period of district rate from 16 May 2011 to 31 March 2012 based on the new 11-council structure with rates levied in year ending 31 March 2012. The district rate would be set by Transition Committees on behalf of councils in February 2011. The Estimated Penny Product (EPP) and billing of ratepayers would be based on this scenario.

(a) Legislative and Legal issues

Option would require significant amendment to rating legislation. As it stands rating legislation envisages a 12-month cycle for penny product and administration of rating matters. Initial research indicates complex changes would be required to both subordinate and primary legislation. At least 14 Articles in the 1977 Principal Rating Order could require amendment and significant changes undertaken to the Rates Regulations 2007 which govern the penny product process. Option also has scope to affect administration of housing benefit and in turn benefits legislation. No identifiable legislative or legal issues for DOE general grant purposes. It is also understood that for accounting, rating and benefits periods, and IT issues the Regional Rate period would have to mirror that calculated for the district rate. This may present significant difficulties for central government and these other areas generally.

(b) Ratepayer Issues

Option does not lend itself to ratepayers. Bills will be inflated to cover an additional period of district rate and in the current financial climate this is bound to be greeted with dismay. Many ratepayers already have difficulty in paying the standard 12-month rate bill as evidenced by numbers against whom legal proceedings have had to be initiated. Year 2010-2011 will also see an end to transitional relief for domestic ratepayers most affected by the change to a capital value system and non-domestic ratepayers will be challenged by the revaluation of non-domestic properties effective from 1 April of that year. There must therefore be an expectation that rate bills in many cases will already increase in that year and the additional 6 weeks of district rate will be an unwelcome addition. It is very likely that rates for the second period of this option will be set late with a knock-on effect on the issue of bills. Should this occur payment by instalments may be knocked back to a collection date commencing June 2011 at the earliest leading ratepayers to believe their bill is bigger than the previous year. In excess of 350,000 ratepayers pay by the instalment method.

(c) Billing and IT Issues

LPS IT systems are built around a twelve month cycle of activity dictated by rating legislation. Any deviation to a 14/10-month cycle will require significant

intervention to IT systems followed by an extensive period of testing. IT supplier costs alone will exceed £800K and in addition a Project Team to deliver change and run test programmes will be required. The billing timetable for 2011-2012 would concern LPS. Any delay in setting the rate for that year will delay billing and it could be May/June before bills can be issued. This would be unacceptable to LPS impacting severely on collection and recovery timetables.

(d) Practicality and Timing

The option presents no practical difficulties for general grant calculations undertaken by Local Government Policy Division of the DOE and should present few difficulties for the 26-councils when setting budgets. However in terms of rating legislation, billing and IT issues there are significant hurdles to be overcome and legal advice would be required on a raft of issues. Option would also require Regional Rate to mirror District rate period and belief is that this is not possible. Timing is also a significant factor. Implementation of this option would require amendments to legislation to be in place by October 2009 and IT solutions by early 2010. This is not considered feasible at this stage.

CONCLUSION

The Group believes that there are too many risks associated with this option. In particular extensive legislative and legal issues require to be overcome in a short time frame and LPS and its IT supplier would be faced with major and costly IT solutions. Any project for this option would be significant in terms of set-up time and implementation and there is the potential for supplier and other slippage leading to delays. There is also doubt about the timetable for billing in the 2010/2011 year. Given the current stage of the year and preparations that would need to be made and work undertaken the Group concluded that the timescale to successfully implement this option has already passed.

6.2 Option 2

This option envisages splitting the 2011/2012 financial year into two separate periods for EPP and billing purposes. The first period from 1 April 2011 to 15 May 2011 would be based on a 26 district council basis and the second period covering from 16 May 2011 to 31 March 2012 would be based on the new 11-council structure.

(a) Legislative and Legal Issues

Option would require extensive modification to both primary and subordinate legislation and advice on a raft of legal issues. In addition there could be potential difficulties with settlement calculations for the 26-councils arising from the initial bills. No accounts would be available on which to base settlements and any inaccuracy in the initial 6-week period of estimate could potentially lead to deficits which would not become clear until at least a year later. It is also believed that the option will require two separate regional rates to be struck because of the transfer of funding arrangements envisaged under the 11-council structure and politically, legislatively and legally this may be difficult to deliver.

(b) Ratepayer Issues

The issue of two separate bills will be confusing to ratepayers. There will be severe disruption to payment of rates by the direct debit method including those ratepayers who pay their rate bill in one lump sum to obtain discount. Ratepayers can change payment methods and it is unlikely given the short time scale of the initial bill that LPS will be able to accede to such requests. For those ratepayers who pay in one lump sum (100,000) there will be the additional cost of dealing with two bills (postage etc) and for those who visit a LPS office this will require two visits. It is very likely that all rate bills for the initial 6-week period will have to be issued and collected as a single payment causing we believe much confusion and financial difficulty for thousands of ratepayers. The second bill is likely to be issued very late leading to a smaller number of instalments dates being available to ratepayers and therefore significantly higher monthly payments for the remaining period of the year. Assuming the second bill does not issue until July then we will have reached the holiday season with the potential for many of the 100,000 ratepayers who pay their bill in one lump sum for discount missing that date and therefore discount. To avoid ratepayer confusion it will be necessary to provide explanatory leaflets

(c) Billing and IT Issues

The option has potential for significant delay to billing particularly with regard to the second bill. The Group's view is that this bill could not be issued until at least the end June/early July 2011. The reason for this is that the first billing period must be closed so that any rating debt can be transferred to the second bill. The earliest this accounting could be complete is the end of May 2011 and this will have far reaching implications for the timing of the second bill and indeed revenue flows. Testing and printing of bills for the second period could not be commenced until accounting issues from period one are resolved. IT solutions will also be significant. LPS advise that the current IT system is predicated on a 12-month cycle of activity. Two billing periods will require extensive IT intervention and will be costly. Costs for IT could fall anywhere between £500,000 and £1million pounds and will require a major Project Team. Additional billing and postage costs are estimated at £350,000 by LPS. In addition LPS advise that payment methods available to ratepayers include bank and Post Office giro methods with LPS picking up the transaction charges. In a 2-bill scenario LPS estimate additional costs of £50,000 to £100,000 would be incurred.

Two separate bills will mean double work in calculating and notifying claimants of entitlement to various benefits and reliefs. This will include housing benefit, rate relief scheme, disabled persons allowance, lone persons allowance and the CAP. For those awards that require notification there will be cost implications for LPS and the view is that additional resources will be required to undertake the additional workload. There will also be a knock-on effect on the Northern Ireland Housing Executive. That Organisation will have to notify tenants of two separate rates. In additions two separate assessments and notifications will have to be made for all recipients of awards of housing benefit and rate relief in the public

and private rented sectors. This could attract significant costs and require additional resources to manage.

(d) Practicality and Timing

The impact of this option on the business of LPS and ratepayers would not be acceptable. There would be practicable problems with payment methods and the well established direct debit method favoured by around 300,000 ratepayers. There would be significant implications for costs and recovery of rating debt. The most significant problem would relate to accounts for the initial billing period. Unless the LPS IT system was closed down and a Statement of Rate Levy and Collection produced for that billing period then accounts and financial settlements for both periods could not be produced. The audit and accounting implications would not be acceptable to NIAO.

CONCLUSION

There are a number of significant risks and challenging hurdles to be overcome with this option. The most significant relate to the amount of legislative and IT amendments that will be required to deliver the project, the potential lateness of the second bill, the overall impact on ratepayers and consequences for the Regional Rate. The feeling is that it would be difficult to justify the extensive primary and subordinate, as well as operational changes required given that it is only a transitional measure. The option would also impact on central government with separate Regional Rates having to be struck for the two periods. A requirement here too will be the need to calculate and legislate for 2 sets of conversion factors. Ratepayers will face two separate bills and the belief is that the first bill will have to be paid in one lump sum. Instalments facilities could not be offered for a 6-week period and a single collection may have to offer prompt discount payment at 4% leading to a significant cost to be borne by the Regional Rate and thus ratepayers. Cost will be a major issue for both LPS and the NIHE and in the present economic climate such additional costs cannot be justified. The potential for delay in issuing the second bill would the Group believes be a major concern for LPS and also have implications for revenue flows to central government. Recovery of unpaid rates would be severely delayed leading to the possibility of a surge in rating debt and this would not be in the public interest. In addition the option raises audit and accounting implications. The Group believes that this is not a suitable option to pursue.

6.3 Option 3

This option envisages setting the EPP and billing ratepayers for the 2011-2012 financial year based on the new 11-council structure. The district rate would be set in conjunction with the Transition Committees and monthly payments made to the Transition Committees until the new Councils are established.

(a) Legislative and Legal Issues

Option will require extensive legislative amendment both primary and subordinate. However legal advice already taken suggests the option may be a

workable solution. No major legislative issues are envisaged for the DOE general grant system. It is understood that the Local Government Miscellaneous Provisions Bill will make provision for Transition Committees to strike District Rates for the 11-council structure. LPS will be able to calculate and provide an EPP and accounting, audit and outturn settlement arrangements will be largely unaffected. Amendments to conversion factors used in calculating EPPs for councils and general grant purposes can be accommodated.

(b) Ratepayer Issues

Ratepayers would receive a single bill which could easily be compared to the previous year. Any adjustment to the regional rate to reflect the transfer of functions to the new councils would be more transparent under this option. Ratepayers wishing to change payment methods at the beginning of the rating year could do so and monthly payments and dates of collection would remain constant throughout the rating year for those paying by the direct debit method. One discount date could be set. However the option creates winners and losers due to differing levels of District Rate in the 26-council set-up. Therefore, proceeding with this option would have a differential impact on ratepayers in some council areas, which is a drawback. Ratepayers in Councils with a low district rate prior to 1 April 2011, for example Castlereagh and Fermanagh would face a slightly higher bill for the period April/May than under the old structure.

A communications strategy for ratepayers would be required.

(c) Billing and IT Issues

LPS billing arrangements would be largely unaffected but a range of explanatory leaflets would be required to advise ratepayers of changes both temporary and permanent. There will be IT issues. For example LPS will need to have the 11-council boundary structure in place in its IT set-up for billing and the valuation side of the business will require to issue all certificates of revision from and including 1 April 2011 on the 11-council structure. Normal recovery procedures will be unaffected and rate rebates and reliefs can be calculated by both LPS and NIHE as current.

(d) Practicality and Timing

Option would prove very suitable for LPS in terms of the penny product estimating model, billing, collection and recovery of rates, assessing rate rebates and rate reliefs, general grant calculations undertaken by DOE, the setting of a rate by Council as well as audit and accounting issues and alignment with rating and benefit periods. There would be no significant IT issues, costs would be negligible and for most ratepayers there would be no issues. There is a reasonable time period to consider and prepare for all the issues that may arise and put solutions in place although it has to be said that some of the legal and legislative issues will prove challenging. The Transition Committees would have to put processes in place to apportion revenue to cover the 6-week period. Amendments to the tax base through the issue of Certificates of Revision would

require to be issued on the 11-council structure from 1 April 2011. This aspect may require legal opinion.

CONCLUSION

The Group believes that this option presents the most practicable way forward for striking district rates in 2011-2012 and will also accommodate the striking of the Regional Rate for the same period. However the option is not without difficulty and a number of very challenging legal and legislative issues will have to be overcome. Challenging too will be the timetable for legislative change and it is vital that all legislative change, drafting of powers and tabling is completed on time. Assuming this can be achieved then LPS should be in a position to provide penny product estimates, the billing, collection and recovery should be largely unaffected, the statement of Rate Levy and Collection will be available meeting audit requirements, finalisations could be calculated and in the main most ratepayers would be largely unaffected. For the initial 6-week period of the year revenues could be apportioned by the Transition Committees on for example a population basis. The same could apply to general grant allocations made by the DOE.

6.4 Option 4

This option envisages dispensing with any form of District Rate for the year 2011/2012 only. A single Regional Rate for Northern Ireland to include funding for Councils would be set by the Department of Finance and Personnel (DFP) for the 2011/2012 year only and DFP would fund Councils directly from this income. The option does not envisage a final settlement for Councils. Ratepayers would be billed on this basis.

(a) Legislative and Legal Issues

Option will require primary and subordinate legislative changes. In the absence of the EPP being calculated DOE will have no basis for calculating the resources and de-rating elements of general grant. It could be argued that general grant awards could be factored into the calculations on an apportionment basis but this would breach the existing legislative provisions. Could be open to challenge by a council or ratepayer so legal opinion would be required.

(b) Ratepayer Issues

District and Regional Rate elements would not be transparent to ratepayers and comparison with previous year's bill could not be made. If general grant elements could not be calculated and distributed then ratepayers in all council areas would face higher bills. Ratepayers would lose right to mount legal challenge against the district rate element under Article 11 of the Principal Rating Order. Option is unlikely to provide for a final settlement to councils so councils/central government and ratepayers could lose out financially.

(c) Billing and IT Issues

Billing should not present any significant issues for LPS. However a single rate will/could lead to problems following the 2011/2012 year. Rates uncollected for the 2011/2012 year and subsequently written off in future years could be a full charge to the Regional Rate rather than apportioned as currently by district/regional rate. Unless legislative and It solutions to this could be found then there is the potential for a significant loss to the Regional rate in future years. It is thought that an IT solution for this issue could be complex and costly.

(d) Practicality and Timing

Option would provide for a single bill to ratepayer but financially they could lose out. It has the potential to remove independence of councils and local accountability. Big issue is general grant awards by DOE which could not be calculated and write-off of rating debt in future could be a charge only to the regional rate. General grant could be split evenly against all councils but this would give winners and losers and breach the legislation. Striking of rate could present timing problem. The Department would have to consider options for distributing revenue between the 26 and 11-council set-ups. Any inaccuracy in the rate struck reflecting the district rate element could be very costly to DFP as this could not be clawed back from Councils.

CONCLUSION

Major stumbling block is the inability to calculate general grant elements leaving the option unsuitable.

6.5 Option 5

This option envisages calculating an EPP from 1 April 2011 to 15 May 2011 based on the 26-council structure; calculating a further EPP from 16 May 2011 to 31 March 2012 based on the new 11-council structure and then calculating a hybrid EPP. Ratepayers would be billed on the basis of any district rate struck from the hybrid EPP.

(a) Legislative and Legal Issues

Significant legislative change both primary and subordinate would be required for this option and there would be a number of legal issues to be considered. For example the new 11-council structure will not be a legal entity at 1 April 2011 and there will be a requirement to strike a rate by 15 February. Settlements in due course will be difficult. Whilst settlements can be calculated on basis of 11-council structure there will be no idea of winners and losers under the 26-council EPP calculations.

(b) Ratepayer Issues

No significant issues for ratepayers although district rate elements for different council structures would not be transparent.

(c) Billing and IT Issues

Bills would have to issue at beginning of April based on new 11-council structure. LPS IT systems would need to have 11-council structure in place and tested by not later than March 2011.

(d) Practicality and Timing

There is no recognised methodology for calculating a hybrid EPP and not from two estimates based on different structures. An EPP is calculated at a point in time. Option will require significant amendment to legislation and this along with a number of legal arguments make the option impractical.

CONCLUSION

Option is not considered feasible.

6.6 Option 6

This option envisages calculating EPPs' for the financial year 2011-2012 based on the 26-council structure. In-year payments made by DFP would be based on this structure and finalisations at year end calculated on this basis. Ratepayers would be billed on a 26-council basis.

(a) Legislative and Legal Issues

Significant legislative change would be required for this option and a number of potentially complex legal arguments would have to be overcome. Amendments to the tax base would be made by reference to the new 11-council structure and could not be applied to the old structure. There would be implications at finalisation and no accountability by the 11-council structure. Awards of general grant under the 26 and 11-council structures will be very different. Some Councils in the 26-structure receiving significant levels of general grant will see those awards substantially reduced or even zero under the 11-structure. Legislative implications will therefore arise for general grant. Furthermore some services will transfer from central government to the 11-council structure and how would this be reflected in a 26-council structure. What legislative basis would there be for payments of money to Councils and who would take responsibility.

(b) Ratepayer Issues

Normal single bill will issue to ratepayers but will not reflect true position of 11-council structure. The general grant issue will lead to winners and losers and this could be significant depending on the council concerned. There may be difficulty for any ratepayer wishing to challenge the district rate or receive information on services being provided or not as the case may be.

(c) Billing and IT Issues

From an LPS perspective there would be no major issues with billing or IT

(d) Practicality and Timing

Postponing the new structure and application of the applicable data would be to ignore that reform of local government has actually happened. Issues surrounding general grant make this option unworkable and open to challenge. The option would also be open to challenge from ratepayers on a value for money basis. Would there be savings arising from reform and how would these be shown and how would the transfer of functions be accounted for? The estimate process envisages that councils will be paid monthly in-year bases on the amount of revenue to be raised from the estimate. How will this be distributed following the move to the 11-council structure in May?

CONCLUSION

Option is not feasible

6.7 Option 7

This option envisages dispensing with an EPP for all 26-councils for the period 1 April 2011 to 15 May 2011. The Regional Rate would be calculated for 12 months from 1 April 2011 to 31 March 2012 to include district rate revenue for the 26 councils for the period 1 April 2011 to 15 May 2011 and the 26 councils funded from that revenue stream. An EPP based on the 11-council structure would be calculated for the period 16 May 2011 to 31 March 2012 and the district rate struck on that period. Billing of ratepayers would be on the 11-council structure with a District and Regional Rate.

(a) Legislative and Legal Issues

Option would require very extensive primary and subordinate legislative change. There is no legal basis for inclusion of district rate elements in the Regional Rate. There would be significant implications for the resources and de-rating elements of general grant. How would revenue streams be paid to Councils for that 6-week period and how is this separated from the Gross Rate Income at year end?

(b) Ratepayer Issues

Ratepayers have no right of appeal against the Regional Rate and could not therefore appeal against the district element in the Regional Rate for the 6-week period. There would be no transparency for ratepayers with regard to the Regional Rate. No Statement of Rate Levy and Collection or audited accounts would be available for that 6-week period and financially this could impact on ratepayers at district rate level.

(c) Billing and IT Issues

Major billing issues are not anticipated but there could be IT issues in future years. This would arise where rates are uncollected and subsequently written off or Certificates of Revision reduce the Rateable Value of any hereditament. Any district rate element for that 6-week period would be a loss to the Regional Rate.

(d) Practicality and Timing

Option requires too many legislative workarounds and there are implications in future years from write-off and CR activity.

CONCLUSION

Option is not considered feasible.

**FINANCE AND ESTATES WORKING GROUP
10 SEPTEMBER 2009**

OPTIONS FOR STRIKING DISTRICT RATES IN 2011/2012

SUMMARY PAPER

This joint secretariat paper is intended to summarise, but not replace the report produced by the Finance and Estates Working Group.

**Joint Secretariat
10 September 2009**

OPTION 1

Two district rates and bills over a 2 year period with EPP calculated on this basis ie:

- 14 months (approx) running from 1 April 2010 to mid-May 2011) with rates struck by existing councils; and
- 10 months (approx) running from mid-May 2011 to 31 March 2012 with rates struck by Statutory Transition Committees

Legislation and Legal issues

- Significant amendment to rating legislation required as well as potential legal issues.
- Impact on housing benefit and in turn benefits legislation
- No identifiable legislative or legal issues for DOE general grant purposes
- For accounting and IT purposes the regional rate period would have to mirror district rate which may present significant difficulties for central government

Ratepayer issues

- Bills will be inflated to cover an elongated first year
- Rates for the second period will be set late leading to possible difficulties for those who pay monthly by instalments

Billing and IT Issues

- IT systems for billing are built around a twelve month cycle and changes to this would be costly (around £1m)
- Delay of second bills would impact severely on collection and recovery timetables.

Practicality and Timing

- No practical difficulties for general grant
- Few difficulties anticipated for the 26-councils when setting budgets
- Significant hurdles to overcome in terms of rating legislation, billing and IT issues
- Issues around Regional Rate reflecting District Rate timetable (might not be possible)
- Implementation of this option would require amendments to legislation to be in place by October 2009 and IT solutions by early 2010 which is not considered feasible.

CONCLUSION

- Group consider too many risks associated with this option
- Costly IT issues
- Significant set-up and implementation timetable
- Doubt about the timetable for billing in the 2011/2012 year

The FEWG concluded that this was not a good option for ratepayers and significant hurdles would have to be overcome including changes to benefits legislation.

OPTION 2

Two district rates, two regional rates and two bills for the 2011/2012 financial year ie:

- 6 weeks (approx) running from 1 April 2011 to mid-May 2011 on 26 council basis with district rates struck by existing councils; and
- 46 weeks (approx) running from mid-May 2011 to 31 March 2012 on 11 council basis with district rates struck by Statutory Transition Committees.

Legislation and Legal issues

- Extensive modification to both primary and subordinate legislation
- Legal advice required on a range of issues
- Potential difficulties with settlement calculations for the 26-councils for the first period.

Ratepayer issues

- Two separate bills will be confusing to ratepayers
- Severe disruption to payment of rates by the direct debit method
- Second bill is likely to be issued very late leading to a smaller number of instalments therefore significantly higher monthly payments
- Possible confusion and financial difficulty for many ratepayers
- Explanatory leaflets likely to be needed

Billing and IT Issues

- Potential for significant delay to billing particularly with regard to the second bill
- Two billing periods will require extensive IT intervention and will be costly (Estimate around £500,000 - £1million)
- Estimate other additional costs of £400,000 to £450,000 would be incurred.
- Knock-on effect on the Northern Ireland Housing Executive could prove costly in terms of additional resources required eg housing benefit and rate relief in the public and private rented sectors
- Difficulties for regional rates

Practicality and Timing

- Practicable problems with payment methods and the well established direct debit method favoured by around 300,000 ratepayers.
- Significant implications for costs and recovery of rating debt.
- Significant legislative, legal and operational issues to be overcome
- Significant problem on accounts for the initial billing period.
- Audit and accounting implications would not be acceptable to NIAO.

Conclusion

The FEWG concluded that there are a number of risks with this option, the most significant relates to the amount of legislative and IT amendments and delays leading to implications for revenue flows to central government.

The FEWG believes that this is not a suitable option to pursue.

OPTION 3 (Preferred Option)

One district rate, one regional rate and one bill based on an 11 council structure with district rates struck by the Statutory Transition Committees for the full 2011-2012 financial year. Monthly payments relating to the collection of rates would be made to the Statutory Transition Committees until new council established.

Legislation and Legal issues

- Extensive legislative amendment both primary and subordinate
- Legal advice already taken suggests option is a workable solution but further legal advice will be required
- No major issues envisaged for General Grant distribution.
- It has been proposed that the Local Government Miscellaneous Provisions Bill will make provision for Statutory Transition Committees to strike District Rates for the 11-council structure.
- No changes would be required to benefits legislation.

Ratepayer issues

- Ratepayers would receive a single bill
- Individual ratepayers would pay rate of new council structure for all 52 weeks of 2011/2012 financial year, rather than 46 weeks (ie from mid-May 2011). This could create winners and losers in the 6 weeks.
- No impact on the direct debit scheme.

Billing and IT Issues

- No real issues identified
- Greater compatibility with previous years

Practicality and Timing

- Very suitable for penny product estimating model, collection and billing of rates, General Grant calculations, the setting of a rate and audit and accounting issues.
- Costs would be negligible
- Reasonable time period to consider and prepare for all the issues.
- Processes required for Statutory Transition Committees to apportion revenue to cover the 6-week period under 26 council structure.
- Legislation timetable would be very challenging.

CONCLUSION

The FEWG has concluded that this option presents a potential way forward.

The FEWG has recommended this as the preferred option.

OPTION 4

No district rate, one regional rate and one bill which would include funding for Councils, set by the Department of Finance and Personnel (DFP) for the 2011-2012 year only and DFP would fund Councils directly from this income. The option does not envisage a final settlement for Councils.

Legislation and Legal issues

- Primary and subordinate legislative changes required
- No EPP and therefore no basis for calculating General Grant
- Any alternative apportionment of General Grant would be in breach of current legislation
- Potential legal challenges

Ratepayer issues

- District and Regional Rate elements would not be transparent to ratepayers
- Comparison with previous year's bill could not be made
- Higher bills if General Grant not distributed
- Ratepayers would lose right to legal challenge against the district rate
- Unlikely to provide for a final settlement to councils so councils/central government and ratepayers could lose out financially.

Billing and IT Issues

- No significant billing issues
- Single rate could lead to problems following the 2011/2012 year through uncollected rates and this being a charge to the regional rate.
- IT solution for this option could be complex and costly.

Practicality and Timing

- Single bill to ratepayer but might lose out financially
- Potential to remove independence of councils and local accountability
- Striking of rate could present timing problem.
- Central Government would have to consider distributing revenue between the 26 and 11-council set-ups.
- Any inaccuracy in the rate struck would be costly to DFP

CONCLUSION

The FEWG concluded that the inability to calculate General Grant left this option unsuitable.

OPTION 5

One district rate, one regional rate and one bill for the 2011/2012 financial year with district rate struck by the Statutory Transition Committees, using a hybrid EPP as follows:

- EPP calculated on a 26 council basis for 6 weeks (approx) running from 1 April 2011 to mid-May 2011; and
- EPP calculated on 11 council basis for 46 weeks (approx) running from mid-May 2011 to 31 March 2012
- Hybrid EPP created from these calculations

Legislation and Legal issues

- Significant legislative change both primary and subordinate would be required
- A number of legal issues to be considered
- Settlements will be difficult with no idea of winners and losers under the 26-council EPP calculations.

Ratepayer issues

- No significant issues for ratepayers although there would be a lack of transparency.

Billing and IT Issues

- Bills would have to issue at beginning of April based on new 11-council structure.

Practicality and Timing

- There is no recognised methodology for calculating a hybrid EPP
- Significant amendment to legislation
- Legal difficulties

Conclusion

The FEWG does not consider this a feasible option.

OPTION 6

One district rate, one regional rate and one bill for the 2011/2012 financial year with district rate struck by existing councils on a 26 council EPP basis.

Legislation and Legal issues

- Significant legislative change would be required
- Potentially complex legal arguments to be overcome
- Amendments to the tax base would be made on 11-council structure and could not be applied to the old structure
- Potential implications for finalisations and accountability of 11-council structure
- General Grant distribution significantly different under 26 and 11-council structures creating winner and loser councils with legislative implications.
- Implications for transfer of funding associated with functions to 11 council structure
- Questions on legislative basis for payments to councils and the responsibility for this.

Ratepayer issues

- Single bill will issue to ratepayers but will not reflect true position of 11-council structure.
- General Grant distribution issue could also lead to significant individual ratepayer winners and losers
- Potential difficulties for ratepayer wishing to challenge the District Rate

Billing and IT Issues

- No major billing or IT issues envisaged

Practicality and Timing

- This approach would be ignoring that reform of local government has actually happened
- Issues surrounding general grant make this option unworkable and open to challenge.

Conclusion

The FEWG does not consider this a feasible option.

OPTION 7

One district rate, one regional rate and one bill for the 2011/2012 financial year ie:

- Regional rate struck by the Department of Finance and Personnel would cover 1 April 2011 – 31 March 2012 plus 26-council income requirements for 6 week period (approx) running from 1 April 2011 to mid-May 2011; and
- District rate struck by Statutory Transition Committees for 46 weeks (approx) running from mid-May 2011 to 31 March 2012 rate struck on 11 council basis.

Legislation and Legal issues

- Would require very extensive primary and subordinate legislative change
- No legal basis for inclusion of district rate elements in the Regional Rate
- Significant implications for the resources and de-rating elements of general grant

Ratepayer issues

- Ratepayers have no right of appeal against the Regional Rate
- No transparency for ratepayers with regard to the Regional Rate
- No Statement of Rate Levy and Collection or audited accounts would be available for the 6-week period

Billing and IT Issues

- No major billing issues anticipated but possible IT issues

Practicality and Timing

- Requires too many legislative workarounds with implications for future years

Conclusion

The FEWG does not consider this a feasible option.

Explanatory Note for Tables 1 and 2

The base information used in these tables was the 2009/2010 regional and district rates.

Rates were recalculated on an 11 council basis (without any boundary changes) after the relevant information was added together into the 11 Groups (eg Net Expenditure, Derating Grant and Balance Applied) with two changes factored in ie General Grant (Resources) was calculated on an 11-council basis; and the conversion factors were created for the 11-councils.

**Table 1 represents combined regional and district rates; and
Table 2 represents district rates only**

The columns in the attached tables represent the following outcome:

- | | | |
|-------|-------------------------|--|
| i. | District | 26 individual councils arranged in 11 groups |
| ii. | Non-domestic rate | The un-highlighted figures represent the 26 council area non-domestic rates and the highlighted figures are the Group non-domestic rates. Table 1 reflects a combined regional and district rate and Table 2 district rate only. |
| iii. | Conversion Factor | The un-highlighted figures represent the individual council conversion factors and highlighted figures are a recreated conversion factor for the Group. |
| iv. | Domestic Rate | The un-highlighted figures represent the individual council area domestic rates and the highlighted figures are the Group domestic rates. Table 1 reflects a combined regional and district rate and Table 2 district rate only. |
| v. | Comparison non-domestic | The figures in this column reflect the difference between an individual council area rate in column ii and the relevant Group rate in column ii. |
| vi. | | This figure is the % equivalent of column v. |
| vii. | Comparison domestic | This figures in this column reflect the difference between an individual council area rate in column iv and the relevant Group rate in column iv. |
| viii. | | This figure is the % equivalent of column vii. |

TABLE 1

ILLUSTRATIVE EXERCISE - FIGURES ARE NOT TO BE USED FOR ANY OTHER PURPOSES**COMBINED DISTRICT AND REGIONAL RATES UNDER NEW 11 COUNCIL STRUCTURE**

(using 2009/2010 district/regional rates)

i	ii	iii	iv	v		vii		viii	
District	Non-Domestic Rate	Conversion Factor	Domestic Rate	Comparison non-domestic		Comparison Domestic			
Belfast	53.6225	0.011449	0.6325	0.0000	0.00 %	0.0000	0.00 %		
Group 1	53.6225	0.011449	0.6325						
Antrim	55.4161	0.013336	0.7012	-0.9787	-1.77 %	-0.0232	-3.31 %		
Newtownabbey	53.7708	0.012803	0.6665	0.6666	1.24 %	0.0115	1.72 %		
Group 2	54.4374	0.012923	0.6780						
Ards	51.4990	0.012113	0.6225	-0.9146	-1.78 %	0.0008	0.13 %		
North Down	49.1153	0.013511	0.6206	1.4691	2.99 %	0.0028	0.45 %		
Group 3	50.5845	0.012686	0.6233						
Armagh	56.8156	0.013476	0.7236	-2.7051	-4.76 %	-0.0148	-2.05 %		
Banbridge	54.2975	0.013293	0.6852	-0.1870	-0.34 %	0.0236	3.44 %		
Craigavon	52.9238	0.015527	0.7184	1.1868	2.24 %	-0.0096	-1.34 %		
Group 4	54.1105	0.014368	0.7088						
Ballymena	54.1051	0.013814	0.6953	-0.1877	-0.35 %	0.0022	0.32 %		
Carrickfergus	55.1122	0.013677	0.7058	-1.1947	-2.17 %	-0.0083	-1.18 %		
Larne	52.3781	0.014753	0.6926	1.5394	2.94 %	0.0049	0.71 %		
Group 5	53.9175	0.014015	0.6975						
Ballymoney	54.0247	0.012833	0.6705	-0.2735	-0.51 %	0.0082	1.22 %		
Coleraine	51.2092	0.013191	0.6420	2.5420	4.96 %	0.0367	5.71 %		
Limavady	55.5632	0.014605	0.7358	-1.8120	-3.26 %	-0.0571	-7.76 %		
Moyle	60.2767	0.012339	0.7357	-6.5255	-10.83 %	-0.0570	-7.75 %		
Group 6	53.7512	0.013323	0.6787						
Castlereagh	45.7121	0.012024	0.5510	1.4261	3.12 %	0.0285	5.17 %		
Lisburn	48.0080	0.013105	0.5982	-0.8699	-1.81 %	-0.0187	-3.13 %		
Group 7	47.1381	0.012678	0.5795						
Cookstown	50.9192	0.012663	0.6271	-1.0188	-2.00 %	-0.0192	-3.05 %		
Dungannon	50.7061	0.012212	0.6150	-0.8057	-1.59 %	-0.0071	-1.15 %		
Magherafelt	48.4651	0.012621	0.5952	1.4353	2.96 %	0.0127	2.13 %		
Group 8	49.9004	0.012350	0.6079						
Derry	55.6903	0.014458	0.7338	-0.7563	-1.36 %	-0.0084	-1.15 %		
Strabane	52.7641	0.014695	0.6969	2.1699	4.11 %	0.0285	4.09 %		
Group 9	54.9340	0.014557	0.7254						
Down	53.6341	0.013238	0.6751	-1.2771	-2.38 %	-0.0079	-1.18 %		
Newry & Mourne	51.7791	0.013670	0.6600	0.5779	1.12 %	0.0072	1.09 %		
Group 10	52.3570	0.013637	0.6672						
Fermanagh	46.9613	0.013804	0.5965	1.9956	4.25 %	0.0443	7.43 %		
Omagh	51.7509	0.016254	0.7161	-2.7939	-5.40 %	-0.0753	-10.52 %		
Group 11	48.9569	0.014684	0.6408						

Notes:

1. Non-highlighted expenditure in column (ii) and (iv) reflects district and regional rates on individual 26-council basis
2. Highlighted expenditure is result of combining regional and district rates into 11 council groups factoring in the following changes:
 - General Grant (Resources) distribution on 11 council basis for district rate
 - A new combined conversion factor (iii) created for 11 councils
3. No adjustments to council boundaries were factored in

Table 2

ILLUSTRATIVE EXERCISE - FIGURES ARE NOT TO BE USED FOR ANY OTHER PURPOSE**DERIVED DISTRICT COUNCIL RATES UNDER NEW 11 COUNCIL STRUCTURE**

(using 2009/2010 district council rates)

i District	ii Non-Domestic Rate	iii Conversion Factor	iv Domestic Rate	v Comparison non-domestic	vi Comparison Domestic	vii Comparison Domestic	viii Comparison Domestic
Belfast	23.7325	0.011449	0.2717	0.0000	0.00 %	0.0000	0.00 %
Group 1	23.7325	0.011449	0.2717				
Antrim	25.5261	0.013336	0.3404	-0.9787	-3.83 %	-0.0232	-6.81 %
Newtownabbey	23.8808	0.012803	0.3057	0.6666	2.79 %	0.0115	3.77 %
Group 2	24.5474	0.012923	0.3172				
Ards	21.6090	0.012113	0.2617	-0.9145	-4.23 %	0.0008	0.32 %
North Down	19.2253	0.013511	0.2598	1.4692	7.64 %	0.0027	1.05 %
Group 3	20.6945	0.012686	0.2625				
Armagh	26.9256	0.013476	0.3628	-2.7051	-10.05 %	-0.0148	-4.08 %
Banbridge	24.4075	0.013293	0.3244	-0.1870	-0.77 %	0.0236	7.28 %
Craigavon	23.0338	0.015527	0.3576	1.1867	5.15 %	-0.0096	-2.68 %
Group 4	24.2205	0.014368	0.3480				
Ballymena	24.2151	0.013814	0.3345	-0.1876	-0.77 %	0.0022	0.67 %
Carrickfergus	25.2222	0.013677	0.3450	-1.1947	-4.74 %	-0.0083	-2.39 %
Larne	22.4881	0.014753	0.3318	1.5394	6.85 %	0.0049	1.49 %
Group 5	24.0275	0.014015	0.3367				
Ballymoney	24.1347	0.012833	0.3097	-0.2735	-1.13 %	0.0082	2.65 %
Coleraine	21.3192	0.013191	0.2812	2.5420	11.92 %	0.0367	13.05 %
Limavady	25.6732	0.014605	0.3750	-1.8120	-7.06 %	-0.0571	-15.23 %
Moyle	30.3867	0.012339	0.3749	-6.5255	-21.47 %	-0.0570	-15.20 %
Group 6	23.8612	0.013323	0.3179				
Castlereagh	15.8221	0.012024	0.1902	1.4260	9.01 %	0.0285	14.97 %
Lisburn	18.1180	0.013105	0.2374	-0.8699	-4.80 %	-0.0187	-7.89 %
Group 7	17.2481	0.012678	0.2187				
Cookstown	21.0292	0.012663	0.2663	-1.0188	-4.84 %	-0.0192	-7.20 %
Dungannon	20.8161	0.012212	0.2542	-0.8057	-3.87 %	-0.0071	-2.78 %
Magherafelt	18.5751	0.012621	0.2344	1.4353	7.73 %	0.0127	5.43 %
Group 8	20.0104	0.012350	0.2471				
Derry	25.8003	0.014458	0.3730	-0.7563	-2.93 %	-0.0084	-2.26 %
Strabane	22.8741	0.014695	0.3361	2.1699	9.49 %	0.0285	8.47 %
Group 9	25.0440	0.014557	0.3646				
Down	23.7441	0.013238	0.3143	-1.2771	-5.38 %	-0.0079	-2.52 %
Newry & Mourne	21.8891	0.013670	0.2992	0.5779	2.64 %	0.0072	2.40 %
Group 10	22.4670	0.013637	0.3064				
Fermanagh	17.0713	0.013804	0.2357	1.9956	11.69 %	0.0443	18.79 %
Omagh	21.8609	0.016254	0.3553	-2.7940	-12.78 %	-0.0753	-21.20 %
Group 11	19.0669	0.014684	0.2800				

Notes:

1. Non-highlighted expenditure in columns (ii) and (iv) reflects true district rating position for 2009/2010
2. Highlighted expenditure is result of combining 2009/2010 figures into 11 council groups factoring in the followi
 - General Grant (Resources) distribution on 11 council basis
 - A new combined conversion factor (iii) created for 11 councils
3. No adjustments for council boundaries were factored in