

REPORT

To: POLICY & RESOURCES (FINANCE) SUB COMMITTEE		Subject: NON DOMESTIC RATES REVALUATION
From: DIRECTOR OF FINANCE		
Date: 29 December 04	Ref: BC/CC	

1 Background

- 1.1 Legislation requires a revaluation of all Non-Domestic properties in Scotland every 5 years. The current exercise will be effective from 1 April 2005.
- 1.2 The Assessor is responsible for valuing each property whilst the Council is responsible for the billing and collection of the NDR liability based on the rateable values, (RV).
- 1.3 The RV is the Assessors estimate of the annual rental which the property could command on the open market.
- 1.4 The collection of the Non Domestic Rate Income (NDRI) is undertaken by the Council on behalf of the Scottish Executive. The NDRI collected is pooled by the Scottish Executive and forms part of the grant support distributed to Councils.

2 Details

- 2.1 The Scottish Executive has recently confirmed the following details regarding the 2005 revaluation.
 - > An average increase across Scotland of approximately 13.3%
 - > A decrease in the NDR poundage from 48.8p to 46.1p (-5.5%)
 - > An increase in the thresholds for the Small Business Rate Relief (SBRR) scheme and the supplementary threshold.
 - > An increase in the level of the supplementary addition to fund the SBRR from 0.3p to 0.45p (50%).
 - > A Transitional Relief (TR) scheme will operate to limit increases above 12.5% (in real terms) and phase them in over 3 years, and limit decreases over 10% (in real terms) by phasing them in over 3 years. This will mean that businesses will be paying their 'true' rates bill from 2008/09 onwards.

2.2 The Executive will be drafting a number of Statutory Instruments to bring into effect the legislative basis for the details in paragraph 2.1. In addition they will produce a number of information leaflets regarding the NDR revaluation, NDR revaluation appeals procedure, SBRR Scheme, and TR Scheme.

3 Effect

3.1 The impact on the amount any individual business will pay for its NDR in 2005/06 is dependant on the inter-play between the factors detailed in paragraph 2.1 above, ie, the changes in RV, NDR poundage, SBRR and TR.

3.2 The impact on the business community across NLC area is summarised in the appendices with an analysis by Ward and Business Sector. The comparisons provided in the Appendices are illustrative only and provide an indication of the effect that the 2005 Revaluation will have within the NLC area. The analysis is indicative as the RV's may be subject to revision by the Assessor prior to Billing, the ratepayer may appeal the RV, and the comparison is based on the ultimate liability of the ratepayer under the scheme prior to the operation of the SBRR scheme.

3.3 Within NLC area there has been an increase in RV of 13.0% which is 0.3% lower than the Scottish average.

Orbiston (Ward 25; 39.3%) and Craigneuk (Ward 6; 37.9%) have the highest average increases in RV with the underlying influence being the significant increase in the commercial properties RV within these wards compared to the average.

New Stevenston and Carfin (Ward 5; -3.0%) and Clarkston (Ward 44; -0.9%) have the highest average decreases in RV with the underlying influence being the significant decrease in the industrial properties RV within these wards compared to the average.

3.4 The Council is responsible for paying NDR where it is the owner/occupier of property. A summary of the Council's property portfolio indicates that there will be an increase of 14.5% in RV which exceeds the Scottish average by 1.2%. There is a consequential increase in NDR liability of 8.5% compared to that experienced across NLC, an average of 6.9%.

4 Recommendation

4.1 It is recommended that Committee notes the position.



Director of Finance

Background Papers Available in Department. Members wishing further information please contact Mr Brian Cook, Head of Revenue Services, Ext 2801.

APPENDIX 1

Ward No	Ward Name	Rateable Value		% Change	NDR Liability		% Change
		2004/05	2005/06		2004/05	2005/06	
1	Ladywell	2,236,150	2,619,180	17.1%	1,062,474	1,179,949	11.1%
2	Calder Valley	2,766,750	3,233,905	16.9%	1,290,504	1,430,795	10.9%
3	Forgewood	1,245,650	1,442,920	15.8%	581,760	636,589	9.4%
4	North Motherwell	876,275	948,150	8.2%	417,733	426,527	2.1%
5	New Stevenston & Carfin	2,478,785	2,404,895	-3.0%	1,171,284	1,066,340	-9.0%
6	Craigneuk	2,999,100	4,135,610	37.9%	1,428,312	1,872,331	31.1%
7	Belhaven	3,368,670	3,655,100	8.5%	1,565,534	1,593,553	1.8%
8	Stewarton	3,139,295	3,393,920	8.1%	1,473,683	1,497,310	1.6%
9	Cambusnethan	403,685	465,605	15.3%	189,060	206,634	9.3%
10	Coltness	292,535	306,540	4.8%	134,958	132,454	-1.9%
11	Watsonville	8,405,410	9,743,945	15.9%	4,013,727	4,411,334	9.9%
12	Knowetop	4,750,040	5,430,710	14.3%	2,284,248	2,473,982	8.3%
13	Muirhouse & Netherton	3,143,855	3,191,290	1.5%	1,518,600	1,457,060	-4.1%
14	Pather & Gowkthrappe	1,154,235	1,282,920	11.1%	541,206	568,134	5.0%
15	Garrion	1,383,670	1,449,045	4.7%	653,610	644,310	-1.4%
16	Newmains	1,394,090	1,526,320	9.5%	630,050	649,051	3.0%
17	Stane	3,274,350	3,655,990	11.7%	1,576,839	1,667,697	5.8%
18	Dykehead	3,413,875	3,764,795	10.3%	1,655,289	1,727,568	4.4%
19	Cleland	1,282,425	1,292,185	0.8%	599,244	568,879	-5.1%
20	Benhar	2,597,380	2,954,745	13.8%	1,216,798	1,311,309	7.8%
21	Tannochside	9,538,395	10,423,695	9.3%	4,665,055	4,830,763	3.6%
22	Fallside	1,221,375	1,256,005	2.8%	580,799	563,142	-3.0%
23	Viewpark	14,454,140	16,655,370	15.2%	7,029,953	7,675,088	9.2%
24	Bellshill North	6,897,465	8,053,040	16.8%	3,322,497	3,680,556	10.8%
25	Orbiston	1,111,550	1,548,300	39.3%	539,468	713,207	32.2%
26	Mossend West & Thorndean	331,045	396,555	19.8%	154,009	175,418	13.9%
27	Holytown	15,636,055	18,182,700	16.3%	7,646,855	8,429,486	10.2%
28	Mossend East & New Stevenston North	1,886,885	1,910,090	1.2%	884,391	842,359	-4.8%
29	Newarthill	581,800	696,215	19.7%	264,372	302,356	14.4%
30	Hattonrigg	3,708,685	4,015,000	8.3%	1,769,939	1,804,678	2.0%
31	Townhead	901,550	1,008,275	11.8%	433,706	460,259	6.1%
32	Blairpark	599,930	690,355	15.1%	275,857	301,775	9.4%
33	North Central & Glenboig	3,256,246	3,597,900	10.5%	1,533,604	1,603,057	4.5%
34	Coatbridge Central	8,586,285	9,120,325	6.2%	4,130,034	4,140,419	0.3%
35	Sikeside & Carnbroe	1,461,640	1,692,030	15.8%	710,163	778,189	9.6%
36	Bargeddie & Langloan	4,695,920	5,720,130	21.8%	2,231,513	2,578,487	15.5%
37	Kirkwood	1,856,240	1,960,950	5.6%	896,315	895,750	-0.1%
38	Kirkshaws	4,216,615	4,546,260	7.8%	2,031,435	2,066,842	1.7%
39	Shawhead	3,038,970	3,941,205	29.7%	1,457,938	1,798,153	23.3%
40	Old Monkland	649,555	700,880	7.9%	292,547	297,640	1.7%
41	Whinhall	3,521,440	3,815,915	8.4%	1,683,979	1,724,899	2.4%
42	Academy	579,750	677,550	16.9%	281,556	312,130	10.9%
43	Airdrie Central	5,597,640	6,040,920	7.9%	2,650,132	2,697,435	1.8%
44	Clarkston	1,790,670	1,775,025	-0.9%	856,679	798,684	-6.8%
45	New Monkland West	2,462,015	2,586,720	5.1%	1,188,601	1,181,511	-0.6%
46	Plains & Caldercruix	769,365	794,800	3.3%	353,223	340,650	-3.6%
47	North Cairnhill & Coatdyke	4,460,635	4,902,290	9.9%	2,114,945	2,193,978	3.7%
48	South East Cairnhill & Gartlea	2,692,425	3,099,230	15.1%	1,311,279	1,430,164	9.1%
49	Craigneuk & Petersburn	630,575	712,240	13.0%	294,091	314,595	7.0%

50	Calderbank	876,985	905,650	3.3%	412,367	400,649	-2.8%
51	Chapelhall	1,292,955	1,487,810	15.1%	601,322	654,113	8.8%
52	Salsburgh	3,116,675	3,614,415	16.0%	1,504,092	1,654,159	10.0%
53	Kildrum & Park	572,250	655,800	14.6%	273,148	296,195	8.4%
54	Seafar & the Village	9,090,100	10,259,500	12.9%	4,395,314	4,698,181	6.9%
55	Balloch East & Ravenswood	462,800	580,150	25.4%	223,261	265,213	18.8%
56	Balloch West, Blackwood East & Craigmarloch	1,317,660	1,606,940	22.0%	641,333	741,758	15.7%
57	Westerwood, Carrickstone & Dullatur	6,158,330	6,775,150	10.0%	3,007,988	3,135,082	4.2%
58	Abronhill South	175,250	206,000	17.5%	81,627	90,333	10.7%
59	Abronhill Central & North	608,975	695,400	14.2%	290,438	312,949	7.8%
60	Carbrain East	8,603,960	10,253,130	19.2%	4,140,725	4,676,969	13.0%
61	Carbrain West & Greenfaulds	1,604,000	1,726,850	7.7%	778,692	788,469	1.3%
62	Condorrat Central	444,760	463,155	4.1%	207,353	201,887	-2.6%
63	Condorrat North & Westfield	765,450	844,050	10.3%	368,719	383,881	4.1%
64	Croy, Kilsyth South & Smithstone	499,680	517,925	3.7%	230,443	225,207	-2.3%
65	Queenzieburn & Kilsyth West	1,657,420	1,782,540	7.5%	791,741	807,505	2.0%
66	Banton & Kilsyth East	1,475,720	1,579,015	7.0%	671,323	670,758	-0.1%
67	Moodiesburn East & Blackwood West	11,176,970	12,889,500	15.3%	5,455,382	5,957,834	9.2%
68	Moodiesburn West & Gartcosh	535,165	604,580	13.0%	241,184	257,296	6.7%
69	Chryston & Auchinloch	1,652,750	1,677,220	1.5%	767,633	729,473	-5.0%
70	Stepps	2,389,055	2,743,695	14.8%	1,129,162	1,230,198	8.9%
Sched ules		4,147,532	5,121,848	23.5%	2,033,978	2,381,786	17.1%
		216,365,528	244,408,063	13.0%	103,837,072	111,013,372	6.9%
			Maximum	39.3%		Maximum	32.2%
			Minimum	-3.0%		Minimum	-9.0%

APPENDIX 2

Category	Rateable Value		%	NDR Liability		%
	04/05	05/06	Change	04/05	05/06	Change
Commercial	88,996,921	102,391,898	17.1%	42,293,432	46,048,471	11.1%
Industrial	73,743,330	80,851,450	16.9%	35,831,084	37,192,492	10.9%
Leisure	10,700,720	11,682,770	15.8%	5,126,709	5,288,369	9.4%
Offices	26,687,965	30,437,225	-3.0%	12,640,184	13,646,318	-9.0%
Miscellaneous	16,236,592	19,044,720	8.2%	7,945,663	8,837,722	2.1%
TOTALS	216,365,528	244,408,063	13.0%	103,837,072	111,013,372	6.9%