Land & Property Services
Seirbhísí Talún agus Maoine

Department of Finance
An Roinn Airgeadais
www.finance-ni.gov.uk

Trust Statement – Rate Levy Accruals Account

ANNUAL REPORT & ACCOUNTS

For the year ended 31 March 2026



Land & Property Services

TRUST STATEMENT – RATE LEVY ACCRUALS ACCOUNT
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2026

Laid before the Northern Ireland Assembly under section 11(3)c of the Government Resources and Accounts Act (Northern Ireland) 2001 by the Department of Finance on 29 October 2026.

© Crown copyright 2026

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at https://www.finance-ni.gov.uk/

Any enquiries regarding this publication should be sent to us at operationalfinancerating.lpsni@finance-ni.gov.uk

LAND & PROPERTY SERVICES

Annual Report and Accounts for the year ended 31 March 2026

	PAGE
Director's Review	1
Performance	3
• Director's Report	3
Accountability Report	10
• Statement of Accounting Officer's Responsibilities	10
• LPS Governance Statement	11
• Assembly Accountability and Audit Report	18
• Certificate of the Comptroller and Auditor General	19
Statement of Revenue and Expenditure	25
Statement of Financial Position	26
Statement of Cash Flows	27
Notes to the Trust Statement Accounts	28
Report of the Comptroller and Auditor General	37

DIRECTOR'S REVIEW

FOREWORD

I am pleased to present the 2025/26 Land & Property Services (LPS) Annual Report and Trust Statement Accounts, also known as the LPS Rate Levy Accruals Account.

Firstly, I would like to thank everyone in LPS for their hard work and commitment during the past year. LPS staff have continued to deliver a high level of performance throughout all of its business areas. I would also like to thank our Trade Union colleagues for their constructive engagement during the year.

LPS has achieved our 2025/26 business targets. However, there are some aspects I would particularly like to highlight as follows:

- Collecting 93.2% of the Collectable Rates (including debt brought forward), meeting the challenging collection target;

- Collecting £1.72 billion in rates revenue to support regional and local services, the highest figure that LPS has ever collected;

- Launched Rate Collection strategy which has supported collection of £1.72bn;

- Made significant progress in review of rate reliefs across a range of areas including Early Payment Discount, Maximum Capital Value, Small Business Rate Relief and Vacant Rating;

- Completed Review of Land Registration Tariffs and Fees Charging Framework;

- Supported and enabled improved Strategic Asset management through the development of a baseline report on the central government estate.

Looking ahead, our strategic focus will be maintained on meeting the very substantial challenges we face, including:

- Maintaining and maximising rate collection levels against a backdrop of rising prices while supporting ratepayers in a suitable and sustainable way. I am pleased that LPS has launched its Rate Collection Strategy 2025-28 to support this work; and

- Progressing the development of innovative and modern IT systems to deliver better customer experiences, drive efficiency and data driven decision making.



Neil Gibson
Accounting Officer
22 October 2026

PERFORMANCE

DIRECTOR'S REPORT

Accounts Direction

These are the audited Accounts of the LPS Rate Levy Accrual Account in respect of the collection of rates only, for the financial year ended 31st March 2026. The production of the Trust Statement was introduced in 2010/11 to comply with the Government Financial Reporting Manual. The Trust Statement shows the rate revenue collected by Land & Property Services for the Consolidated Fund and falls outside the boundary of the Department's Annual Report and Accounts. These Accounts have been prepared in accordance with the Department of Finance's Accounts Direction issued in compliance with the Government Resources and Accounts Act (Northern Ireland) 2001.

LPS Management Board

During this reporting period, the Deputy Secretary was responsible to the Permanent Secretary for the management of LPS performance and operations. The Deputy Secretary was assisted in the stewardship of LPS by the Management Board. The Management Board met in April, June, September and December. The LPS Senior Management Checkpoint meeting was held in May, August, October, January, February and March.

The Management Board directs the strategic management of LPS by reviewing its strategic options, setting its corporate direction, supporting the transformation plan, monitoring performance at corporate level and ensuring adequate governance controls.

The membership of LPS Management Board in 2025/26 is detailed below.

Sharon Gallagher	Deputy Secretary
Angela McGrath	Director of Valuation and Commissioner of Valuation for NI (until March 2026)
Tracy Flannigan	Director of Valuation and Commissioner of Valuation for NI (from March 2026)
Christine Farrell	Director of Land Registration and Registrar of Titles
Andrew McAvoy	Director of Rating Policy Division
Suzanne McLaughlin	Director of Ordnance survey and Chief Survey Officer
Mike Beare	Director of Digital, Contracts and Accommodation Services
Chris Rooney	Director of Revenue & Benefits
Colm Doran	Director of Transformation and Corporate Support

LPS Strategic Change Board

The purpose of this Board is to provide strategic oversight and direction across the wider range of LPS change and transformation Initiatives. The Board meets on a monthly basis.

The membership of LPS Strategic Change Board in 2025/26 is detailed below.

Sharon Gallagher	Deputy Secretary
Angela McGrath	Director of Valuation and Commissioner of Valuation for NI
Christine Farrell	Director of Land Registration and Registrar of Titles
Andrew McAvoy	Director of Rating Policy Division
Suzanne McLaughlin	Director of Ordnance survey and Chief Survey Officer
Mike Beare	Director of Digital, Contracts and Accommodation Services
Chris Rooney	Director of Revenue & Benefits
Colm Doran	Director of Transformation and Corporate Support
Gavin Patrick	Department of Finance, Finance Director

Business Performance and Risk Management

During 2025/26, business performance against key departmental targets was monitored by the Management Board on a quarterly basis. Key Departmental targets for the rating service, associated risks and other risks were monitored by the LPS Management Board.

Within the context of implementing our strategic aims with regards to rate collection, four Corporate Targets were identified for the 2025/26 year. These were:

- **Corporate Target 1**: Commence a review of strategic policy options for the rating system to align with Executive's Programme for Government via completing a:
    - Consultation on Early Payment Discount and Max Cap
    - Review of Small Business Rate Relief (SBRR)
    - Review of Nondomestic Vacant Rating

  This has been achieved. The Strategic Review process has now assessed all 4 support measures. Recommendations have been made for Executive consideration and full public consultation processes have been held for changes to the Early Payment Discount and Max Cap.
  In respect of SBRR on 29 January 2026 a report on the responses to a targeted survey with stakeholders last summer on both SBRR and NDVR was issued to the Minister. Options for enhancing SBRR have been put to the Minister, but funding remains subject to agreement on the draft Executive budget.
  In respect of NDVR, the Minister made a statement on 30th June announcing changes to be consulted upon alongside Business Growth Accelerator proposals. That consultation has now launched and will conclude on 23 September 2026.

- **Corporate Target 2**: Collect 93% of Collectable Rates
  This target has been achieved and surpassed**.**

Year Ended	Target Collection	Actual Collection
	%	%
March 2026	93.0	93.2

Figure1: Trends in Ratepayer Debt

	Mar-26	Mar-25	Mar-24	Mar-23
	£ million	£ million	£ million	£ million
Gross Assessments	1,896.1	1,793.3	1,691.8	1,606.7
Net Revenue Collectable	1,860.8	1,780.5	1,680.6	1,527.4
Ratepayer Debt	180.9	180.9	180	173.3
Debt written off	-27.2	-17.9	-16.9	-12.1
Impaired amount	-52.8	-55.8	-57.3	-57.2
Write off as a % of Gross Assessments	1.4%	1.0%	1.0%	0.8%
Year End debt as a % of Gross Assessments	9.5%	10.1%	10.6%	10.8%

*Note that the figures included in the table above are those from the Revenue & Benefit's system without the Year End accounting adjustments (eg accrued income & losses) and as such differ slightly from the figures in the Financial Statements. Gross Assessments relates to the value of assessments raised in year before reliefs / discharges. Net Revenue Collectable relates to the gross assessments plus the debt brought forward less all discharges and reliefs.

- **Corporate Target 3:** Deliver NI Reval 2026 - The draft valuation list for NI Reval 2026 of over 75,000 non- domestic properties was published.
  On 29th January 2026 the Finance Minister John O'Dowd announced a pause of the Reval 2026 process.

- **Corporate Target 4:** Provision of asset management leadership, support and expertise to all NI Departments and ALBs - Create and publish a state of the estate report for Departments and ALBs
  This target has been achieved. LPS developed the first Strategic Overview of Land & Property Assets Report, establishing a verified baseline of central government land and property assets. This was published on 17 June and can be viewed at The Strategic Overview of Land & Property Assets Report | Department of Finance

Outstanding Valuation Caseload at 31 March 2026

In the normal course of its business, LPS registers cases each day to revalue domestic and non-domestic properties, bring new properties into the Valuation List, value alterations to properties already in the Valuation List and to remove properties from the Valuation List. As such, the Valuation List tax base and, therefore the rate revenue figure in the financial statements, can never be absolutely complete. A model has been developed to quantify the estimated impact of this outstanding valuation caseload figure on the rate revenue. It is important to note that this model as developed assumes that all properties would be fully occupied from the beginning of the financial year and would not be entitled to reliefs such as Industrial Derating or Sport and Recreation

relief. As such it is acknowledged that the model overstates the net rate revenue impact of in-hand casework.

At the 31st March 2026 valuers were dealing with challenges on both the 2020 non-domestic Valuation List and the 2023 non-domestic Valuation List. At the 31st March 2026 there was a total of 426 stage 1 appeal to Commissioner cases in progress. 89 of these appeals were against the 2020 Valuation List with the remaining 336 against the current 2023 Valuation List.

LPS delivery on all domestic cases completed during the year 2025/26 was 20,934 cases compared to,19,198 cases in 2024/25. The total domestic cases in hand at 31st March 2026 has increased from 14,394 to 15,987 cases. Non-domestic case numbers completed in-year decreased from 6,262 to 4,943 due to the impact of the Non-Domestic General Revaluation 2026 project, which is now paused. Non-domestic in hand cases have increased from 6,766 at 31st March 2025 to 7,244 at 31st March 2026.

All domestic and non-domestic case work is completed on an oldest first basis. The average age of new non-domestic cases at 31st March 2025 was 177 days remaining the same as previous year. The average age of new domestic cases at 31st March 2026 was 90 days which is an increase from 87 days at 31st March 2025.

It must be noted also that the date of the valuation adjustment is reflected in the rate revenue when it is processed and as such no amount of revenue is lost.

Identifying Unknown Ratepayers

LPS participates in the National Fraud Initiative. Under the initiative LPS matches data with the Electoral Register to identify domestic properties where the owner or occupier is unknown to LPS but is recorded on the electoral register. LPS also makes use of tracing services to identify the owner or occupier of properties where this information is unknown to LPS.

Accounts

The Accounts at the end of this report have been prepared in accordance with the Accounts Direction given by the Department of Finance (DoF), in accordance with Section 11(2) of the Government Resources and Accounts Act (Northern Ireland) 2001.

Corporate Governance

The Deputy Secretary of LPS is responsible to the Permanent Secretary for the performance and operations in accordance with the Framework Document and the Operating Plan. The Deputy Secretary is responsible for the day-to-day management of LPS and makes periodic reports to the Permanent Secretary on performance and progress.

The Permanent Secretary of DoF provides support and guidance to the Deputy Secretary and advises on the strategic direction of LPS, the Corporate Business Plan, the organisation's Key Performance Targets and the resources needed to achieve them.

Business Planning

Our business planning cycle is a fundamental part of the work carried out by the Transformation and Corporate Support Division, which is responsible for developing and agreeing a timetable of business planning events culminating with the production of the forthcoming year's Business Plan.

Staff are involved in collating a wide range of information from across the Divisions. This includes drafting the content of the Business Plan and developing the organisation's Corporate and Divisional Plans.

Risk Management

The LPS Management Board is responsible for risk management and ensuring that an effective management process is in place and that it is regularly reviewed. As part of the Department of Finance our approach to Managing Risk is in line with Departmental arrangements and in compliance with the main principles of the Orange Book. Where the LPS Management Board deem it necessary, a risk can be escalated to the Departmental Risk Register, which is regularly reviewed by the Departmental Audit & Risk Committee.

The Management Board collectively agrees the risks to be included in the LPS Corporate Risk Register.

The LPS Corporate Risk Register is created at the beginning of the financial year. The Risk Register documents the risks to the delivery of LPS business objectives that have been identified by the Directors and Deputy Secretary. The Risk Register is collectively agreed by the Management Board in April/May. The Management Board assigns ownership of each risk and risk owners are requested to provide quarterly updates during the year.

Directors will assume responsibility for risks across their own Divisions, which may have a major impact upon the delivery of service or achievement of LPS objectives. Directors will assume responsibility for those risks which might impact on the delivery or timescale of their business activities. If any significant risks arise, the Director will raise these for consideration by Management Board. LPS adheres to the DoF Risk Management Framework.

Reporting procedures for complaints

LPS has a comprehensive complaints process which follows the principles of effective complaint handling developed by The Northern Ireland Public Services Ombudsman. The process involves two stages of complaint.

All complaints received in LPS are registered and an acknowledgement letter is issued informing the customer that they can expect a reply within 15 working days. A comprehensive review of each case is carried out before the response is drafted and issued. If LPS is unable to reply within the original timeframe we will write to inform the customer. If the complainant remains unhappy following receipt of their Stage 1 reply they can choose to escalate their complaint to Stage 2 in the process, which is reviewed by the relevant LPS Divisional Director.

For the 2025/26 financial year, LPS received a total of 523 customer complaints. To ensure all customer correspondence is being categorised accurately LPS has introduced a Triage Process which has been tested in the first quarter of 2026/27.

Raising Concerns

LPS operates Departmental Raising Concerns (Whistleblowing) arrangements, which enable staff and other stakeholders to raise genuine concerns about suspected wrongdoing, fraud, malpractice or other irregularities in confidence and without fear of reprisal. During 2025-26, two concerns were raised and referred to the Departmental Designated Officer for consideration and handling in accordance with established procedures. The operation of these arrangements during the year provides assurance that concerns can be raised through appropriate channels and are subject to independent assessment and investigation where required.

Equality of Opportunity

We follow the Northern Ireland Civil Service policy in that all eligible persons should have equal opportunity for employment and advancement on the basis of ability, qualifications and aptitude for work.

Employees with Disabilities

We follow the Northern Ireland Civil Service Code of Practice for the employment of people with disabilities. We aim to make sure that disability is not a bar to recruitment or advancement.

Health and Safety

LPS continues to pay special attention to the welfare of staff and customers, including matters relating to their health and safety.

LPS recognises the importance of a healthy and safe working environment and is committed to adhering to all existing legislation on health and safety. We continue to monitor and review existing policies to improve the health, safety and welfare of staff.

The LPS Health and Safety Committee is comprised of representatives from the Trade Union and Management and meets four times a year. The Committee advises the LPS Group Whitley and as such, it is the responsibility of LPS management to consider the advice provided and to action as appropriate.

Political and Charitable Donations

LPS made no political donations during the year.

Auditors

The financial statements are audited by the Comptroller and Auditor General (C&AG) in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. All relevant information was made available to the Auditors. The Audit Certificate is included within the Accountability Report, and the C&AG's Report is reproduced at the end of these accounts.



Neil Gibson
Accounting Officer
22 October 2026

ACCOUNTABILITY REPORT

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under Section 11(2) of the Government Resources and Accounts Act (Northern Ireland) 2001, the Department of Finance (DoF) has directed the Department to prepare for each financial year a Trust Statement (the statement) in the form and on the basis set out in the accounts direction. The Statement is prepared on an accruals basis and must give a true and fair view of the state of affairs of the LPS Rate Levy Accruals Account Trust Statement and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the DoF, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;

- make judgements and estimates on a reasonable basis;

- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;

- prepare the financial statements on the going concern basis; and

- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The DoF has appointed the Permanent Secretary as Accounting Officer of the Trust Statement. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Trust Statements' assets, are set out in Managing Public Money published by the Department of Finance.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Trust Statement auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

GOVERNANCE STATEMENT

LPS was formed as an Executive Agency in April 2007, initially from the merger of the former Rate Collection Agency and the Valuation and Lands Agency. This was followed in April 2008 by the addition of the Land Registers of Northern Ireland and Ordnance Survey of Northern Ireland. In February 2013, the then Minister for Finance and Personnel (now DoF) announced that LPS would cease to be an Executive Agency of the Department from 1 April 2013. From this date, LPS has continued its branding and delivered the same services, but as a business group within the department. The Permanent Secretary of DoF is the Accounting Officer. He is responsible for the organisation's performance and operates in accordance with the LPS Framework document and its Business Plan.

The Deputy Secretary of LPS has, however, responsibility for the overall day-to-day leadership and management of LPS, making regular reports to the Permanent Secretary on performance and progress. LPS Management Board is responsible for the strategic direction of the organisation by reviewing its strategic direction, monitoring performance at corporate level and ensuring that adequate governance controls are in place.

During 2025/26 LPS recorded a total of 35 data incidents; 26 of these occurred in Revenues & Benefits, seven in Valuation, one in TCSD and one in OSNI. All were minor in nature, with no need for any to be reported to the Information Commissioner's Office. Procedures have been reviewed and changes to processes made, where appropriate. Despite the minor nature of these breaches, LPS continues to ensure that any impact on business delivery affecting confidentiality, integrity and availability of information is appropriately managed, and outcomes actioned.

This Governance Statement sets out how LPS has monitored and evaluated the effectiveness of its governance arrangements.

Context

LPS is part of the Department of Finance (DoF). The overall aim of DoF is "to help the Executive secure the most appropriate and effective use of resources and services for the benefit of the community".
The work LPS does makes a significant and positive difference to the everyday lives of all the citizens in Northern Ireland. LPS provide and support important public services by:

- collecting over £1.7 billion in rates for the NI Executive and District Councils to fund important public services provided by central and local government;

- providing mapping services which are used widely across the public and private sectors informing policy development and enhancing service delivery;

- administering various rate related reliefs including Rate Rebate, Low Income Rate Relief, Lone Pensioners Allowance, Disabled Pensioners Allowance and a number

of business related reliefs to help those in need pay their rates and provide assistance to business;

- monitoring domestic and non-domestic Valuation Lists;

- providing a registration service for recording legal interests in land and providing land information for conveyancing purposes;

- delivering property valuations, estate management and property data services to the public sector; and

- providing professional support service for strategic advice, planning and reporting for NICS departments and their ALB's to better inform their land and property asset management decisions.

Financial Management

The LPS Board plays a significant part in the effective monitoring and management of the organisation's financial performance, including the funding provided by DoF for the operation of LPS. The Board regularly reviews actual income and expenditure against budget to form the basis of collective Board decisions about the allocation and use of resources to ensure that the LPS financial management target of avoiding overspend and managing under spend within a tolerance of 1.5% is met.

The LPS Finance Business Partnering Team of the Departmental Finance Division provides a monthly support function to the LPS Management Board by preparing and issuing monthly financial management reports to the Board and providing advice and recommendations to assist its management of their financial resources effectively in the delivery of their services. LPS Divisions are responsible for managing their budgets and reviewing actual and forecast information and analysis of variance against budgets. This enables the LPS Board to assess the extent to which corrective action is needed to address the organisation's financial position throughout the financial year.

The information provided by the LPS Finance Business Partnering Team is in the form of monthly LPS Management Accounts to each Division and LPS senior management members to show the spend against budget for the period and year, variances to date, and total budget for the year. The LPS Management Board is also supplied with a monthly finance report which provides high level finance information on consolidated spend against budget, and highlights areas of concern, any actions and decision points. LPS Management Board is satisfied with the quarterly financial report which is used to note strategic decisions on priority spend.

In addition, the LPS Management Board receives regular updates on the collection of rates revenue.

Risk and Control Framework

Risk management within LPS continues to be an integral part of our business planning process. This includes identification of risk, assignment of ownership, presentation of the risk, mitigation, management, evaluation and review.

The LPS Corporate Risk Register records the status of each high-level risk and the actions being taken to address the risk.

The Management Board ensures the risk management and internal control are regularly reviewed and reported on in the following manner;

- all business areas use predetermined weightings and a standardised approach to risk assessment;

- key risks identified at organisational level are documented on Risk Registers and are reviewed on a formal basis by the Management Board at least four times during the course of a year;

- by escalating any risk to the Departmental Audit & Risk Committee where it is considered necessary by Management Board;

- Directors complete Stewardship Statements at the end of each financial year. Mid-year reports are the vehicle for ensuring the continued maintenance of registers during the year;

- adherence to the Department's 'Whistle Blowing' policy;

- the Management Board receives periodic reports concerning internal control. The appropriate steps have been taken to manage risks in significant areas of responsibility and to monitor progress reports on key projects; and

- key projects are managed within the programme environment. Each project is owned by the appropriate member of the Management Board and managed within the Prince2 project structure by a project manager who has been trained in this and risk analysis. The Gateway Review process has been implemented for priority projects.

Organisation Performance

The LPS Business Plan sets out the targets and objectives for the year against which performance is reported and monitored. Progress has been reported quarterly to the Board, as part of the Corporate Performance monitoring including a narrative on the actions taken to deliver the expected outcomes.
Progress against Key Departmental targets is also reported on a quarterly basis to DoF.

Internal Audit

The Accounting Officer has responsibility for ensuring that a robust risk management system is in place, so that risks faced by LPS are identified and managed accordingly. The Accounting Officer is also responsible for reviewing the effectiveness of the system of internal control. The review is informed by the work of DoF's Internal Audit and Board members who have responsibility for ensuring that the controls and actions recommended are implemented.

The 2025/26 Internal Audit Plan was agreed with the members of the DoF Audit and Risk Committee on 29 April 2025. The DoF Audit Plan consists of two assurance assignments and one consulting review for Land & Property Services in 2025/26. These assignments are:

- Land Registry – Quality Assurance;
- Revenue and Benefits (Legal Recovery of Debt);
- Changes to the Rates Billing process (consulting).

The consulting review of the changes to the Rates Billing process was completed in May 2026. The review identified five recommendations, which are currently being taken forward by LPS.

Fraud Prevention and Assurance

LPS takes a zero tolerance approach to fraud and will report instances of fraud to the PSNI, if necessary. LPS also participates fully in the National Fraud Initiative by investigating matches in relation to payroll, pensions, trade creditors, rates and Housing Benefit data. The National Fraud Initiative (NFI) is run-in two-year cycles. Of the matches identified by the NFI exercise for the 2024/25 year, the team have identified 113 errors resulting in £286k of positive outcomes (the amount that has been billed as a result of the actions taken i.e. a ratepayer change or a billing address update – these are marked as 'errors' on the NFI database).

Whistle blowing arrangements are in place and can be used to raise concerns about alleged impropriety, wrongdoing, corruption, fraud or malpractice.

Rate Rebate Fraud and Error

The Rate Relief Regulations (Northern Ireland) 2017 came into operation on 27 September 2017 aligning with the introduction of Universal Credit (UC) and sets the policy for LPS to administer a Rate Rebate Scheme for claimants in receipt of UC. During the 2025/26 year, a total of £54.6m of Rate Rebate was processed.

The regulations provide that the Rate Rebate Scheme is only available to claimants in receipt of UC. Those entitled to Rate Rebate receive a credit to the Rate Account to offset rating liability. The only exception to this is in respect to claimants who live in

Housing Executive or Housing Association properties. Awards in these cases are made by a monthly payment to the Social Landlord through DoF Account NI.

Potential for customer fraud and customer error is minimised due to the policy requirement that awards are based on UC entitlement. LPS make use of the Department for Work and Pensions (DWP) Customer Information Services (CIS) to verify claimant details. Universal Credit information is required to calculate each claimant's Rate Rebate entitlement and LPS is bound by legislation to accept, without verification, the information it receives from the Department for Communities (DfC), either by an automated data share mechanism via DWP systems or upon request to DfC direct, when required. Regulation 10. (4) of The Rate Relief Regulations (Northern Ireland) 2017 states: "Where the relevant authority receives information from the Department for Communities that information shall be accepted without seeking verification from other sources." LPS is aware that there is the potential risk for fraud and error occurring within UC and has reported this to DfC. LPS attends the UC Programme Board and UC Programme's Risk Review Board to ensure continued awareness of the consequential outcomes stakeholders face due to UC being a gateway for fraud and error to enter LPS systems.

In order to estimate levels of Official Error within the Rate Rebate caseload, LPS has engaged with the Standard Assurance Unit (SAU) of DfC. The SAU issued a report in May 2026 entitled 'Land and Property Services Rate Rebate Scheme Financial Accuracy' which has assessed the Rate Rebate caseload for Official Error for the year to 31 October 2025. Based on these reports, LPS estimates that a total of £218.5k of rate rebate was paid in error, due to official error (all of which being overpayments). The table below includes lower and upper confidence levels associated with these overpayments/underpayments.

	2025-26			2024-25		
	Monetary Value (£000)	**Upper Confidence Interval (£000)**	**Lower Confidence Interval (£000)**	**Monetary Value (£000)**	**Upper Confidence Interval (£000)**	**Lower Confidence Interval (£000)**
Customer fraud overpayments	2,568	3,387	1,802	3,233	4,156	2,380
Customer error overpayments	437	710	219	533	924	213
Customer error underpayments	601	819	328	426	604	249
Official error overpayments	219	601	-	289	591	65
Official error underpayments	-	-	-	63	160	-
Total	3,825	5,517	2,349	4,544	6,435	2,907

To ascertain the level of customer fraud and error, LPS used as a proxy the percentage of customer fraud and error found in UC estimated by SAU. This has been taken from a report issued in June 2026 by SAU entitled 'Universal Credit Benefit Review (Customer Fraud and Customer Error)' for cases assessed between 1 December 2024 and 30 November 2025. This has given rise to an estimate of £3,606k (£2,568k customer fraud overpayments, £437k customer error overpayments and £601k customer error underpayments). The total level of fraud and error in rate rebate is estimated to be £3,825k.

Note that these estimated value of fraud and error figures are associated with the full amount of the expenditure as disclosed in the DoF Resource Accounts (DoF Annual Report and Accounts | Department of Finance). The level of fraud and error associated with Rate Rebate expenditure of £19,613k in the Trust Statement, is estimated at £1.373 million.

Housing Benefit Fraud and Error

From 1 June 2022, Housing Benefit (HB) for Owner Occupiers has been administered by the Northern Ireland Housing Executive. LPS retains responsibility for the administration of HB Owner Occupiers, however, the overall HB cost is shown in the Department for Communities (DfC) accounts. LPS does however process the relief through the rate system as a non-cash credit on the relevant rate account. During the 2025/26 year, a total of £26.3m of HB for Owner Occupiers was processed through the LPS rating system; this is not shown in the DoF Accounts. It is however, shown in the LPS Trust Statement of Rate Levy.

Levels of fraud and error in HB for owner occupiers are reported by the Standards Assurance Unit (SAU) within DfC. The SAU issued two reports, being 'Housing Benefit Review (Customer Error and Customer Fraud)' and 'Housing Benefit Review Financial Accuracy Official Error' for the calendar year 1 January 2025 to 31 December 2025 in May 2026. These reports highlighted customer error amounting to £0.527m (£0.495m customer error overpayment, £0.032m customer error underpayment) and £1.99m customer fraud overpayments in HB for owner occupiers. The level of Official Error was £0.382m (£0.338m official error overpayment and £0.045m of official error underpayment). Customer error and customer fraud estimated of HB for owner occupiers are based on the results of Benefit Reviews in 2025.

The table below shows the estimated levels of fraud and error with the relevant upper and lower confidence intervals as reported by SAU.

	2025-26			2024-25		
	Monetary Value (£000)	**Upper Confidence Interval (£000)**	**Lower Confidence Interval (£000)**	**Monetary Value (£000)**	**Upper Confidence Interval (£000)**	**Lower Confidence Interval (£000)**
Customer fraud overpayments	1,990	2,714	1,369	2,966	4,100	1,980
Customer error overpayments	495	817	224	250	649	3
Customer error underpayments	32	72	5	12	29	1
Official error overpayments	338	590	135	625	1,135	205
Official error underpayments	45	118	-	65	184	-
Total	**2,900**	**4,311**	**1,733**	**3,918**	**6,097**	**2,189**

Conclusion

LPS is compliant with the Corporate Governance in central government departments: Code of Good Practice NI.

Taking into account all of the arrangements set out in this Governance Statement, LPS has an effective governance structure in place and has satisfactory systems of internal control which have operated effectively throughout 2025/26.



Neil Gibson
Accounting Officer
22 October 2026

Assembly Accountability and Audit Report

Regularity of Expenditure (Audited Information)

1. Losses and Special Payments

During 2025/26 there was losses to the value of £27,345k (relating to 18,795 Occupancies). This represented write-off of uncollectable rating debt (Comparison: 2024/25 £17,836k).

During the period covered by this Statement, no special payments have been made.

Remote Contingent Liabilities

There are no remote Contingent Liabilities reported in the LPS Trust Statement of Rate Levy.



Neil Gibson
Accounting Officer
22 October 2026

LAND AND PROPERTY SERVICES TRUST STATEMENT – RATE LEVY ACCRUALS ACCOUNT

THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Opinion on financial statements

I certify that I have audited the financial statements of the Land and Property Services Trust Statement – Rate Levy Accruals Account for the year ended 31 March 2026 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Statements of Revenue and Expenditure, Financial Position, Cash Flows and the related notes, including significant accounting policies.

The financial reporting framework that has been applied in their preparation of the financial statements is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

In my opinion the financial statements:

- give a true and fair view of the state of the Trust Statement's affairs as at 31 March 2026 and of the Trust Statement's net revenue for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of the Land and Property Services in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting

Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that Land and Property Service's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust Statement's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Trust Statement is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Other Information

The other information comprises the information included in the Annual Report other than the financial statements and my audit certificate and report. The Accounting Officer is responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, the information given in the Performance and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In light of the knowledge and understanding of the Trust Statement and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- assessing the Land and Property Services' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by

the Trust Statement will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Trust Statement through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included Rates (Northern Ireland) Order 1977; and the Rates (Regional Rates) Order (Northern Ireland) 2022;
- making enquiries of management and those charged with governance on the Trust Statement's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Trust Statement to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to

material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: *Housing Benefit relief expenditure, Rate Rebate expenditure and posting of unusual journals;*

- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate.
- addressing the risk of fraud as a result of management override of controls by:
    - performing analytical procedures to identify unusual or unexpected relationships or movements;
    - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
    - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
    - investigating significant or unusual transactions made outside of the normal course of business; and

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

My detailed observations are included in my report attached to the financial statements at page 37.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

23 October 2026

STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2026

	Note	2025/26 £'000	2024/25 £'000
REVENUE			
Rate Revenue	1.3	1,898,431	1,793,238
Other Revenue		18	18
Total Revenue		**1,898,449**	**1,793,256**
EXPENDITURE			
Reliefs and Discharges			
Vacancies	1.4, 2	48,348	43,198
Housing Benefit	1.4, 10	26,364	29,730
Rate Rebate	1.4, 10	19,613	13,554
Rate Reliefs and Discharges	1.4, 2	52,681	50,472
Rate Holiday/Transitional relief	1.4	(800)	(1,603)
Maximum Capital Value	1.4	13,053	12,158
Allowances	1.4	16,108	15,226
Discounts	1.4	9,631	8,731
District Rate Convergence	1.4	12	7
Credit Losses – debts written off or otherwise impaired	3	24,177	16,427
Rating of Empty Homes Discharge	1.4	3,838	3,805
Total Reliefs and Discharges		**213,025**	**191,705**
Net Revenue for Consolidated Fund		**1,685,424**	**1,601,551**

There were no recognised gains or losses accounted for outside the above Statement of Revenue and Expenditure.

The notes on pages 28 to 36 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Note	2025/26 £'000	2024/25 £'000
Non-Current Assets			
Receivables falling due after more than one year	4	592	543
Current Assets			
Receivables	5	131,759	126,972
Cash and Cash Equivalents	6	2,536	2,404
Total Current Assets		134,295	129,376
Total Assets		**134,887**	**129,919**
Current Liabilities	7	(19,290)	(16,114)
Net Assets		**115,597**	**113,805**
Total Assets less Current Liabilities	8	**115,597**	**113,805**
Represented by:			
Balance on Consolidated Fund Account	8	115,597	113,805

The notes on pages 28 to 36 form part of these financial statements.



Neil Gibson
Accounting Officer
22 October 2026

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

		2025/26	2024/25
	Note	£'000	£'000
Net Cash flow from operating activities	A below	1,683,764	1,593,953
Cash paid to Consolidated Fund	8	(1,683,632)	(1,592,665)
Increase / (Decrease) in cash in this period		**132**	**1,288**
Notes to the Cash Flow Statement			
A: Reconciliation of Net Cash Flow Movement in Net Funds			
Net Revenue for the Consolidated Fund	8	1,685,424	1,601,551
(Increase) / Decrease in Non-Cash Assets		(4,836)	(2,797)
Increase / (Decrease) in Liabilities		3,176	(4,801)
Net Cash Flow from Operating Activities		**1,683,764**	**1,593,953**
B: Analysis of Changes in Net Funds			
Increase / (Decrease) in cash in this period	6	132	1,288
Net Funds at 1st April (Net Cash at Bank)	6	2,404	1,116
Net Funds at 31st March (Closing Balance)		**2,536**	**2,404**

The notes on pages 28 to 36 form an integral part of these financial statements.

NOTES TO THE TRUST STATEMENT ACCOUNTS

1.0 STATEMENT OF ACCOUNTING POLICIES

1.1 Basis of Accounting

The Trust statement is prepared in accordance with the accounts direction issued by the Department of Finance (DoF) under Section 11(2) of the Government Resources and Accounts Act (Northern Ireland) 2001. The Trust Statement is prepared in accordance with the accounting policies detailed below. These have been developed with reference to the Government Financial Reporting Manual (FReM) issued by DoF. The accounting policies contained in FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the one judged to be the most appropriate to the particular circumstances of LPS for the purpose of giving a true and fair view has been selected. The particular policies adopted by LPS have been applied consistently in dealing with items that are considered material to the accounts.

The income and associated expenditure contained in these statements are those flows of funds which LPS handles on behalf of the consolidated fund and where it is acting as agent rather than principal. The financial information contained in the statements and in the notes is rounded to the nearest £'000.

1.2 Accounting Convention

The Trust Statement has been prepared under the historical cost convention, modified by the revaluation of certain assets and liabilities to fair value as determined by the relevant accounting standards, and subject to the interpretations and adaptations of those standards in FReM.

1.3 Revenue Recognition

Revenue is measured at the fair value of the amounts received and receivable. Revenue is recognised in the year in which it is assessed on ratepayer properties when revenue can be measured reliably and it is probable that the economic benefits from the Rates Revenue will flow to the Consolidated Fund. The revenue figure is also adjusted for Certificates of Revision which are received from Valuations with an effective date of revision. The tax gap (i.e. the difference between the hypothetical amount of revenue due and revenue receivable) is not recognised in the financial statements.

1.4 Reliefs and Discharges

Reliefs and Discharges are recorded in the year based on the information received from ratepayers. Accrued estimates of Reliefs and Discharges are calculated at the year end based on the amount of Reliefs outstanding at the year end.

The types of Reliefs and Discharges included in the Statement of Revenue and Expenditure are: Exemptions from Vacancies; Housing Benefits; Transitional Reliefs; Maximum Capital Value; Discounts; Article 20 and 21 Landlord Allowances; Rate Reliefs and Discharges; and Rating of Empty Homes Discharge.

The credit in respect of the Business Rate Holiday represents reductions to awards of the Rate Holiday due to property changes during the reporting period.

Rate Reliefs and Discharges include:

- Disabled Persons Allowances (DPA);
- Owner Occupier Lone Pensioner Allowance (LPA), Private Rented LPA, Northern Ireland Housing Executive (NIHE) LPA and NIHE Housing Association LPA;
- Owner Occupier Rate Relief, Private Rented Rate Relief, NIHE Rate Relief and NIHE Housing Association Rate Relief;
- Residential Home Relief;
- Small Business Rate Relief;

1.5 Receivables

Receivables are shown net of impairment in accordance with the requirements of IFRS 9.

1.6 DoF Resource Accounts

Administration costs and transactions (Non-Current Assets, Payment of Interest to Ratepayers; Legal Costs and Fees, and Cost of Collection) are accounted for in the DoF Resource Accounts and are covered by its related accounting policies. The total administration costs for 2025/26 came to £26.3m million however these transactions do not form a part of the Trust Statement. The audit fee in respect of the 2025/26 year is £66.5k and this is a notional cost in the DoF Resource Accounts.

1.7 Financial Instruments

Financial assets and liabilities are recognised in LPS Statement of Financial Position when the organisation becomes party to the contractual provisions of the instrument.

Financial Assets

Financial assets are classified into the following specified categories: ‘fair value through profit or loss’ (‘FVTPL’); ‘available-for-sale’ (‘AFS’) financial assets and ‘loans and receivables’. The classification depends on the nature and purpose of the financial assets at the time of initial recognition. LPS’ financial assets are classified as Loans and Receivables and are initially measured at fair value and are subsequently measured at the undiscounted amount of the cash consideration expected to be received.

In accordance with IFRS 9 Financial Instruments – Classification and Measurement, financial assets in the form of trade receivables, cash and cash equivalents and other receivables are measured at amortised cost.

LPS assesses at each Statement of Financial Position date whether there is any objective evidence that a financial asset or group of financial assets classified as loans and receivables is impaired. Based on historic experience, receivables that are past due beyond 365 days are generally recoverable.

Impairment losses are assessed individually for financial assets that are individually significant and collectively for assets that are not individually significant. In making collective assessment of impairment, financial assets are grouped into portfolios on the basis of similar

risk characteristics. Future cash flows from these portfolios are estimated on the basis of the contractual cash flows and historical loss experience for assets with similar risk characteristics. LPS has carried out a review of how it tests debt for impairment. This includes categorising debt into Red, Amber and Green based on the assessment by LPS of the risk of this debt becoming not collectable. The category is based on factors such as whether legal recovery has commenced, progress of legal recovery, whether it is in an active payment arrangement and whether bankruptcy proceedings have been initiated. Depending on these factors, LPS has applied a percentage against each category to inform the impairment. The assessment of collectability is supported by management judgement.

Impairment losses are recognised in the Statement of Revenue and Expenditure and the carrying amount of the financial asset or group of financial assets reduced by establishing an allowance for impairment losses. If, in a subsequent period, the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance. When a financial asset is deemed irrecoverable, the amount of the asset is reduced directly, and the impairment loss is recognised in the Statement of Revenue and Expenditure to the extent that a provision was previously recognised.

Financial Liabilities

Financial Liabilities are initially measured at fair value net of transaction costs and are subsequently measured at amortised cost using the effective interest method.

1.8 NIHE Administration Expenses

A new rate relief scheme was introduced in Northern Ireland on 1 April 2007. Legislation provided that the relief would be administered by the Northern Ireland Housing Executive (NIHE) on the LPS' behalf for its own tenants, private tenants or tenants of registered housing associations. LPS meets the administration costs of the scheme which are included in the DoF resource accounts (amounting to £2.875 million in 2025/26).

1.9 Accounting Estimates

As a result of the uncertainties inherent in all business activities, many items in the financial statements cannot be measured with precision but can only be estimated. Where estimates have been required in order to prepare these financial statements in conformity with FReM, management has used judgements based on the latest available, reliable information. Management continually reviews estimates to take account of any changes in the circumstances on which the estimate is based or as a result of new information or more experience.

1.10 Rating of Empty Homes

On 1 October 2011, Rating of Empty Homes went live. Before this date, vacant domestic properties were assessed and fully discharged so no liability arose on the owner. However, since the new policy went live all vacant domestic properties are assessed in the usual way and assessments are issued to property owners.

There are several applications based and automatic exclusions attached to the scheme and the discharge is shown in the Statement of Revenue and Expenditure.

1.11 Comparatives

The 2024/25 comparatives are shown within these Accounts.

1.12 Impending application of newly issued accounting standards not yet effective

LPS has reviewed new standards, interpretations and amendments to existing standards which have been issued but are either not yet effective, nor adopted early for these accounts. There are no new standards which would impact on the Trust Statement.

2. VACANCY DISCHARGE AND RATE RELIEF

Below is a detailed analysis of the vacancy discharge and Rate Relief and Other Discharge figures in the Statement of Revenue and Expenditure.

	2025/26	2024/25
	£'000	£'000
VACANCIES		
Non-Domestic Vacant Rating	48,348	43,198
Disabled Persons Allowance	5,261	5,027
Residential Home Relief	9,467	9,001
Domestic Rate Relief	4,447	4,782
Small Business Rate Relief	22,520	21,483
Non Domestic Hardship Relief	32	-
Lone Pensioners Allowance	10,954	10,179
	52,681	**50,472**

The increases in the value of the rate reliefs and discharges is mainly a result of the uplift in rate poundage between 2024/25 and 2025/26.

3. CREDIT LOSSES

	2025/26	2024/25
	£'000	£'000
Bankruptcies*	4,040	2,264
Liquidations	2,729	2,047
Other Irrecoverables	20,448	13,525
Change in the value of impairments	(3,040)	(1,410)
	24,177	**16,427**

*the increase in write-off due to bankruptcy was due to LPS taking a more proactive approach to processing cases during the 2025/26 year when compared against the previous year.

During the year, there was no write-off in excess of £300,000.
Comparator: 2024/25 – £307,524 as a result of the ratepayer facing bankruptcy.

Credit Losses are the amounts reportable to the NI Assembly under rules on disclosure of Losses and Write-Offs in Managing Public Money Northern Ireland (MPMNI) Annex A.4.10.24 under the 'Claims waived or abandoned'.

4. NON CURRENT ASSETS

	2025/26	2024/25
	£'000	£'000
Rate assessments receivable >1 year	502	470
Interest accrued on rate assessment debt	90	73
	592	543

During the year ended 31 March 2011, LPS implemented a new 'rate deferral' scheme which allowed ratepayers to enter into a legal agreement with LPS to defer payment of rate assessments until a later date. Rate assessments receivable > 1 year represent assessments raised against ratepayers who have legally entered into this scheme.

LPS holds security by way of a statutory charge over the property for which the rate assessments are deferred. Therefore, there has been no provision for bad debt against these rate assessments.

All debt is due to the Consolidated Fund when realised.

5. RECEIVABLES AND OTHER CURRENT ASSETS

5.1 Amounts Due

	2025/26	2024/25
	£'000	£'000
Rate Debtors before estimated impairments	180,403	180,459
Less: estimated impairments (see note 5.2)	(52,829)	(55,869)
	127,574	**124,590**
Accrued Income	4,129	2,245
Due from Agency	56	137
	131,759	**126,972**

Rate debtors represent the amount due from ratepayers where assessments have been raised but not paid for as at 31 March 2026. All debt will be due to the Consolidated Fund when realised.

5.2 IMPAIRMENT OF TRADE RECEIVABLES

The following table shows the impairment of trade receivables at the Statement of Financial Position date:

	2025/26	2024/25
	£'000	£'000
Balance as at 1 April	55,869	57,279
(Decrease) in estimated value of impairments	(3,040)	(1,410)
Balance as at 31 March	**52,829**	**55,869**

Debtors in the Statement of Financial Position are reported after the deduction of the estimated value of Impairments. This provision has been set using analysis of the quality, type of debt and its likelihood of collectability.

LPS has carried out a review of how it tests debt for impairment. This includes categorising debt into Red, Amber and Green based on LPSs' assessment of risk of become not collectable. The category is based on factors such as whether legal recovery has commenced, progress of legal recovery, whether it is in an active payment arrangement and whether bankruptcy proceedings have been initiated. Depending on these factors, LPS has applied a percentage against each category to inform the impairment. The assessment of collectability is supported by management judgement.

6. CASH AND CASH EQUIVALENTS

	2025/26	2024/25
	£'000	£'000
Balance as at 1 April	2,404	1,116
Net change in cash and cash equivalent balances	132	1,288
Balance as at 31 March	**2,536**	**2,404**

Balance as at 31 March	**2,536**	**2,404**

7. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2025/26	2024/25
	£'000	£'000
Rating Creditors	6,188	4,304
Other Creditors	11,497	10,639
Accruals	85	107
Due to DoF	1,520	1,064
Total	**19,290**	**16,114**

8. BALANCE ON CONSOLIDATED FUND ACCOUNT

	2025/26	2024/25
	£'000	£'000
Balance on Consolidated Fund Account as at 1 April	113,805	104,918
Net Revenue for the Consolidated Fund	1,685,424	1,601,551
Less: Amount paid to Consolidated Fund	(1,683,632)	(1,592,665)
Balance on Consolidated Fund Account as at 31 March	**115,597**	**113,805**

9. RELATED PARTY TRANSACTIONS

LPS is a business group within DoF and as such DoF is regarded as a related party. During the year, LPS paid £1,683 million to the Consolidated Fund Account.

During the year, LPS issued material rating invoices to central and local government and health bodies in the normal course of its business. These invoices totalled £218.5 million and the largest five assessments issued were:

Government Department/ Central Government Bodies	2025/26 Assessment £'000
Education Authority	47,627
NI Water Service	30,188
Properties Division - DoF	17,362
Police Service of Northern Ireland	11,523
Belfast Health and Social Care Trust	12,352

In addition, LPS paid £5.2 million to the Northern Ireland Housing Executive (NIHE) acting as a landlord under Article 21 in respect of payment of rates on properties owned by the NIHE. This was in the form of a non-cash credit to the relevant rate accounts.

During the period, none of the board members, members of the key management staff or other related parties have undertaken any material transactions with the organisation.

10. FRAUD AND ERROR

Housing Benefit

LPS administer Housing Benefit on behalf of the Department for Communities (DfC).

From 1 June 2022, Housing Benefit (HB) for Owner Occupiers has been administered by the Northern Ireland Housing Executive. LPS retains responsibility for the administration of HB Owner Occupiers, however the overall HB cost is shown in the Department for Communities (DfC) accounts. LPS does however process the relief through the rate system as a non-cash credit on the relevant rate account. During the 2025-26 year, a total of £2.8 million of HB for Owner Occupiers was processed through the LPS rating system, however this is not shown in the DoF Accounts. It is however shown in the LPS Trust Statement - Rate Levy Accruals Account. Levels of fraud and error within the Housing Benefit caseload is discussed in the *Governance* Statement on page 16.

Rate Rebate

The Rate Relief Regulations (Northern Ireland) 2017 came into operation on 27 September 2017 aligning with the introduction of Universal Credit (UC) and sets the policy for LPS to administer a Rate Rebate Scheme for claimants in receipt of UC. There are three claimant types associated with Rate Rebate – Social Sector tenants, Private Tenants and Owner Occupiers. The full value of the Rate rebate processed is disclosed in the DoF Annual Report (DoF Annual Report and Accounts | Department of Finance). The LPS Trust

Statement, however, only shows the value of the Private Tenant and Owner Occupier caseload as it is processed as non-cash credit to the relevant rate account. This relates to the figures of £19.6m in the Statement of Revenue and Expenditure on page 25. The Fraud and Error figures disclosed below relate only to the element of Rate Rebate included in the LPS Trust Statement. The estimated Fraud and Error associated with the full Rate Rebate caseload is discussed in the Governance Statement on page 14.

In order to estimate levels of Official Error within the Rate Rebate caseload, LPS has engaged with the Standard Assurance Unit (SAU) of DfC. The SAU issued a report in March 2026 entitled 'Land and Property Services Rate Rebate Scheme Financial Accuracy' which has assessed the Rate Rebate caseload for Official Error for the year to 31 October 2025. Based on these reports, LPS estimates that a total of £78k of rate rebate was overpaid paid in error, due to official error.

To ascertain the level of customer fraud and error, LPS used as a proxy the percentage of customer fraud and error found in UC estimated by SAU. This has been taken from a report issued in March 2026 by SAU entitled 'Universal Credit Benefit Review (Customer Fraud and Customer Error)' for cases assessed between 1 December 2024 and 30 November 2025. This has given rise to an estimate of £1,295k (£922k customer fraud overpayments, £157k customer error overpayments and £216k customer error underpayments). The total level of fraud and error in rate rebate is estimated to be £1,373k.

11. EVENTS AFTER THE REPORTING PERIOD

There are no events after the financial period requiring adjustment to or disclosure in these accounts. The accounts were authorised for issue on 23 October 2026.

Report by the Comptroller and Auditor General

Land & Property Services 2025-26

Introduction

1. The Rate Levy Accruals Account is a Trust Statement that records revenue collected from the taxation of domestic and business properties. In 2025-26, revenue increased to £1.9 billion mainly as a result of increases in property taxation rates (£1.8 billion in 2024-25). Reliefs and discharges can be applied to rates assessments when certain criteria are met and these are treated as expenditure within the Trust Statement. Total reliefs and discharges expenditure was £213 million in 2025-26 (11.2 per cent of rate revenue), compared with £191.7 million (10.6 percent of rate revenue) in the previous year.

2. While I have not qualified my audit opinion on the Trust Statement, there are a number of areas of concern that I have drawn attention to in prior years and continue to monitor. These include the amount of outstanding debt, the amount of fraud and error within Housing Benefit and Rate Rebate expenditure, vacancy inspections and the outstanding valuation caseload. 2025-26 marks the first year, in the past five, in which the total debt has not increased; decreasing by £24k to £180.9m, despite an increasing tax base and an exercise to bring previously unvalued properties into rating. However, the overall debt balance would have continued to rise but for an increase in the level of debt written off during the year. In the area of fraud and error, I note that there have been improvements to reduce the level of fraud and error in benefit-related expenditure in 2025-26, resulting in the lowest overall amount of estimated irregular expenditure in the last five years.

Ratepayer Debt

3. Last year, LPS published their Rate Collection Strategy 2025-28, which outlined three key themes:
    - Theme 1: Make it Easy to Pay
    - Theme 2: Support Those Who Need Help
    - Theme 3: Effective Enforcement Action

4. Under Theme 3, LPS aims to reduce levels of historical debt through focused legal action and write-offs. However, this is only one of many actions aimed at improving recoverability. The 2025-26 phase of the strategy included a range of objectives under each of the key themes. I note that LPS achieved all of its targets and the first phase of the strategy has been implemented as intended. I will continue to monitor LPS' performance throughout the course of the strategy and the progress made to reduce outstanding debt.

5. Figure 1, below, shows the gross revenue assessments and outstanding ratepayer debt over the last 5 years, as well as the number of occupancies in debt.

Figure 1: Gross Revenue Assessments and Outstanding Ratepayer Debt

	2021-22	2022-23	2023-24	2024-25	2025-26
Gross Assessments* per annual accounts (£m)	**1,571**	**1,600**	**1,692**	**1,793**	**1,898**
Percentage change in Gross Assessments	2.1%	1.8%	5.8%	6.0%	5.9%
Ratepayer debt per accounts (£m)	**152.3**	**173.3**	**180.0**	**180.9**	**180.9**
Percentage change in ratepayer debt	-0.2%	13.8%	3.9%	0.5%	0.0%
Year End debt as a percentage of Gross Assessments	9.7%	10.8%	10.6%	10.1%	9.6%
Number of occupancies in debt per Senior Management Report**	**88,232**	**83,536**	**78,998**	**78,200**	**72,428**

*Gross Assessments relate to the value of rates bills raised in year before any reliefs or discharges are applied.
**An occupancy represents a liability owed by a ratepayer at a property for a single financial period.
Source: LPS

6. Although gross assessments have increased by approximately 6 per cent, the amount of ratepayer debt in 2025-26 is consistent with the prior year at £180.9 million. Figure 1 also shows that the number of

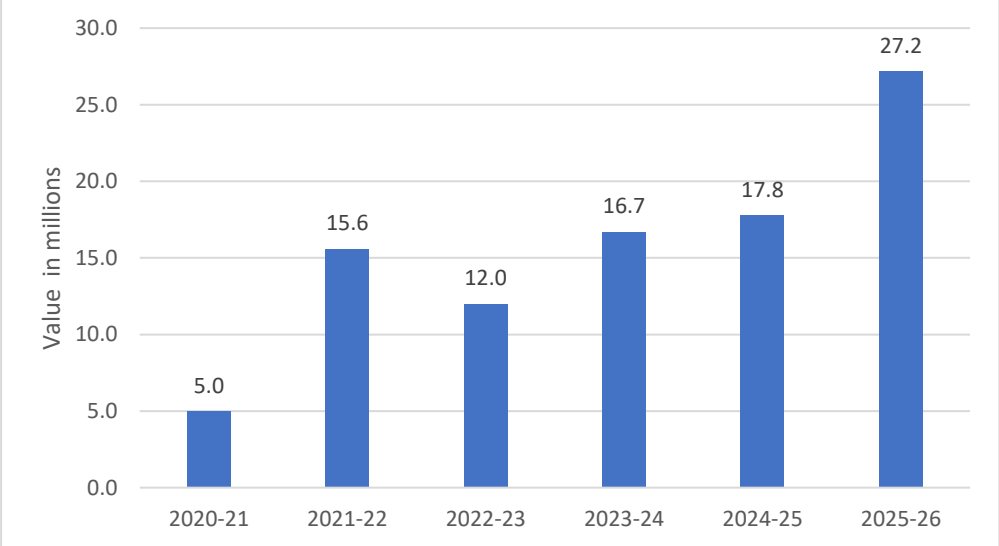
occupancies in debt has decreased by 7 per cent when compared to the previous year.

7. The improvement shown in Figure 1 does not consider the impact of the value of debt written off over the last 5 years, nor the increases in tax base or one-off exercises, such as this year's exercise to bring previously unvalued properties into rating. When taking these into account, it would indicate that improvements have been made by LPS in debt collection during 2025-26 but a significant factor in the debt not increasing further, since the prior year, is the significant amount of debt written off in 2025-26.

Debt Written Off

8. Figure 2 illustrates the amount of debt written off by LPS over the past 5 years. These write-offs relate to debt that LPS considers to be irrecoverable and enables efforts to be focused on areas most likely to be effective.

Figure 2: Debt written off by LPS in the last 5 years



Source: LPS

9. Write-offs have increased significantly in 2025-26 to £27 million; this is a 50 per cent increase from 2024-25. When viewing the overall level of debt each year before deducting write-offs, for comparability, the level of debt has continued to rise in 2025-26, at a rate of 4.5%. This is a £9 million increase from 2024-25.

10. LPS told me that the higher level of write-off during 2025-26 was influenced by increased activity to review and resolve historic debt, including older cases where further recovery activity confirmed that the debt was no longer legally or practically recoverable. Enhanced recovery action resulted in more cases reaching a definitive outcome, including formal insolvency, while increased tracing activity also supported decisions on cases where debtors could not be located. A significant element of the 2025-26 write-off represented a catch-up in dealing with older irrecoverable debt accumulated in previous years.

11. LPS also told me that the year-end debt position was affected by the Missing Capital Value (MCV) project, which generated approximately £10 million in additional revenue, of which approximately £7 million remained outstanding at 31 March 2026. The project was an important intervention, ensuring that previously unvalued properties were identified and brought into rating, thereby securing revenue that would otherwise not have been billed. The resulting additional debt should therefore be viewed in this context and taken into account when assessing the underlying movement in debt during the year. Notably, despite this additional billing, the number of individual occupancies in debt reduced at year end, providing evidence that the Collection Strategy is having a positive impact.

Levels of Fraud and Error in Housing Benefit and Rate Rebate reliefs

12. Ratepayers who are entitled to receive Housing Benefit or Universal Credit are eligible to apply for rate relief to assist them with the payment of rates:

    - **Housing Benefit:** Although the Northern Ireland Housing Executive (NIHE) is responsible for the administration of Housing Benefit, the awards in respect of the rate element of the benefit are shown as expenditure in the Trust Statement. This amounted to £26.4 million in 2025-26 (£29.7 million, 2024-25), of which £2.9 million (£3.9 million, 2024-25) is estimated to be fraud and error.

- **Rate Rebate:** In September 2017, the Rate Relief Regulations (Northern Ireland) 2017 came into operation aligning reliefs to the operation of Universal Credit. This legislation introduced a Rate Rebate scheme administered by LPS to support tenants or homeowners in receipt of Universal Credit. This scheme has replaced the rates element of Housing Benefit for working-aged people who are entitled to Universal Credit in Northern Ireland. The amount of Rate Rebate was £19.6 million in 2025-26 (£13.6 million in 2024-25). It is estimated that £1.4 million (£1.8 million, 2024-25) of this relates to fraud and error.

13. The total level of fraud and error within Housing Benefit and Rate Rebate is estimated at £4.3 million (£5.7 million, 2024-25). This represents 0.2 per cent of the total £1.9 billion revenue collected from property taxation and a reduction of £1.4 million compared to the prior year. The estimated level of fraud and error is considered to be irregular.

Figure 3: Estimated levels of fraud and error for Housing Benefit

	2021-22	2022-23	2023-24	2024-25	2025-26
Housing Benefit expenditure (£m)	32.1	29.9	30.0	29.7	26.4
Estimated Fraud and Error (£m)	3.4	3.6	3.5	3.9	2.9
Number of Housing Benefit Claimants	37,371	34,734	33,168	30,096	25,950

Source: Standards Assurance Unit, Department for Communities

14. Figure 3 shows the continued decrease of Housing Benefit expenditure over a 5-year period. Expenditure costs have decreased by £5.7 million since 2021-22 and the number of claimants has reduced by 11,421 over the same period.

Figure 4: Estimated levels of fraud and error for Rate Rebate

	2021-22	2022-23	2023-24	2024-25	2025-26
Rate Rebate expenditure (£m)	7.9	9.0	10.4	13.6	19.6
Estimated Fraud and Error (£m)	1.1	1.0	1.3	1.8	1.4
Number of Rate Accounts in receipt of Rate Rebate	12,894	13,874	14,963	18,976	22,108

Source: Standards Assurance Unit, Department for Communities

15. As shown in figure 4, Rate Rebate expenditure has steadily increased over the past five years, rising from £7.9 million to £19.6 million in 2025-26 (a 148 per cent increase). This trend is driven by the accelerated transition of working-age claimants to Universal Credit. The deadline for the migration process for most claimants was March 2026, therefore the rate of increase is expected to lessen in future years.

Figure 5: Total levels of fraud and error

	2021-22	2022-23	2023-24	2024-25	2025-26
Total Housing Benefit and Rate Rebate expenditure (£m)	40.0	38.9	40.4	43.3	46.0
Total Irregular Expenditure (£m)	4.5	4.6	4.8	5.7	4.3
Ratio of irregular expenditure (Housing Benefit: Rate Rebate)	76:24	78:22	73:27	68:32	67:33

Source: Standards Assurance Unit, Department for Communities

16. Total irregular expenditure has decreased by £1.4 million in 2025-26 to £4.3 million (£5.7 million in 2024-25). This improvement is despite the total benefit and rebate expenditure increasing by £2.7 million. The portion of irregular expenditure that relates to Rate Rebate is broadly consistent with the prior year. Rate Rebate expenditure had increased by £6 million, but the estimated fraud and error rate had decreased from 13.2 per cent to 6.7 per cent.

17. LPS continue to use the Universal Credit error rate as a proxy to estimate the level of customer fraud and error within Rate Rebate. A methodology specific to Rate Rebate has been developed, however, there remains limitations in gathering information required for the statistical samples. I believe further progress could be made to produce a customer fraud and error rate that is specific to Rate Rebate and LPS should continue to work with the Standards Assurance Unit, within the Department for Communities, in pursuit of this.

18. LPS advised me that they have had further productive discussions with SAU regarding this and are due to meet SAU in the near future to discuss various options for refining the measurement of fraud & error in Rate Rebate.

Vacancy Discharges

19. The 2025-26 Trust Statement includes Vacancy expenditure of £48.3 million relating to non-domestic properties, an increase of £5.1 million from the previous year. This increase is mainly attributable to the rise in property taxation rates for 2025-26 and partially due to an increase in the number of properties in receipt of 50 per cent vacancy relief.

20. As noted in prior years, this expenditure may be overstated if properties receiving a relief, for being vacant, are actually occupied by businesses. The error rate in vacancy discharge expenditure has been estimated by LPS sample testing at 5 per cent for 2025-26. This is a decrease when compared to the error rate in the previous year (17 per cent in 2024-25), which was based on a smaller, more limited sample size.

21. The estimate is based on a small number of physical property inspections carried out by LPS. The rate may be overstated, as LPS targeted properties believed to have a higher risk of being occupied, for inspection. When LPS identify a property that has been occupied, the correct assessment is backdated to when occupation began and, therefore, no revenue is lost.

Figure 6: Vacancy inspections and estimate error rate

	2021-22	2022-23	2023-24	2024-25	2025-26
Estimated vacancy error rate	5%	13%	12-15%	17%	5%
Number of properties inspected	3,131	4,746*	0**	267	775

*The majority of inspections in 2022-23 were desk-based.
**No physical inspections of vacant properties were performed in 2023-24 due to resourcing pressures and so the range was based on error rates from previous inspection regimes.
Source: LPS

22. Figure 6 illustrates the fluctuation of the estimated error rate and the decline in the number of property inspections over a 5-year period. The estimated error is based on the Net Asset Value of properties inspected, as opposed to the number of properties inspected. Further increases in the sample population would produce an estimate which is more representative of total vacancy expenditure.

23. I note that Council participation in inspections has not resumed in 2025-26. Council representatives have informed LPS that they no longer have capacity to undertake this work and, as I understand it, LPS have no legislative authority to mandate that councils undertake inspections on their behalf. It is important that public bodies work in collaboration to ensure value for money for taxpayers. In-house knowledge from councils regarding their specific council areas would provide invaluable insights that could support efficient vacancy inspections.

24. LPS has advised me that they have started their own program of vacancy inspections during 2026-27 and are using internal mapping data to improve the efficiency of this process. I look forward to reviewing the outcomes of this as part of next year's audit.

Outstanding Valuation Caseload

25. The total number of outstanding valuation cases increased by 2,071 in 2025-26. The estimated impact on the revenue figure of the

outstanding domestic and non-domestic caseload on 31 March 2026 was £15.8 million. This is an increase of £6.8 million when compared to 2024-25 but is consistent with prior year figures when assessed over a longer period.

Figure 7: Outstanding Valuation Caseload

	2021-22	2022-23	2023-24	2024-25	2025-26
Non-domestic caseload outstanding	9,324	8,102	6,342	6,766	7,244
Domestic caseload outstanding	16,485	17,263	17,124	14,394	15,987
Total caseload outstanding	**25,809**	**25,365**	**23,466**	**21,160**	**23,231**
New Cases in Year	**29,191**	**24,175**	**24,324**	**23,139**	**27,948**
Total caseload completed	**21,586**	**24,619**	**26,223**	**25,445**	**25,877**

Source: LPS Statistics Team

26. The total outstanding caseload at the year-end has increased compared to last year but, overall, output has improved, with LPS completing 432 more cases in 2025-26 compared to 2024-25. The increase in caseload was primarily as a result of almost 5,000 more new cases in 2025-26 than in 2024-25, mainly due to large scale apartment developments.

27. Due to the planned NI Revaluation 2026 project, LPS were busy processing valuation changes relating to the previous Valuation List before the current year end. This resourcing pressure coincided with this larger than usual increase in new cases. Further progress is expected to be made to address the backlog of outstanding cases, between revaluation years.

28. LPS have told me that the decision to pause the general revaluation in January 2026 has facilitated the return of those staff to normal business as usual functions, focusing on completing casework on an oldest first basis until a final decision is made with regards Revaluation 2026 by the Minister.

29. While processing of the outstanding cases can lead to increased or decreased levels of assessments, the changes are made effective from the relevant date, as stipulated in Article 13/Schedule 6 Rates NI Order 1977 and, therefore, there is no overall loss to the Trust Statement. However, it does impact the timely reporting of revenue in the annual Trust Statement accounts.

Recommendations

30. **Outstanding ratepayer debt –** LPS should seek to reduce the level of outstanding debt by implementing debt management methods, including maximising digital analysis to improve debt recovery. Whilst the write-off of irrecoverable debt is one element of an effective debt management process, LPS should ensure that its approach is consistent across financial years. Implementing the next phase of the Rate Collection Strategy 2025-28, and achieving planned objectives in line with target dates, should be a priority.

31. **Vacancy inspections –** LPS should seek to increase the number of vacancy inspections undertaken to improve the accuracy of the estimated error rates. Whilst the current risk-based approach provides a certain level of comfort as to the potential "worst-case" scenario, inspection programmes should be designed to balance this targeted sampling approach with sufficient random sampling. Whilst acknowledging the financial recovery benefits of targeting properties most likely to be occupied, a statistically reliable estimate would provide a consistent basis for comparing the estimated error rate, year on year.

32. **Outstanding Valuation Caseload –** LPS should produce an action plan, with a timetable, to address the outstanding valuation caseload. This may include reviewing workforce planning and operational capacity requirements following the completion of the NI Revaluation 2026 project. LPS should ensure that sufficient resources are available to address the backlog of outstanding cases and prevent further accumulation in future.

Conclusion

33. While I note some positive developments during 2025-26, particularly the reduction in estimated fraud and error within benefit-related expenditure, considerable challenges remain. Total ratepayer debt has remained at a similar level to the prior year, despite increases to the rate base and an exercise to bring previously unvalued properties into rating. However, this was partially due to a substantial increase in write-offs during the year. I will monitor the effectiveness of LPS' actions, in response to my recommendations, as part of next year's audit.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

23 October 2026



Department of Finance
An Roinn Airgeadais
www.finance-ni.gov.uk