



Belfast City Council

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| Report to: | Strategic Policy and Resources Committee |
| Subject: | Strategic Policy and Resources Committee on District Rates |
| Date: | 17 October 2008 |
| Reporting Officer: | Trevor Salmon, Director of Corporate Services |
| Contact Officer: | Ronan Cregan, Improvement Manager |

Relevant Background Information

Members will recall that the Strategic Policy and Resources Committee agreed at its meeting on 19 September 2008 to hold a special meeting to discuss rates issues.

Members are already aware that the rates finalisation for 2007/08 resulted in the Council owing Land and Property Services (LPS) £4,128,553.40. The Chief Executive has received from LPS a more detailed explanation of the factors which led to the 2007/08 claw back position. See letter from LPS of 30 September at appendix one. These include:

- The losses from domestic vacant properties increased from £3.6m to £6.1m.
- The losses from non-domestic vacant properties increased from £10.6m to £14.1m.
- The introduction of the £500,000 cap led to a loss of £1.2m
- There were valuation reductions of £7.5m on the non-domestic side.

The prediction from LPS in regards to the finalisation for 2008/09 is a claw back of £700,000. This projection does not include additional rate income which will accrue from Victoria Square and vacant property inspections.

Members are about to embark on the rate setting process for 2009/10 in the context of a turbulent economic outlook. It is therefore essential that they are provided with accurate and timely information about the rate base and have confidence that the LPS will ensure that the collectable rate return is maximised in order to ensure the burden on the ratepayer is minimised.

The Director of Corporate Services has enlisted the services of the Institute of Revenue, Rating and Valuation (IRRV) – the leading experts in this field. The IRRV has provided the Council with a detailed technical report on rating issues and the reports submitted today are mainly based on their findings. The IRRV will give a short presentation to Members on their key findings. A copy of their report can be found at Appendix Two.

Individual reports will be presented to committee on the following areas:

- Rates and financial planning.
- Vacant properties
- Debt management
- Cost of collection.
- BCC / LPS Service Level Agreement

After consideration of the reports Members will be given the opportunity to discuss their concerns with representatives of LPS.