



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	BCC / Land and Property Services Memorandum of Understanding Update
Date:	19 March 2010
Reporting Officer:	Julie Thompson, Director of Finance and Resources
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Relevant Background Information

Members are aware that 75% of the council's income comes from the district rate. A key factor, therefore, in discussions about the rate setting for 2011/12 and the efficiency programme is how the council can maximise the level of collectable rates income. The council, however, is not responsible for valuation, billing and rates collection - these are the job of Land and Property Services (LPS). In the past Members have raised concerns about the performance of LPS in the areas of :

- Rates collection levels
- Vacant property control
- Timeliness and accuracy of the Estimated Penny Product (used at the time of rate setting)
- Timeliness of the Actual Penny Product (after the closure of the accounts)
- Cost of collection
- Level of debt

Over the past two years council officers, with support from Members, have been working closely with LPS. This relationship has been formalised through the agreement of a Memorandum of Understanding (MOU) between the two organisations.

It was agreed that the Budget and Transformation Panel should meet with officials from LPS to discuss the implementation of the on-going implementation of the MOU. The purpose of this report is to update Members on the outcome of this meeting to agree a number of actions arising.

Key Issues

The Budget and Transformation Panel met with officials from LPS on 9 March 2010. At the meeting Members stressed the importance of the work of LPS both in terms of the overall finances of Belfast City Council and for individual rate payers. The improvements which have already been made were acknowledged by Members but it was stressed that much more can be done and that the council is keen to continue to work in partnership with LPS to make further improvement happen.

One of the key items discussed was the development of a suite of indicators which would allow Members to better hold LPS to account for its performance. The Budget and Transformation Panel agreed that the indicators should concentrate on the following areas:

- Rates collection
- Vacant properties
- Timeliness of Estimated Penny Product and Actual Penny Product notifications
- Deviation from Estimated Penny Product and Actual Penny Product
- Cost of Collection
- Debt recovery

The Members also stressed to the LPS officials the need for councils to have an input into policy decisions that have an affect on collections.

The Strategic Policy and Resources Committee is requested to agree to the recommendation of the Budget and Transformation Panel that performance indicators in relation to the rates should be developed and be concentrated on the areas as listed above.

LPS officials indicated there were a number of areas where legislative change would aid rate collection. Members are asked to approve the creation of an Agenda for Change, to work with other local authorities and the LPS to lobby for legislative change.

In order for Members to compare performance of LPS with other local authorities, it is important that benchmark information is provided. It is recommended that the council enter into a framework agreement with the Institute of Revenue Rating and Valuation (IRRV) to provide this information and the supporting analysis. The IRRV is the leading institution in this area and has worked closely with the council on rates work in the past. The cost to the council has already been budgeted for as part of the 2010/11 estimates.

If Members are in agreement to the above, regular rates performance update reports will be brought to the Strategic Policy and Resources Committee.

Recommendations

The Committee is requested to note the contents of the report and to agree to the following:

- 1) Performance indicators to be developed in relation to:
 - a. Rates collection
 - b. Vacant properties
 - c. Timeliness of Estimated Penny Product and Actual Penny Product notifications
 - d. Deviation from Estimated Penny Product and Actual Penny Product
 - e. Cost of Collection
 - f. Debt recovery
- 2) The use of the Institute of Revenue Rating and Valuation (IRRV) to provide the council with relevant benchmark information in order to allow comparison of LPS performance.
- 3) To develop an agenda for legislation change
- 4) To receive regular reports on rates performance.