



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Update on Rating Issues
Date:	18 th March 2011
Reporting Officer:	Julie Thompson, Director of Finance and Resources, Ext 6083
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1 Relevant Background Information

- 1.1 At the Strategic Policy and Resources Committee meeting on 4 February 2011, Members discussed the issue of the late notification of a significant change to the estimated rates with LPS officers. At this meeting it was agreed that a further update report would be brought to Committee in March.
- 1.2 The purpose of this report is to update Members on the issue and to recommend a suite of performance indicators and actions to be included in the Memorandum of Understanding between the council and LPS.

2 Update

- 2.1 Following the Strategic Policy and Resources Committee meeting on 4 February, a cross-party delegation of Members met with the Minister for Finance and Personnel to record their concerns and to seek reassurances on the revised rates figures which had been provided to the council by LPS.
- 2.2 Subsequent to the meeting the Chair of the Strategic Policy and Resources Committee wrote to the Minister (Appendix One) to inform him that the council would commit to the following actions which be incorporated into the Memorandum of Understanding between LPS and the council for 2011/12:
 - Work with LPS and IRRV on benchmarks to compare LPS and BNCC performance with other local authorities;
 - Work with LPS to develop monitoring statements;

- Continue to support LPS through the work of the Building Control Unit; and
- Based on the information provided by LPS on non-domestic vacant properties, work internally and with other external bodies to actively manage the rates base.

2.3 In response the Minister confirmed in a letter dated 2 March (Appendix Two) that LPS would:

- Ensure that the Department was positioned to carry out a short review of the rates estimating process;
- Commit to playing a full part in the performance and benchmarking framework;
- Provide agreed monitoring data; and
- Enhance the oversight role played by local government through completing the review of the terms of reference for the Strategic Steering Group.

2.4 In the letter the Minister also recognises the significant effort by both the council and LPS in building a strong working relationship. He goes on to assure the council of his commitment to ensuring that the rating system in Northern Ireland is as effective as possible.

2.5 In addition, on behalf of Solace, Julie Thompson and Ronan Cregan attended the Committee for Finance and Personnel on 8 March to provide further information on LPS issues, prior to the Committee's evidence session with LPS. Council officers explained the difficulties earlier this year, emphasised the need to work in partnership with LPS to ensure this does not happen again and the need to work across government to maximise rates income through minimising vacant properties.

3 Performance Indicators and Monitoring Statements

3.1 Over recent months the council and LPS have been working with the Institute of Revenues, Rating and Valuation to develop a suite of performance indicators which are capable of being compared to other collection authorities. They cover the following key areas of rating activity:

- The time taken to process the information required to issue a rates bill;
- The actual collection of rates;
- The cost of collecting rates;
- Adherence to agreed timetables for sharing information;
- The accuracy of LPS forecasts;
- Vacant properties; and
- Debt collection.

3.2 The performance information based on these proposed indicators will be reported to the Strategic Policy and Resources Committee on a quarterly basis, starting with the second meeting in August 2011. A meaningful report will be provided for Members to explain the indicators, any issues that arise from and any suggestions for improvement. The indicators will also be reported, in parallel, to the LPS Management Board.

3.3 In addition LPS has also agreed to provide a number of monitoring statements which will support the performance indicators. These are:

- A detailed analysis of the cost of collection.
- Monthly collection performance including details of any debt written-off.
- Quarterly comparison of original Estimated Penny Product against in year revised Actual Penny Product. This is an essential monitoring tool to ensure that the figure used in preparation for setting the rate is on target.
- Quarterly analysis of vacant properties in the city.
- Quarterly analysis of Benefits take-up.

4 Memorandum of Understanding 2011/12

4.1 Members are aware that the council has an agreed Memorandum of Understanding (MOU) with LPS. The MOU sets out the statements of intent regarding the interactions between the two organisations. As part of the MOU, Appendix E of the document sets out the particular areas of focus in the coming year. It is recommended that for the coming year the areas of focus should be the implementation of the performance indicators and the associated monitoring statements. This will enable the council to compare the performance of LPS and the rating system with other authorities and, if necessary, work with LPS to pursue improvements. A copy of the proposed Appendix E of the MOU for 2011/12 (including the performance indicators and monitoring statements) is provided at Appendix Three.

Recommendations

It is recommended that Members note the above report and agree the key priorities for monitoring rating system performance as set out in Appendix Three.

Documents Attached

Appendix 1 – Letter to from SP&R Chairman 14 February
Appendix 2 - Letter from Minister to SP&R Chairman 2 March
Appendix 3 - Proposed Appendix E of MOU 2011/12