



Subject:	Proposed changes to the fees for Property Certificates
Date:	Thursday 13 June 2019
Reporting Officer:	Ed Baker, Planning Manager (Development Management) ext 2302
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Is this report restricted?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

1.0	Purpose of Report or Summary of main Issues
	The purpose of the report is to seek the Committee's agreement to increasing the fee charged for a Regional Property Certificate and to review the fee charged for Council Property Certificates.
2.0	Recommendations
2.1	The Committee is asked to: <ul style="list-style-type: none">• Agree to a revised fee structure for Regional Property Certificates;• Note the knock on administrative arrangements;• Agree to a review of the fee charged for the Council property certificates to take account of inflationary rises.
3.0	Main report
3.1	<u>Background</u> There are two Property Certificate services assisting the conveyancing process in NI. The Council Property Certificate (CPC) service is provided by individual councils and gathers information from internal council services in response to a property enquiry from a solicitor usually acting on behalf of a vendor. In 2018-19 the CPC service generated approximately £395k for Belfast City Council (BCC).
3.2	In April 2015, as an outcome of Local Government Reform, the Regional Property Certificate (RPC) service was transferred from the then Department of Environment to councils and by agreement was set up as a shared service operated by Fermanagh and Omagh District Council (FODC).
3.3	The RPC provides information on a property or land relating to inter alia Planning Service, Roads Service, Water Service, Built and Natural Heritage and Rivers Agency, in response to a request from a solicitor usually acting on behalf of a vendee. In 2017-18 the RPC

	<p>generated a fee income for BCC of approximately £253k. This income is returned to BCC by FODC on a 6 monthly basis.</p> <p><u>Key Issues</u></p> <p>3.4 Following a detailed review by HM Revenue and Customs (HMRC) on the VAT treatment of the fee income for a Regional Property Certificate (RPC), which included lengthy correspondence and significant challenge by local government and its VAT and legal advisors, HMRC has decided from 1 July 2019 the RPC fee income is liable to VAT (20%).</p> <p>3.5 Consequently, and because the fee income for an RPC has not increased since 1 April 2014, FODC has proposed that the fee for a single property Certificate is increased from £42.50 to £60 with corresponding increases for additional enquiries. This increase takes account of VAT payable, inflation between April 2014 and 2019, and additional administrative costs due to VAT. (See Point 3.6 below). A detailed breakdown of the increase is provided at Appendix A.</p> <p>3.6 Subject to the approval of the revised fee it will be necessary to update and agree the Service Level Agreement with FODC. Additionally, to allow each council to properly account for VAT to HMRC, FODC will return the fee income to BCC on a monthly basis.</p> <p>3.7 As the fee for the CPC has not been increased since 2004, to take account of inflationary changes, it is also proposed that the fee charged for the CPC is also increased. This would be agreed consultation with the other councils.</p> <p>3.8 <u>Financial & Resource Implications</u> As the proposed increase is related to VAT, the administration of this and inflationary increase there are no significant finance and resource implications.</p> <p>3.9 <u>Equality or Good Relations Implications</u> None associated with this report.</p>
4.0	<p>Appendices – Documents Attached</p> <p>Appendix A – Proposed Fee Breakdown for RPC</p>

Proposed Fee Structure for Regional Property Certificate**(a) Standard Fee**

Fee at transfer	£42.50
Inflation (April 2014- March 2019)	£4.06
Additional Admin costs re VAT	£3.44
Total proposed fee 9ecluding VAT	£50.00
VAT@ 20%	£10.00
Total proposed fee	£60.00

- (b) More than one property/site/parcel of land – **additional £7 (including VAT)** for each additional enquiry
- (c) Maximum fee - **£265** (Including VAT)