



## Belfast City Council

<b>Briefing to:</b>	Strategic Policy and Resources Committee
<b>Subject:</b>	Service Level Agreement with LPS
<b>Date:</b>	17 October 2008
<b>Reporting Officer:</b>	Trevor Salmon, Director of Corporate Services
<b>Contact Officer:</b>	Ronan Cregan, Improvement Manager

### Relevant Background Information

The District Rate accounts for 74% of the Council's total income. It is therefore the most important source of income to support our annual expenditure. At the same time, it represents considerable expense to the ratepayer. A key element of the Council finance strategy is therefore to maximise the amount of collectable rate income in order to ensure priorities can be delivered and at the same time minimise the burden on the ratepayer.

Although the Council has responsibility for setting the District Rate, the Department of Finance and Personnel is responsible for rating reform. Land and Property Services (LPS), an executive agency within DFP, is responsible for valuing all properties, maintaining the valuation list, billing and collecting rates and administering rate relief schemes. Members should note that LPS was formed as part of the RPA and has merged the Rates Collection Agency, Valuation and Lands Agency, Ordnance Survey of NI and Land Registers NI.

Over the past year the Council has been working closely with LPS and good working relationships have been established. Building Control Service already has a formal agreement with LPS in regards to notifications of new and altered buildings. The purpose of this report is to recommend that the Council enters into a formal agreement with LPS in the form of a service level agreement for the overall service provided by LPS. By doing this the Council will be better placed to work with LPS to improve its key processes and to ensure that it provides value for money to the both the Council and the ratepayers in Belfast.

### Key Issues

The service level agreement could cover the following areas:

- ***Estimated Penny Rate Product***

The LPS will review in partnership with BCC the current estimating methodology used in the calculation of the estimated penny rate product. The BCC will agree to provide appropriate information about new buildings, alterations and demolitions that are likely to impact in the financial year that is the subject of the estimate.

The Estimated PRP will be provided to the City Council no later than 1<sup>st</sup> November of each year.

A revised EPP for the year in question shall be provided to BCC on a monthly basis

- **Finalisation of Penny Rate Product**

The LPS shall provide the BCC with a monthly update on the progress of the collection levels and within one month of the end of the financial year will provide BCC with an estimated finalisation figure. LPS shall provide a final figure no later than 30<sup>th</sup> June following the end of the financial year.

- **Maximising Rate Collection Levels**

BCC expects LPS to maximise IN YEAR rate collection at a level that is comparative with other local authorities in the UK.

BCC expects that all rateable occupiers will be identified and billed on a timely basis in order to minimise arrears and losses on collection.

The LPS shall provide the BCC with a monthly update on the progress of the collection levels showing comparative collection statistics for previous years.

*NOTE:* In year collection level means current year debit less payments in respect of the current year i.e. excludes payments in respect of arrears.

- **Losses on Collection**

The City Council shall be provided with a detailed analysis and explanation by category of the losses on collection. The analysis should be provided in tabular form with comparisons shown for previous years.

- **Cost of Collection**

The City Council shall be provided with a detailed breakdown and an explanation of the costs of collection. The analysis should be provided in tabular form with comparisons shown for previous years.

- **Property Inspections**

Given the importance of ensuring that all properties are brought in to rating in order to maximise rate income and cash flow the City Council expects that vacant properties will be inspected on a regular basis

In order to ensure that income is maximised the City Council expects that completion certificates will be served in all cases where it is deemed necessary.

The LPS shall undertake to provide BCC with a monthly update on the progress of the inspections of empty property.

The performance in relation to these areas could then be monitored on a monthly or quarterly basis.

## **Recommendations**

Members are asked to agree to the following:

1. The establishment of a service level agreement between Belfast City Council and LPS.
2. The agreement to be negotiated on the basis of the areas outlined in this report.