

Draft Response of the Shadow Belfast City Council to the Review of Public Administration – Managing Convergence of District rates, Consultation Paper, May 2014

Question 1: Do you believe that transitional relief should be provided to ratepayers adversely affected by the convergence of rates that will arise from the merging of Councils as a result of Local Government Reform?

Answer: Yes. The Council welcomes the provision of £30m of funding from the Executive to provide transitional relief for those ratepayers affected by convergence, especially as those ratepayers transferring into the new Belfast area will be adversely affected.

Question 2: Do you consider there to be an “acceptable” rates increase the ratepayer should bear before relief is applied?

- “The ratepayer should see no increase in their rate bill due to reform, other than what “normally” occurs from year to year, for example due to inflation”.
- “It is acceptable for the ratepayer to bear a 5% increase in rates due to the reform (or more than 5%, or less than 5%)?”

Answer: The Council believe that relief should be applicable to any increase that arises exclusively from local government reform and notes the principal stated in the consultation document that “the transitional relief scheme has been designed to ensure that downward adjustments to rates are made to mitigate the impact of convergence alone”.

The Council does not therefore accept the suggestion that the scheme should include an arbitrary amount for “normal increase” before relief is applied. Belfast City Council has set a zero increase in the district rate for the past two financial years and if the Shadow Council strikes a district rate for Belfast at the same level as the domestic district rate in 2014/15, then any increase in the district rate element of domestic rate bills will be due to convergence alone. The inclusion of an arbitrary “normal increase” threshold as part of the scheme would render the scheme fundamentally flawed and could unfairly penalise those ratepayers transferring from Castlereagh, Lisburn and North Down.

Question 3: How long do you believe any transitional relief scheme should last?

- Two years
- Three years
- Four years
- Other

Answer: The Council believe that the scheme should last for a period of four years which would align with the term of the new Council.

Question 4: Based on the models provided in the document what level of relief do you think is acceptable over each year of the phasing in?

For Example

- 100%, 66%, 33%
- 80%, 50%, 30%
- 80%, 60%, 40%, 20%

Answer: The Council believe that the phased relief presented in option 3 i.e. 80%, 60%, 40% and 20% would be appropriate to align with the four years of the scheme.

Question 5: Do you have any suggestions how the scheme could be improved within the Executive's £30m budget?

Answer: The Council believe that if the final scheme option does not fully utilise the £30m funding allocated by the Executive then the surplus should be targeted to those ratepayers who will encounter a significant increase in their district rate as a result of the boundary changes and the transfer to another Council area. As highlighted in the consultation this will particularly affect those ratepayers transferring from Castlereagh and Lisburn to Belfast.

Question 6: Do you think relief should be provided to all ratepayers affected by the scheme or just to ratepayers significantly affected? Or should there be a two tier scheme? (a longer one for ratepayers in areas most affected)

Answer: As outlined in the responses above the Council believe the scheme should last for four years in line with the new Council term. The Council also believe that the targeting of any surplus resources at those significantly affected, as outlined in the response to question 5 would be appropriate.

Question 7: Do you consider that any additional support should be provided for ratepayers detrimentally affected by the boundary changes as described in paragraph 21?

Answer: Yes. The proposed approach outlined in our response to question 5 would target the ratepayers affected by boundary change.

Question 8: Do you have views on the differential impact of implementing this scheme?

Answer: The Council notes the commentary included as annex 5 to the consultation.

Question 9: Do you have additional evidence on differential impact this scheme may have?

Answer: No.

Question 10: Have you any other views on the issues covered in this document?

Answer: No.