

Minutes of Meeting of Policy and Resources Committee of Mid Ulster District Council held on Thursday 6 February in the Council Offices, Ballyronan Road, Magherafelt

Members Present

Councillor Molloy, Chair

Councillors Ashton, Buchanan, Elattar (7.13 pm), Forde, Gildernew, Hughes, McFlynn, S McGuigan, McKinney, McLean, S McPeake, Quinn (7.12 pm), Totten

Officers in Attendance

Mrs Canavan, Director of Organisational Development
Mr Cassells, Director of Environment and Property
Mr Kelso, Director of Public Health and Infrastructure
Mr Moffett, Head of Democratic Services
Mr O'Hagan, Head of IT
Mr JJ Tohill, Director of Finance
Ms Grogan, Democratic Services Officer

Others in Attendance

Mr David Ross – Director of Valuation, LPS

The meeting commenced at 7.02 pm.

PR026/20 Apologies

Councillors Colvin and Doris.
Chief Executive.

PR027/20 Declarations of Interest

The Chair reminded members of their responsibility with regard to declarations of interest.

PR028/20 Chair's Business

None.

PR029/20 Deputation – Land & Property Services Non-Domestic Rate Valuation

The Chair, Councillor Molloy welcomed Mr David Ross, Director of Valuation to the committee and invited him to make his presentation.

Mr Ross provided members with an update on Reval2020 – Revaluing Properties for Business Rates. He said that there were approx. 74,000 non-domestic properties in

Northern Ireland, with a current total Net Annual Value of £1,560m = this has the potential to generate £640 million p.a. rates revenue.

Councillor McLean raised the issue of a business being penalised for being prosperous and this leading to an increase in Rates payable and enquired what happened where a business found themselves in the position of reducing profitability and asked if the Rates payable would decrease accordingly.

Mr Ross agreed that in theory the Rating system generally (for most classes of business property) sought to base Rates on rents paid by the businesses occupying premises as rents were viewed as the best measure to use to equitably distribute the Rate burden between business ratepayers. However, over time, Rates assessed would naturally become based on rents that were determined by LPS a considerable period ago. Consequently, frequent LPS was attempting to increase the frequency of property revaluations. Frequent property revaluations would help ensure that Rates were based on as up to date information as practicable and this should ensure that the distribution of the Rate burden was as equitable as practicable.

In response to a member's query, Mr Ross advised that the last revaluation of properties took place in 2015, with the 2020 revaluation reflecting rents payable in April 2018.

Councillor Quinn entered the meeting at 7.12 pm.

Councillor Elattar entered the meeting at 7.13 pm.

Mr Ross outlined in his overhead presentation the following: (appendix 1)

- Revaluations
- Net Annual Value Growth
- Changes in NAV – Mid Ulster
- NAV Growth by Sector
- Changes in NAV – Mid Ulster – Retail
- Changes in NAV – Mid Ulster – Offices
- Changes in NAV – Mid Ulster – Industrial
- Changes in NAV – Mid Ulster – Warehouses
- NAV Growth and Rate Liability
- Key Dates
- Draft Values and Valuation List Online
- What's Required from Rate Payers

The Chair thanked Mr Ross for his informative presentation and said that the more information made available, the better.

Councillor Forde advised that she had been approached by a concerned businessman during the week regarding the anticipated increase in his business Rates. She said that previously his rates were £900 per annum and when he performed his own calculation using the new revaluation figures it was £2,941.50 and enquired how this could be justified and whether this was an accurate estimation.

Mr Ross advised that the calculation referred to would not accurately estimate the Rates bill as no regional rate had been struck yet by Government. However, he did accept that some ratepayers could see increases while others might see decreases in their ultimate Rates bill.

Councillor Forde enquired if it was acceptable to inform the gentleman of what was said tonight advising that the rate checker was only giving an estimation and not an accurate figure.

Mr Ross said that the rate checker did not have a business rate number to provide an accurate figure for the businessman, but he also noted that the business could yet face a significant increase in Rates anyway.

Councillor S McGuigan said that it's assumed that valuations were going to increase and not decrease which will reflect a Rate increase to the ordinary businessperson and felt that there was no logic to this.

Mr Ross replied that his department was responsible for assessing the value of the property in accordance with the law, which requires that the valuation is to be based on rental values.

In response to Councillor McGuigan's query, Mr Ross advised that LPS had written to every business to advise of the revaluation process and invited them to provide details such as rents payable in relation to their properties to enable the LPS to ascertain the rateable value of the properties.

Mr Ross stated if more regular valuations were carried out then revaluations and their effects would not be such a surprise to people, but due to resource issues it was not possible to have revaluations as frequent as the LPS would like.

Councillor McFlynn said that the Council and people pride themselves on the business ethic within Mid Ulster and enquired if property revaluation was related to profit or income.

Mr Ross advised that valuations were generally based on rentals. However, other factors would be taken into account to calculate a fair and reasonable net rental value for rating purposes. He said that some sectors, including the hospitality sector would see their rental values being derived from turnover. However, this was how the private sector would value a property in many cases when a business was being sold.

Councillor McFlynn said that Mid Ulster had a huge engineering and agri-food sector and felt that this revaluation could have a detrimental effect on businesses which could yet be hit very hard by the financial consequences of the new valuations.

Councillor McFlynn said that it would be unfair if the revaluation directly contributed to increased Rates as this Council prided itself on helping its businesses prosper within Mid Ulster.

Councillor S McPeake enquired about the average 6.8% growth figure for all non-domestic properties within the North of Ireland and enquired what the growth rate overall for Mid Ulster was.

Mr Ross advised that the growth rate for Mid Ulster was in the region of 9.1%.

Councillor S McPeake enquired if there was any way of using the consequences of the revaluations to help businesses.

Mr Ross advised that this was a question for the Council as LPS only provides information to councils on property valuations. He said that correspondence was issued to all Councils in November of each year in relation to property valuations which should help the officers to understand what was happening.

Councillor S McGuigan said that even if the regional rate went down, this Council struggled with the lack of information at Rate setting time in relation to both Rate Support Grant and regional rate.

Mr Ross advised that although he could not comment in relation to Rate Support Grant, he understood that the regional rate had to be set before the end of March.

Councillor S McGuigan enquired as to the likelihood of the regional rate being reduced.

Mr Ross said that this happened at the last revaluation of properties in 2015.

The Chair referred to Dungannon town and said that rental rates were very high and that some owners had preferred to let properties on a rates only basis rather than not rent them and be faced with paying Rates without any rental income.

Mr Ross said that all types of deals were on the market within the private sector to try and help people overcome these issues. He said that LPS were not there to try and resolve these types of issues.

Councillor McLean said that what he was reading into this was that LPS were looking at a fair and even rateable value for all properties, which would see there being some increases and decreases.

Mr Ross said that this was the case and that they were interested in lease and rent patterns throughout Northern Ireland as this would help them perform their work effectively.

Councillor McLean referred to the previous reduction in regional rate of 2p in the £1 and asked what this purpose of this reduction was and how this figure was reached.

Mr Ross said that the calculation effectively allowed Stormont to raise the amount of income from the regional rate as it had prior to the 2015 revaluation.

The Chair enquired if the regional rate came down, would council ratepayers see a reduction in their Rates bill.

Mr Ross said that in crude terms that this should be the case.

Councillor McLean said that often councils get bad press for the increase in regional rates and suggested that if the Minister for Finance could not make a 2p reduction in regional rate and give the relevant funds back to council so that councils could transparently apply the monies for the benefit of non-domestic ratepayers.

Mr Ross accepted the Member's point but replied that this would be a matter for the Assembly.

The Chair thanked Mr Ross for this attendance tonight at which Mr Ross withdrew from the meeting at 7.41 pm.

Matters for Decision

PR030/20 Corporate Plan 2020-2024: Consultation Outcome

The Head of Democratic Services presented previously circulated report and to provide details of the outcome of the public consultation on the Council's draft Corporate Plan 2020-2024.

The proposed changes to the draft plan as outlined in a series of 6 recommendations listed below:

- 1) The Council's vision is considered robust and should be retained
- 2) The Council's 6 stated values should be retained, with 1 amendment to the wording of 'excellence' to reflect the Council's accountability for its resources
- 3) Given broad agreement, the 5 stated themes should be retained
- 4) Stated priorities should be retained, with suggested amendments to 6 as detailed in the main report
- 5) The final plan's narrative should refer to or reflect certain issues raised by respondents
- 6) Corporate commitments should be retained, with a minor change to the wording of one

Councillor Ashton referred to the commentary reflected in the responses from the 'PUL' community and enquired if the Council's Good Relations section had reflected on same, and if a review had been undertaken in this area of the Council's work.

The Head of Democratic Services said that he would refer the matter back to the Director of Business and Communities to provide an update.

Proposed by Councillor McLean
Seconded by Councillor S McGuigan and

Resolved That it be recommended to Council to approve the final corporate plan 2020-2024 following the consultation exercise, subject to recommendations on the vision, values, themes, priorities, the plan narrative being amended to reflect issues raised and the corporate commitments being retained with some minor wording.

The Director of Business and Committees to provide an update on concerns raised regarding commentary reflected in the responses from the 'PUL' community and whether the Council's Good Relations programme had reflected the same.

PR031/20 Request to Illuminate Council Property – February 2020

The Head of Democratic Services presented previously circulated report and advised members that a request had been received from Marie Curie Dungannon Fundraising Group to highlight the start of its flagship campaign the Great Daffodil Appeal by lighting up/illuminating the Burnavon, Cookstown, Ranfurly House, Dungannon and the Bridewell, Magherafelt on Friday 28th February to 1st March 2020 (inclusive).

Proposed by Councillor McFlynn
Seconded by Councillor Hughes and

Resolved That it be recommended to Council to approve the request to light up/illuminate the designated properties (Ranfurly House & Visitor Centre, Dungannon; the Burnavon Arts & Cultural Centre, Cookstown and the Bridewell, Magherafelt) yellow on the evenings of Friday 28th February, Saturday 29th February and Sunday 1st March 2020 to mark the commencement of Marie Curie's 2020 Great Daffodil Appeal.

PR032/20 Policy (Draft) on Consultation

The Head of Democratic Services presented previously circulated report and sought approval from elected members on the draft Consultation Policy.

Proposed by Councillor S McGuigan
Seconded by Councillor S McPeake and

Resolved That it be recommended to Council to approve the draft Consultation Policy for Mid Ulster District Council.

PR033/20 Publication of Strategy and Action Plan 2019 to 2021 by Equality & Diversity in Local Councils

The Head of Democratic Services presented previously circulated report to provide members with a copy of the Equality & Diversity in Local Councils Strategy and Action Plan 2019-2020 and consider endorsement of the associated Equality and Diversity Framework.

Proposed by Councillor S McPeake
Seconded by Councillor McKinney and

Resolved That it be recommended to Council to approve the Equality & Diversity in Local Councils Strategy and Action Plan 2019 – 2021 and Equality and Diversity Framework.

PR034/20 Mid Ulster District Council Health & Safety Policy

The Director of Public Health & Infrastructure presented previously circulated report to inform members of minor revisions to Mid Ulster District Council's current Health & Safety Policy.

Proposed by Councillor Buchanan
Seconded by Councillor Forde and

Resolved That it be recommended to Council to approve the adoption of the attached Mid Ulster District Council Health and Safety Policy.

Matters for Information

PR035/20 Minutes of Policy & Resources Committee held on 9 January 2020

Members noted Minutes of Policy & Resources Committee held on 9 January 2020.

PR036/20 Notification of Consultations from NILGA

Members noted report on Notification of Consultations from NILGA.

PR037/20 Corporate Performance Improvements: 9 Months Update 2019-20

Members noted report on Corporate Performance Improvements: 9 Months Update 2019-20.

Local Government (NI) Act 2014 – Confidential Business

Proposed by Councillor S McGuigan
Seconded by Councillor Quinn and

Resolved In accordance with Section 42, Part 1 of Schedule 6 of the Local Government Act (NI) 2014 that Members of the public be asked to withdraw from the meeting whilst Members consider items PR038/20 to PR051/20.

Matters for Decision

- PR038/20 2020/21 Insurances
- PR039/20 Rate Estimates 2020/21
- PR040/20 Treasury Management Report
- PR041/20 Capital Programme 2020 – 2024
- PR042/20 Contract for the Collection and Processing of Mixed Dry Recyclates (Blue Bin Contract)
- PR043/20 Land Acquisitions and Disposal
- PR044/20 Finance System (Totalmobile) Contract Renewal
- PR045/20 Mobile Network Choice for Contract 2020-2022
- PR046/20 Full Fibre Project

Matters for Information

- PR047/20 Confidential Minutes of Policy and Resources Committee
held on 9 January 2020
- PR048/20 Staff Matters for Information
- PR049/20 Planning System Replacement Update
- PR050/20 Finance Report for 9 Months ended 31 December 2019
- PR051/20 Contracts and DAC

PR052/20 Duration of Meeting

The meeting was called for 7 pm and concluded at 9.35 pm.

Chair _____

Date _____

Reval2020

Revaluing properties
for business rates

Non Domestic Revaluation Presentation – 6 February 2020

to Mid Ulster District Council – Policy & Resources Committee

by **David Ross**, Director of Valuation, LPS

Reval2020 data in this presentation is correct as at 18 November 2019



Land & Property Services
Seirbhísí Talún & Maoine



Department of
Finance

An Roinn
Airgeadais

Reval2020

Background

- 74,000 non domestic properties
- Current Total Net Annual Value = £1,560m
- £640 million p.a. rates revenue

- Previous Revaluation was in 2015
- Work on 2020 Revaluation started in mid-2017
- April 2018 – Rent and Lease Questionnaires
- **Net Annual Value** = Rental Value at 1 April 2018



Revaluations

- A property tax system requires frequent revaluations to be fair and to minimise excessive adjustments.
- NI - 1976, 1997, 2003, 2015 and now in 2020.
- Revaluations are about redistributing the rate burden.
- A revaluation does not increase or decrease total NI rates revenue



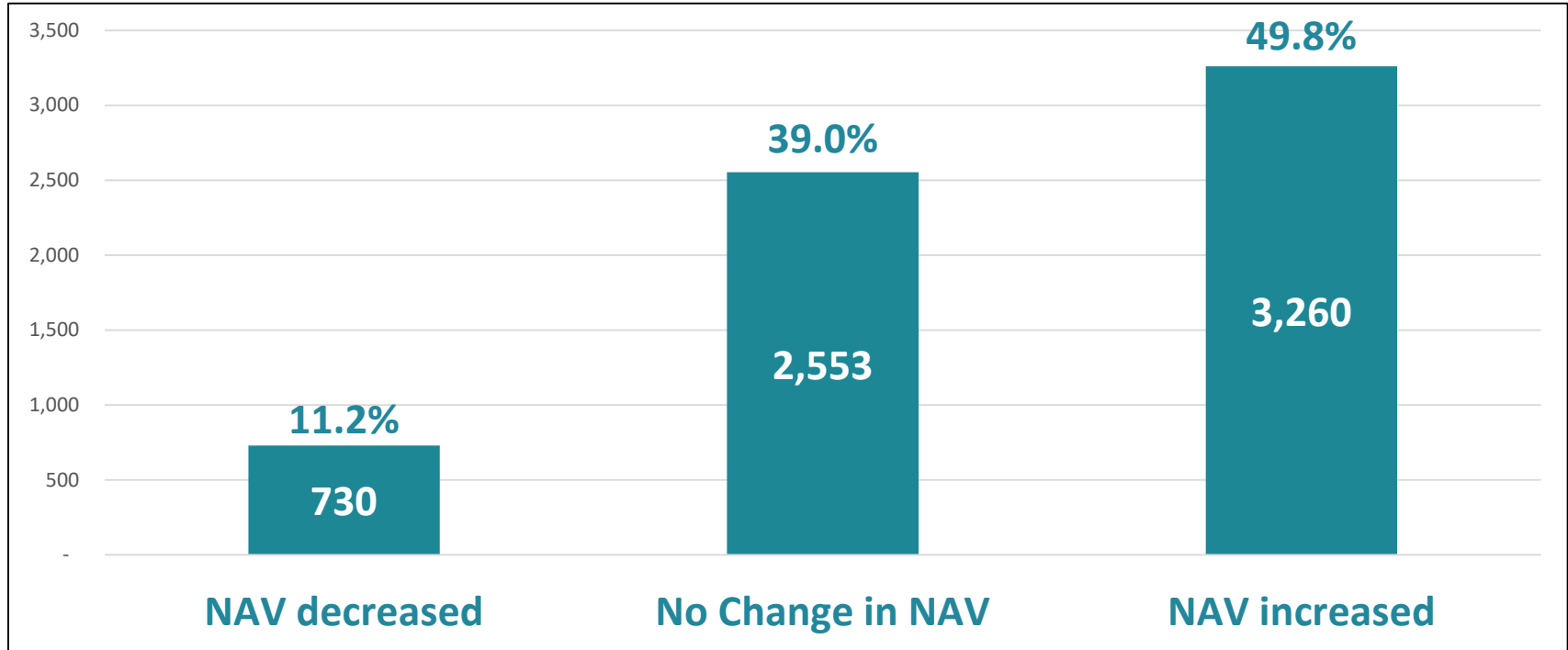
Reval2020

Net Annual Value Growth

	2015	2020	Overall NI Growth
Total NAV	£1,560m	£1,667m	1.068 (6.8%)

	2015	2020	Overall Mid Ulster Growth
Total NAV	£93.3m	£101.8m	1.091 (9.1%)





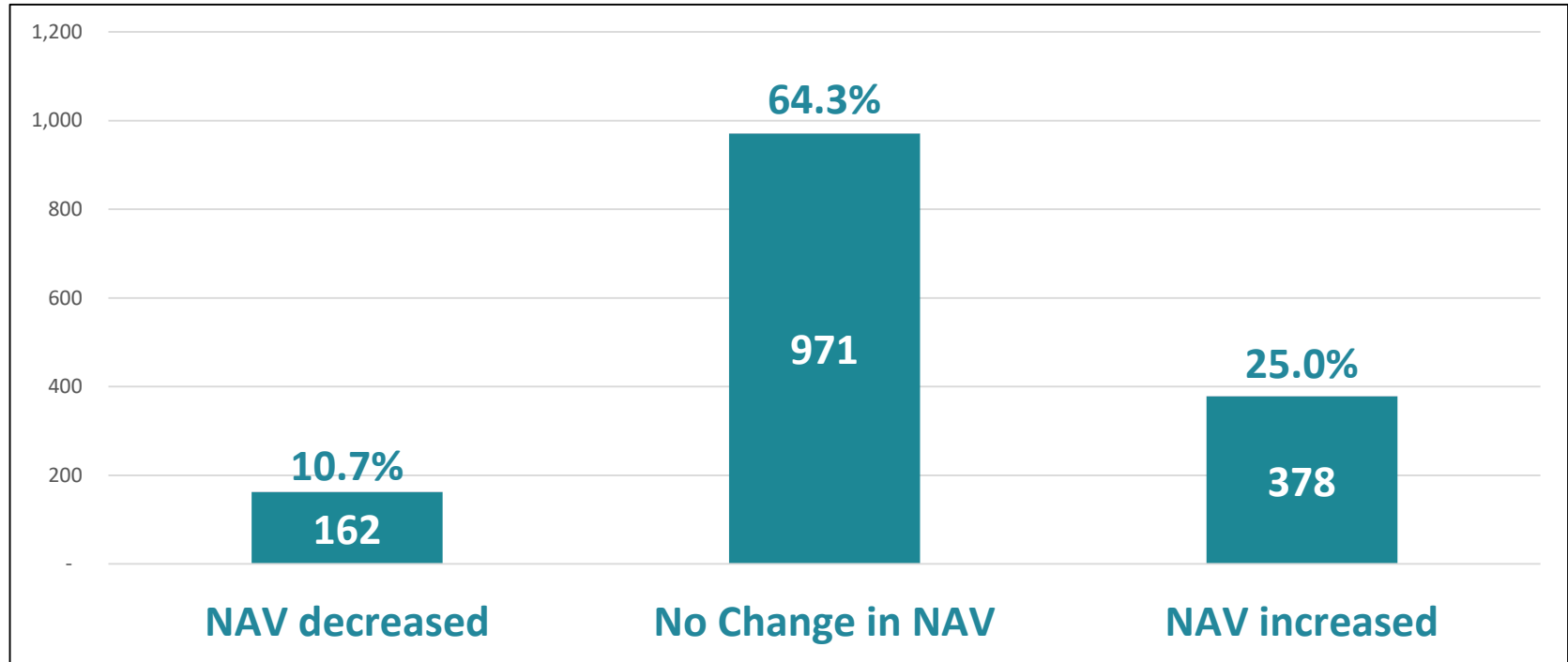
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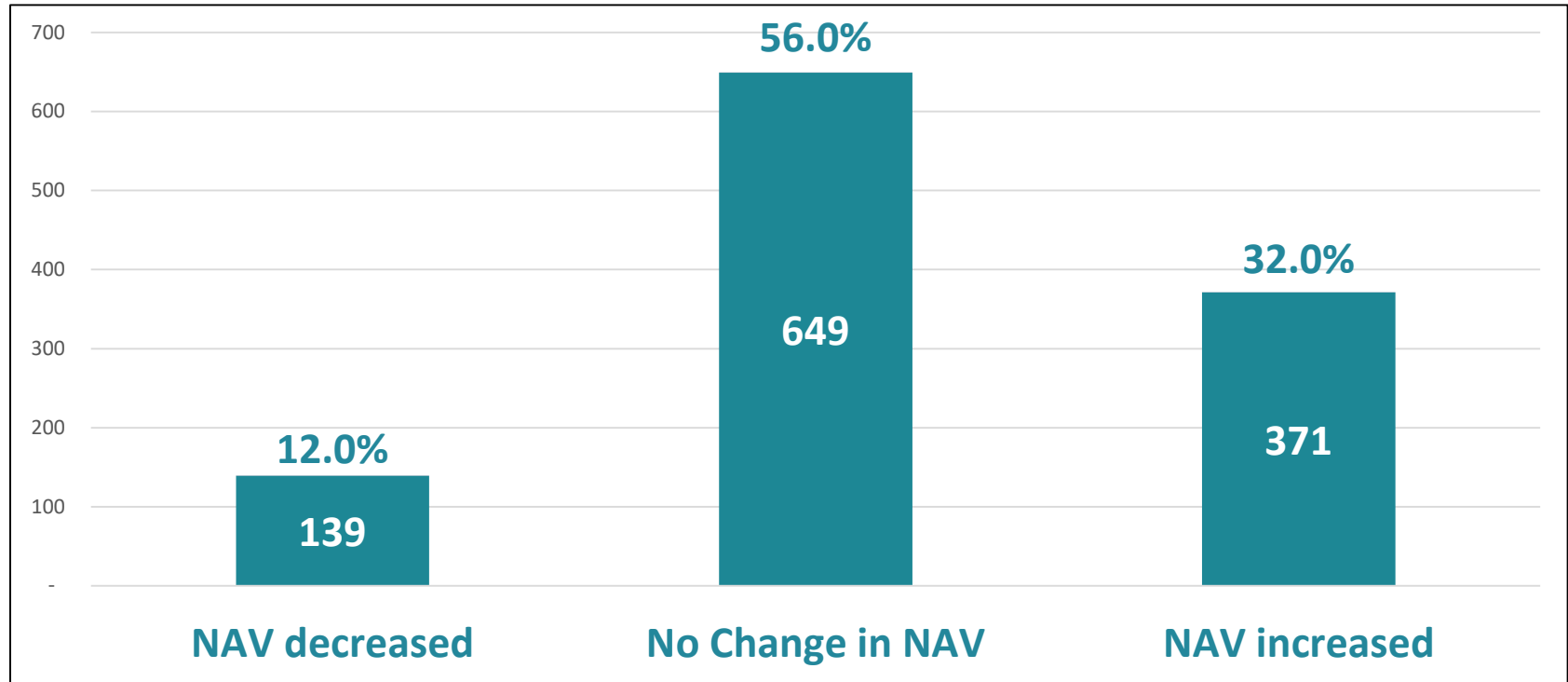
NAV Growth by Sector

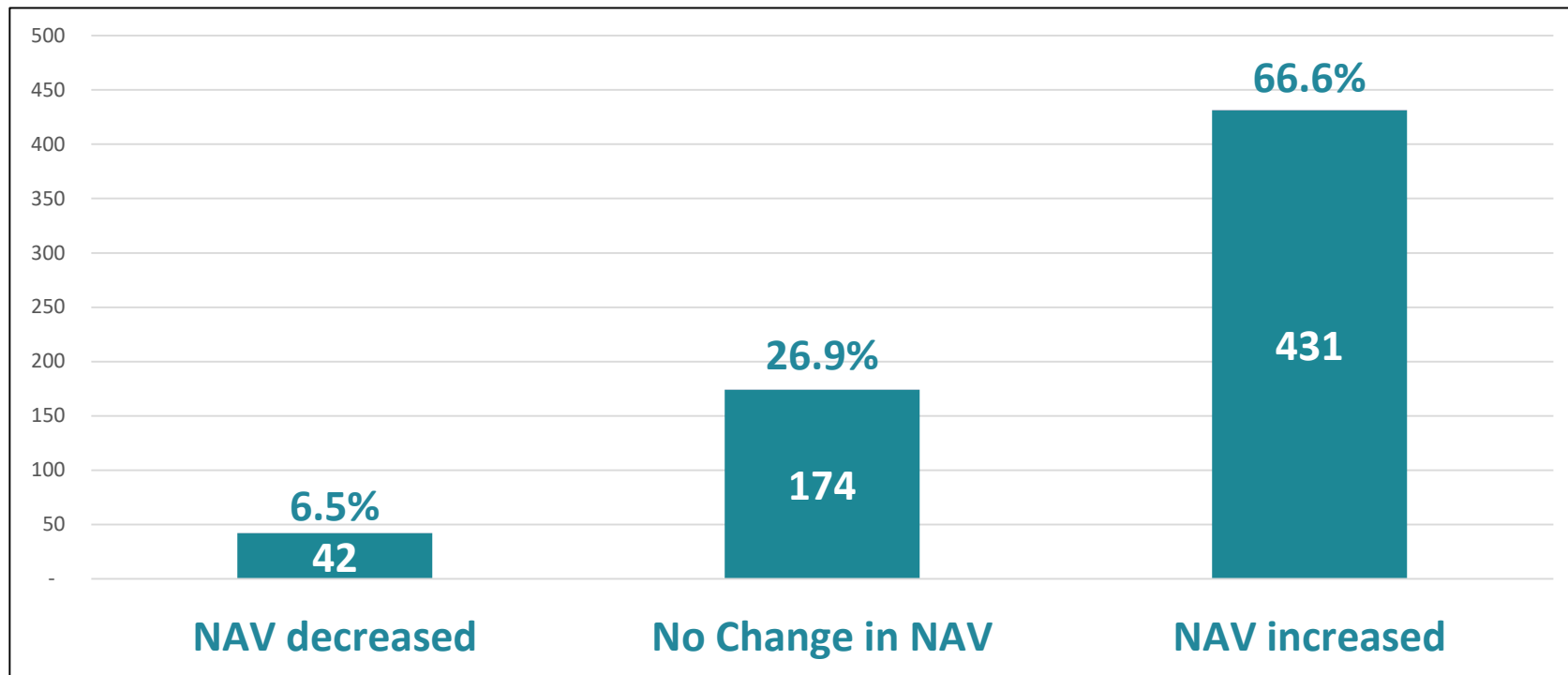
Sector	NI	Mid Ulster
Retail	0.98	1.01
Offices	1.09	1.05
Industrial	1.03	1.11
Warehouses	1.02	1.11
All Properties	1.068	1.091



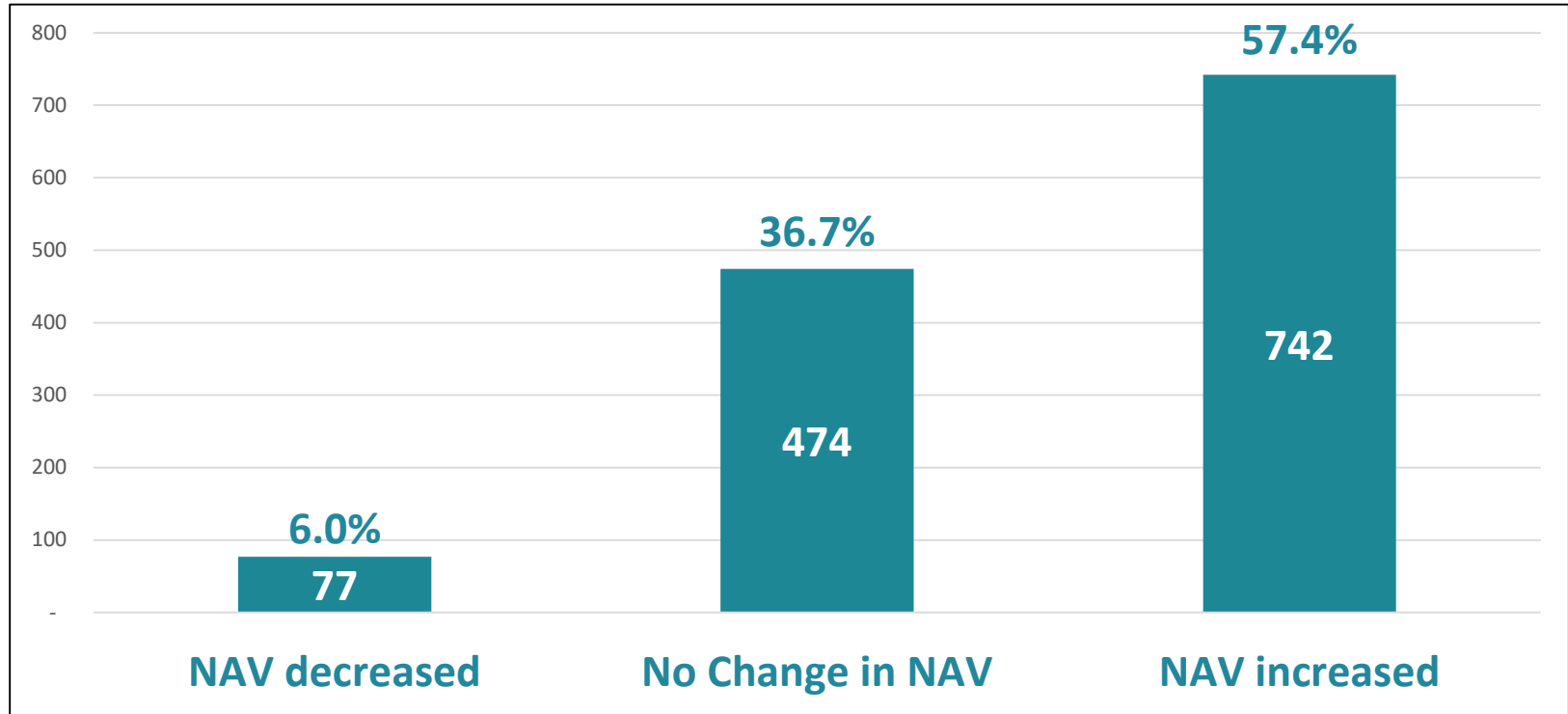
Reval2020 Changes in NAV – Mid Ulster - Retail







Reval2020 Changes in NAV – Mid Ulster- Warehouses



NAV Growth and Rate Liability

- 6.8% Growth at NI level adjusts the Regional Rate downward
- After the 2015 Revaluation -
 - 2003-2015 – Growth 8.1%
 - Regional Rate 2014-15 - £0.3391
 - Regional Rate 2015-16 - £0.3186
- Different Growth for each District Council will result in different adjustments to each District Rate



NAV Growth and Rate Liability

- Rates can only be worked out when poundages are known.
- **Rate Bill = NAV x (District Rate + Regional Rate) - reliefs**
- Jan-March - changes to an NAV compared to NI and District averages used by LPS to give ratepayers an indication of their new liability.
- Existing reliefs and exemptions are unchanged.
- **SBRR**



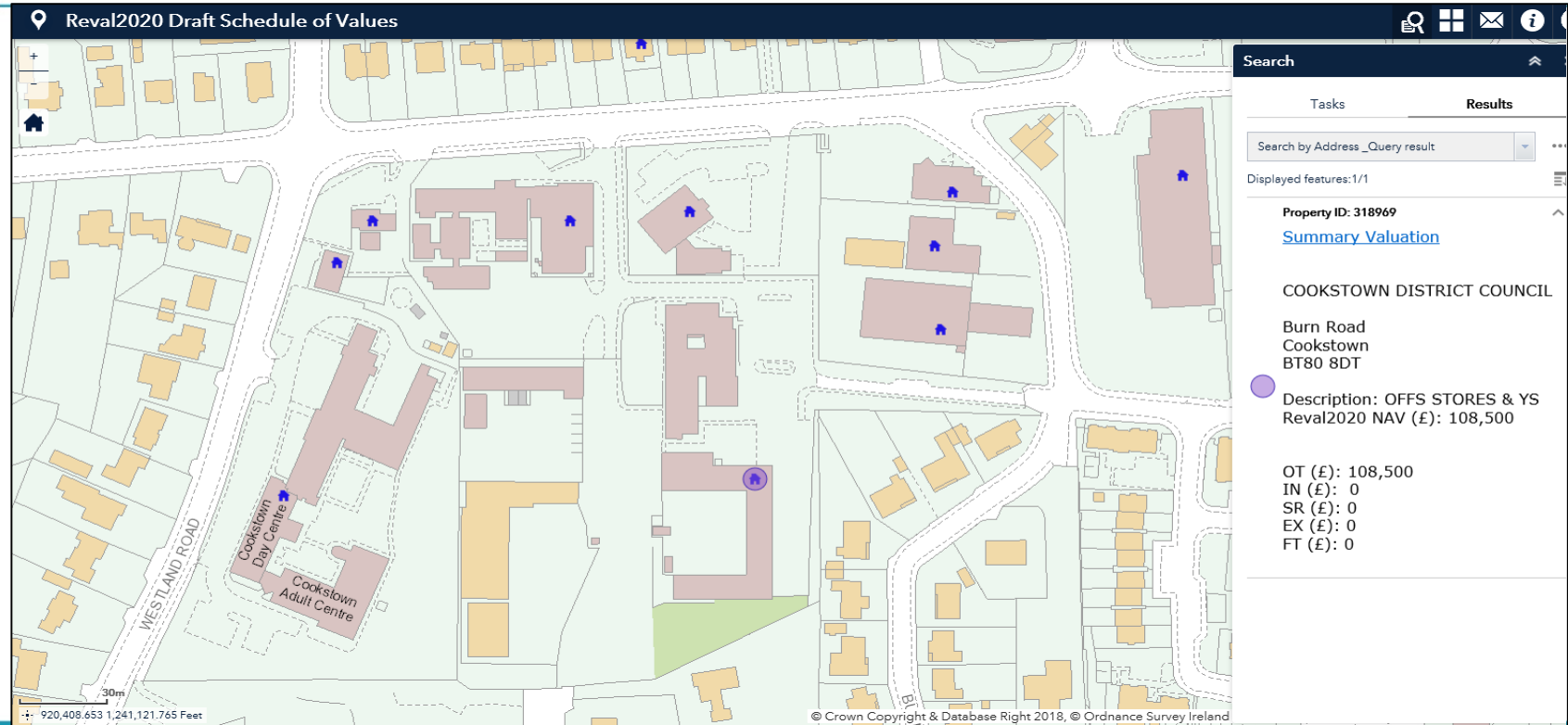
Reval2020 Key Dates

- Nov 2019: New values with Councils for District Rate setting.
- 7 Jan 2020: Draft values online – “informal review”.
- Mid-Feb 2020: District Rate poundages struck.
- By mid-March: NI Budget & Regional rate struck.
- By 31 March 2020: New Valuation List published online.
- April 2020: Rate bills issued.



Reval2020 Draft Values and Valuation List online

Reval2020 Draft Schedule of Values



Search

Tasks Results

Search by Address_Query result

Displayed features: 1/1

Property ID: 318969

[Summary Valuation](#)

COOKSTOWN DISTRICT COUNCIL

Burn Road
Cookstown
BT80 8DT

Description: OFFS STORES & YS
Reval2020 NAV (£): 108,500

OT (£): 108,500
IN (£): 0
SR (£): 0
EX (£): 0
FT (£): 0

Westland Road

Cookstown Day Centre
Cookstown Adult Centre

30m

920,408,653 1,241,121.765 Feet

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Land & Property Services
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Reval2020

Revaluing properties for business rates

NON-DOMESTIC REVALUATION DRAFT SUMMARY

THIS IS NOT A VALUATION CERTIFICATE.

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Prop ID	318969
Address	COOKSTOWN DISTRICT COUNCIL, Burn Road, Maloot Cookstown, Cookstown, BT80 8DT
Primary Class	Offices(Includes Banks and Post Offices)
Current NAV	£110,500
Reval2020 NAV	£108,500
NAV Change £	-£2000
NAV Change %	-1.81%

Summary Valuation

Floor	Description / Use	Area (m2)	Rate (£ per m2)	Total (£)	Distinctive
GF	WRHSE	485	22.00	10,663	
GF	STO	781	18.70	14,603	
GF	WRHSE	476	18.70	8,903	
GF	WRHSE	109	18.70	2,035	
NA	YARD	1,680	1.87	3,142	
NA	YARD	1,488	1.87	2,783	
GF	OFF	470	68.75	32,313	
GF	STO	62	68.75	4,269	
GF	CANTN	26	68.75	1,801	
GF	STRNG	14	68.75	976	
GF	KITCN	13	68.75	880	
1F	OFF	251	60.50	15,155	
1F	STO	28	60.50	1,700	
1F	KITCN	12	60.50	702	
NA	YARD	1,926	1.54	2,966	
GF	WRHSE	235	24.20	5,677	

Explanatory Notes

Revaluation	A rates revaluation is the reassessment of the individual Net Annual Values (NAV's) of all 75,000 business properties in Northern Ireland. The new values will be used to calculate rate bills for businesses
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Reval2020

Revaluing properties for business rates

Non-domestic Revaluation

Draft rateable values now available

Land & Property Services has now completed the revaluation of all non-domestic properties in Northern Ireland. These values will be used to assess rate bills from April 2020 onwards.

When implemented this will help rebalance business rates.

A schedule of draft rateable values is now available online.

More information

To view the schedule of draft rateable values and for further information on Reval2020 visit www.finance-ni.gov.uk/reval-2020-ni or Tel: 0300 200 7801

on. Reval2020

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Reval2020

What do we want ratepayers to do?

- Go online at www.finance-ni.gov.uk/reval-2020-ni
- Find your valuation ask yourself....“could my property have let for this amount in **April 2018**?”
- If yes – nothing further required.
- If any concerns – check your details and similar properties in your locality.
- Remaining concerns? Contact LPS by email / phone or drop in to a **Reval2020** event in Jan-Feb across NI.



Reval2020


Find out more

- www.finance-ni.gov.uk/reval-2020-ni
 - About Reval2020
 - FAQs and videos
- NDR Factsheet for Local Councils
- Council Briefing Packs

Thank you. Questions.

Reval2020
Revaluing properties for
business rates


September 2019



INFORMATION FOR LOCAL COUNCILLORS


What is Reval 2020?
Land & Property Services (LPS) is revaluing properties in Northern Ireland for business rates.

Why is LPS carrying out this revaluation?
The last revaluation was held in 2015 based on 2013 rental levels. It's important that we now carry out another revaluation to ensure that business rates stay up to date and reflect local economic changes by distributing rate liability fairly across all sectors in line with changes in rental values.



reval 2020


information in 2018. The data collected has
es. These values will be used to calculate rate
in November 2019. Rate bills based on the new
on individual ratepayers will be. As a result of
he will go up. Many will stay almost the same.
e process by striking the district rate (also known
al part of the overall bill.
eable value of each business property, also
trict rate and the regional rate (set by the



NAV X

District rate
poundage
+
Regional rate
poundage

= Rate Bill





Land & Property Services
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