

<b>Proposed Changes to the Fees for Regional Property Certificates</b>	<b>26 June 2019</b>
<b>Planning Committee</b>	

<b>Linkage to Council Strategy (2015-19)</b>	
<b>Strategic Theme</b>	Leader and Champion
<b>Outcome</b>	We will establish key relationships with Government, agencies and potential strategic partners in Northern Ireland and external to it which help us deliver our vision for this Council area.
<b>Lead Officer</b>	Denise Dickson
<b>Cost: (If applicable)</b>	Existing staff resources

## **For Decision: Increased Regional Property Certificate Fee**

### **1.0 Introduction**

- 1.1 There are currently two Property Certificate processes assisting the conveyancing process in Northern Ireland – the Regional Property Certificate Service which was formerly a Central Government process; and, the Local Council Property Certificate operated by each individual Council.
- 1.2 This Paper relates only to the Regional Property Certificate Service which was transferred from the then Department of Environment to Councils as a shared service delivered by Fermanagh and Omagh District Council.

### **2.0 Background**

- 2.1 As detailed in the letter attached at Appendix 1 from Fermanagh and Omagh District Council, HMRC have carried out a detailed and lengthy review on the VAT treatment of Regional Property Certificate Unit fee income. This included lengthy correspondence and significant challenge from Council and its VAT and legal advisers.
- 2.2 HMRC has decided that the Regional Property Certificate Unit fee income is liable to VAT as a business activity from 01 July 2019.
- 2.3 For the first six months of 2018/19, Council's Planning Department received £60,100 from the Regional Property Certificate Unit as its share of the profit from the fee income over that period.

### 3.0 Detail

- 3.1 The Regional Property Certificate fee was last increased by Central Government on 01 April 2014. The current fee income for a Regional Property Certificate for a single property enquiry is currently £42.50 and for more than one property/site/parcel of land an additional £5 for each additional enquiry subject to a maximum fee of £200.
- 3.2 It is proposed to increase this fee in line with a typical Local Council Property Certificate to £60 (including VAT) for a single property enquiry and an additional £7 for each additional enquiry with a maximum fee of £265 (including VAT). This will cover the additional VAT charge to be imposed by HMRC on 01 July 2019.
- 3.3 This recommendation was endorsed by SOLACE at their meeting held on 10 May 2019.
- 3.4 This will require an update to the current SLA (Appendix 2) between the Regional Property Certificate Unit and Council which will need to take account of return of income to Council on a monthly basis rather than a six monthly basis to allow each Council to properly account for VAT to HMRC on their fee income.

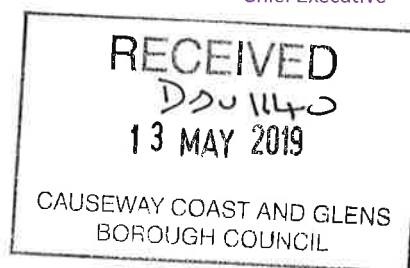
### 4.0 Recommendation

- 4.1 It is **RECOMMENDED** that Council agrees to the proposed increased in the Regional Property Certificate fee and to amend the Service Level Agreement as necessary.

Your Ref  
Our Ref 1/mm  
Date 10 May 2019  
Email

Mr David Jackson  
Chief Executive  
Causeway Coast & Glens Borough Council  
66 Portstewart Road  
COLERAINE  
BT52 1EY

Brendan Hegarty  
Chief Executive



Dear David

### Proposed changes to the fees for Regional Property Certificates

Following a detailed and lengthy review by HM Revenue and Customs (HMRC) on the VAT treatment of Regional Property Certificate Unit (RPCU) fee income which included lengthy correspondence and significant challenge from the Council and its VAT and Legal advisors, HMRC has decided that the RPCU fee income is liable to VAT as a business activity from **01 July 2019**.

Prior to April 2015 (23/02/2015), the then Department of Environment issued a circular regarding the transfer of the Northern Ireland Property Certificate Unit (NIPCU) to Councils as a shared service, to be delivered by Fermanagh and Omagh District Council. This document directed that the fee for the property certificate would remain at £42.50, retaining the existing level of staffing, branding would be neutral and Standard Service Level Agreements would be drawn up to include financial arrangements for sharing of the income; the possible integration with the Council Property Certificate; property certificates online and audit arrangements. The fee income was a non-business activity in central government and was therefore not subject to VAT.

The current RPCU fee income structure is based on the above fee income structure that transferred from Central Government on 01 April 2015, which was last increased by Central Government on 01 April 2014, and is as follows: -

Single property enquiry - £42.50

More than one property / site / parcel of land – additional £5 for each additional enquiry subject to a maximum of £200.

It is proposed to increase the single property enquiry fee to £60 (including VAT) which is in line with a typical Property Certificate fee administered by the Building Control departments of all local NI Councils.

It is recommended that all Property Certificate fee income for local councils is subject to a detailed review in due course to ensure that the fees are appropriate and are commensurate with the cost of providing the Certificates.

The proposed fee is made up as follows: -



Fermanagh & Omagh  
District Council  
Comhairle Ceantair  
Fhear Manach agus na hÓmaí

(a) Standard Fee

Fee transferred from Central Government	£42.50
Inflation (April 2014 – March 2019)	£ 4.06
Increase – additional administration re VAT	<u>£ 3.44</u>
Total proposed fee (excluding VAT)	£50.00
VAT @ 20%	<u>£10.00</u>
<b>Total proposed fee</b>	<b>£60.00</b>

(b) More than one property / site / parcel of land - **additional £7** (including VAT) for each additional enquiry

(c) Maximum fee - **£265** (including VAT).

Subject to approval of the revised fees it will be necessary to update and agree the Service Level Agreements between the Regional Property Certificate Unit (which is administered by Fermanagh and Omagh District Council ) and all 11 councils which also needs to take account of return of income to Councils on monthly basis rather than on a six-monthly basis to allow each Council to properly account for VAT to HMRC on their fee income.

It is necessary that Council approval is sought, on or before **01 July 2019**, to implement the revised fee structure as detailed above.

This matter was discussed at the SOLACE meeting today (10<sup>th</sup> May 2019) and the proposal to increase the fee to £50 plus vat was endorsed by those present.

Yours sincerely

**Celine McCartan**  
Director of Corporate Services & Governance

**Service Level Agreement (SLA)**  
**between the Regional Property Certificate Unit (RPCU)**  
**and Eleven District Councils**

**Effective Date: 01-04-2015**

<b>Document Owner:</b>	Fermanagh and Omagh District Council (FODC)
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**Version**

Version	Date	Description	Author
1.0	01-04-2015	Service Level Agreement	
1.1	21-09-2015	Service Level Agreement	
1.2	18-01-2016	Service Level Agreement	
1.3	27-01-2016	Service Level Agreement	
1.4	21-04-2016	Service Level Agreement	
1.5	11-05-2016	Service Level Agreement	

**Approval**

*(By signing below, all Approvers agree to all terms and conditions outlined in this Agreement.)*

Approvers	Role	Signed	Approval Date
Regional Property Certificate Unit - FODC	Facilitator		
Antrim & Newtownabbey Borough Council	Customer		
Ards & North Down Borough Council	Customer		
Armagh City, Banbridge & Craigavon Borough Council	Customer		
Belfast City Council	Customer		
Causeway Coast & Glens Borough Council	Customer		
Derry City & Strabane District Council	Customer		
Fermanagh & Omagh District Council	Customer		
Lisburn & Castlereagh City Council	Customer		
Mid & East Antrim Borough Council	Customer		
Mid Ulster District Council	Customer		
Newry, Mourne & Down District Council	Customer		

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## 1. Introduction

The NI Property Certificate Central Unit (NIPCU), which serviced Northern Ireland from a centre in Enniskillen, was one of the core functions which transferred to the new Councils on 1 April 2015. Arising from discussions between the Department of the Environment and the District Councils represented on the Property Certificate Strand of Planning Reform and Transfer of Functions Project, it was agreed to retain the NIPCU as a shared service arrangement within the Fermanagh and Omagh District Council authority. In this way, the unit was able to continue its operations, ensuring business continuity and therefore reduced risk.

From 1 April 2015, the NIPCU became known as 'The Regional Property Certificate Unit'. As the unit was to provide the service on behalf of all eleven Councils, it was not possible to have individual Council logos identified on certificates.

The Regional Property Certificate Unit uses the Planning Portal system to administer and process property certificate applications, submitted by, or on behalf of, the general public, in the conveyancing process of land and property acquisition. However, the integrity and management of the Planning Portal system remained the responsibility of the Department of the Environment until 8 May 2016 and from 9 May 2016 is now under the control of Department for Infrastructure (DfI). Governance of the Planning Portal system will be determined by the Planning Portal Governance Board, referred to as the Governance Board, comprising representatives from ICT providers, DfI and Councils.

The Planning Portal Service will be provided by the Department for Infrastructure, referred to as the Department, who will manage all third parties in the provision of the service. This remains a critical element in the efficient turnover of applications.

The transfer of function requires the Regional Property Certificate Unit to enter into a new Service Level Agreement (SLA) with the eleven Councils. The SLA will cover response times, the provision of feedback, allocation of income, quality of information provided and the need to take responsibility for that information in the event of a legal challenge.

Department for Infrastructure have responsibility for the determination of regionally significant applications.

The income generated by property certificates will be collected by Fermanagh and Omagh District Council and paid across all Councils, based on the number of property certificates issued per Council area.

Deviation from the projected costs assigned for the service will be shared equally amongst all Councils. Income from property certificates will be paid to each Council on a six monthly basis.

## 2. Agreement Overview

This Agreement represents a Service Level Agreement (“SLA” or “Agreement”) between the Regional Property Certificate Unit (as part of Fermanagh and Omagh District Council) and all eleven Councils, for the provision of administration services in the distribution of information relating to property identification, along with an agreed set of queries to statutory Consultees, as a result of an application, and issuing collated responses received to enquirers, in a timely manner.

This Agreement remains valid from the date of signature, until superseded by a revised agreement mutually endorsed by all the stakeholders.

This Agreement outlines the parameters of all services covered as they are mutually understood by the primary stakeholders. This Agreement does not supersede current processes and procedures unless explicitly stated herein.

## 3. Goals & Objectives

The purpose of this Service Level Agreement is to outline the services provided by the Regional Property Certificate Unit on behalf of the eleven District Councils in requesting, collating and delivering accurate and timely responses from four statutory bodies, to applicants in relation to identified property. The Service Level Agreement is a commitment to ensuring that the proper elements are in place between parties to the consultation process to provide effective and timely responses.

The goal of this Agreement is to obtain mutual agreement on the standard of service that Councils wish to be associated with.

The objectives of this Agreement are to:

- Provide clear reference to service ownership, accountability, roles and/or responsibilities;
- Present a clear, concise and measurable description of service provision to the customer; and
- Match perceptions of expected service provision with actual service delivery.

## 4. Stakeholders

The following Service Provider and Customers will be used as the basis of the Agreement and represent the **primary stakeholders** associated with this SLA:

**Processing Unit:** Regional Property Certificate Unit (“Service Provider”); and  
**Responsible Body:** Eleven District Councils (“Customers”).



## 5. Periodic Review

This Agreement is valid from the date of signature outlined herein and is valid until further notice. This Agreement should be reviewed, at a minimum, once per fiscal year; however, in lieu of a review during any period specified, the current Agreement will remain in effect.

The **Director of Corporate Services and Governance** is responsible for facilitating regular reviews of this document. Contents of this document may be amended as required, provided mutual agreement is obtained from the primary stakeholders and communicated to all affected parties. **FODC** (The Document Owner) will incorporate all subsequent approved revisions and obtain mutual agreements/approvals as required.

Any signatory to this agreement may request to participate in a review of the document, and as a result, the Document Owner will be responsible for organising such a signatory review and issue invitations accordingly.

<b>Review Period</b>	Annually
<b>Previous Review Date</b>	
<b>Next Review Date</b>	

## 6. Response Agreement

The following detailed service parameters are the responsibility of the Service Provider in the ongoing support of this Agreement:

### 6.1 Service Scope

The following are covered by this Agreement:

- Provision of a shared service property certificate function relating to Planning, Roads, **Sewage and Environmental Issues**;
- Delivery of a completed Property Certificate as a result of an application;
- Responsibility for quality of information;
- Performance feedback to all stakeholders; and
- Distribution of property certificate income.

### 6.2 Customer Responsibilities

**Customer** responsibilities in support of this Agreement include:

- Support for the Regional Property Certificate Unit as the shared service provider;
- Timely provision of accurate Planning information for sites identified in applications for their area;
- Timely provision of notice of any issues that will delay a response relating to planning information; and
- Sharing of additional overhead costs resulting from a deviation from projected costs, equally between all Councils.

### **6.3 Service Provider Responsibilities**

**Service Provider** responsibilities in support of this Agreement include:

- Meeting response times associated with property certificates;
- Providing appropriate feedback to Customers on performance;
- Reporting on numbers of property certificates issued per Council area;
- Distributing income to each Council area in relation to applications issued on a six monthly basis;
- Provide an annual statement of accounts for each of the eleven Councils and
- Reporting on annual review of this document to all signatories.
- Accurately interpret and plot identified site from submitted map/s onto the portal.

### **6.4 Service Assumptions**

Assumptions related to in-scope services and/or components include:

- Changes to services will be communicated and documented to all stakeholders;
- Information provided is quality assured.

## **7. Policy framework/constitution/financial regulations**

Fermanagh and Omagh District Council is responsible for the financial administration for the Property Certificates Unit on behalf of all eleven Councils, including the processing and recording of financial transactions which will be clearly distinguishable and recorded in a separate cost centre. In doing so, it will utilise its own financial expertise, systems and controls. Records will be maintained for all financial transactions.

Fermanagh and Omagh District Council is responsible for recording all revenues, costs, assets and liabilities of the Property Certificates Unit and will utilise its own banking facilities on behalf of the Property Certificates Unit.

The Chief Financial Officer is responsible for ensuring that an effective system of internal financial control is maintained and operated by Fermanagh and Omagh District Council. The system can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would otherwise be detected within a timely period.

Fermanagh and Omagh District Council operate within approved Financial Regulations which form part of the Council's Constitution which is available on its website.  
<http://www.fermanaghomagh.com>.

Fermanagh and Omagh District Council will prepare for the Property Certificate Unit an annual Estimate of Income and Expenditure and a Statement of Account for each year end for approval by all eleven Councils.

The Property Certificate Unit will be subject to internal audit or investigation where it is deemed necessary. This work will be undertaken by the internal audit function of

Fermanagh and Omagh District Council who operates to Public Sector Internal Audit Standards. Any internal audit or investigation report will be provided to the Chief Financial Officer and presented to the Council.

## 8. Quality and accuracy of information

The processing unit does not have access to planning information, nor does it have competency in this area of work and therefore, cannot audit or quality check returns. It is therefore important all returns are accurate, as well as timely.

In the event information is found to be inaccurate, the processing unit will re-issue a "free of charge" revised certificate and the responsible body should ensure the accuracy of returned information within 2 days.

Costs incurred in dealing with inaccurate information and any subsequent complaints will be borne by the Councils Planning Services. Costs relating to inaccuracies by the processing unit will be borne by RPCU within Fermanagh and Omagh District Council.

Approvers	Signed	Date
Regional Property Certificate Unit – FODC		
Antrim & Newtownabbey Borough Council		
Ards & North Down Borough Council		
Armagh City, Banbridge & Craigavon Borough Council		
Belfast City Council		
Causeway Coast & Glens Borough Council		
Derry City & Strabane District Council		
Fermanagh & Omagh District Council		
Lisburn & Castlereagh City Council		
Mid & East Antrim Borough Council		
Mid Ulster District Council		
Newry, Mourne & Down District Council		

## 9. Response Management

Effective delivery of the Property Certificate Shared Service is a result of maintaining an adequately resourced and committed workforce and the consistent achievement of agreed targets. The following sections provide an agreed service level between parties to achieve an effective service:

	SERVICE LEVEL	PERFORMANCE INDICATOR
1	RPCU to manage and maintain a consistent turn round time from receipt of application to delivery of property certificate within <b>10</b> days	90%
2	Council Planning Service to return accurate and complete responses within 5 working days of the application being uploaded onto the digital system	90%
3	FODC to distribute income from property certificates issued to each Council on a <b>six monthly</b> basis	100%
4	FODC to provide an <b>annual</b> statement of accounts for each of the eleven Councils by the end of June	100%
5	RPCU to provide <b>annual</b> Consultee Performance Report to all stake holders to this agreement	100%