IPTI Xtracts

Property Tax and Assessment News from Around the World

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Mayor's Cambridge underground plans move step closer

Detailed proposals are to be developed for a £1.5-1.7bn metro system, including an underground station, linking Cambridge and its surrounding areas.

If all goes to plan, early services could be in operation within three years while the whole project could be completed by 2026.

A strategic options assessment has been carried out but a more detailed business case is now due to be drawn up.

A paper due to go before Cambridgeshire & Peterborough CA’s board tomorrow states: “Whilst the existing study has concluded that CAM [Cambridge Autonomous Metro] represents the best overall mass transport solution for the area, significant further work is required to develop the proposal and make a robust case for investment.”

During the election campaign, mayor James Palmer (Con) told LGC he wanted to “exhaust every single opportunity” to see if it is possible to create an underground transport system in Cambridge.

While the initial study acknowledged “there are a number of major transport schemes currently under development in the Cambridge area that will deliver significant benefits”, it added: “However, these solutions alone will not deliver seamless connectivity between the city centre, key development sites on the city fringe and the wider corridors in the region.”

The use of ‘light rail transit’ or ‘affordable very rapid transit’ vehicles has also been considered but the CAM system has been identified as the “best” solution.

"Of all the options considered, CAM is the most likely to achieve value for money and an operating surplus," the report said. "This greatly increases the deliverability of the mass transit proposal and is most likely to achieve private sector investment."

The report said these "bespoke rubber-tyred articulated… tram-like" vehicles can hold between 100 and 200 passengers and can run "every five minutes during peak periods". They can also "operate on both segregated and existing on-street infrastructure".

The report added: "There are no technical feasibility showstoppers with CAM although there are recognisable challenges, as there are with the other options, in tunnelling and the provision of underground stations."

The combined authority's board is now being asked to approve spending £600,000 to develop a strategic outline business case and options appraisal report on the CAM system. It is proposed the combined authority pays for this from the £74m allocation from the transforming cities fund.

While the estimated £1.5-1.7bn cost of the project is "very significant" the report said "a number of potential funding solutions" will be explored.

It added: "What is clear is that central government is increasingly looking for means through which major infrastructure can be (part or fully) funded from private sector and/or local contributions. It is too early to speculate on what the preferred funding model might be but it could include, amongst others, land value capture, community infrastructure levy and business rate supplement.

"The combined authority believes that it is well placed to draw upon a blend of funding streams to ensure the delivery of this major transport proposal."

Warnings over proposed 500% council tax rise in Yorkshire Dales

Park authority wants to multiply levy on second homes to force out occasional residents

Opponents of a proposed council tax rise for second homes in the Yorkshire Dales have warned that the move could lead to large tax increases in other parts of the country.

The Yorkshire Dales National Park Authority wants to raise council tax on second homes by up to 500 per cent in an effort to force out occasional residents and bring more working families into the area.

The park authority is charged with conserving the landscape across the Dales, a stretch of northern England spanning three counties, but has no tax-raising powers. Its proposal must be approved by eight local councils and the UK government in order to go into effect.

Most of the local councils have yet to debate the proposal, but Yvonne Peacock, the Conservative council leader in Richmondshire, has already said she backs a sharp tax rise.

"There is no evidence that it will create a slump in house prices but we need to do something to free up accommodation for young people to live in," she told the Yorkshire Post.

But the Dales Home Owners Action Group, a local campaign group set up to fight the idea, argued on Friday that a fivefold increase in council tax would prompt a crash in local house prices.

David Hill, a member of DHOAG and former deputy chairman of Natural England, the UK government's countryside agency, said that a house price slump would damage the area's local economy.

"This proposed market intervention, working against economic principles, would distort and almost certainly, destroy the economic activity of the Dales and impact on the economic standing of all residents," he said, adding that the same argument would be "applicable across the country".

An estimated 3.4m people across Britain have properties used as holiday homes or left empty as an investment, according to DHOAG.

Many rural towns and villages are struggling to sustain public services and local businesses because young families have been priced out of the area. In 2016, local residents in St Ives in Cornwall voted to ban the sale of newly built homes to people who did not live there.

In his latest budget in November last year, UK chancellor Philip Hammond set out plans to allow local authorities to double council taxes on empty properties.

Mr Hammond's plans were the latest in a series of government measures intended to increase the housing supply by tackling the issue of empty properties and second homes. Under changes introduced in 2016, anyone buying a second home had to pay a higher rate of stamp duty than someone buying a single property. In 2007, then-chancellor Gordon Brown removed tax breaks for empty buildings, including farm buildings.

The Yorkshire Dales, known for its rolling hills and dry stone walls, was popularised in the novels of James Herriot and dramatised in the long-running television show All Creatures Great and Small.

The average house price in the area is £253,000, and out of 13,500 homes, about 1,500 are second homes, according to the park authority.

On average, 65 new homes were created each year in the area between 2001 and 2011. However, approximately 90 houses a year were turned into second homes or holiday lets over the same period.

New land value capture inquiry could influence UK property prices

In the UK, land value capture is a way of monetising increasing land and property values and investing the cash into local infrastructure, but ongoing calls for a rethink of the methods used has sparked a Government inquiry.

The inquiry, which has been launched by the Communities and Local Government Committee (CLG), is intended to examine the current mechanisms employed to capture any uplift in the value of land in relation to granting planning permission or local infrastructure improvements. It will also investigate any new or alternative methods that could be used going forwards.

At present, landowners whose land is required by a local council can demand to be paid the "hope value" of the land, rather than its current actual worth. This is paid on the basis of what the land would be worth if it were granted residential planning permission in the future, meaning the price paid is hugely inflated – and has an impact on local communities.

Lessons to be learnt

The methods currently employed to capture the uplift in land value include the Community Infrastructure Levy – a planning charge that some local authorities can impose on new developments – and Section 106 of the Town and Country Planning Act 1990 – where planning obligations are often used to secure affordable housing.

Clive Betts MP, chair of the CLG, said: "Private landowners can take advantage of rises in land prices arising from public investment in infrastructure and the granting of planning permission for housing. Our inquiry will look at whether there could be changes to land value capture mechanisms to enable councils to take the opportunities to capture the significant uplift in land value that planning decisions and infrastructure projects often stimulate.

"The recent history of the building of the post-war new towns provide a lesson here. These new towns would never have been built without buying land at existing use value. We want to examine what new methods could be employed and what lessons we can learn from past practice and other countries."

The CLG invites written submissions on the topic, with a deadline of 2 March 2018.

High Court admits people have been wrongly jailed for not paying council tax

Judge rules up to a fifth of people sent to prison for failure to pay council tax last year were jailed unlawfully

Lord Justice Hickinbottom ruled that some magistrates had been 'ignorant of well-established law' to a point that was 'unacceptable'

The High Court has admitted up to 17 people in England and Wales were unlawfully sent to jail for not paying their council tax last year – but it refused to accept this constituted "systematic failings" by the courts.

A case brought by a single mother who successfully challenged a court's decision to imprison her over unpaid council tax last January argued the system of enforcement operated by the magistrates courts was "inherently unfair".

The Welsh national accrued £4,700 in council tax arrears after losing her job, struggling to pay rent and feed herself and her son.

Despite making a payment of £100 towards her debt, she was sentenced to 81 days in prison.

Ms Woolcock spent 40 days in jail before the Centre for Criminal Appeals (CCA) challenged her detention and she was released on bail.

She subsequently launched a legal challenge against the Secretary of State for Communities and Local Government, the Secretary of State for Justice, and Welsh Ministers, alleging that systematic failings are to blame for high rates of unlawful imprisonment of people for council tax debts.

Arguing on behalf of Ms Woolcock, Barrister Cathryn McGahey QC put forward evidence that the number of unlawful imprisonments each year stand at 52 per cent of all sentences for unpaid council tax.

She alleged that incorrect means assessments or an erroneous judgement that failure to pay was because of "culpable neglect" or "willful refusal" were additional reasons why such imprisonments may be unlawful.

Lord Justice Hickinbottom's analysis of the 95 individuals sent to prison found that between nine and 17 individuals were imprisoned unlawfully because the court ordered repayment over an excessive window of time.

The judgment, handed down at the High Court in Cardiff, found that some magistrates had been "ignorant of well-established law" to a point that was "unacceptable", and suggested that further training and guidance may be issued to legal advisors and solicitors to address these problems.

But it ruled that individual errors were to blame for the high number of mistakes and stated that oversights made by a proportion of magistrates in council tax cases did not amount to a systematic deficiency.

Mr Justice Hickinbottom said: "Of course, in each case, an individual has lost his or her liberty on the basis of an unlawful order; and that level of error by magistrates is of concern and unacceptable.

"But neither the numbers nor the proportion of cases in which that error was made, without more, in my view, comes close to being sufficient to draw the inference that there is a problem inherent within the system."

Giving evidence in court, Sian Jones, who is employed by HM Courts and Tribunals Service as the Justices' Clerk for Cambridgeshire and Essex, admitted that the case had "exposed significant failings in judicial decision-making, and a clear training need".

She added: "My recommendation is that the MLG should recommend to the chair and the Judicial College that the college should mandate training for legal advisers and that training should be considered by the relevant bodies for the other participants to the process."

Responding to the ruling, Ms Woolcock said: "I obviously think people should not go to prison for being unable to pay (council tax). People lose their jobs and homes, what is being achieved by these actions?"

Samuel Genen, Ms Woolcock's solicitor, told The Independent: "We are disappointed that the claim was unsuccessful. We remain concerned that despite training further people inevitably will be imprisoned unlawfully in the future.

"This is a problem that dates back decades and seems to continue to persist. Unlawful imprisonment for debt is not a matter of percentages, there is a human cost."

Naima Sakande, women's justice advocate at the Centre for Criminal Appeals, which helped launch Ms Woolcock's legal challenge, said: "The price of ignorance in these cases is simply too high. The judgment has exposed some deep failings in the council tax system.

"The toll of being sent to prison unlawfully cannot be overstated and more must be done to protect society's most vulnerable from needlessly losing their liberty. Poverty is not a crime and our judicial system needs to do more to acknowledge this."

Council tax is a regressive tax - it's time to do something

As all of the organisations concerned with local delivery of vital public services – the LGA, SOLACE, CIPFA, ADASS, ADCS, ACC, DCN, SIGOMA etc, it is time for a concerted, collective campaign on future funding for local services.

It is not enough to rely on repatriation of business rates – itself an outdated property tax which fails to reflect the modern dot.com. gig economy era. council tax too, if it is to survive, must be made fit for purpose.

That we are employing people to translate property values back to 1991 – over a quarter of a century ago – is beyond belief.

The amount of money that council tax raises is directly proportionate to the yield of band D properties. So those areas with, historically the highest preponderance of band A properties and lowest preponderance of band D will raise the least council tax. Compare and contrast Ealing and Doncaster, two similar sized Councils. Ealing had 122,983 chargeable properties, which equals 130,084 band D properties. Doncaster, with a similar number of chargeable properties (121,932) has an equivalent of only 93,797 properties because 87% of properties are below the average band D property.

So, we have removed RSG, and are instead relying on an outdated property tax (business rates, where SME's face a huge comparative burden in contrast to corporate multi-nationals), and regressive council tax. The decks are stacked against those with the highest preponderance of low yield properties. When one looks at what 1% of council tax per head of population yields between councils, as The MJ analysis shows, the gap is stark. Little or no attempt is made to recognise need, or indeed the ability of people to pay taxes.

This is not a redistribution argument, so local government in its various different forms does not need to argue with itself, allowing Government to divide and conquer.

We are talking here about the funding of basic provision of services in all of our communities. It cannot be right that the funding of such basic services is left entirely to what can be raised locally on a random basis. If you have historically low council tax, and lower value properties, life is particularly tough.

There is no long-term plan, no solution in sight, the 2020 cliff edge gets closer every day, and those stacked decks stack more every day. Isn't it time to do something?

Jo Miller is president of the Society of Local Authority Chief Executives and chief executive of Doncaster MBC

English councils prepare to raise council tax

Councils across England are proposing to take advantage of the ability to raise council tax by a further 1%, Public Finance has found.

A number of unitary, counties, metropolitan borough and district councils have drafted new plans on implementing the maximum increase in response to ongoing pressures on services and the 2% rise in public sector pay.

The draft local government finance settlement, released last month, raised the amount councils could increase council tax by [1%] over the next financial year before they have to hold a referendum.

For districts, the settlement means they can now increase council tax by 3%, or £5 on council tax band D, whichever is greater.

For upper-tier authorities, the maximum allowable increase has risen from 5% to 6%. This includes a 3% precept to fund adult social care services.

Norfolk County Council had planned for a 5% rise, but is now pushing for the extra 1%.

Council leader Cliff Jordan said: "My chief finance officer is advising us to accept this offer, which would add £4m to our budget, every year – easing pressure on our services.

He added: "We've got rising costs and rising demand for services and have had to budget for a 2% pay rise for staff."

Shropshire Council estimated its proposed 6% increase would lead to £8.2m extra income.

Its public consultation said: "If we didn't generate this additional council tax income, further savings to key council services would need to be identified to fund this shortfall."

East Riding of Yorkshire Council said a 6% rise would be put to a full council meeting on 8 February.

It said it needed to cut of £40.3m from its annual budget because of government funding reductions.

St Helens Council has approved a 6% rise, subject to consultation. The authority has said it faces a £90m budget gap by 2020.

Anthony Johnson, cabinet member for corporate services, said: "It pains me to present this budget, but the overall grant reductions we have faced since 2010 have placed enormous pressure on the services provided by the council.

"We are left with no choice but to increase council tax by the maximum amount."

Many councils have stuck to their initial budget plan, over concerns on the impact on residents, however.

Telford and Wrekin Council will go ahead with its 3.2% rise agreed last year, despite the funding settlement.

Lee Carter, cabinet member for finance, said: "We could have increased council tax by up 6%, but this would only add to the financial pressures that so many in the borough already feel.

"And we are making it clear along with councils from all political colours across the country that the government cannot expect to resolve this by asking the public to pay the bill for providing good services for the elderly and young through their council tax."

Among the districts, Thanet District Council is planning for a maximum 3% rise, despite it benefitting by more than £5m a year through Kent's participation in the business rates retention pilot.

Stratford-upon-Avon District Council has proposed to dip into its £9m reserves to keep rises to 1%.

It said the increase would go to tackle homelessness and provide affordable housing.

Council leader Chris Saint: "Whilst the district council is facing inflationary pressures of over 2% increase for pay and contracts, the cabinet recognises that family budgets are under significant financial pressures, which is why we are proposing to fund the revenue gap using our reserves to minimise an increase for next year."

Calls to curb council tax after 50% rise in 20 years

Council tax bills have increased more than 50 per cent in real terms over the past 20 years with the average Band D household now paying almost £1,600 a year, according to research published today.

The study found that the days of "inflation-busting" council tax increases have returned after the Coalition government pledged to freeze bills in 2011. More than nine in ten local authorities raised council tax last year, it noted.

At the end of last year, the government said that councils would be allowed to raise council tax by 3 per cent a year, up from 2 per cent, without triggering a referendum. Including precepts for social care, police and fire services, taxpayers may now pay 5.99 per cent more this year. The study by the Taxpayers' Alliance found that in 1998, the average band D council tax bill in England was £688. Today the figure is £1,591, an increase of 57 per cent after inflation.

The highest Band D rate was paid by residents of Chiltern, Buckinghamshire, at an average of £1,905.95 a household. Wandsworth borough council had the lowest at £644.50.

John O'Connell of the Taxpayers' Alliance said: "Councils have been raising tax year in, year out for decades, and continue to demand even more. Councillors should remember that council tax is a major burden on residents and a huge contributor to the cost of living. Councils should look to reduce spending before hitting taxpayers with yet another round of painful hikes."

Surrey county council threatened to hold a referendum about its plan to introduce a 15 per cent increase in 2017 but decided against it. The police and crime commissioner of Bedfordshire's attempt to increase tax 15.8 per cent was defeated 69.5 per cent to 30.5 per cent in a referendum in 2015.

Claire Kober of the Local Government Association, which represents councils, said: "Since 2010, council tax bills have risen less than the rate of inflation, and other key household bills, such as rent and utilities.

"Local government in England faces a £5.8 billion funding gap by 2020. Even if councils stopped filling potholes, maintaining parks and open spaces, closed all children's centres, libraries, museums, leisure centres, turned off every street light and shut all discretionary bus routes they still would not have enough money to plug this gap."

Council tax in England up 57% in 20 years

Taxpayers in England have experienced a rise in council tax 15 times for every cut made in the last 20 years, according to research from the TaxPayers' Alliance (TPA).

The TPA found that between 1997 and 2010, the average number of councils in England raising their rates each year was 319 out of a total of 354.

This figure dropped to zero following the introduction of a coalition government council tax freeze scheme in 2010. This scheme was designed to relieve household budgets by providing councils with a grant from central government if they froze tax rates. But the scheme came to an end in 2015/16, which led to a jump in the number of councils increasing tax rates to 128, followed by a further jump to 306 in 2016/17.

This number has since risen again to 331 in 2017/18. This tax year, from a total of 354 councils in England, just six councils cut rates and 17 froze rates.

Overall, council tax hikes amount to a 57% average rise nationally in the last 20 years. The TPA says it has calculated this increase in real-terms which accounts for inflation too.

However, as each council sets its own rate, residents of different authorities will have had very different experiences. For example, those living in Westminster City Council currently pay the lowest band D council tax in the country, at just £688 per year. In comparison, band D residents in Weymouth & Portland Borough Council pay an eye-watering £1,891 in council tax.

Per dwelling, Chiltern District Council residents pay the most at £1,905.95, while Wandsworth Borough Council residents pay the least at £644.50.

As Moneywise reported in December 2017, councils will soon be given powers to raise rates by up to 2.99% without a referendum - up from the current 1.99% limit. Councils will also be given the power in 2018/19 to raise rates by a further 3% to cover the cost of local social care. This means residents of many boroughs could soon find themselves with inflation-busting rises of up to nearly 6%. Any council that intends to raise rates above these amounts has to stage a local referendum on the issue.

Moneywise approached the Ministry of Housing Communities & Local Government (MHCLG) for comment on the increase in the number of councils raising rates. It declined to comment specifically on the rising number of councils raising rates, with an MHCLG spokesman saying only: "We are committed to ensuring that council tax-payers can veto excessive increases via a local referendum."

Commenting on the research, John O'Connell, chief executive at the TaxPayers' Alliance, says: "Councils have been raising tax year in, year out for decades, and continue to demand even more. Councillors should remember that council tax is a major burden on residents and a huge contributor to the cost of living. Councils should look to reduce spending before hitting taxpayers with yet another round of painful tax hikes."

Minimise your tax bill with 10 tax saving tips

See the table below for full details of how many councils have increased council tax rates since 2011/12.

2011-12
2012-13 2013-14
2014-15 2015-16
2016-17 2017-18
Total increases
0 35 124 119 128 306 331
Total cuts
42 47 48 37 29
8 6
Total freezes
312 272
182 198
197 40 17
Total 354 354 354 354 354 354 354
% increases
0.00 9.89
35.03 33.62
36.16 86.44
93.50

Source: TaxPayers' Alliance, January 2018.

Council tax outside of England

In Scotland, the council tax freeze which had been in place since 2007 has now ended. In the 2017/18 tax year, councils in Scotland had the power to raise council tax by up to 3%. Those with properties in bands E to H also saw their bills rise by up to £10 a week because of changes to the national council tax system. This rise is on top of any 3% local increases.

In Wales, there is no cap governing how much local authorities can raise taxes by in the 2017/18 financial year.

In Northern Ireland, council tax doesn't exist.

Oil and gas impact 'not bad enough for business rates relief'

The Grampian Rates Assessor will tell a court today that the collapse of the oil price does not constitute a "material chance in circumstances" for the north-east and the business rates the region should pay.

The Aberdeen Valuation Appeal Committee previously ruled that the crash in 2014 did amount to a change, meaning firms could seek relief on their business rates.

But now the decision will be appealed at the Court of Session in Edinburgh, whose verdict will be final.

The Grampian Rates Assessor claims that there was no significant economic downturn in the region after 2014 and as such there was no need to alter business rates.

However a multitude of expert opinion has formed the opposite conclusion.

Mike Rose, of CBRE Rating (Scotland), expressed hope that the Court of Session would not overturn the result.

He said: “In our view, the severe economic downturn in north-east Scotland is a fact that can and should be treated as a material change of circumstances.”

The 2008 recession was ruled a change in circumstance by the Court of Session in 2010, which allowed business rates in the Central Belt to be reduced accordingly.

Mr Rose said he hoped the process would be repeated in the north-east if the ruling goes in his favour.

He said: “We hope the Lands Valuation Appeal Court will accept the downturn in the north-east is a material change in circumstance, enabling the rate relief that so many north-east ratepayers need in this period of economic difficulty just as many Central Belt ratepayers did in 2009 when their circumstances changed.”

James Bream, director of policy and research at Aberdeen and Grampian Chamber of Commerce, said the change in circumstances had been “exceptional.”

He said : “We provided economic analysis to support CBRE because we believed the impact of the oil and gas downturn had materially altered the economic performance of the north-east of Scotland.

“It was our strong opinion that the region would be disproportionately affected further by the business rates revaluation and we felt the rating process should take account of this exceptional change in circumstances.

“The Grampian Assessor has asserted that the oil price fall has not had a severe impact on the region’s economy but we hope that the court considers the evidence to the contrary and makes its ruling accordingly.”

The case is expected to last two days.

SCOTLAND - Land tax forcing down price of country homes

Luxury homes in Scotland are cheaper than they were a decade ago because the SNP’s property taxes are deterring wealthy buyers, according to analysis.

The Scottish Country House Index 2017, compiled by the estate agency Knight Frank, found that the average prices of top-of-the-market homes remain 20 per cent lower than in 2007, the year before the financial crash.

Sellers of “prime” rural properties between £350,000 and £5 million are struggling to find buyers because of high purchase taxes, the report says. Critics of the taxes say that the wider economy will suffer if high-earning, tax-paying individuals stay out of the Scottish property market.

The SNP’s land and buildings transaction tax (LBTT), which replaced stamp duty in 2015, has been criticised for dissuading homeowners from selling upmarket properties. Under the tiered LBTT system, properties that cost more than £750,000 incur 12 per cent of the sale price in tax. This may also be combined with the additional dwelling supplement (ADS) of 3 per cent paid on second homes.

The £1.9 million Robgill Tower, in Dumfries and Galloway, has a pool and gym but has not sold since it was put on the market a decade ago, despite a £350,000 price cut.

Property experts claimed that foreign investors were shocked by the tax change. Malcolm Leslie, a partner at Strutt & Parker’s Edinburgh office, said that a European purchaser had backed off last year because he would have had to pay £243,350 in LBTT and ADS.

Graham Simpson, Conservative MSP for Central Scotland, said that the index was “evidence that higher taxes put people off investing in Scotland”.

Government consults on abolition of the "staircase tax"

Business occupiers (and particularly small business owners) welcomed the announcement in the Autumn 2017 Budget that the government is putting an end to the so-called "staircase tax".

The "staircase tax" acquired its name from the 2015 Supreme Court decision on assessment of business rates in Woolway (VO) v Mazars, which held that a tenant who occupies separate floors in a building is only entitled to treat the floors as part of the same rateable occupation for business rates purposes (known as a hereditament) if it is possible to move between those floors without leaving space that exclusively belongs to the tenant. As a result, where a tenant moves between floors using a common parts staircase or lift, the Mazars test is not met.

If there are two separate hereditaments, the tenant is less likely to be able to claim an allowance for size (quantum relief) to reduce its liability for business rates. Whilst the Mazars decision was not new law, it differed from the practice previously applied by the Valuation Office Agency. That practice was to treat two adjoining floors of a building separated by a floor /ceiling only as a single hereditament where in common occupation.

The government has now taken the next step towards abolishing the "staircase tax" by issuing a consultation which seeks views on how to reinstate the pre-Mazars practice of the VOA. The consultation pre-supposes that the staircase tax will be abolished and seeks views on how that should be implemented. The Department for Communities and Local Government has simultaneously issued a draft Bill (called the Non-Domestic Rating (Property in Common Occupation) Bill) for consideration.

The move is good news for business occupiers and forms part of the government's Budget pledge to increase the fairness of the business rates system in England. Affected businesses will be able to ask the VOA to recalculate valuations so that bills are based on the previous practice of assessment, backdated to April 2010.

The consultation opened on 29 December 2017 and closes on 23 February 2018.

Northern Ireland councils have missed out on £75m rates since 2014

Rates worth £75m have slipped through the fingers of the agency responsible for collecting them in Northern Ireland over the last three years, new figures show.

The value of domestic and non-domestic rates lost in 2016/17 was more than £20.6m, with a further £28.6m and £25.3m lost in the two previous years.

The figures obtained from Land and Property Services (LPS) by the Ulster Unionist Party also show that the Belfast City Council area alone accounted for a third of the overall debt over the period - more than £23m.

Belfast's 2016/17 losses of over £6.5m, however, show a £3m improvement from the previous year.

Derry City and Strabane District Council had the second highest losses of more than £7.5m over the three years.

Its 2016/17 losses of more than £2.2m also represented an improvement from the previous year of over £600,000.

UUP finance spokesman Steve Aiken MLA said that while he was disappointed at the scale of the problem, he was pleased the situation is improving.

He added: "This lost revenue will be deeply annoying for the vast majority of households and businesses across Northern Ireland who reliably pay their rates in full every year. It must also be remembered that this lost money represents lost services to local and central government.

"This is money that should have been used on improving leisure facilities, updating our town centres and, most importantly, used to reduce the rates burden being felt by local households and small businesses - something which successive finance ministers at Stormont have simply failed to do."

A Derry City and Strabane Council spokesman welcomed the reduction in rates written off in the district but said it supported the exploration of "any more effective means of collecting" by LPS to "ease the burden on local ratepayers and ensure that local councils can continue to function efficiently to meet the needs of the general public".

A spokesman for the Department of Finance said LPS would only write off debt under strict guidelines based on best practice by the Northern Ireland Civil Service.

"The main contributory factor to write-off levels is debtor insolvency," he said.

"Where a debtor is insolvent, such as in cases of bankruptcy, or liquidation, that debt is uncollectable under existing insolvency legislation and LPS has to write this off."

He concluded: "The level of rate debt in NI is now at an eight-year low.

"In 2016/17 LPS collected some £1.245 billion in rates, and the corresponding write-off was 1.3% of the gross rates due."