

# Business Change Mandate (Including Budget Mandates) Proposal Number: B17

## Title: Business Rates Evaluation.

All information requested must be completed on the proposed mandate to enable the Cabinet to decide whether to proceed with the proposal.

<b>Mandate Completed by</b>	<i>Ruth Donovan – Assistant Head Of Finance: Revenues, Systems &amp; Exchequer</i>
<b>Date</b>	<i>26<sup>th</sup> August 2015</i>

### How much savings will it generate and over what period?

Anticipate one off savings of £140,000 will be generated in 2016/17.  
With ongoing savings of £40,000 within Service Budgets from 2017/18.

### Directorate & Service Area responsible

Chief Executives: Revenues Team

### Mandate lead(s)

Joy Robson

<b>Final mandate approved by Cabinet</b>	<b>Date:</b>
--	--------------

## 1. Vision and Outcomes of the Mandate

Give a business context for the mandate. This must pick up on the vision and what the new / improved / reduced service will look like in the future including the anticipated experience of users. It must also consider any impact on the Council's key priorities and strategic outcomes. Similarly does it impact on service performance within the immediate service area or any impact on other services provided by the authority / any other providers. In doing so, the mandate must be tested against the equality impact assessment and sustainable development impact assessment and must consider impact in relation to the new Future Generations Bill.

### What is the issue that the proposal is seeking to address?

The Authority pays Business Rates on many of the properties that it owns. We have a contract with Cooke & Arkwright to provide advice and to lodge appeals to the Valuation Office on our behalf. If these appeals are successful, the Authority receives a one off refund of backdated rates paid which is a windfall receipt.

Following receipt of any refund the Business Rates chargeable in the next financial year are reduced to reflect the amended Rateable Value. Thereby generating a saving to the Service Department.

### What evidence have you got that this needs to be addressed?

Periodically Rateable Values across Wales are reviewed by the Valuation Office. The last revaluation took place in 2010 with the next expected in 2017. In the interim period Cooke & Arkwright work with this 'list'.

The 'list' was recently reviewed by Officers within the Revenues Team and representatives of Cooke & Arkwright. This identified that there were a number of appeals in the pipeline that could potentially result in a refund to the Authority.

### How will this proposal address this issue

This is an ongoing piece of work, however refunds have not previously been budgeted due to the uncertainty surrounding the outcome of any appeal that is taken.

### What will it look like when you have implemented the proposal

There will be a one year only budget for refunds for 2016/17. Any further estimation of successful rating appeals will have to wait until the new revaluation list is produced by the Valuation Office.

<b>Expected positive impacts</b>
Closer overseeing of Consultants work plan.
<b>Expected negative impacts</b>
Proposal largely follows existing work patterns, however if some of the appeals prove unsuccessful, this will now cause an over spend in the budget.

## 2. Savings proposed

Show how the budget mandate will make savings against the current service budget. This must cover each year implicated. This section must also cover any other efficiency that will arise from the mandate.

What savings and efficiencies are expected to be achieved?								
Service area	Current Budget £	Proposed Cash Savings £	Proposed non cash efficiencies – non £	Target year				Total Savings proposed £
				16/17	17/18	18/19	19/20	
				£	£	£	£	
Corporate – one off saving	0	140,000	0	140,000	0	0	0	140,000
All Directorates – on going saving	0	40,000	0	0	40,000	0	0	40,000

## 3. Options

Prior to the mandate being written, an options appraisal will have taken place. Summarise here the outcome of the Options considered and detail the rationale on why they were disregarded. (see options appraisal guide for further information)

Options	Reason why Option was not progressed	Decision Maker
A full review of Business Rates paid by the Authority has been undertaken. This information has been used	It is felt that there is sufficient confidence that the appeals will be successful so that a one off budget for 2016/17 can be created	Ruth Donovan

to identify previous trends and to assess the outcome of previous appeals One option would be to continue current practice and not budget for this windfall income		
--	--	--

#### 4. Consultation

Have you undertaken any initial consultation on the idea(s)?		
Name	Organisation/ department	Date
Cabinet member for resources Revenues Manager	Finance	July/ August

Has the specific budget mandate been consulted on?		
Function	Date	Details of any changes made?
Department Management Team	Various meetings as budget preparations progress	None
Other Service Contributing to / impacted		
Senior leadership team		
Select Committee		
Public or other stakeholders		
Cabinet (sign off to proceed)		

Will any further consultation be needed?		
Name	Organisation/ department	Date
None required		

## 5. Actions to deliver the mandate

Describe the key activities that will be undertaken to deliver the mandates and the action holders. This includes any actions contributed to by other services. Give the timescales to complete the work. This must also factor in any business activities that will need to be done differently or cease in order to achieve the mandate.

Action	Officer/ Service responsible	Timescale
To continue to lodge appeals with the Valuation Office and to monitor and report progress	Cooke & Arkwright	Continuous through 2015/16 and 2016/17
To review and monitor progress against the plan on a quarterly basis	AHOF Revenues/Revenues Manager/ Cooke & Arkwright	Continuous through 2015/16 and 2016/17
To monitor refunds received by the Authority on a monthly basis	AHOF Revenues	Continuous through 2015/16 and 2016/17

## 6. Additional resource/ business needs

Describe any additional finance, resource and capability needed in order to carry out the proposed mandate successfully. For example new funding, expertise e.g. marketing and knowledge etc..

Any additional investment required	Where will the investment come from	Any other resource/ business need (non-financial)
None required		

## 7. Measuring performance on the mandate

How do you intend to measure the impact of the mandate? This could include: speed of service; quality of service; customer satisfaction; unit cost; overall cost. For advice on developing performance measures you can contact Policy and Performance Team, for advice on unit costs speak with your directorate accountant.

Focus-	Indicator	Actual	Actual	Actual	Actual	Target	Target	Target	Target
--------	-----------	--------	--------	--------	--------	--------	--------	--------	--------

Budget / Process / Staff / Customer		2016/17	2017/18	2018/19	2019/20	2016/17	2017/18	2018/19	2019/20
Budget	Value of NDR refunds received to the Corporate Budget					140,000	0	0	0
Budget	Reduction in budget for Business Rates (various departments)					0	40,000	0	0

## 8. Key Risks and Issues

Are there any potential barriers and risks that will need to be managed in delivering the mandate, including any negative impacts identified in section 1 that need to be accounted for. Also, set out the steps that will be taken to mitigate these. The risks should be scored in accordance with the [council's policy](#).

Barrier or Risk	Strategic/Operational	Reason why identified (evidence)	Risk Assessment			Mitigating Actions	Post mitigation risk level
			Likelihood	Impact	Overall Level		
Time it takes the Valuation Office (VO) to review the appeals that are lodged	Operational	The VO's focus is currently on the 2017 Revaluation exercise. As a consequence, resources to handle appeals have been reduced by three quarters	Possible	Minor	Low risk	None available, it is only the VO who can make decisions in this area. We will continue to meet with Cooke and Arkwright to press for progress on the appeals that have been lodged	Low risk
Appeals are rejected by the VO	Operational	Not every appeal is successful and may be disputed	Possible	Minor	Low risk	Cooke & Arkwright are experienced in this field and are realistic in the recommendations that they make	Low risk
Increases in Rateable Values	Operational	Valuations can go up as well as down	Possible	Minor	Low risk	Cooke & Arkwright are experienced in this field. Analysis since 2010 indicate that this is a relatively rare occurrence	Low risk
Timing of	Operational	The timing of when	Possible	Minor	Low	None available, this is out of our hands.	Low risk

appeal decisions		decisions are made determines the financial year that the refund is received against			risk	However we will continue to meet with Cooke and Arkwright to press for progress on the appeals that have been lodged	
------------------	--	--	--	--	------	--	--

## 9. Assumptions

Describe any assumptions made that underpin the justification for the option.

Assumption	Reason why assumption is being made (evidence)	Decision Maker
Assume that the Authority will continue to receive refunds for any appeals that are lodged with the Valuation Office	A review of MCC Business Rates since the 2010 list was produced indicates that the Authority has received refunds in each financial year. The amounts vary year on year. However analysis of the list of appeals pending does indicate that the proposed saving can be achieved.	Ruth Donovan

## 10. Monitoring the budget mandate

The budget mandates must be monitored through directorate budget monitoring. This will lead into corporate budget monitoring. In addition the action plan, performance measures and the risk assessment must be transferred into the service plans for the business area in order to monitor and challenge the delivery of the budget mandate, including the savings being achieved and the level of impact.

## 11. Evaluation

It is important to evaluate the impact of the mandate once it has been fully delivered to know whether it has successfully achieved what it set out to do and to ensure that findings can be used to inform future work.

Planned Evaluation Date	Who will complete the evaluation?
Quarterly throughout 2016/17	Ruth Donovan – Assistant Head of Finance: Revenues, Systems & Exchequer