

**Report to:** **Asset Management Forum**

**Date of Meeting:** 2 September 2019

**Public Document:** Yes

**Exemption:** None

**Review date for release** None



**Subject:** **Review of Business Rate Liability**

**Purpose of report:**

The Council currently is liable for the business rates on 204 properties with a combined rateable value of £1,897,895.

As part of the Property & Estates Service Plan for 2019-20, there is an objective to undertake a targeted review of business rate liabilities including appeals where savings are envisaged. In order to meet this objective consideration has been given to appropriate consultants who could provide this service to the Council. Part of this process has included discussions with other Authorities who have undertaken similar exercises and consideration of their experiences with consultants. The consultant who has been recommended to us is David Easton of Vail Williams LLP who in particular has achieved significant savings for Taunton Deane Borough Council.

The basis of the fee that Vail Williams would charge is 10% of the savings made which is typical for this type of work. While it isn't possible at this stage to determine the exact level of the fee until the savings are known, as the consultants work on a fixed percentage basis the higher their fee, the higher the savings to the Authority.

The Consultants Fees incurred will be met from the relevant budget for those properties where savings are achieved.

**Recommendation:**

**That Asset Management Forum recommend that Cabinet approve an exemption to contract standing orders and appoint Vail Williams as consultants to act on the Council's behalf in assessing and appealing (where appropriate) Business Rate Assessments.**

**Reason for recommendation:**

The review of Business Rate Liability is a Service Plan Objective and the project aims to reduce the Council's liabilities in respect of Business Rates resulting in savings which support the transformation strategy.

**Officer:**

Rob Harrison, Senior Estates Surveyor

**Financial implications:**

Financial details are contained in the report. It is suggested that if possible in agreeing the terms of contract that an upper maximum payment limit is agreed and it is not left open ended.

**Legal implications:**

Contract standing orders require contracts for services to be let on the basis of a procedure determined by their value. As it is not possible to determine the value of the savings, and therein the fee payable to the consultant, it is not possible to determine whether contract standing orders will have been complied with. Accordingly it is necessary for Cabinet to approve an exemption to contract standing orders under Rule

3.1 and the rationale for doing so, being the use of Vail Williams due to their expertise, seems appropriate in this case. The contract cannot be worth more than £181,302 as this is the EU Threshold (for service contracts) above which the EU tender procedure must be used and for which an exemption cannot be given. Given the total rateable value involved this should not present a difficulty, but any award will need to ensure that the consultant's fee is capped so as not exceed this amount.

**Equalities impact:**

Low Impact

There is not considered to be a significant equalities impact.

**Climate change:**

Low Impact

There is not considered to be a significant impact

**Risk:**

Low Risk

The consultant's fee is based upon actual savings achieved so there is limited risk associated with the proposal.

**Links to background information:**

None

**Link to Council Plan:**

Continuously improving to be an outstanding council.