



SUPPLEMENTARY BUDGET REQUEST – NNDR REVIEW
REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION)

WARDS AFFECTED: ALL WARDS

1. PURPOSE OF REPORT

- 1.1 To obtain approval of a supplementary budget to fund the cost of a Business Rates Maximisation Review.

2. RECOMMENDATION

- 2.1 That Executive approve a supplementary budget of £31,423 to fund the cost of a Business Rates Maximisation Review.
- 2.2 That, in approving this supplementary budget, Executive note that this fee is charged on a contingent basis and will generate in excess of £500,000 Business Rates growth for the Council.

3. BACKGROUND TO THE REPORT

- 3.1 The Business Rates Retention scheme (BRR), introduced in 2013/2014, gives billing authorities the opportunity to retain up to half of any growth in business rates collected. This financial incentive means that it is critical for Council's to quickly identify business rates growth and to ensure that rates collection is maximised.
- 3.2 A number of products are available on the markets which are designed to identify potential omissions, missed opportunities for growth or fraud in business rates. Hinckley and Bosworth has obtained quotes from three suppliers for these services in accordance with the Contractual Procedure Rules and, following evaluation has contracted with Capacity Grid to perform a review.
- 3.3 The charge for this review is based on a "contingent fee" i.e. as a percentage of the business rates income generated. Capacity Grid will charge the Council 10% of the additional gross rateable value they generate up to £150,000 and just 4% of the gross rateable value they generate thereafter. A deduction is also made to reflect discounts offered. This charge is for one year only and the Council will retain 100% of these rates in subsequent years.
- 3.4 Members should note that in the current year Capacity Grid completed their review of empty properties in order to bring them back into the Council's tax base to generate New Homes Bonus and Council Tax. In total they identified 108 properties which resulted in a total of NHB of £813,933.00 per annum for the next 6 years; i.e. a total of £4,883,598 The contingent fee paid for this work was a percentage of the first year's NHB which came to £20,870
- 3.5 Based on forecasts and previous results, Capacity Grid have estimated that they can generate £560,580 of additional business rates for the Council for a charge of £31,423. In order to ensure that the review is commenced promptly and ahead of the 2015/2016 baseline calculation (contained in the NNDR1 form), the Deputy Chief Executive (Corporate Direction) and Chief Executive have authorised a supplementary budget of £20,000. Executive are asked to note this review and to approve a total supplementary budget (including the £20,000) of £31,423 in accordance with Financial Procedure Rules.

4. FINANCIAL IMPLICATIONS [KP]

4.1 Contained in the body of the report

5. LEGAL IMPLICATIONS [EH]

5.1 The contract with Capacity Grid has been approved by legal services in terms of this service and will be entered in to in due course.

6. CORPORATE PLAN IMPLICATIONS

Additional income will be invested into the General Fund to support the achievement of all Corporate Plan Aims.

7. CONSULTATION

7.1 Not applicable

8. RISK IMPLICATIONS

8.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

8.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

8.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
None		

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

9.1 Not applicable

10. CORPORATE IMPLICATIONS

10.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

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