



HILLINGDON  
LONDON



# Corporate Services and Partnerships Policy Overview Committee

## Councillors on the Committee

Richard Lewis, (Chairman)  
Richard Mills, (Vice-Chairman)  
Robin Sansarpuri, (Labour Lead)  
Wayne Bridges  
Tony Burles  
Nick Denys  
Narinder Garg  
Raymond Graham  
Carol Melvin

**Date:** TUESDAY, 10 NOVEMBER  
2015

**Time:** 7.30 PM

**Venue:** COMMITTEE ROOM 5 -  
CIVIC CENTRE, HIGH  
STREET, UXBRIDGE UB8  
1UW

**Meeting  
Details:** Members of the Public and  
Press are welcome to attend  
this meeting

**Published:** 2 November 2015

**Contact:** Khalid Ahmed  
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Email: [kahmed@hillington.gov.uk](mailto:kahmed@hillington.gov.uk)

This Agenda is available online at:

<http://modgov.hillingdon.gov.uk/ieListDocuments.aspx?CId=243&MId=2455&Ver=4>

*Putting our residents first*

Lloyd White  
Head of Democratic Services  
London Borough of Hillingdon,  
3E/05, Civic Centre, High Street, Uxbridge, UB8 1UW  
[www.hillingdon.gov.uk](http://www.hillingdon.gov.uk)

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## **About this Committee**

This Policy Overview Committee (POC) will undertake reviews in the areas covered by the Administration and Finance Directorates and can establish a working party (with another POC if desired) to undertake reviews if, for example, a topic is cross-cutting.

This Policy Overview Committee will consider and comment on budget and service plan proposals for the Administration and Finance Directorates.

The Cabinet Forward Plan is a standing item on the Committee's agenda.

The Committee will not consider call-ins of Executive decisions or investigate individual complaints about the Council's services.

To perform the policy overview role outlined above in relation to the following matters:

1. Democratic Services
2. Localism
3. Central Services, incl. Human Resources, ICT, Communications & Legal Services
4. Capital programme, property, construction & facilities management
5. Financial Planning & Financial Services
6. Enforcement and anti-fraud activities
7. Procurement
8. Performance Improvement
9. Economic development & town centres and regeneration
10. Local commerce, employment, skills and job creation
11. Local Strategic Partnership and Sustainable Community Strategy;
12. Community engagement, partnerships and the voluntary sector
13. Equalities and Community Cohesion
14. Community Safety
15. Public Safety & Civil Protection
16. Energy use and carbon reduction
17. Health & Safety
18. Any functions not included within the remit of the other Policy Overview Committees
19. Cross-cutting reviews that cover the remit of other Committees

# Agenda

## **CHAIRMAN'S ANNOUNCEMENTS**

- 1 Apologies for Absence
- 2 Declarations of Interest
- 3 Minutes of Meeting held on 13 October 2015 (**Pages 1-4**)
- 4 Exclusion of Press and Public  
To confirm the items of business marked Part I will be considered in private and that items marked Part II will be considered in private.
- 5 Major Review - Rates Retention and the Rating of Heathrow Airport (**Pages 5-10**)
- 6 Forward Plan (**Pages 11-18**)
- 7 Work Programme (**Pages 19-22**)



## Minutes

Corporate Services and Partnerships Policy  
Overview Committee

Tuesday 13 October 2015

Meeting held at Committee Room 5 - Civic Centre,  
High Street, Uxbridge UB8 1UW

	<p><b>Members Present:</b> Councillors Richard Lewis (Chairman), Wayne Bridges, Tony Burles, Nick Denys, Narinder Garg, Raymond Graham, Carol Melvin and Robin Sansarpuri.</p> <p><b>Apology for Absence:</b> Councillor Richard Mills.</p> <p><b>Officers:</b> Nancy Le Roux (Deputy Director, Strategic Finance), Robert Smith (Head of Revenues and Benefits), Iain Watters (Financial Planning Manager) and Khalid Ahmed (Democratic Services Manager).</p> <p><b>Witnesses:</b> Simon Horsington and Roger Messenger (Rates Plus)</p>		
15.	<p><b>MINUTES OF THE MEETING HELD ON 29 JULY 2015</b></p> <p>Agreed as an accurate record.</p>		
16.	<p><b>EXCLUSION OF THE PRESS AND PUBLIC</b></p> <p>It was agreed that all items of business would be considered in public.</p>		
17.	<table border="1"> <tr> <td data-bbox="311 1299 1244 2031"> <p><b>MAJOR REVIEW 2015/16 - HEATHROW AIRPORT CUMULO RATEABLE VALUE</b></p> <p>For this meeting, Members were provided with reports from Rates Plus which provided the background and context to Business Rates at Heathrow Airport.</p> <p>Simon Horsington and Roger Messenger from Rates Plus attended the meeting and informed Members that Rates Plus had formed an association with the Chartered Institute of Public Finance and Accountancy who had acknowledged the benefits that Rates Plus was able to offer local authorities.</p> <p>The Committee was informed that local authorities now had more interest in their business rates revenue as Councils were now able to retain a percentage of these rates. Councils therefore had a greater incentive to increase yield within the Authority on rate losses through rating appeals, demolition of properties and material changes which might affect business rates.</p> </td> <td data-bbox="1244 1299 1487 2031"> <p><b>Action By:</b></p> </td> </tr> </table>	<p><b>MAJOR REVIEW 2015/16 - HEATHROW AIRPORT CUMULO RATEABLE VALUE</b></p> <p>For this meeting, Members were provided with reports from Rates Plus which provided the background and context to Business Rates at Heathrow Airport.</p> <p>Simon Horsington and Roger Messenger from Rates Plus attended the meeting and informed Members that Rates Plus had formed an association with the Chartered Institute of Public Finance and Accountancy who had acknowledged the benefits that Rates Plus was able to offer local authorities.</p> <p>The Committee was informed that local authorities now had more interest in their business rates revenue as Councils were now able to retain a percentage of these rates. Councils therefore had a greater incentive to increase yield within the Authority on rate losses through rating appeals, demolition of properties and material changes which might affect business rates.</p>	<p><b>Action By:</b></p>
<p><b>MAJOR REVIEW 2015/16 - HEATHROW AIRPORT CUMULO RATEABLE VALUE</b></p> <p>For this meeting, Members were provided with reports from Rates Plus which provided the background and context to Business Rates at Heathrow Airport.</p> <p>Simon Horsington and Roger Messenger from Rates Plus attended the meeting and informed Members that Rates Plus had formed an association with the Chartered Institute of Public Finance and Accountancy who had acknowledged the benefits that Rates Plus was able to offer local authorities.</p> <p>The Committee was informed that local authorities now had more interest in their business rates revenue as Councils were now able to retain a percentage of these rates. Councils therefore had a greater incentive to increase yield within the Authority on rate losses through rating appeals, demolition of properties and material changes which might affect business rates.</p>	<p><b>Action By:</b></p>		

	<p>Members were provided with a presentation on the information contained in the report:-</p> <ul style="list-style-type: none"> <li>• There was over £340m Rateable Value contained within just four assessments at the core of Heathrow Airport complex, of which the overall "cumulo" assessment was on its own around £243m.</li> <li>• Members were reminded that Rateable Values were calculated on rental values as at 1 April 2010.</li> <li>• The rateable value which was ascribed to each property was subject to an annual "multiplier" which was prescribed by the Government. The current multiplier was 0.49, so broadly speaking, a Rateable Value of £1m, would attract a Rates bill of around £1/2m per annum.</li> <li>• The Valuation Office was responsible for the calculation of the Rateable Value and the Council as Billing Authority was reliant on the information provided by the Valuation Office, through their agents, Gerald Eve.</li> <li>• The Heathrow main assessment had only changed 8 times since the commencement of the 2010 list and this had been despite developments at the Airport.</li> <li>• The information provided by Rates Plus on high value assessments was sourced from analysis of publically available data published by the Valuation Office.</li> <li>• At Heathrow there were a number of separate assessments and the Valuation Office had identified around 1200 units of occupation.</li> <li>• The "cumulo" comprised of everything else and the Council was not provided with details of what this was.</li> <li>• A weakness of the current business rates system was that the Billing Authority had no formal rights of access to premises and was reliant on the information provided by the Valuation Office.</li> <li>• The Valuation Office despite requests from the Council did not provide sufficient information on what was in the "cumulo".</li> <li>• The statutory rights of Billing Authorities were limited, with the Inland Revenue Act 2005 providing limitations to the information released by Ratepayers.</li> <li>• The Heathrow assessment was the largest significant assessment in the country (£243m). By way of comparison, Gatwick's assessment was £59m and Sizewell Power Stations assessment was £66m.</li> </ul>	<p><b>Action By:</b></p>
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	<p>Noted.</p> <p>The Committee agreed that a single meeting review take place on the consultation which took place during the planning process with the Council's partners (Public Utilities). This would look at the partnership working of the Council and understand what the Council's partners do in terms of service provision during planning developments.</p>	<p><b>Action By:</b></p> <p><b>Khalid Ahmed</b></p>
	<p><b>Meeting commenced at 7.30pm and closed at 8.35pm</b>  <b>Next meeting: 10 November 2015 at 7.30pm</b></p>	

These are the minutes of the above meeting. For more information on any of the resolutions please contact Khalid Ahmed on 01895 250833. These minutes are circulated to Councillors, Officers, the Press and Members of the Public.



# Agenda Item 5

## Corporate Services & Partnerships Policy Overview Committee - Major Review 2015/16 - Rates Retention and the Rating of Heathrow Airport

**Contact Officers:** Khalid Ahmed  
**Telephone:** 01895 250833

### REASON FOR ITEM

To be provided with evidence from witnesses for the Committee's major review into Rates Retention and the Rating of Heathrow Airport, together with a draft scoping report for Member to give consideration to.

### OPTIONS OPEN TO THE COMMITTEE

- 1. The Committee is asked to receive evidence from the witnesses invited to attend and to question them to assist Members in their review.**
- 2. Members are asked to receive, to make comment and approve the draft scoping report.**

### INFORMATION

1. At the last meeting of the Committee held on 13 October 2015, Members received a presentation from Rates Plus, an organisation which has been working with the Council on Business Rates. A briefing paper was produced which provided the Committee with an overview of the Rates system, and particularly relating to Heathrow Airport.
2. A summary of discussion is contained in the minutes which are earlier on the agenda for this meeting.

### Witnesses

3. For this meeting, **Raj Alagh, the Borough Solicitor** will be in attendance to provide the Committee with a legal opinion on aspects of the review and any possible courses of action which the Council could consider in respect of outcomes of the review.
4. Also **Mike Dunlevey, Valuation Office from the Valuation Office** has also been invited to attend the meeting to help the Committee with its review. Some of the areas he will be asked to help the Committee with include providing details on how the cumulo business rates for Heathrow Airport is arrived at. Also what will the implications be on the Ratable Value (cumulo) for Heathrow Airport with the demolition of Terminal 1 and the development of Terminal 2.
5. Further areas the Committee could explore could be why the Council as the Billing Authority is denied the details of which assessments make up the cumulo. This information is required to enable the Council to carry out accurate budget forecasting.
6. Attached to this report as Appendix A is a draft scoping report which provides the Committee with the aims and objectives of the review. Member's comments are requested on this.

**Appendices**

Draft Scoping Report - Appendix A



## Corporate Services & Partnerships Policy Overview Committee

### Review Scoping Report 2015/16

# Rates Retention and the Rating of Heathrow Airport

## Aim and background to review

The London Borough of Hillingdon has the fifth largest Billing Authority Rating List in London with an overall Rateable Value of almost £800m and with responsibility for the majority of Heathrow Airport.

The Borough's Rates risk with the Airport is huge. Over £340m in Rateable Value is contained within just four 'assessments' at the core of the Airport complex, of which the overall "cumulo" assessment is on its own around £243m.

The main Airport complex represents 42% of the Council's Business Rates Local List. However, there is little independent visibility to the Council of the

Heathrow Airport, as a secure facility is subject to the usual security restrictions for such premises. Therefore, the Council has no rights of inspection under current provisions, so all property inspections must be left to the Valuation Office.

From the 1st April 2013, significant changes to local authority finance were implemented under the Government's Localism strategy. Local Authorities now have more interest in their business rates revenue as they are now able to retain a percentage of these rates. Councils now have a greater incentive to increase yield within the Authority and to understand potential effects within

the Billing Authority on rate losses through rate appeals, demolition of properties and material changes which may also affect their business rates.

Agents for the Airport have robustly defended the current assessments, arguing that if the Agent and the Valuation Office are content, then the Authority should accept the current values. Requests to visit the Airport have been made to the Agent but these have been declined.

The aim of the review will be to investigate means of enabling Council officers to assess fully the rateable value of Heathrow by engaging with the Agents for Heathrow Airport and the Valuation Office.

In order to achieve this aim the following objectives/ Terms of Reference are proposed:

- To understand the legislative context of the rating system as it applies to Heathrow Airport and in the context of the Localism agenda;
- To examine the scale of the matters at hand in relation to the rating of Heathrow;
- To examine the procedural problems which the Council faces with regard to the rating of Heathrow;
- To look at the role of the Valuation Office and their relationships with other stakeholders to the Rates process which includes the Council and the Agents that act on behalf of the Ratepayer;
- To consider the options which could be available to the Council in terms of requesting that an up to date assessment of the rateable value of Heathrow Airport be carried out;
- To look at the Billing Authority's rights of access to the premises to enable a comprehensive assessment to be carried out.
- To look at the rules relating to the inspection of premises and whether there could be a delegation to another party to carry out inspections;
- To assess from Rates Plus analysis data, the scale of the possible business rates which the Council may be missing out on.
- To examine any other examples which this Council could learn from in terms of best practice in relation to business rating;
- To develop recommendations to Cabinet, where appropriate.

### **Recent Developments - Councils to keep Business Rates**

The review would be taking place within the context of the recent Government announcement which proposes that Councils are to retain all locally raised Business Rates by the end of the decade.

### **Rates Plus**

For the review, the Committee will be able to call upon the expertise of an organisation, Rates Plus. Rates Plus have been providing advice to Local Authorities since the introduction of the Localism Agenda in April 2013. They are a leading, independent commercial supplier of specialist, professional Rates Retention services, and the only service which is partnered with the Chartered Institute of Public Finance and Accountancy.

## INFORMATION & ANALYSIS

It is proposed that this review follows the structure of first setting the context, looking at the research from Rates Plus on their Heathrow assessments, and investigating the options which are available to the Council.

## WITNESS, EVIDENCE & ASSESSMENT

The table below sets out the possible witnesses that could be invited to present evidence to the Committee. Members are reminded that this is not an exhaustive list and that additional witnesses can be requested at any point throughout this review.

<b>Session Theme</b>	<b>Information /</b>	<b>Suggested Witnesses</b>
<b>Witness Session and Briefing from Rates Plus</b> <i>(13 October 2015)</i>		Simon Horsington and Roger Messenger from Rates Plus will present their analysis.  Rob Smith (Head of Revenues and Benefits) and Iain Watters (Financial Planning Manager). Members will have the opportunity to agree or propose alternative witnesses.
<b>Legislative context and rights of the Council</b>  <b>Role of the Valuation Office and relationship with their Rating Agents and Heathrow Airport</b>  <i>(10 November 2015)</i>		Raj Alagh (Borough Solicitor)  Michael Dunlevey (Valuation Office)
<b>Options for the Council as Billing Authority</b>  <i>(7 January 2016 )</i>		Witness from Greater London Authority  Witnesses from Rating Agents (Gerald Eve) and/or Heathrow Airport
<b>Consideration of Draft Final Report</b>  <i>(2 February 2016)</i>		The draft final report will be presented by Chairman of the Committee.

### Assessment

As is standard practice for a Policy Overview Committee review, once a report's recommendations have been agreed by the Cabinet, officers will be

asked to begin delivering the necessary changes. The monitoring of officers' work is a fundamentally important aspect of the Committee's work and, as such, regular reports on progress can be requested by Members and a full update report will be added to the future work programme of the Committee.

**Resource requirements**

This review will be undertaken within current resources. The plan set out above will be co-ordinated and delivered by Democratic Services. The additional resource of staff time required to present, collect and format evidence for witness sessions will also need to be considered.

# Agenda Item 6

## **Cabinet Forward Plan**

**Contact Officer:** Khalid Ahmed  
**Telephone:** 01895 250833

### **REASON FOR ITEM**

The Committee is required to consider the Forward Plan and provide Cabinet with any comments it wishes to make before the decision is taken.

### **OPTIONS OPEN TO THE COMMITTEE**

1. Decide to comment on any items coming before Cabinet
2. Decide not to comment on any items coming before Cabinet

### **INFORMATION**

1. The Forward Plan is updated on the 15<sup>th</sup> of each month. An edited version to include only items relevant to the Committee's remit is attached below. The full version can be found on the front page of the 'Members' Desk' under 'Useful Links'.

### **SUGGESTED COMMITTEE ACTIVITY**

1. Members decide whether to examine any of the reports listed on the Forward Plan at a future meeting.

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## Cabinet Member Decisions - November 2015

73	Supply of CCTV equipment	The Leader and Cabinet Member will consider a tender for the Supply of CCTV equipment to the London Borough of Hillingdon.	Various	Cllr Ray Puddifoot MBE / Cllr Douglas Mills	RS - Ed Shaylor	<b>NEW</b>	Private (3)
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## Cabinet meeting - 17 December 2015

61a	<p>The Council's Budget - Medium Term Financial Forecast 2016/17 - 2020/21 BUDGET &amp; POLICY FRAMEWORK</p>	<p>This report will set out the Medium Term Financial Forecast (MTFF), which includes the draft General Fund reserve budget and capital programme for 2016/17 for consultation, along with indicative projections for the following four years. This will also include the HRA rents for consideration.</p>	All	18 February 2016 or 25 February 2016 (reserve date)	<p>Cllr Ray Puddifoot MBE &amp; Cllr Jonathan Bianco</p>	FD - Paul Whaymand	<p>Public consultation through the Policy Overview Committee process and statutory consultation with businesses &amp; ratepayers</p>		
62	<p>Financial Support to Voluntary Organisations</p>	<p>The report to Cabinet will make recommendations on the level of financial support to voluntary organisations for the 2016/17 financial year.</p>	All		<p>Councillor Douglas Mills</p>	AD - Nigel Cramb	<p>Corporate Services &amp; Partnerships POC</p>		

## Cabinet meeting - 21 January 2016

64	<b>Pest Control Contract</b>	Officers have tendered the Pest Control contract with the assistance of Corporate Procurement. Cabinet will be requested to review the results of the tender and consider awarding a new contract.	All	Cllr Jonathan Bianco	RS - Shabeg Nagra & Jo Smith	Corporate consultees	Private (3)
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# Cabinet - 11 February 2016

<p>61b The Council's Budget - Medium Term Financial Forecast 2016/17 - 2020/21 BUDGET &amp; POLICY FRAMEWORK</p>	<p>Following consultation, this report will set out the Cabinet's proposals for the Medium Term Financial Forecast (MTFF), which includes the draft General Fund reserve budget and capital programme for 2016/17 for consultation, along with indicative projections for the following four years. This will also include the HRA rents for consideration. Subject to Cabinet's decision, the budget will then be referred to full Council for approval.</p>	<p>All</p>	<p>18 February 2016 or 25 February 2016 (reserve date)</p>	<p>Cllr Ray Puddifoot MBE &amp; Cllr Jonathan Bianco</p>	<p>FD - Paul Whaymand</p>	<p>Public consultation through the Policy Overview Committee process and statutory consultation with businesses &amp; ratepayers</p>	<p><b>NEW</b></p>
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## Cabinet - 17 March 2016

76	<b>Budget Management Software</b>	Cabinet will be requested to procure a budget management tool for budget holders, streamlining the regularly reporting process.	N/A		Cllr Jonathan Bianco	FD - Nancy Le Roux		Private (3)
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# Agenda Item 7

## WORK PROGRAMME 2015/16

**Contact Officer:** Khalid Ahmed  
**Telephone:** 01895 250833

## REASON FOR ITEM

This report is to enable the Committee to review meeting dates and forward plans. This is a standard item at the end of the agenda.

## OPTIONS AVAILABLE TO THE COMMITTEE

1. To confirm dates for meetings
2. To make suggestions for future working practices and/or reviews.

## INFORMATION

*All meetings to start at 7.30pm*

<b>Meetings</b>	<b>Room</b>
<b>1 July 2015</b>	<b>CR 5</b>
<b>30 July 2015</b>	<b>CR 3</b>
<b>13 October 2015</b>	<b>CR 5</b>
<b>10 November 2015</b>	<b>CR 5</b>
<b>7 January 2016</b>	<b>CR 5</b>
<b>2 February 2016</b>	<b>CR 5</b>
<b>10 March 2016</b>	<b>CR 6</b>
<b>26 April 2016</b>	<b>CR 5</b>

Corporate Services & Partnerships Policy Overview Committee

**2015/16 DRAFT Work Programme**

<b>Meeting Date</b>	<b>Item</b>
<b>1 July 2015</b>	Corporate Services & Partnerships Policy Overview Committee Possible Review Topics 2014/15
	Business Rates - Information item
	Work programme for 2015/16
	Cabinet Forward Plan

<b>30 July 2015</b>	Budget Planning Report for Administration and Finance Directorates
	Work Programme
	Cabinet Forward Plan

<b>15 September 2015 CANCELLED</b>	Scoping Report for next Major Review and presentation
	Head of Democratic Services - Elections
	Cabinet Forward Plan
	Work Programme

<b>13 October 2015</b>	Major Review - Witness Session
	Cabinet Forward Plan
	Work Programme

<b>10 November 2015</b>	Major Review - Witness Session
	Cabinet Forward Plan
	Work Programme

<b>7 January 2016</b>	Budget Proposals Report for 2016/17
	Scoping Report for next Major Review and Witness Session
	Cabinet Forward Plan



	Work Programme
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<b>2 February 2016</b>	Witness Session for Second Review
	Single Meeting Review - Single Person Discount for Council Tax - Project by Corporate Fraud Investigations Team
	Cabinet Forward Plan
	Work Programme

<b>10 March 2016</b>	Witness Session for Second Review
	Cabinet Forward Plan
	Work Programme

<b>26 April 2016</b>	Cabinet Forward Plan
	Work Programme

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