

# **Corporate Services & Partnerships Policy Overview Committee - Major Review 2015/16 - Heathrow Airport Cumulo Rateable Value**

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## **REASON FOR ITEM**

To provide the Committee with background information and a presentation on the Committee's first major review of this Municipal Year on examining the cumulo rateable value of Heathrow Airport.

## **OPTIONS OPEN TO THE COMMITTEE**

**The Committee is asked to receive a presentation from Rates Plus and background information to enable the examination of the cumulo rateable value of Heathrow Airport review to commence. Members will be asked to consider the scope of the review upon receiving evidence.**

## **INFORMATION**

1. At the Committee's meeting held on 1 July 2015, Members were provided with a presentation from officers on business rates and particularly in relation to Heathrow Airport and the cumulo rateable value of the whole site. Members were informed of the difficulties the Council had in determining the cumulo rateable value for Heathrow Airport.
2. Officers reported that approaches had been made to the Valuation Office and to Heathrow Airport Ltd to enable the Council to determine what was in the cumulo. The difficulty was that the Council could not inspect premises airside, therefore the Council was reliant on the information which was passed from Heathrow. It was agreed that this topic would be the Committee's first review of the year.
3. For this 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.
4. Local Authorities now have more of an 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 rating appeals, demolition of properties and material changes which may also affect their business rates.
5. Rates Plus have formed an association with the Chartered Institute of Public Finance and Accountancy (CIPFA) who have acknowledged the benefits that Rates Plus are able to offer Local Authorities.
6. To help Members with their review Rates Plus have kindly prepared two papers which set the context to the review. The first provides background information and evidence to support Members in building up their knowledge on the review topic. The second paper is a submission to the Government's consultation on the future of Rates, titled "Business Corporate Services & Partnerships Policy Overview Committee - 13 October 2015

Rates Review” which Rates Plus produced in collaboration with a number of Local Authorities.

### **Witnesses**

7. **Simon Horsington** and **Roger Messenger** from Rates Plus will be in attendance to provide the Committee with a presentation on the review topic. In addition **Roberts Smith**, the Head of Revenues and Benefits and **Iain Watters**, Financial Planning Manager will be in attendance on behalf of this Council.
8. Before the meeting, the Committee will also be provided with a draft scoping report which Members will be asked to shape to ensure the direction of the review is acceptable in terms of achievable outcomes.

### **Appendices**

Paper from Rates Plus on the background to Rates Retention and to Heathrow Airport

A copy of a Submission made by Rates Plus, on behalf of a number of Local Authorities relating to the Treasury's review of Business Rates.