

Minutes

**Corporate Services and Partnerships Policy
Overview Committee
Tuesday 10 November 2015
Meeting held at Committee Room 5 - Civic
Centre, High Street, Uxbridge UB8 1UW**



	<p>Members Present: Councillors Richard Lewis (Chairman), Richard Mills (Vice-Chairman), Wayne Bridges, Tony Burles, Nick Denys, Narinder Garg, Judy Kelly, Raymond Graham and Robin Sansarpuri.</p> <p>Apology for Absence: Councillor Carol Melvin (Councillor Judy Kelly substituting).</p> <p>Officers: Rajesh Alagh (Borough Solicitor), 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>Witnesses: Mariam Razak (Strategy and Policy Team - Policy Advisor - Valuation Office Agency) and Helen Zammit-Wilson (National Specialists' Unit - Head of the Utilities and Transport Team - Valuation Office Agency).</p>
20.	<p>MINUTES OF THE MEETING HELD ON 13 OCTOBER 2015</p> <p>Agreed as an accurate record.</p> <p>[The Valuation Office Agency witnesses clarified a couple of points detailed in the Minutes.</p> <p>Appeals received by 31 March 2015 did not have a backdating limit; those received after this date would be limited to 1 April 2015.</p> <p>The Billing Authority did not have the power to alter the local list based on information they possessed. The VOA had the power and any alterations made before 1 April 2016 would not have a backdating limit; alterations made after this date would be limited to 1 April 2015.]</p>
21.	<p>EXCLUSION OF THE PRESS AND PUBLIC</p> <p>It was agreed that all items of business would be considered in public, but that the evidence provided by the Borough Solicitor on Item 5 - Major Review - Rates Retention and the Rating of Heathrow Airport be considered in private.</p>

<p>22.</p>	<p>MAJOR REVIEW 2015/16 - HEATHROW AIRPORT CUMULO RATEABLE VALUE</p> <p>For this meeting, Members were provided with a draft scoping report which provided details of the aims and objectives of the review.</p> <p>Helen Zammit-Wilson from the Valuation Office Agency, together with Mariam Razak, attended the meeting to assist Members in their review.</p> <p>The following areas were explored with the witnesses:-</p> <p>The Committee was informed that the present rating system had been created under the Local Government Finance Act 1988. The next revaluation for business rates would take effect from 1 April 2017. Rateable values would be updated by the Valuation Office Agency (VOA) using market rental values at 1 April 2015.</p> <p>The rateable value represented the open market annual rental value of a property at a set point of time. This would mean the rent the property would be let for on the valuation date (1 April 2015 for the 2017 revaluation), if it was being offered on the open market.</p> <p>Reference was made to properties where rents did not exist and where the contractor's basis of valuation was used. This was based on the cost of building a property rather than rent the actual property would attract.</p> <p>There was a statutory decapitalisation rate which had a direct impact on the rateable value, and therefore on the rates bill.</p> <p>Heathrow's cumulo assessment was around £243m and consisted of everything which had not been identified in the individual assessments.</p> <p>The VOA allocated one officer to Heathrow who once a month inspected the whole site with another more senior officer overseeing this work. Members noted that this equated to just 12 days per annum. The VOA representative reported that this was a sufficient resource to enable a thorough monitoring of Heathrow.</p> <p>Members were informed that the VOA looked at what was under the paramount control of Heathrow Airport, together with the terms and conditions of agreements when carrying out their assessments, including what was in the cumulo.</p> <p>The VOA was formally a part of the HMRC, and was governed by the terms of the Commissioners for Revenues and Customs</p>	<p>Action By:</p>
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<p>Act 2005 (CRCA). Therefore, there was no legislative gateway for officers to provide any information on the business rates for Heathrow Airport. A comparison was made to the Inland Revenue not being able to release financial confidential information on tax paying individuals.</p> <p>Reference was made to the changes proposed under the Government's Enterprise Bill which may provide a gateway for Billing Authorities to obtain more detailed information on Bill Payers, such as Heathrow Airport.</p> <p>In response to a question regarding how did the Valuation Office Agency know that Heathrow had included everything in the cumulo, Members were informed that the officer assigned to the airport looked through the details of what was under the paramount control of the airport which defined what went into the cumulo.</p> <p>Reference was made to large shopping retailers which were included in the cumulo but that there had been no increase in the business rates paid by Heathrow. It was explained that inclusion of these shops did not have a major impact in terms of the cumulo. It was reiterated that the airport had paramount control of these sites and that the Airport were proactive of telling the VOA of any changes.</p> <p>There was a good partnership between the VOA and Heathrow and an element of trust between the parties. Advanced notice was given of changes in assessments.</p> <p>Reference was made to the large number of developments at Heathrow and that since 2010 the main assessment had only changed 8 times. The VOA witness reported that there had been 9 changes in 6 years. The Committee questioned the validity of this information because of the number of developments which had taken place at Heathrow.</p> <p>A question was asked regarding how the boundaries of a cumulo were set and in response the VOA witness reported that this was set by case law. It centred around the agreement which existed with the occupier and the degree of control of the Bill Payer.</p> <p>The VOA witness asked that the Council make the VOA aware of developments they had planning information on, but Council officers reported that this would be difficult because there was no base information on what was actually in the cumulo, so there could be no comparisons made.</p> <p>In response to a question about the delegation of inspection, the VOA officer reported that the VOA had the statutory duty of inspection but that any request for delegation of this duty would</p>	<p>Action By:</p>
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	<p>have to be made to Heathrow Airport. The Committee was informed that the VOA could not delegate this responsibility to another party.</p> <p>Discussion took place on the relationship between the VOA and Heathrow's agents, Gerald Eves and the Committee was informed that the VOA had full confidence in the information which was provided by the Agent for the local list. The VOA had a prime duty to compile the local list and if there was any doubt regarding its contents, this would be challenged. A good working relationship existed between the Agents and the VOA.</p> <p>The VOA witness commented that she understood the Council's position with regard to rates retention, but there were limitations in terms of the level of information which the VOA could disclose.</p> <p>A question was asked in relation to whether an audit had taken place on what was in the cumulo, to the actual buildings which were on site and the VOA witness reported that she was not aware if such a thing had taken place. It was reported that could be considered in the future.</p> <p>Every five years valuations were updated which took account of physical changes on site and the local list was updated accordingly.</p> <p>The Chairman thanked the witnesses for the information they had provided for the review and commented that the Council needed greater transparency in relation to Business Rates at Heathrow. With the significant changes to local authority finance under the Localism Act, Hillingdon now had a greater incentive to increase its Business Rates yield. The Council's Central Government Grant funding was diminishing and the Council would be failing in its fiduciary duty if it did not try to maximise its Rates Retention.</p> <p>RESOLVED –</p> <ol style="list-style-type: none"> 1. That the information provided be noted and be taken into consideration as part of the review. 2. That the draft scoping report be noted and updated accordingly. 	<p>Khalid Ahmed</p>
<p>23.</p>	<p>CABINET FORWARD PLAN</p> <p>Noted.</p>	
<p>24.</p>	<p>WORK PROGRAMME</p> <p>Noted.</p>	

