



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority
Finance and Resources Committee

BUSINESS RATES UPDATE

Report of the Chief Fire Officer

Date: 02 July 2021

Purpose of Report:

To update Members on the revised rateable values for Nottinghamshire Fire and Rescue Service properties and associated rebated business rate charges.

Recommendations:

That Members note the contents of this report.

CONTACT OFFICER

Name : Terry Scott
Head of Procurement and Resources

Tel : 0115 967 0880

Email : terry.scott@notts-fire.gov.uk

Media Enquiries Contact : Simon Cotton
(0115) 967 0880 simon.cotton@notts-fire.gov.uk

1. BACKGROUND

- 1.1 The most recent business rates revaluation took effect from 1 April 2017 and updated rateable values to reflect the market as at 1 April 2015. The intention was to ensure business rate bills more closely reflect the property market and that all businesses were getting a fair deal. It was stated in a consultation paper by the Department for Communities and Local Government “the revaluation will not raise any more or less tax”.
- 1.2 Unfortunately, this was not the case and because of the revaluation, Nottinghamshire Fire and Rescue Service (NFRS) received large increases in Business Rates bills.
- 1.3 This report details the action undertaken by the Service to rectify the believed incorrect evaluation of the rateable value of the estate.

2. REPORT

- 2.1 The April 2017 business rates revaluation increased NFRS’ property rateable value from £1,579k in 2016 to £2,108k. Within the business rates formula this increased business rates by £222k per annum.
- 2.2 In 2017 NFRS employed a commercial property consultant on a no-win-no-fee basis to undertake rateable value checks on the estate with a view to potentially challenge the 2017 business rate revaluation. Agreed fees for the consultants were 18% of any rebate payable to NFRS.
- 2.3 Although the process took longer than anticipated, the check confirmed that 22 out of the 27 NFRS sites were incorrectly evaluated, subsequently challenges against each site were submitted. NFRS received the results of the challenges between February and May 2021 with all challenged cases successful in lowering the rateable values.
- 2.4 The outcome of the successful challenge against the April 2017 business rates revaluation are summarised below:
 - 2.4.1 NFRS Estate rateable value pre-challenge £2,077k post challenge £1,832k; a reduction of £245k.
 - 2.4.2 NFRS business rates liability pre-challenge £1,053, post challenge £823k an annual saving of £230k.
 - 2.4.3 The amount NFRS have been overcharged since Apr 2017 and has been subsequently rebated is £433k. The consultants fee for the service is £102k, therefore the actual rebate back into NFRS budget is £331k.

3. FINANCIAL IMPLICATIONS

- 3.1 Because of the successful challenge of the NFRS estate rateable value, future revenue liability is reduced by £230k, this does not include any inflation increases which may be applied.
- 3.2 A backdated refund was received in 2020/21 of £265k (net of £97k in fees paid to the consultants). The remaining income is expected in 2021/22.
- 3.3 The revised charges are reflected in the 2021/22 budgets.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

There are no human resources or learning and development implications arising from this report.

5. EQUALITIES IMPLICATIONS

There are no equality implications arising from this report.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications arising from this report.

7. LEGAL IMPLICATIONS

There are no legal implications arising from this report.

8. RISK MANAGEMENT IMPLICATIONS

There are no risk management implications arising from this report.

9. COLLABORATION IMPLICATIONS

There are no collaboration implications arising from this report.

10. RECOMMENDATIONS

That Members note the contents of this report.

11. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)

None.

John Buckley
CHIEF FIRE OFFICER