

# Optimising Inspections to Maximise Income and Tackle Rate Avoidance

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# Preston and Lancaster City Councils Revenues & Benefits (Shared Service)

**Operating as a Shared Service since 1 July 2011 ( 10 year agreement: 50/50)**

## **Statutory Services:**

Billing, collection and recovery of Local Taxation:

- Council Tax 128,622 properties (Net Debit £137.7M)
- Business Rates 11,105 businesses (Net Debit £129.7M)
- Billing collection and recovery of 3 BIDS (Preston (£403K) (Lancaster (£242K) & Morecambe (£128K).

Administration of Benefits:

- Housing Benefits 14,605 cases
- Council Tax Support 23,315 cases

## **Value for Money:**

Staffing Resources (Shared Service)

**2010/11**

177.76 FTE's

**2017/18**

94.75 FTE's

**Shared Service Budget: £3.59M**

**Budget savings generated since introduction: £5M**

# Preston and Lancaster City Councils Revenues & Benefits (Shared Service)

## Key Drivers

Stewardship,  
e.g.  
protecting  
the public  
purse

Providing  
Value for  
Money –  
*The 3 E's*

Customer &  
Stakeholder  
focus –  
needs, wants  
&  
expectations

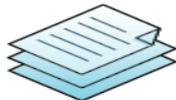
Continuous  
improvement  
& innovation

# Preston and Lancaster City Councils Revenues & Benefits (Shared Service)

## 2012 Internal Audit Report

- Property inspections too infrequent and no meaningful management information to monitor the number of visits and their outcome.
- Risk of financial losses and a failure to maximise income.
- Action point to find and implement inspections software.
- Had to be a cost effective solution.

# Inspections Process Pre-Aspire



Batch job created and scheduled to run overnight

Batch routine creates visits

Individual property inspection sheets created

Inspector collects inspection sheets from office

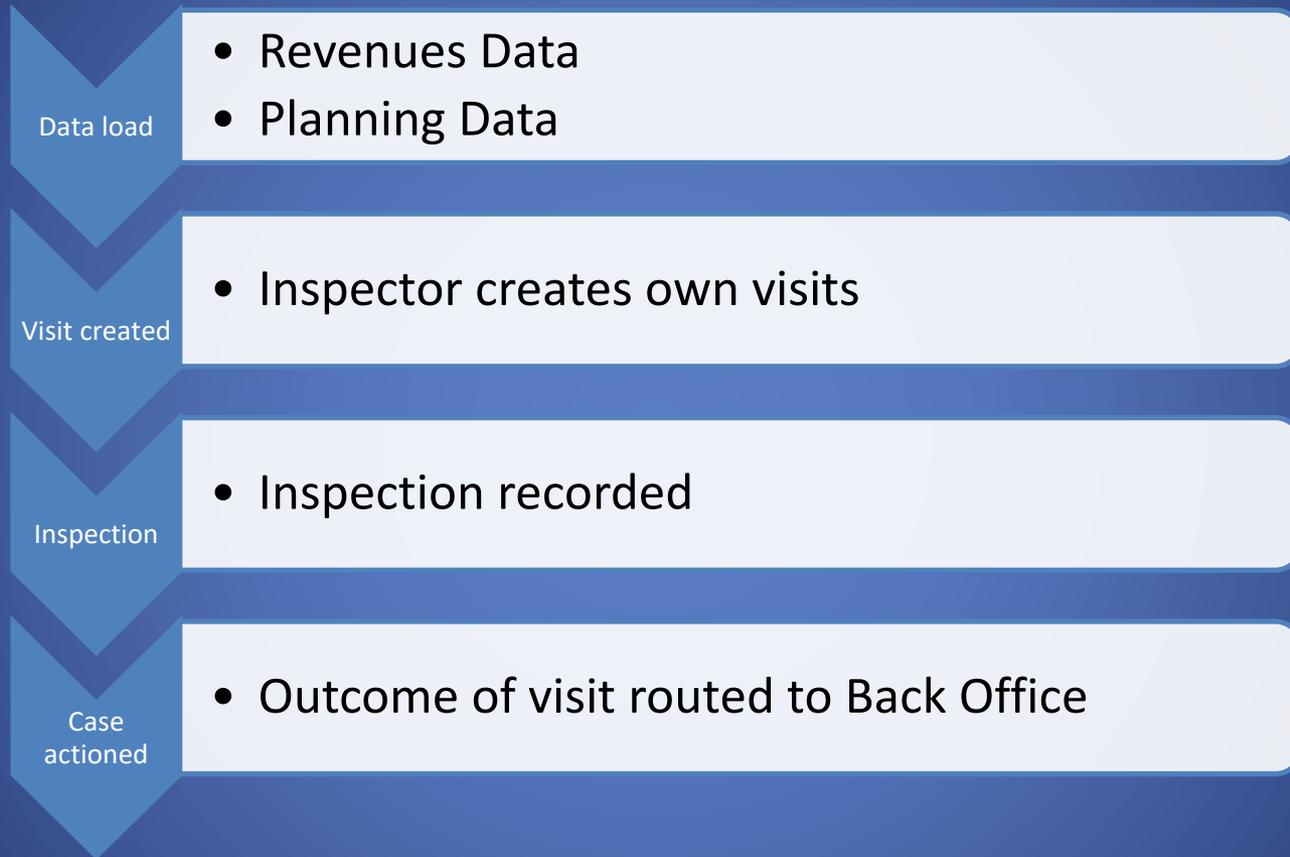
Inspection sheets manually completed during visit

Inspector returns to office and scans visit sheets

Inspector notes outcome of visit on Academy

Process flow prior to implementation of Property Inspection Module

# Aspire Inspections Process



# VISITING OFFICER STATISTICS

SITE	TOTAL VISITS	NEW BUILDS (CTAX)	INCREASE IN PROPERTY NOS.	INCOME FROM COMPLETION NOTICES ISSUED	NNDR VISITS	SCHEDULED CTAX & AD HOC VISTS
<b><u>PRESTON</u></b>						
2015	1100	408	412	£103,982	99	593
2016	3296	1609	642	£224,912	915	772
2017	3696	2197	597	£438,882	798	701
2018	8612	6926	683	£594,776	1214	472
<b><u>LANCASTER</u></b>						
2015	4122	3055	581	£283,589	487	580
2016	6678	5286	647	£242,114	820	572
2017	7209	5713	543	£335,237	1153	343
2018	8057	6530	394	£510,542	1236	291
<b>GRAND TOTALS</b>	<b><u>42,770</u></b>	<b><u>31,724</u></b>	<b><u>4,499</u></b>	<b><u>£2,734,034</u></b>	<b><u>6,722</u></b>	<b><u>4,324</u></b>

# Additional Benefits

- Not just about actual figures.
- Data held in Aspire helps to forecast accurately:-
  - ❖ when new builds should reach next stage;
  - ❖ calculates the average time taken to move between stages of a build;
  - ❖ Reports on when completion notices should be issued;
  - ❖ Monitors overdue inspections;
  - ❖ At a glance details of all new developments post planning approval.

# NNDR Properties Flagged as Using Rate Avoidance Schemes

- Both sites enter circumstance codes on identified properties.
- Preston Lancaster
- 208 105
- Visiting officers are pivotal in monitoring what is happening at these properties.
- 6 week occupations – inspect on occupation and vacation as standard practice now.
- They are effectively policing these schemes to ensure actual occupation takes place and provide the NNDR team with checklists and photographs to show what is in the property.
- Their witness statements and evidence now form part of our court cases when challenging alleged beneficial occupation as standard.
- Also monitor properties claiming small business rate relief to ensure occupied, and other empty properties where survey forms have not been returned.

# Case Study – Completion Notice Appeal NNDR New Build 14 Mannin Way Lancaster



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- Two storey office building on business park
- Rateable Value £53,500
- Completion Notice issued 6<sup>th</sup> March 2017, completion date of 13<sup>th</sup> March 2017.
- Agent appealed validity of the CN and the date on grounds that:
  - Incorrect and wrong in law
  - Not served correctly
  - Failed to properly identify the appeal property.

# Case Study – Completion Notice Appeal

## NNDR New Build 14 Mannin Way Lancaster

- Appeal dismissed – key points

Checklists built into the system had been fully completed on each inspection and photographs uploaded– gave detailed history and picture of progression of the building.

Panel had taken into account inspection report which confirmed that first fix and second fix are complete; services are connected, Category A fit out (suspended ceilings, floor coverings, lighting control systems, heating control system and toilets) are complete.

Although only an external inspection – it was possible to view the inside of the property, and photographs had been taken through the windows.

# Case Study – Rate Mitigation Scheme Business Park with 58 Hereditaments

- Number of long term tenants used to move regularly between properties on the site.
- Companies have Directors in common and Directors have had tenancies in their own names also.
- Some SBRR applications made.
- Regular inspections of site (now part of Visiting Officers scheduled work).
- Full history available to the Visiting Officers when on site so checks/verification of previous observations are instant.
- Visiting Officers noted that items stored in units in rotation are the same items, photographs confirm this when examined.
- Enquiries establish that items belong to Directors personally, not companies with tenancy agreements.

# Case Study – Rate Mitigation Scheme Business Park with 58 Hereditaments

- Rateable occupation not accepted.
- Tenants charged on unoccupied basis.
- Progressed to court action for most of the disputed periods.
- Regular inspection regime can catch agent and tenants out – claim to be in occupation on dates our inspections and evidence show premises to be empty.
- Reports and photographs within the system can be easily printed and attached as an exhibit to the Visiting Officers witness statement.
- Saves Court Officer a great deal of time when collating cases and putting witness statements together.

# Why I Think You Should Invest In Your Visiting Officers

- If given the right tools they will pay for themselves.
- The right system will help you work smarter and generate savings.
- Budget constraints means accurate tax base forecasting is increasingly important.
- There is no substitute for local knowledge, especially when dealing with rate avoidance cases and identifying potential new rateable value.
- It is possible to monitor their performance accurately even when completely mobile.
- Data gathered by Revenues can feed back to other departments creating greater efficiencies.
- Fully meets GDPR requirements as Visiting Officers have no need to carry paper files with them. All data is securely protected within the software on encrypted Windows Tablets.

# Thank You For Listening

- Any Questions?
- Contact Details.
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