

## RATES RETENTION FORECASTING



### FORECASTING FOR LOSSES ON APPEALS

Following the roll out of the business rates retention scheme in 2013-14, Billing Authorities have had to assume the risk associated with appeals against rateable values in their area. The financial risk associated with appeals can be large and difficult to forecast if not managed in the right way, putting Councils under significant budgetary pressure. Even if the proposed changes to the retention scheme are made, this will not remove the need to forecast and only reduce part of the impact.

With Councils carrying some risk if values reduce, a provision for losses on appeal in their accounting practices has had to be introduced providing them with a mechanism to estimate what these losses might be.



### OUR APPROACH

Wilks Head and Eve provide one of the most comprehensive and detailed approaches for forecasting for losses on appeal. Using our own unique methodology which takes into account data at a local and national level we typically achieve 80% more accuracy on forecasts compared to other approaches.

**The WHE Revenues Assurance rates retention forecasting service incorporates;**

- **Detailed analysis of the Valuation List** – identifying hereditaments most likely to be subject to appeal
- **Use of bespoke systems to analyse both local and national appeals and alterations** – to take into account any subsequent consequential changes
- **Analysis of high value individual properties** – where successful appeals would have a material effect
- **Review of complex data sets using data tools and specialist databases** – in conjunction with a line by line approach

This approach is supported by fully evidenced reports which are audit compliant and with a level of detail provided designed to reduce audit queries experienced by clients. If however any queries are raised, we undertake to immediately respond in full to them directly, as part of the service.

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*We have used Wilks Head & Eve, following a tender process, for a number of years to forecast the losses on our rating appeals, which has helped us complete the NNDR 1 and NNDR 3 returns, as well as for budget preparation. They provide this information in a format that is easy to understand and with all the back-up reports, which supports the audit due to the methodology they have applied. They do this through a full review of the rating list, past trends, current and future likely appeals, all with significant valuer input.*

**Revenues & Benefits Manager,  
Leicester City Council**

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### FEATURES

- ◆ **Fully detailed reports** – showing RV loss and cash loss using the relevant multiplier and backdated liability
- ◆ **Completion of NNDR1 and NNDR3 forms** – and free advice to support completion and submission as a fully managed service option
- ◆ **Management of live challenges** – ensuring the correct outcome is reached and minimising losses on appeal
- ◆ **Forecasting for growth** – looking beyond the losses and into areas such as the creation of notional valuations of prospective new builds



WHE Revenues Assurance provide unique expertise from professional valuers who act as an extension of your business rates and finance teams tasked with doing the heavy lifting so you don't have to.

Much more than just an algorithm, we offer a combination of knowledge, experience and accuracy. Wilks Head & Eve has a unique understanding of rating valuation, evolved over many years and supported by a continuous process of refinement through case law.



## BENEFITS

Outlined below are just a few of the benefits this industry leading service has to offer.

- ◆ **Improved budgeting capabilities** – being able to identify how far reductions need to be backdated and the impact of this on Billing Authorities
- ◆ **Compliance with auditing requirements** – fully backed up and evidentially supported information in accordance with the Code of Practice on Local Authority Accounting
- ◆ **Provision of losses kept to minimum prudent levels** – accurate and evidenced forecasts
- ◆ **Improved efficiency** – reduces workload and pressure on inhouse resources
- ◆ **Access to valuation experts** – access to our Ratings helpdesk for any technical queries, advice or support
- ◆ **Full reporting and case management** – our unique client portal provides analysis on the numbers, progress and potential value of newly identified and undervalued hereditaments

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*Not only do they provide a great service with regards to our annual revaluations in delivering the valuations on time and in a manner that is easy to use and understand, but also deal with and respond to any of our auditor queries in a very professional and timely manner.*

**Principal Accountant,  
London Borough of Barking & Dagenham**

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## THE WILKS HEAD & EVE DIFFERENCE

The team understand the delicate balance of not over or under-provisioning for appeals to the extent it impacts service delivery. Similarly they don't just rely on monitoring general trends and re-calculating every time a Valuation Office decision is made that impacts properties on a national basis.

By combining expert in-depth line-by-line analysis with complex dataset reviews they ensure Authorities have one of the most accurate and detailed forecast for losses on appeal, available on the market today.

