



CORPORATE AND
TRANSACTIONAL

Consortium Business Rates

Summary

In 2003 an innovative project was developed by Wellingborough and Northampton Borough Councils to work together in providing the administration and collection of Business Rates. There is a Government emphasis on Local Authorities working in co-operation with each other especially if cost savings can be made. A consortium model was adopted, building on the success of Consortium Audit in Northamptonshire.

“Would you like to reduce costs while maintaining quality of service? Consider joining Consortium Business Rates.”



Project background

In early 2002 a proposal was put forward at the Northamptonshire Revenues Practitioners Group for five Local Authorities in Northamptonshire to join forces to provide Business Rate services in a consortium agreement.

A Business Rate service often relies on the skills and knowledge of specialist staff which means that holidays and especially unforeseen sick leave can be a real problem and have a major effect on the service provided. By joining forces, overall staffing numbers could be reduced but the service would improve as more specialised staff would be based in one location and periods of sickness and holidays could be covered more easily.

It was originally proposed to allocate the costs between the five Authorities involved on a percentage basis calculated on the number of business rate hereditaments in each area. Eventually however, it was decided that only Northampton and Wellingborough would start the consortium.

The two authorities are around 12 miles apart. Northampton Borough Council has a population of 195,000 and 5,824 business properties and Wellingborough a population of 74,000 with 2,400 business properties.

Northampton's Business Rates computer system was due to be replaced and one staff member was due to retire. By replacing the system and combining the operation, a better service could be offered at a reduced cost.

Work for the project began in autumn 2002 with the establishment of a joint project team working in co-operation with Academy, the software suppliers.

Consultation took place between staff in the two authorities to establish working procedures and to iron out any local variances.

Data cuts were taken of the Northampton database and full testing was carried out by staff of both authorities and the Academy consultant to make the conversion of data as smooth as possible. Faults were reported and corrected by the Academy helpdesk and an excellent liaison service between the two authorities and the IT consultants was established.

Northampton Borough closed their Business Rate Section on 6th August 2003 and the Consortium went live on 29th August 2003. For the interim period, enquires were dealt with by the consortium at Wellingborough and whenever the initial enquiry could not be answered, the ratepayer was called back when the system went live.

As at 31st March 2004, the following figures applied to other Local Authority's Business Rates sections in Northamptonshire:

Northamptonshire Local Authorities Business Rate Sections

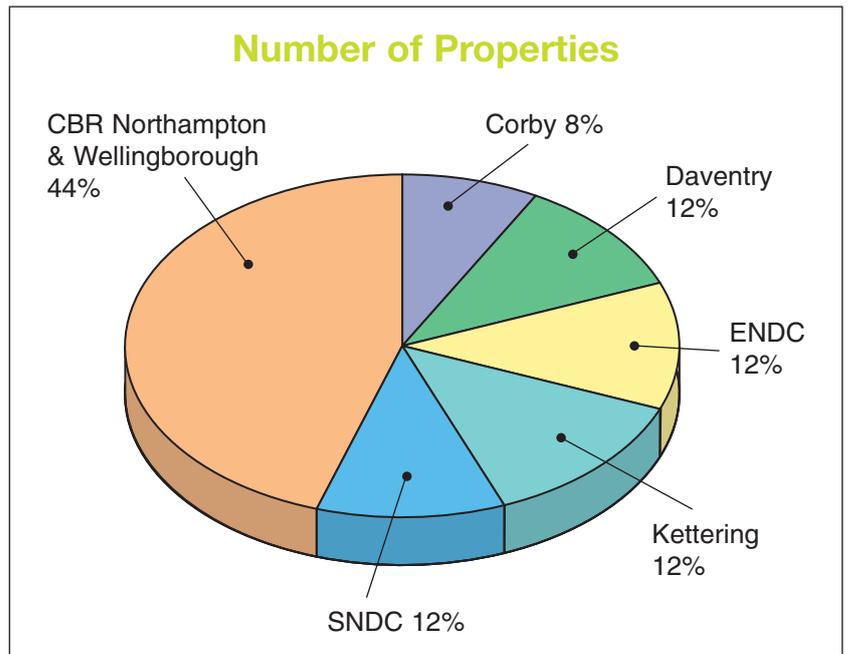
	Number of Properties (as at 31st March 2004)	Total RV (as at 31st March 2004)	Staff in Billing (FT Equivalent)	Staff in Recovery (FT Equivalent)
Corby	1596	73,791,640	8.35	1
Daventry	2208	88,690,041	11.56	1
East Northants	2218	52,550,466	11.61	2.25
Kettering	2365	66,814,990	12.38	1.25
Northampton	5937	246,297,383	31.08	CBR
South Northants	2299	48,593,775	12.03	2.25
Wellingborough	2480	71,693,120	12.98	CBR
Total	19103	648,431,415		

Day to day services

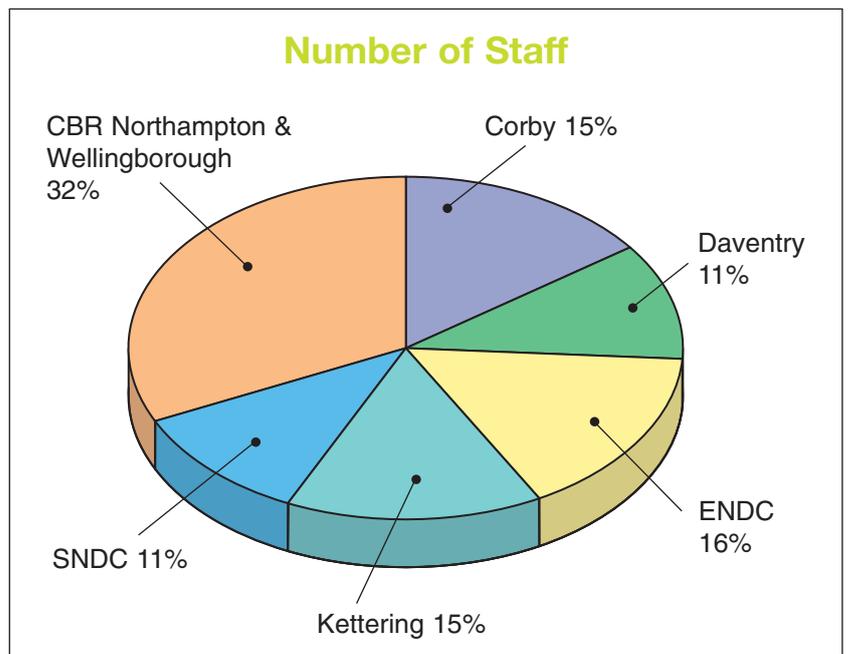
The project was set up as a consortium. This may sound obvious but the idea was to have several different local authorities involved thus making savings on costs, staffing, IT equipment and to provide a more professional service. At the moment, with only two authorities involved, the consortium is only working as a partnership.

Whilst the consortium is already a success, the potential for expansion and future cost savings are substantial. On staffing alone, there are fewer staff employed than there were in total by the two individual authorities – the savings could be much greater if there were more authorities involved.

As you can see from the following graph, the consortium now has the largest percentage of business rate properties in the county:



However, the percentage of staff employed is lower in proportion to the number of properties it is responsible for:



Benefits achieved

Following three successful years of operation, the partnership is now seeking to expand into a consortium and is inviting further authorities to join in this venture.

Demonstrable benefits include:

- Optimum deployment of staffing resource
 - The consortium has the largest percentage of properties in the County but has a proportionately lower number of staff employed. Consortium Business Rates employs 4.5 staff for 8,417 properties. The rest of the County employs approximately 9.25 staff for 10,686 properties.
- Top quartile collection rates
 - 99.6% for Wellingborough, 99.23% for Northampton as at 31st March 2006
- Reduced costs through economies of scale
 - Particularly IT systems
- A centre of excellence for shared good practice
- Established structure which retains local management control
- Common procedures for efficient working
- A cross fertilisation of knowledge and ideas between Councils
- Local discretion in granting reliefs
- Flexible printing options to retain local identity
- Greater efficiency and resilience through collective working
- Support towards meeting e-Government targets
- Proven experience in data conversion and project management
- Hosted or remote access service options.

Contact

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