



# Walsall Council

## Walsall Children's Services

**Report to:** Schools Forum

**Date:** 14 June 2011

**Subject:** Review of the Rateable Value of Schools 2010-2015

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**Purpose of the report:** To inform Schools Forum of the current exercise to employ a specialist agent to review the rateable value of properties within Walsall. Any savings generated from this exercise would remain within the ring-fenced Dedicated Schools Grant and be recycled via the funding formula.

**Recommendation:** The Schools Forum is recommended to adopt a collaborative approach as the savings will be recycled to all schools.

## 1. Introduction

- 1.1 Every 5 years the Valuation Office revalues all non-domestic properties to establish up-to-date rating values and produces what is known as the Rating List, the most recent of which took effect in April 2010.
- 1.2 The process allows for appeals against each entry on the List for a variety of reasons, the most usual being that the property has been over-valued, and, as in previous years, the Council is looking to appoint agents to undertake this specialist area of work. This appointment will effectively be on a **no win no fee basis** as the agent charges a fee based on a modest percentage (approx. 3%) of the actual cash saving.

### Example

If the saving achieved amounts to £20,000 pa., over the 5 year period of the List the Schools Budget would save £100,000 and the fees would be 3% of this total saving, that is £3,000.

It follows that there are no direct negative budget implications as a **fee is only payable if a cash saving is made** and that fee will only be a small percentage of the total cash saved.

## 2. Proposal to Fund the agents from the central Schools Budget

- 2.1 Rates are funded through the Walsall delegated budget share formulae on the basis of actual costs, therefore any savings generated by this exercise will be returned to the Individual Schools Budget and recycled through the formula to all schools. It therefore makes sense to meet the fees from the savings available for redistribution.
- 2.2 The funding technicalities would mean that any fees due to the agent would need to be charged to the School Specific Contingency. As you are aware the Schools Forum needs to agree what can be charged against the contingency.
- 2.3 At this stage it is impossible to guess what the cost of these fees will be, but technically the money will always be there.
- 2.4 Further consideration will be given to the inclusion of academies and Voluntary Aided and Foundation schools.

## 3. Recommendation

- 3.1** The Schools Forum is requested to agree in principle that any fees resulting from the revaluation exercise in respect of Walsall maintained schools be charged to the School Specific Contingency on the basis that the savings will be available to all schools through the delegated budget share formulae.