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Shared Services
Partnership
Specialist Estates Services

Specialist Estates Services Notification 19/07

11 July 2019

For action by:

Chief Executives
Estates/Facilities Directors and Managers,

For information only:

Directors of Finance
Heads of Procurement

Copy to: Head of Capital, Estates and Facilities,
Department of Health and Social Care, Welsh Government

Attached documents:

None

Dear Colleague,

2021 RATING REVALUATION

Further to WHEN 09/14 and SESN 15/07, which recommended obtaining proper professional advice in respect of new rating assessments in 2010 and 2017, a further non-domestic rating revaluation is due to take place in 2021 (with an antecedent valuation date of 1st April 2019).

The new 2021 rateable value assessments should be available for inspection in late 2020 and at that time the draft list and summary valuations can be viewed on the Valuation Office website (www.voa.gov.uk) in order to calculate the new rates payable.

For many years NWSSP Specialist Estates Services (SES) has assisted health boards and Trusts in appointing specialist rating chartered surveying companies to advise in respect of new rating assessments. Most specialist rating surveyors work for a fee based on a percentage of rates saved (i.e. fees will not be incurred unless savings are made) although, generally, additional fees are payable in the event of an appearance before Valuation or Lands Tribunals.

Savings from such an exercise can be considerable. For the 7-year period 2010-2017 it is estimated that the savings for the 10 NHS Wales organisations exceeded £13m for the NHS freehold and leasehold estate and it is hoped that similar savings can be

achieved again. In addition, in 2010, for the first time, a specialist rating surveying company was appointed on an all-Wales basis in relation to the primary care estate. Following a significant success by the appointed company in the Upper Tribunal (Lands Chamber) in relation to a test case on the rating of purpose-built GP surgeries, total savings in excess of £39m were made by the 7 Health Boards in Wales during the 7-year period 2010-2017. It should be pointed out that savings of this size for the primary care estate are unlikely to be achieved again.

Substantial savings have already been achieved from the 2017 revaluation and it is hoped that sizeable savings can again be made for the period 2021-2025.

NWSSP-SES, in conjunction with colleagues from NWSSP Procurement Services, intends to undertake a procurement exercise for specialist rating surveying companies in the near future. The procurement exercise is commencing earlier than normal as control of business rates is now devolved to the Welsh Government and the potential exists of significant changes being made to the rating system in Wales for the 2021 revaluation which would bring the system more in line with that currently operating in England. Consequently, it would be beneficial for NHS organisations to have appointed a rating surveyor before the end of 2020.

As the more properties that are included in the exercise the more competitive the fee proposals should be, as we did for the 2017 revaluation, we would like to undertake an all-Wales procurement exercise with all NHS Wales organisations taking part. However, I should highlight the fact that at the conclusion of the exercise only one specialist rating surveying company will be able to be appointed for each lot. Consequently, rather than risk organisations withdrawing from the exercise late in the process – which could jeopardise an all-Wales appointment – we are asking organisations to either commit to the process and its outcome at the outset or inform us that you intend to undertake your own, separate, appointment.

For action

Please can you confirm whether your organisation is willing to take part in this exercise, and abide by its outcome, as soon as possible but no later than the 26th July 2019. If your response is positive, please can you nominate a representative for your organisation who will form part of the working group for the exercise.

Should you require further information or have any queries, please contact Clive Ball, Head of Property on 029 2090 4106 or email Clive.Ball@wales.nhs.uk

Yours sincerely,



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Director Specialist Estates Services

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