

# Insight

January /  
February 2025

£11.50

The monthly journal of the Institute of Revenues, Rating and Valuation

[www.irrv.net](http://www.irrv.net)

## A proven example of Excellence in Partnership Working (Financial Sustainability)



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It is great to see how the IRRV Awards programme has evolved over the years to acknowledge not only the great work of the Local Authorities but also those private sector organisations who are pushing the boundaries to deliver the best possible service and solutions to IRRV members.

One such example of this was a partnership set up between rating and valuation experts Wilks Head & Eve and business intelligence and data analytics specialists Destin Solutions.

## Revenue Maximisation – where it all began

It all really started by identifying a problem that every Local Authority faces; which was that thanks to all the new property developments, renovations, influx of annexes and changes in property usage across the UK, it was virtually impossible to keep a Councils banding or rating list 100% accurate. In addition, residents and ratepayers are under no obligation to inform a Local Authority if they have not received either a council tax or business rates bill. Factoring all this in, we did some calculations and estimated that if even as little as 0.1% of the rating and banding list was inaccurate this would equate to lost annual revenue of over £100 million across the United Kingdom.

It was at this point Destin Solutions, developed and launched a solution called NEXUS, designed to automate the process of identifying both commercial and domestic properties which were missing from either the banding or rating list. At around the same time Wilks Head & Eve (WHE) were looking at opportunities to adapt and innovate their Rateable Value (RV) Finder service, which incorporated the identification of missing commercial buildings, analysis of changes from residential to commercial properties and a host of other services.

## The foundation of a partnership

Founded nearly 205 years ago with over 130 Local Authority clients, Wilks Head & Eve (WHE), have stood the test of time through their willingness to adapt and innovate by identifying opportunities for automation that maximises revenue for their customers. And so it was, that both Destin and WHE recognised the parallels that existed between what the NEXUS solution could deliver and how WHE RV finder service clients could benefit from that.

A partnership was subsequently formed five years ago with the purpose of providing Local Authorities with an all-encompassing rate-finding service. The idea being that this would combine leading edge technology development and automation with expert rating knowledge, something which has simply never been done before.

## Outputs of the partnership

The partnership provides WHE clients with access to the outputs of NEXUS identifying properties (both domestic and commercial) in their area which are not currently liable for tax. It works by taking



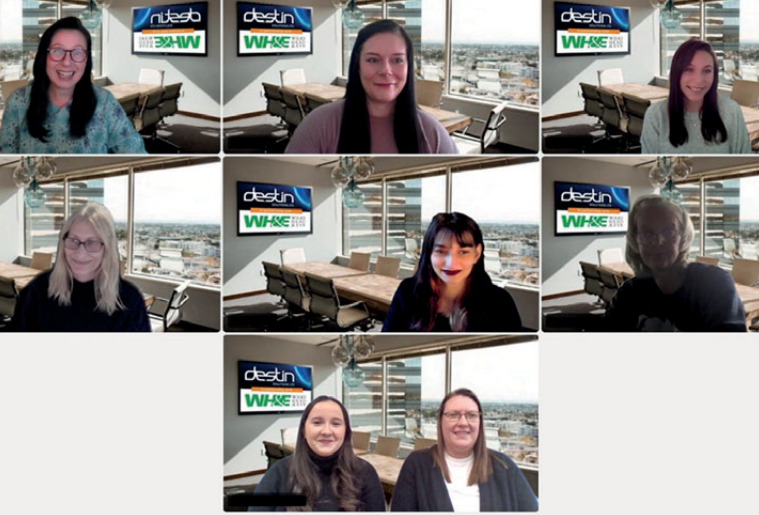
data from online property listings, land registry, development and planning data and numerous other data sources and cross referencing this with rating and banding lists to identify properties not currently being taxed. This has brought automation to the process of identifying properties not currently liable for tax, again an industry first.

Over 66 Councils across England now have access to NEXUS with over 2,500 properties having been identified as not having paid tax and resulting in £5 million in extra annual income being generated for Local Authority clients. It is worth pointing out that this figure is based on the cases which have been reported back to us by clients, many of which don't always have the time and resource to feedback and so we believe the actual figure to be much higher.

## Partnership mechanics

The partnership is a true collaboration in every sense of the word with a dedicated NEXUS business support manager appointed by Destin managing the NEXUS team which consists of both WHE and Destin employees. Weekly meetings are held by the team to identify the client priorities for the week and discuss the on-boarding and management of new clients or renewal needs.

The team are primarily responsible for accessing the NEXUS solution on behalf of clients reviewing the matches it has identified as properties suspected of not being on either the rating or banding list and verifying these. A number of checks are carried out to identify the validity of the match including land registry checks, banding list checks, rating list checks, postcode verification checks and more. Once verified the team prepare a NEXUS report which is sent to the Local Authority client. This report will typically include everything an Authority would need to make a case to the VOA for getting the property added onto the relevant list. For example a case summary, images of the property, extracts of the relevant banding or rating list information, any relevant planning permissions or maps and the sales history of a property.



“Commendation ‘Excellence in Partnership Working (Financial Sustainability)’. Destin Solutions partnered with Wilks Head and Eve to provide the rate-finding service ‘NEXUS’. The team were earnest and showed real enthusiasm for their work. The partnership emphasised their goal of increasing revenue for local government. They were able to combine local government, financial and surveying knowledge, which gave them a unique insight into their work. An appreciation of the financial challenges faced by local authorities was also demonstrated.”

At a more strategic level, quarterly meetings are held by directorial and partnership leads to identify how the service could be improved for Local Authority clients. These meetings are a great catalyst for service enhancement identifying any new data sets or online resources which could be used to widen the pool of missing properties and also act as a platform for inputting into further development of the NEXUS solution. They have also helped shape the acquisition of the service, giving Local Authority clients options on how they procure the service, whether this is based on individual cases found, an annual licence agreement or as part of a full NEXUS Professional valuation service.

#### Unexpected partnership outputs

From WHE’s perspective they wanted digital and IT capabilities to enhance the service they had been providing since 2012 and they knew that this partnership would bring something currently unmatched in the market place. It was about being able to go above and beyond for Local Authority clients not just providing traditional rate finding services in terms of identifying changes in existing commercial properties but more proactively identifying commercial and domestic properties not paying tax. The solution has in fact gone on to deliver much more than that and is also able to highlight instances where changes need to be made to council tax and NNDR liability. For example, in a recent case the team were able to identify a small property which had been demolished and replaced with a larger newly built home resulting in a change in banding and which could be backdated five years. This is not an uncommon occurrence and generally goes undetected unless you have a solution geared up around identifying these types of changes.

WHE are now able to provide additional value to their RV Finder service by providing information on domestic properties and alterations to those as well as commercial properties.

#### Transparency & open communication

Instrumental to the success of the partnership has been transparency, openness and communication with regular training and knowledge transfer between both parties. The level of training the NEXUS team has received has empowered them to independently verify automated matches identified by the solution with them rarely having to refer them to the rating and valuation experts at WHE. This has meant that the WHE rating professionals have been freed up to focus on more complex cases where properties may already be listed but have undergone significant change, providing their Local Authority customers with a more in-depth, robust service.

The solution itself is very much data driven, combing local authority datasets with external datasets and a spatial database to be able to pinpoint using a traffic light system at street level any properties and/or businesses which do not have a listing on either the rating or banding list. Following this, detailed reports are sent to

	Year 1 2023/2024	Year 2 2024/2025	Year 3 2025/2026
<b>Revenue generated from new reports</b>	£50,000	£60,000	£70,000
<b>Plus revenue generated from Year 1 properties in subsequent years</b>		£50,000	£50,000
<b>Plus revenue generated from year 2 properties in subsequent years</b>			£60,000
<b>Total Revenue for financial year</b>	£50,000	£110,000	£180,000

A chart to demonstrate the accumulative effect of revenue generated for a council who uses NEXUS over a 3-year financial period. Please note that a council may generate more or less revenue than the figures shown.

Local Authorities providing enough information for them to prepare submissions to the VOA or for those WHE clients with the NEXUS Professional service, this is done on their behalf.

#### Partnership evolution

The partnership continues to evolve and grow, with the appointment of the new government the team are tracking any potential legislative or policy changes which may impact on both rateable value and council tax liability so that any necessary tweaks can be made to the service to protect client revenue maximisation.

In addition, the NEXUS team supplement the findings of the solution with email prompts set up on key websites which allow them to track things like the addition of annexes, loft conversions and garden offices within domestic properties. These are important because the addition of them can lead to the need for the property to be issued with a new council tax property banding, generating more potential revenue for Local Authorities. These types of changes, alterations and addition of annexes often fly under the radar and this additional property alteration finding service, is included as part of the NEXUS offering at no additional cost to clients.