

## Sloane Square Hotel, Sloane Square, London, United Kingdom

### Challenges

- The 100 bed four star boutique city hotel was purchased as an operational property and run for a period of time before being closed for the refurbishment.
- The client, project managed the works themselves, employing both direct labour and sub-contractors and buying materials directly.
- This meant that we needed to interpret schedules of labour costs and invoices and understand how they applied to qualifying elements of the works.
- The fact that we were dealing with a refurbishment meant that we were expected to be able to achieve a good claim value that would include:
  - Demolitions of plant.
  - Works incidental to plant installations.
  - Ambient features applicable to hotels revenue expenditure
  - Remediation of asbestos.



### Solutions

- The project required strategic liaison with the client's project manager, not always easy on a busy project with tight timescales.
- Regular site surveys and information gathering processes were important. Interrogating the client's capital expenditure with the project manager and obtaining the necessary sub-contract breakdowns for analysis became the main focus. This allowed us to ensure all expenditure was adequately understood for correct categorisation. We needed to understand the trades of all personnel employed on the project.
- Reports were required on an annual basis over three years to cover the development period and the final payments.
- Feedback was obtained from the client in specific areas where the mix of expenditure included operational costs.

### Results

- Our analysis identified 78% of the costs as being claimable against the companies tax liability (excluding hotel allowances which pushed this to 100%).
- This meant that overall the company would save around 20% of the cost of the works over the next ten years of operation.
- 13% of this was in the form of expenditure that would qualify at 100% in the year of expenditure, with small portion also qualifying for the 150% first year allowance as asbestos remediation works.
- The claim was not queried by HM Revenue & Customs.

## **Reflections**

- Projects of this nature are notoriously difficult to resource and undertake.
- They require specific planning and execution, an appreciation of how they will proceed as well as the understanding of the reasons for our involvement by the project team.
- The knowledge and co-operation of those involved in the day-to-day basis throughout the project is essential.
- Although we were able to establish a high claim value, any enquiry into a claim of this nature would have required well organised supporting documentation to back up the analysis prepared. Notes of conversations, e-mails and hard copy documentation needed to be organised and maintained throughout the process.