



BUSINESS RATES RETENTION SCHEME NATIONAL NON DOMESTIC RATES RETURN 1

1. INTRODUCTION AND BACKGROUND

- 1.1 The purpose of this report is to enable Members to approve the national non domestic rates return NNDR1 for 2013/14.
- 1.2 Members are now required to approve the submission in the same way that Members approve the council tax base. The NNDR1 is not a new form but it takes on greater importance, due to the introduction of the business rates retention scheme from April 2013
- 1.3 The new scheme will provide a link between any business rates growth and the amount of money councils have to spend on local services. (Previously business rates income was all pooled nationally and redistributed based on population).
- 1.4 The government has carried out calculations to ensure that at the start of the new scheme councils with more business rates than current spending make a tariff payment to government. Similarly, where councils have greater needs than their business rates income, they will receive a top-up payment from the government. The total sums of these payments will equal each other. NFDC is a tariff authority.
- 1.5 The levels of tariffs and top-up payments will remain fixed each year, but will increase in line with the Retail Price Index. They will not change until the system is reset and the government has said this will not occur before 2020 at the earliest.
- 1.6 In addition, safety net payments will be available if a council's business rates income falls by a certain amount. This will provide some support if, for example, a major employer closes.
- 1.7 The safety net will be funded by a levy paid by those councils whose business rates revenue increases by a disproportionate amount compared to needs. The levy is designed so that if councils grow their business rates, the more they benefit.

2. THE CALCULATION PROCESS

- 2.1 Detailed calculations are required to complete the National Non-Domestic Rates Return 1 purposes. The full details are shown in Appendix 1.
- 2.2 Firstly, the total rateable value of all non-domestic properties in the District is multiplied by the non-domestic rating multiplier to calculate the gross rate yield.
- 2.3 Several changes then have to be made to estimate the total of all mandatory reliefs for the forthcoming year.
- 2.4 Further deductions are made to reflect the estimated cost of all discretionary reliefs for the forthcoming year.

- 2.5 The next step of the calculation is to make an appropriate allowance for losses in collection. The government makes an allowance for the Cost of Collection which has regard to the number of non-domestic properties and the total rateable value.
- 2.6 Further estimated allowances can be made for any known Enterprise Zones, New Development Deals and Renewable Energy Schemes.
- 2.7 A rate retention adjustment has been made to reflect the fact that the Fawley Power Station is set to close on 31 March 2013. An estimate has also been made of the possible retrospective effect of rating appeals being settled in the forthcoming year
- 2.8 Finally, changes have to be made to show the effect of transitional arrangements arising from the phasing in of increases/decreases following the last revaluation.
- 2.9 The summary at the end of the NNDR1 shows how the estimated Net Rate Yield is shared with central government and major preceptors.

3. ENVIRONMENTAL AND CRIME AND DISORDER IMPLICATIONS

- 3.1 None arising directly from this report.

4. CONCLUSION

- 4.1 The Council in January should approve formally the NNDR1 for the purpose of the Business Rates Retention Scheme. The regulations require that the NNDR1 be formally approved in the same manner as the Council Tax Base.
- 4.2 A prudent approach has to be taken in forecasting the estimated Net Rate Yield.

5. RECOMMENDED

That it be a recommendation to the Council that:

- 5.1 The calculation of the NNDR1 as set out in Appendix 1 for the year 2013/14 be approved.

Further Information:

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Background papers:

Various Papers on www.dclg.gov.uk



Department for
Communities and
Local Government

NATIONAL NON-DOMESTIC RATES RETURN 1 NNDR1 2013-14

Please e-mail to : nndr.statistics@communities.gsi.gov.uk

Please enter your details after checking that you have selected the correct authority name.

Please check the figures shown in the cells with a blue border and enter your own figures if you disagree with those suggested.

A provisional version of the form should be returned to the Department for Communities and Local Government by
Monday 7 January 2013

The final version of this form, including a signed copy, must also be sent to the Department for Communities and Local Government by
Thursday 31 January 2013

Select your local authority's name from this list:

Mid Sussex
Middlesbrough
Milton Keynes
Nole Valley
New Forest
Newark and Sherwood

Check that this is your authority :

Check that this is your E Code :

Local authority contact name :

Telephone number of local authority contact :

Fax number for local authority contact :

E-mail address of local authority contact :

New Forest
E1738
Martin Cole
01590 646119
023 8028 5733
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Ver 1.3

1. Number of hereditaments on the rating list on 30 September 2012

6,473

2. Aggregate rateable value on the rating list on 30 September 2012

158,298,583

GROSS CALCULATED RATE YIELD

3. Enter line 2 x small business non-domestic rating multiplier (0.462)

£
73,133,945.35

MANDATORY RELIEFS

Small business rate relief

£

4. Additional yield generated to finance the small business rate relief scheme

1,199,870.79

5. Cost of small business rate relief for properties within billing authority area

3,867,410.88

6. Net cost of the small business rate relief (Line 5 minus Line 4)

2,667,540.09

7. Cost of relief to charities

3,021,638.77

8. Cost of relief to Community Amateur Sports Clubs

124,824.42

9. Cost of relief for rural general stores, post offices, public houses, petrol filling stations and food shops

20,106.91

10. Cost of relief for partly occupied premises

191,777.89

11. Cost of relief for empty premises

1,308,257.94

12. Total mandatory reliefs (Sum of lines 6 to 11)

7,334,146.02

DISCRETIONARY RELIEFS

13. Cost of relief to charities

92,739.84

14. Cost of relief to non-profit making bodies

80,969.84

15. Cost of relief to Community Amateur Sports Clubs

0.00

16. Cost of relief for rural general stores, post offices, public houses, petrol filling stations and food shops

12,612.62

17. Cost of relief to other rural businesses

0.00

18. Other Section 47 reliefs (Localism Act discounts)

0.00

19. Total discretionary reliefs (Sum of lines 13 to 18)

186,322.30

20. Gross Rate Yield after reliefs (Line 3 minus lines 12 & 19)

65,613,477.03

21. Estimate of 'losses in collection'

551,759.34

22. Allowance for Cost of Collection

285,807.45

23. Special Authority Deductions - City of London Offset

0.00

NATIONAL NON-DOMESTIC RATES RETURN 1 2013-14		New Forest
Ver 1.3		
Section 2		
Enterprise Zones		
24. Estimated level of discount to be awarded in 2013-14		£ 0.00
25. Estimated value of non-domestic rates in the Enterprise Zone area in 2013-14	0.00	
26. Enterprise Zone baseline	0.00	
27. Total estimated value of business rates to be retained in 2013-14 (Line 25 minus line 26)		0.00
New Development Deals		
28. Estimated value of non-domestic rates in the New Development Deals area in 2013-14	0.00	
29. New Development Deals baseline	0.00	
30. Total estimated value of business rates to be retained in 2013-14 (Line 28 minus line 29)		0.00
Renewable Energy Schemes		
31. Total estimated value of business rates to be retained in 2013-14		0.00
32. Net Rate Yield excluding transitional arrangements and rate retention (Line 20 minus the sum of lines 21 to 23, 27, 30 & 31)		64,775,910.24
Rate retention adjustments		
33. Estimate of the change in rateable value between 1 October 2012 and 30 September 2013		-2,070,000.00
34. Estimate of the change in receipts as a result in the change in rateable value (line 33 times the multiplier)		-956,340.00
This equates to a percentage change of	% -1.31	
35. Local authority's estimate of adjustment due to appeals		8,195,308.47
36. Net Rate Yield excluding transitional arrangements but after rate retention adjustments (Line 32 plus lines 34 and minus line 35)		55,624,262.00
Section 3		
Transitional arrangements		
37. Addition revenue received because reduction in rates have been deferred	82,172.27	
38. Revenue foregone because increase in rates have been deferred	1,082,258.84	
39. Net cost of transitional arrangements (Line 38 minus line 37)		1,000,086.57
40. Net Rate Yield after transitional arrangements and rate retention (Line 36 minus line 39)		54,624,175.00

NNDR Summary for : New Forest		£
These figures show the percentage shares of the NNDR you estimate your authority will collect in 2013-14. They are based on line 36. See the <i>Tier Split</i> tab for full information		
Amount of NNDR to be paid to central government		27,812,131.00
Amount to be retained by New Forest under the rates retention scheme		22,249,705.00
Amount to be passed to Hampshire		5,006,184.00
Amount to be passed to Hampshire Fire Authority		556,243.00

Certificate of Chief Financial Officer	
<p>I certify that the entries in lines 3, 12, 19, 20, 36, 39 and 40 of this form are the best I can make on the information available to me and that the figures given in lines 1 and 2 used in the calculating the amount shown in lines 36 and 40 are, to the best of my knowledge and belief those shown in the rating list for my authority as at 30 September 2012, subject to any order made before 15 January 2013 under the Local Government Act 1972 implementing boundary changes. I also certify that the authority has made proper arrangements for securing efficiency and effectiveness in relation to the collection of non-domestic rates. I also certify to the best of my knowledge and belief that any amount included as legal costs in line 22 and discretionary relief in line 24 meet the conditions set out in the Non-Domestic Rating (Rates Retention) Regulations 2013.</p>	
Chief Financial Officer :
Date :