

# Public Document Pack



Chairman and Members of the  
Council

Your contact: Martin Ibrahim  
Ext: 2173  
Date: 25 January 2016

cc. All other recipients of the Council  
agenda

Dear Councillor

## **COUNCIL - 27 JANUARY 2016: SUPPLEMENTARY AGENDA NO 1**

Please find attached the following reports which were marked "to follow" on the agenda for the above meeting:

9. Human Resources Committee: Minutes - 13 January 2016 (Pages 3 - 10)

*Chairman: Councillor C Woodward*

10. Joint Meeting of Scrutiny Committees: Minutes - 19 January 2016 (Pages 11 - 18)

*Chairman: Councillor P Phillips*

11. Audit Committee: Minutes - 20 January 2016 (Pages 19 - 24)

*Chairman: Councillor W Mortimer*

12. National Non Domestic Rates Calculation 2016/17 (Pages 25 - 44)

*To consider a report of the Executive Member for Finance and Support Services.*

Please bring these papers with you to the meeting next Wednesday.

Yours faithfully

Martin Ibrahim  
Democratic Services Team Leader  
Democratic Services  
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**MEETING** : COUNCIL  
**VENUE** : COUNCIL CHAMBER, WALLFIELDS, HERTFORD  
**DATE** : WEDNESDAY 27 JANUARY 2016  
**TIME** : 7.00 PM

MINUTES OF A MEETING OF THE  
HUMAN RESOURCES COMMITTEE HELD  
IN THE COUNCIL CHAMBER,  
WALLFIELDS, HERTFORD ON  
WEDNESDAY 13 JANUARY 2016, AT 3.00  
PM

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PRESENT: Councillor C Woodward (Chairman)  
Councillors S Bull, S Cousins, I Devonshire,  
J Goodeve, P Ruffles and M Stevenson.

OFFICERS IN ATTENDANCE:

Lorraine Blackburn	- Democratic Services Officer
Vicki David	- Human Resources Officer
Emma Freeman	- Head of Human Resources and Organisational Development
Liz Watts	- Chief Executive

506 MINUTES

The Chairman referred to Minute 7 (Professional Career Vocational Study Policy) and commented that career graded roles within Planning and Building Control should be given attention.

RESOLVED - that the Minutes of the meeting held on 21 October 2015 be confirmed as a correct record and signed by the Chairman.

507 CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed the Chief Executive, Liz Watts to the meeting. He explained that she would be providing Members with a summary of the proposed new Senior Management Group Structure as part of the report on the Workforce Plan.

The Chairman reminded Members that although he ran the meetings with a degree of informality, he asked that Members address any questions through the Chair.

508 WORKFORCE PLAN

The Chief Executive thanked Members for the opportunity to explain the new leadership team proposals currently undergoing consultation. She explained that it was important that the people affected by any restructure, were advised first. Those affected had now been advised and all staff had been emailed and two staff briefings had also taken place.

The Chief Executive explained that the current structure and meetings schedule was “top heavy” and that the proposed new approach was “flatter” and moved away from a directorate approach, towards a single leadership team, with a decrease of full time equivalents (FTEs) at Senior Management Group level from 16 to 12.

The Chief Executive explained the key changes and the rationale behind the new Head of Service (HOS) roles adding that there would be no line management between HOS and Directors. HOS would have autonomy, responsibility and accountability to run their service areas, allowing Directors to concentrate on driving forward corporate priorities and large projects, such as the Old River Lane development. However, Directors and the Chief Executive would each mentor three HOS, ensuring that they had the support mechanisms in place to operate effectively.

The Chief Executive explained that the Director vacancy would not be advertised until the consultation period had ended on 3 February 2016.

Councillor P Ruffles questioned whether the Council had experience of working this model or whether the Chief Executive had seen it work in other councils. The Chief Executive explained that she had worked in an organisation where this management structure had been in place and was confident in the proposed structure, with HOS having responsibility and autonomy. She referred to other large

issues which would impact on the Council in the future, such as devolution, housing and the need for Local Government to shape itself and work more with its external partners. The Chairman referred to the Council's Director of Transformation during the Changing the Way We Work process.

The Chief Executive explained that the restructure had been shared with some external partners, such as those in shared services and at the end of the consultation period, any comments received would be considered. She explained that if any substantive changes were made as a result of the consultation, they would be discussed with the Executive.

Councillor S Bull expressed concern regarding the 25% reduction in SMG posts. The Chief Executive said that for a Council the size of East Herts, the organisation was top heavy in terms of its SMG posts and that she had aimed to put services together which made sense from a resident viewpoint, e.g. a new Head of Housing, Health and Community Safety.

In response to a query from Councillor I Devonshire regarding the savings to be achieved by a reduction from 16 to 12 and whether projects such as the Old River Lane would necessitate being managed by the creation of a team, the Chief Executive explained that there would be broadly, a saving of around £200,000 from the restructure. She further stated that some savings may be reinvested to ensure the Council had the right people in place further down the organisation, but that these decisions could not be made until HOS were in post. The Chief Executive reminded Members that a Steering Group had been set up in relation to Old River Lane and she saw this as a good example of a significant corporate project that would be led by one of the new Director roles.

The Chairman commented that the Old River Lane project would need to be handled with sensitivity. He referred to the process of scrutiny and asked how the restructure might affect this. The Chief Executive explained that it was for Members to decide on how they wanted to take scrutiny forward and whether Members wanted fewer scrutiny committees.

Councillor M Stevenson suggested that the Council should have a statement ready for publication regarding proposed changes. The Chief Executive stated that the Council would like to be more proactive in communicating its priorities, although she did not consider the restructure to be something that was appropriate to put into the public domain. Councillor J Goodeve supported the need to produce some form of statement in the event of speculation. She asked what was being done about levels of staff morale at lower levels.

The Chief Executive agreed that a reactive statement needed to be prepared. She stated that staff had been advised why the re-structure was necessary and the savings the Council needed to achieve from 2017/18 due to the central government grant cut in the region of £2M. The Chief Executive stated that staff were being kept informed, invited to submit their comments or have 1:1 meetings with her to address any concerns.

The Chief Executive explained the need to deliver services in the “smartest” way, with more services available for customers online (where appropriate).

With regard to the use of Agency Workers, the Chief Executive hoped to see a reduction in this cost. The Head of Human Resources and Organisational Development explained the need to look at the tier below HOS to make sure that the Council had a defined tier and general capacity overall to support its services.

The Chairman stated that in terms of capacity, there were areas such as enforcement, which the Council needed to look at more closely.

The Head of Human Resources and Organisational Development submitted a report on the findings on workforce planning needs over a four year service planning process. She provided a summary of the key points.

The Chairman stated that the timing of the report was fortunate, given the restructure proposals. He expressed

concern regarding retirements and the loss of “legacy” knowledge. The Chairman referred to a report on how people responded to “channel shift” and how the Council did things in the future. He queried why there was nothing in the report about working with Hertfordshire County Council.

Councillor I Devonshire referred to “work-life” balance flexible arrangements offered by the Police. The Head of Human Resources and Organisational Development explained the flexible arrangements offered by the Council to all staff.

In response to a query by Councillor S Bull regarding training, the Head of Human Resources and Organisational Development explained that staff received a mixture of training both externally and internally, including an opportunity to work on secondments, “e”-learning, job shadowing and webinars.

In response to a query by Councillor M Stevenson, the Head of Human Resources and Organisational Development explained how the Council deployed and used apprenticeships. She stated that the topic would be discussed at Senior Management Group next week. The issue of pay differences between authorities and phased flexible working towards retirement was discussed.

In response to a query from Councillor S Cousins regarding lone working, the Head of Human Resources and Organisational Development confirmed there was a policy which addressed this. She undertook to write to the Member further on this issue.

The Committee thanked the Chief Executive for the restructure update and noted the findings from the workforce planning process.

RESOLVED – that the findings from workforce planning be noted.

509 HUMAN RESOURCES MANAGEMENT STATISTICS -  
QUARTERLY REPORT

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The Head of Human Resources (HR) and Organisational Development submitted a report setting out Human Resource information for the period 1 October 2015 to 11 December 2015.

The HR Officer provided a summary of the key points. The HR Officer stated that staff turnover was 8.7% in the first nine months of 2015/16 and that projected turnover for 2015/16 was 7.88% against a target of 10%. Voluntary leavers' was 6.53%, projected to be 8.7% against a target of 7%.

The HR Officer explained that short term sickness for the period 2015/2016 per full time equivalent (FTE) was currently forecast at 3.36 days against a target of 4.5 days. The current projected long term sickness absence per FTE was 1.74 days against a target of 2 days.

Updates were provided in relation to work related accidents, learning and development, performance management and equalities monitoring indicators. A summary was provided of policies currently under review including the number of agency staff working for the Council by service area as at 11 December 2015.

In response to a query from Councillor P Ruffles regarding the two new starters who did not attend corporate induction, the HR Officer explained that another corporate induction would take place on 14 January 2016. In relation to the number of courses/events offered, the Head of Human Resources and Organisational Development explained that many were offered openly to staff and some were service specific. The Chairman referred to extended learning also offered online.

The Committee approved the report, as now detailed.

RESOLVED – that the Human Resources Quarterly Management Statistics report, as now submitted, be approved.



510 LOCAL JOINT PANEL - MINUTES OF THE MEETING:

RESOLVED – that the Minutes of the Local Joint Panel meeting held on 2 December 2015 be received.

(See also Minute 511)

511 EXPENSES POLICY

The Committee considered and approved the recommendation of the Local Joint Panel meeting held on 2 December 2015 on a revised Expenses Policy.

RESOLVED – that the Expenses Policy, as now submitted, be approved.

(See also Minute 510)

The meeting closed at 4.25 pm

Chairman	.....
Date	.....

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MINUTES OF A MEETING OF THE  
JOINT MEETING OF SCRUTINY  
COMMITTEES HELD IN THE COUNCIL  
CHAMBER, WALLFIELDS, HERTFORD ON  
TUESDAY 19 JANUARY 2016, AT 7.00 PM

PRESENT: Councillor P Phillips (Chairman).  
Councillors D Abbott, A Alder, K Brush,  
J Cartwright, M Casey, S Cousins, H Drake,  
M Freeman, J Goodeve, R Henson,  
Mrs D Hollebon, J Jones, P Moore, T Page,  
M Pope, S Reed, C Snowdon, M Stevenson,  
N Symonds, K Warnell and J Wyllie.

ALSO PRESENT:  
  
Councillors D Andrews, E Buckmaster,  
L Haysey, G Jones, G McAndrew, P Ruffles,  
S Rutland-Barsby and G Williamson.

OFFICERS IN ATTENDANCE:

Philip Gregory	- Head of Strategic Finance
Peter Mannings	- Democratic Services Officer
Chris Roberts	- Graduate Finance Officer
Adele Taylor	- Director of Finance and Support Services
Liz Watts	- Chief Executive

512 APPOINTMENT OF CHAIRMAN

It was proposed by Councillor J Wyllie and seconded by Councillor Mrs D Hollebon that Councillor P Phillips be appointed Chairman for the joint meeting.

RESOLVED – that Councillor P Phillips be appointed Chairman for the joint meeting.

513 APOLOGIES

Apologies for absence were submitted on behalf of Councillors P Ballam, G Cutting and R Standley.

514 MINUTES – 10 FEBRUARY 2015

RESOLVED – that the Minutes of the joint meeting held on 10 February 2015 be confirmed as a correct record and signed by the Chairman.

515 CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed Councillor C Snowdon to her first Scrutiny meeting at East Herts.

516 BUDGET REPORT AND MTFP 2016/17 – 2019/20

The Executive Member for Finance and Support Services submitted a report which set out proposals in respect of the following:

- The 2015/16 revenue budget forecast outturn.
- The 2016/17 revenue budget.
- The 2016/17 Schedule of Charges.
- The 2015/16 (revised) to 2019/20 Capital Programme.
- The Medium Term Financial Plan 2016/17 – 2019/20.
- The Council's Reserves.

The Director of Finance and Support Services referred to funding uncertainties and highlighted a number of useful pages in the report. She summarised the background section of the report and stated that a more detailed breakdown of the financial settlement had been circulated in the Members' Information Bulletin.

The Director reminded Members of the ongoing uncertainty in respect of the Council's sources of funding. She stated that the provisional settlement included complete removal of the Revenue Support Grant from 2018/19, and that the New Homes Bonus was currently

the subject of a live consultation process, although the amount for 2016/17 was not expected to change. Officers had made a number of best estimates in terms of the future position.

In response to a number of queries from Members, the Director explained that earmarked reserves were covered by a set of criteria each financial year for specific purposes. The Head of Strategic Finance confirmed that Officers had made assumptions in the Medium Term Financial Plan based on the best currently available information.

Members were also provided with a detailed explanation of the Council's reserves and where these could be used in line with best practice guidance. The Director advised that the £150k footbridge reserve had been included each year due to the potential high cost of repairs which would need to be resolved quickly. Members were also reminded that any use of reserves to fund additional work had been included in health check reports.

The Director confirmed that the forecast outturn for the Net Cost of Services would be made clearer in the Executive report. The Director also responded to queries from Members regarding the net costs of the services that were delivered by the Authority and how these differed from the net expenditure reported in the statutory statement of accounts. Members were referred to Essential Reference Papers 'F' and 'G' for the full picture regarding the growth and savings detailed in the 2016/17 revenue budget.

The Director answered queries from Members regarding changes to fees and charges that were detailed in the report. Members were reminded that some fees and charges were beyond the Council's control and others were set at a level for full cost recovery. There were also fees and charges where the Authority had a degree of control.

Councillor J Cartwright referred to the £450k shortfall in

the forecast outturn position for 2015/16 in respect of the Council's interest income budget. Members were reminded that the full year effect of the purchase of Old River Lane in terms of interest would not be evident at this time. Members were reassured that the pension deficit was regularly reviewed, with a triennial valuation taking place in 2016, and details were provided of contributions to reserves made in 2014/15.

Councillor M Freeman commented on whether a modest increase in Council Tax might be acceptable to the population of East Herts in return for improvements to services. Members had a brief debate regarding the merits and impacts of any increase in Council Tax. The Director and the Head of Strategic Finance responded to Members' queries and the Executive Member for Finance and Support Services stated that Officers had presented a balanced budget that did not require a Council Tax increase.

The Director assured Councillor M Pope that Officers offered advice to those that were eligible for grants that were available as detailed on pages 29 and 30 of the report. Councillor N Symonds was advised that the £50k for Hertford Theatre was for the replacement of well-used chairs and tables in the café/bar area.

The Director of Finance and Support Services highlighted section 15 of the report regarding the advice from the Section 151 Officer. Members were advised that the budget modelling and subsequent proposals were prudent, sensible and robust.

Members received the report and supported the recommendations now detailed.

RESOLVED – that (A) the report be received; and

(B) the Executive be advised that the joint meeting of Scrutiny Committees has no comments to make in respect of the following:

- (1) the 2015/16 Forecast Outturn set out in Section 4, including the proposed contributions to and from Reserves as detailed in paragraph 4.11 of the report submitted;
- (2) the forecast 2015/16 revenue underspend transfer to the Transformation Reserve, as detailed in paragraph 4.11 of the report submitted;
- (3) the 2016/17 Revenue Budget, including:
  - Budget Growth as set out in Section 6, paragraph 6.2 of the report submitted;
  - Budget Savings as set out in Section 6, paragraph 6.3 of the report submitted;
  - Contingency budget as set out in Section 8, paragraph 8.3 of the report submitted;
  - use of Earmarked Reserves, as detailed in section 9 of the report submitted;
  - the advice from the Director of Finance and Support Services (Section 151 Officer) on the levels of reserves and robustness of the forecasts in setting the budget as required by Section 25 of the Local Government Act 2003 (section 15);
- (4) the proposed 2016/17 Schedule of Charges, as set out in section 7 of the report submitted;
- (5) the East Herts Council element of the Council Tax Demand, as set out in paragraph 11.3 of the report submitted;
- (6) the Capital Programme for the period 2015/16 (Revised) to 2019/20, the funding of the programme and the consequential revenue budget implications as set out in section 12 of the report submitted;
- (7) the Medium Term Financial Plan covering 2015/16 (Revised) to 2019/20 as set out in

section 13 of the report submitted; and

- (8) the Reserves Policy as set out in Section 14 of the report submitted.

517 TREASURY MANAGEMENT STRATEGY AND ANNUAL INVESTMENT STRATEGY 2016/17

The Executive Member for Finance and Support Services submitted a report on the Treasury Management Strategy and Annual Investment Strategy for 2016-17 including the 2016-17 Prudential Indicators.

Members were advised of the purpose of the report with particular reference to the key features of the Council's treasury management and annual investment strategies as well as a need to ensure security and liquidity of funds before seeking the best possible returns. Members were referred to Essential Reference Paper 'B' for the full Treasury Management Strategy statement.

In reply to a query, Members were reminded that the Authority was not permitted to borrow to invest. The Council could, however, borrow to fund a specific project. The Director of Finance and Support Services confirmed that the Authority could not plug funding gaps with cash from its investment portfolio, because this strategy would only work once. The solution was to ensure that the Council's assets were working hard to cover shortfalls.

The Executive Member for Finance and Support Services stated that the Authority was working hard to get the best possible return from the resources that were available to it.

Members expressed their gratitude to Officers for their expert advice. Members received the report and supported the recommendations now detailed.

RESOLVED – that (A) the report be received; and

- (B) the Executive be advised that the joint



meeting of Scrutiny Committees has no comments to make in respect of the following:

- (1) the Treasury Management Strategy and Annual Investment Strategy, as detailed in paragraphs 2.1 – 2.2 of the report submitted;
- (2) the Prudential Indicators, as set out at paragraph 2.3 of the report submitted; and
- (3) the counterparty and approved countries listing in paragraph 2.4 of the report submitted.

The meeting closed at 8.44 pm

Chairman .....
Date .....

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MINUTES OF A MEETING OF THE  
AUDIT COMMITTEE HELD IN THE  
COUNCIL CHAMBER, WALLFIELDS,  
HERTFORD ON WEDNESDAY 20  
JANUARY 2016, AT 7.00 PM

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PRESENT: Councillor W Mortimer (Chairman).  
Councillors B Deering, I Devonshire,  
P Phillips and S Stainsby.

ALSO PRESENT:

Councillors P Ruffles and G Williamson.

OFFICERS IN ATTENDANCE:

Lorraine Blackburn	- Democratic Services Officer
Chris Gibson	- Head of Governance and Risk Management
Philip Gregory	- Head of Strategic Finance
Graham Mully	- Risk Assurance Officer
Adele Taylor	- Director of Finance and Support Services

ALSO IN ATTENDANCE:

Alan Cooper	- Shared Internal Audit Service
Debbie Hanson	- Ernst Young LLP
Francesca Palmer	- Ernst Young LLP

518 TRAINING ITEM – RISK MANAGEMENT

The Risk Assurance Officer provided a presentation on Risk Management. He explained what risk management was and why the Council managed risk, including the benefits of risk

management. He explained only the highest 10 – 15 priority risks in terms of those which were operational (day to day) or strategic, were monitored by Officers and how these were carried out; and Officers' roles and responsibilities. The Risk Assurance Officer explained that Officers were trying to reduce insurances costs now that the Council had an Insurance Reserve by funding risks itself guided by claim trends. He explained that it was essential to ensure that the process remained robust.

In response to a query from Councillor R Deering regarding self-insurance its impact on deductibles and savings which could be achieved, the Risk Assurance Officer explained that a lot of the Council's equipment could be self-funded but that a full actuarial review needed to take place. He explained that the Council paid out £280,000 insurance costs and that insurance costs were determined by its pay role and numbers of staff employed but that by going out to tender could be a way of achieving savings.

The Chairman thanked the Officer for the presentation. The Committee received the report.

RESOLVED – that the presentation be received.

519 APOLOGIES

Apologies for absence were received from Councillors J Cartwright and P Kenealy.

520 MINUTES – 25 NOVEMBER 2015

Councillor P Deering referred to Minute 425 (Minutes) regarding the issue of pensions and the Council's deficit and what plans the Council was making to eliminate the deficit. The Director of Finance and Support Services explained that the pension scheme was managed by the Pension Board and Hertfordshire County Council and that the Council made payments based on actuarial advice. She explained that provision for these payments were made in the Medium Term Financial Plan (MTFP). The Director of Finance and Support Services explained that the Council was funding up to 81% of

the pension fund which was higher than any other local council. In response to a further question from Councillor B Deering, the Director of Finance and Support Services undertook to provide all Members with past reviews and historical documentation on previous pension reviews and actuarial advice.

RESOLVED - that the Minutes of the meeting held on 25 November 2015 be confirmed as a correct record and signed by the Chairman.

521 CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed Francesca Palmer and Debbie Hanson from Ernst Young LLP, the Council's new External Auditors.

522 EXTERNAL AUDIT – GRANTS CLAIM CERTIFICATION WORK 2014/15

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The Director of Finance and Support Services submitted a letter from the Council's former External Auditors regarding certification work for the 2014/15 financial year relating to expenditure of £36.2M. It was noted that the claim form was amended and qualified in relation to a sum of £238; this related to an issue of classification of tenants in short term accommodation.

The External Auditor confirmed that, they were satisfied that the Council had appropriate arrangements in place to compile and complete accurate and timely claims for audit certification.

The Committee received the report.

RESOLVED – that the report be received.

523 TREASURY MANAGEMENT STRATEGY STATEMENT 2016/17

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The Executive Member for Finance submitted a report which set out the 2016/17 Treasury Strategy Statement

and Annual Investment Strategy and Prudential Indicators. The Head of Strategic Finance provided a summary of the report. It was noted that the report had also been submitted to the joint meeting of Scrutiny Committees for that Committee's consideration prior to consideration by the Executive.

In response to a query from the Chairman regarding the actual gross debt as at 31 March, the Head of Strategic Finance explained that the Council paid interest only and that the capital was still outstanding which impacted on the actual gross debt.

Members received the report and resolved to recommend to the Executive the recommendations as now detailed in the report.

RESOLVED – that (A) the Treasury Management Strategy and Annual Investment Strategy detailed in paragraphs 2.1 – 2.2 be recommended for submission to the Executive;

(B) the prudential indicators detailed in paragraph 2.3 be recommended for submission to the Executive; and

(C) the counterparty listed detailed in paragraph 2.4 of the report submitted, be recommended for submission to the Executive.

#### 524 SHARED INTERNAL AUDIT SERVICE – AUDIT PLAN UPDATE REPORT

The Shared Internal Audit Service submitted a report detailing the progress made by SIAS in delivering the Council's Annual Audit Plan for 2015/16 as at 1 January 2016. The report proposed amendments to the approved 2015/16 Audit Plan as detailed within the report and provided the implementation status of previously agreed high priority audit recommendations. The report also provided an update on performance management information as at 1 January 2016. The SIAS Officer provided a summary of the report.

In response to a query from Councillor B Deering regarding the length of time taken to put in place the Business Continuity Plan, the Director of Finance and Support Services explained the background to the internal audit work carried out in 2011; the new infrastructure now in place and the need to ensure that all the new work was properly signed off. She assured the Member that this would be completed by March 2016. The Chairman welcomed the cautious monitoring approach.

In response to a query by Councillor S Stainsby in terms of whether any further support was needed by the Shared Internal Audit Service from the Council or whether other reviews were needed. SIAS confirmed that they were happy with the ongoing support from the Council and that it looked at the local risk registers and joint working arrangements to develop plans with other local authorities. The Director of Finance and Support Services referred to new developments this year in relation to the new Shared Anti-Fraud Service which would be included within the internal audit plan.

The Committee approved the report.

RESOLVED – that (A) the Internal Audit Progress report be noted;

(B) the amendments to the Audit Plan as at 1 January 2016 and as now submitted, be approved; and

(C) the status of high priority recommendations be noted.

525 UPDATE ON IMPLEMENTATION OF ANNUAL GOVERNANCE STATEMENT ACTION PLAN

The Director of Finance and Support Services submitted a report in relation to the 2014/15 Annual Governance Statement and the three measures recommended to enhance East Herts Council's internal control framework during 2015/16. The report also provided details of proposed actions which needed to take place prior to

confirmation being given that adequate and effective controls were fully in place. The Head of Governance and Risk Management provided a summary of the report, highlighting those which were now “green” and those which had turned “amber”.

Members noted the progress made against implementing the 2015/16 Annual Governance Statement Action Plan.

RESOLVED – that the progress made against implementing the Action Plan detailed in the 2015/16 Annual Governance statement be noted.

526 AUDIT COMMITTEE WORK PROGRAMME

The Director of Finance and Support Services submitted a report detailing the proposed work programme for Audit Committee during 2016/17.

The Chairman referred to the full agenda for the next meeting and asked Members to let him know their preferred training requirements for the next meeting.

Members approved the work programme, as now detailed.

RESOLVED – that the work programme, as now detailed, be approved.

The meeting closed at 7.50 pm

Chairman .....
Date .....



## EAST HERTS COUNCIL

COUNCIL – 27 JANUARY 2016

### REPORT BY THE EXECUTIVE MEMBER FOR FINANCE AND SUPPORT SERVICES

#### NATIONAL NON DOMESTIC RATES CALCULATION 2016/17

WARDS AFFECTED: All

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#### Purpose/Summary of Report

- To recommend to the Council the calculation of the National Non Domestic Rates Budget 2016/17

<b>RECOMMENDATIONS FOR COUNCIL: that:</b>	
<b>(A)</b>	<b>in accordance with the Non-Domestic Rating (Rates Retention) Regulations 2013, the amount calculated by East Herts Council for the year 2016/17 shall be £44,466,980 (Non domestic rating income from rates retention scheme);</b>
<b>(B)</b>	<b>the estimated Collection Fund Deficit for 2015/16 of £5,675,972 be allocated to the constituent bodies as detailed at paragraph 2.18 of the report; and</b>
<b>(C)</b>	<b>the Council's share of the estimated 2015/16 NDR Collection Fund deficit be funded from the Collection Fund Reserve.</b>

#### 1 Background

- 1.1 Under the provisions of the Non-Domestic Rating (Rates Retention) Regulations 2013, by a direction under paragraph 43 of schedule 7B of the local Government Finance act 1988, local authorities are required on or before 31st January to estimate and then notify the Secretary of State

and any relevant precepting authorities of the amounts of each relevant precepting authority's share of its non-domestic rating income for the relevant year.

1.2

<b>Distribution of 2016/17 NNDR1 within Essential Reference Paper 'B'</b>	<i>Part 1b Line 14</i>
Amount to be paid to Central Government	£22,233,490
Amount to be retained by East Herts Council (Gross of Tariff & Cost of collection allowance)	£17,786,792
Amount to be passed to Hertfordshire County Council	£ 4,446,698
<b>TOTAL</b>	<b>£44,466,980</b>

2 Report

2016/17 Non Domestic Rate Forecast

- 2.1 2016/17 is the fourth year of the rates retention scheme. In brief, under the rates retention scheme, authorities will, from 1 April 2013, retain a percentage of the rates income that they collect. Further percentages will be paid to central government and to an authority's major precepting authorities. (In our case Hertfordshire County Council)
- 2.2 The amount to be retained, and the amounts to be paid to central government and major precepting authorities are to be fixed at the start of the financial year on the basis of the billing authority's estimate of its non-domestic rating income for the year.
- 2.3 Using a revised government form (NNDR1) which contains details of the rateable values shown in the authority's local rating list at 31 December, the Council is able to estimate the gross yield from business rates to reflect local intelligence about likely increases, or decreases, in the business rates that can be collected for the year.

- 2.4 After certain deductions, including mandatory and discretionary relief and adjustments to reflect losses on collection, this will give the authority's estimated net rating income for the year which will be used to determine the payments that are due to central government. There will be a 50% central share, and to the relevant precepting authorities (Hertfordshire County Council) 10% in the case of EHC. The remainder forms the part of the funding for East Herts (40%).
- 2.5 Billing authorities are also required by the Non-domestic Rating (Transitional Protection Payments) Regulations 2013 to estimate the amount of the transitional protection payment for the year. This relates to changes in valuations which are phased in after a major revaluation exercise. These occur approximately every five years, (2005, 2010 etc) although, the 2015 revaluation has been deferred to 2017. To help pay for the limits on increases in bills, there also has to be limits on those properties where revaluation leads to reduced bills. This would be used for example if a business would otherwise have a significant increase or reduction in their liability, in excess of government guidelines. The change is instead applied in installments.
- 2.6 Finally, the retention regulations require billing authorities to further deduct from the net income figure, an amount in respect of the cost of collection and for the rates collected in Enterprise Zone areas, New Development Deal areas and from renewable energy hereditaments, as set out in the draft Non-Domestic Rating (Designated Area) Regulations and Non-Domestic Rating (Renewable Energy Projects) Regulations. For East Herts we are currently only impacted by the cost of collection, none of the others apply. The table below demonstrates the stages of calculation.

	Gross Rates Yield
Less	Mandatory Reliefs
Less	Discretionary Reliefs
Less	Losses in collection (Write offs, bad debt provision)
Less	An allowance for costs of collection
Adjusted by	Enterprise zones, New development deals, and Renewable energy schemes (None for East

changes in	Herts)
Plus	Growth
Less	Successful appeals
Equals	Net Yield (excluding transitional arrangements)
	This is then distributed
50%	Paid to Central Government
40%	Retained by East Herts
10%	Paid to Hertfordshire County Council

2.7 Under the retention scheme, there are both potential risks and rewards in calculating our share of the yield. The major risks and concerns for the Council are; the level of successful rating appeals that may be made in the year, the unknown level of bankruptcies and businesses going into administration, the number of empty properties, the number of new properties and the Collection rate achievable. We have to make an estimate of the impact of all these, based on limited trend information.

2.8 The rateable value of businesses in East Herts is **£112,899,479**. There are currently rating appeals lodged with the government's Valuation Office in respect of rateable values totaling **£30.28 million** with a few claims outstanding back to the 2005 rating list (and upon which interest could also be payable). Not all of these will be successful either in full or part. The cost of any successful appeals would be met from the monies received, and hence there will be a considerable degree of uncertainty and volatility in the actual level of income received by the Council in any one year. The reduction in the NNDR Tax Base from appeals is estimated at **£343,701** in 2016/17.

2.9 An assumption has to be made on the expected level of growth within NNDR yield per year. Based on past trends and expected completions during 2016/17, officers are forecasting net growth of £52,250 over government assumptions.

2.10 In summary, after reliefs, adjustments, and appeals the Council anticipate the net yield to be £44,461,277 in 2016/17. This assumes a collection rate of 99% which is in

line with previous performance. The table below shows the respective shares of the £44,461,277:-

	<b>% Share</b> (Column A)	<b>Government Assumption</b> (Column B)  (£)	<b>NNDR Calculated Respective Share</b> (Column C – A*B)  (£)	<b>Variance</b> (Column D – B-C)  (£)
Government	50%	22,582,210	22,233,490 <i>(Part 1b line 14)</i>	-348,720
East Herts Council (*)	40%	18,065,768	17,786,792 <i>(Part 1b line 14)</i>	-278,976
Hertfordshire County Council	10%	4,516,442	4,446,698 <i>(Part 1b line 14)</i>	-69,744
<b>Total</b>	<b>100%</b>	<b>45,164,420</b>	<b>44,466,980</b> <i>(Part 1b line 14)</i>	<b>-697,440</b>

(\*) *Gross of tariff*

- 2.11 Since 2013-14 our performance on collection of NNDR directly impacts on the resources that the Council has to spend on services for its residents and businesses.
- 2.12 The funding that the Council has is based upon an assessed level of need by the DCLG (Department for Communities and Local Government), that will determine the level of NNDR that the Council either pays over (as a tariff) or receives (as a top-up) to fund services. This is in addition to a Revenues Support Grant.
- 2.13 East Herts is a tariff authority. This means it does not keep its entire share of NNDR but is subject to the payment of a tariff. This figure was determined by the government in the provisional Local Government Finance settlement released at the end of December 2015. The Business Rate Baseline

is calculated on the basis of a share of the national total of business rates collected over the last two years. This has been calculated at **£18,065,768** less the DCLG calculation of Baseline funding level of **£2,489,772 (Tariff = £15,575,996)** The Tariff is payable to the government by the Council in installments throughout the year.

- 2.14 The business rates retention scheme provides the opportunity for local authorities to share in the benefits of growth in the rates tax base i.e. provides an incentive for economic development and regeneration. Any income retained from growth is subject to a levy of 50%. Conversely if any Council suffers a significant drop in NNDR due to the loss of one or more major businesses, or a large number of smaller businesses, or a greater than expected loss from revaluations, then a safety net applies. This means that no local authority will suffer more than a 7.5% loss on its net tariff. In our case this is equivalent to a loss of £187k.
- 2.15 The calculation at a local level, based on recent trends, indicates that no levy will be payable in 2016-17. If there is growth in the tax base and the Council collects more than anticipated in the year these figures are all recalculated at year end, in a similar way to that of Council Tax collection, and the adjustments are included in the following year's figures.
- 2.16 Taking all of the above into account, the anticipated level of income to be retained locally from Business Rates in 2015/16 by East Herts Council is calculated to Be **£2,210,796 (£17,786,792- £15,575,996)**
- 2.17 In relation to this volatility, current estimates have shown that due to the high "gearing" nature of retained Business Rates to the total level of Business Rates generated within the district (**£2,210,796**) compared to around **£44,466,980**, this only represents 4.97% of the net yield. The level at which the Government safety net will come into force in relation to reductions in the Business Rates is 7.5% or £2,303,039, (being 92.5% of the Government calculated EHC Baseline Funding Level of £2,489,772) before any support from Central Government were to be forthcoming. Based on the estimates contained in the 2016/17 NNDR,

the safety net arrangements will be required for the Council in 2016/17.

2.18 Updated 2015/16 Balance on the Collection Fund Account

In addition to the above, the billing authority is required to revise the estimate of the likely balance on the NDR Collection Fund at the end of the current financial year (2015/16) and distribute the surplus or recover the deficit from the constituent bodies.

The balance on the Collection Fund at the end of 2015/16 is estimated to be -£5,586,254, to be allocated as follows:

	Allocation %	Constituent Share (Part 1b Line 24) £
Central Government	50	-2,837,986
East Hertfordshire District Council	40	-2,270,389
Hertfordshire County Council	10	-567,597
<b>Total</b>	<b>100</b>	<b>-5,675,972</b>

2.19 The distribution will be undertaken in 2016/17 and amended by the completion of the NNDR3 for 2015/16.

2.20 For the Council, the updated MTFP (Medium Term Financial plan) assumes the Deficit to be distributed in 2016/17 will be funded through the Cost of Collection Reserve.

*Summary*

2.21 Based on the calculations at paragraphs 2.1 to 2.18, the amount to be distributed to each constituent body is as follows:

	Cost of Collection Allowance £	Share Allocation %	2016/17 Share £	Allocation of 2015/16 Surplus/Deficit £
Central Government	Nil	50	22,233,490	-2,837,986
East Hertfordshire District Council	193,935	40	17,786,792	-2,270,389
Hertfordshire County Council	Nil	10	4,446,698	-567,597
<b>TOTAL</b>	<b>193,935</b>	<b>100</b>	<b>44,466,980</b>	<b>-5,675,972</b>

### 3 NNDR1 Form for 2016/17

- 3.1 Once the NNDR1 form has been certified, it must be returned to the Department for Communities and Local Government by no later than **31 January 2016**.
- 3.2 Should any Member have detailed questions or comments on the assumptions it would be of great benefit to advise the Director of Finance and Support Services or the Executive Member for Resources and Internal Support in advance of the meeting.

### 4 Implications/Consultations

- 4.1 Officers have endeavored to ensure that the assumptions included in completing the NNDR1 for 2016/17 are robust; reflecting both current performance and known material changes for the near future where relevant information is available.
- 4.2 It should be noted that the following factors will have a material influence on the NDR's Net Yield and ultimately the Council's retained income under the Rate Retention Scheme:
- the impact of schools taking on Academy status



- within the district,
- the impact of significant commercial sites changing to Council tax status,
- the valuation office performance in resolving appeals, and

4.3 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**

#### Background Papers

The Local Government Finance Bill 2012

<http://services.parliament.uk/bills/2012-13/localgovernmentfinance/documents.html>

The Local Government Finance Act 2012

<http://www.legislation.gov.uk/ukpga/2012/17/contents/enacted>

Contact Member: Councillor Geoff Williamson- Executive Member for Finance and Support Services  
[geoffrey.williamson@eastherts.gov.uk](mailto:geoffrey.williamson@eastherts.gov.uk)

Contact Officer: Adele Taylor – Director of Finance and Support Services, Ext: 1401  
[adele.taylor@eastherts.gov.uk](mailto:adele.taylor@eastherts.gov.uk)

Report Author: Alison Street – Principal Accountant Ext 2056  
[alison.street@eastherts.gov.uk](mailto:alison.street@eastherts.gov.uk)

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## ESSENTIAL REFERENCE PAPER 'A'

### IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives:	<b>People</b> This priority focuses on enhancing the quality of life, health and wellbeing, particularly for those who are vulnerable, and delivering strong services
Consultation:	N/A
Legal:	Under the provisions of the Non-Domestic Rating (Rates Retention) Regulations 2013, by a direction under paragraph 43 of schedule 7B of the local Government Finance act 1988, local authorities are required on or before 31st January to estimate and then notify the Secretary of State and any relevant precepting authorities of the amounts of each relevant precepting authority's share of its non-domestic rating income for the relevant year.
Financial:	As referenced in the report.
Human Resource:	None
Risk Management:	As referenced in the report.
Health and Wellbeing:	None

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**NATIONAL NON-DOMESTIC RATES RETURN - NDR1**

**2016-17**

Please e-mail to: [ndr.statistics@communities.gsi.gov.uk](mailto:ndr.statistics@communities.gsi.gov.uk) by no later than **31 January 2016**.  
In addition, a certified copy of the form should be returned by no later than **31 January 2016** to the same email address

**All figures must be entered in whole £**

If you are content with your answers please return this form to DCLG as soon as possible

Select your local authority's name from this list:

East Hertfordshire
East Lindsey
East Northamptonshire
East Ridings of Yorkshire
East Staffordshire
Eastbourne

Authority Name  
E-code  
Local authority contact name  
Local authority contact number  
Local authority e-mail address

East Hertfordshire
E1933
Graeme Reid
01279 502127
<a href="mailto:graeme.reid@hertspartnership-ala.gov.uk">graeme.reid@hertspartnership-ala.gov.uk</a>

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**PART 1A: NON-DOMESTIC RATING INCOME**

**COLLECTIBLE RATES**

1. Net amount receivable from rate payers after taking account of transitional adjustments, empty property rate, mandatory and discretionary reliefs and accounting adjustments

£  
**44,660,915**

**TRANSITIONAL PROTECTION PAYMENTS**

2. Sums due to the authority

**0**

3. Sums due from the authority

**0**

**COST OF COLLECTION (See Note A)**

4. Cost of collection formula

**193,935**

5. Legal costs

**0**

6. Allowance for cost of collection

**193,935**

**SPECIAL AUTHORITY DEDUCTIONS**

7. City of London Offset : Not applicable for your authority

**0**

**DISREGARDED AMOUNTS**

8. Amounts retained in respect of Designated Areas. Not applicable for your authority

**0**

9. Amounts retained in respect of Renewable Energy Schemes (See Note B)

**0**

of which:

10. sums retained by billing authority

**0**

11. sums retained by major precepting authority

**0**

**NON-DOMESTIC RATING INCOME**

12. Line 1 plus line 2, minus lines 3 and 6 - 9

**44,466,980**

**NATIONAL NON-DOMESTIC RATES RETURN - NDR1**

**2016-17**

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If you are content with your answers please return this form to DCLG as soon as possible

Local Authority : East Hertfordshire

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**PART 1B: PAYMENTS**

**This page is for information only; please do not amend any of the figures**

The payments to be made, during the course of **2016-17** to:

- i) the Secretary of State in accordance with Regulation 4 of the Non-Domestic Rating (Rates Retention) Regulations 2013;
- ii) major precepting authorities in accordance with Regulations 5, 6 and 7; and to be
- iii) transferred by the billing authority from its Collection Fund to its General Fund,

are set out below

	Column 1 Central Government	Column 2 East Hertfordshire	Column 3 Hertfordshire County Council	Column 4	Column 5 Total
	£	£	£	£	£
<b>Retained NDR shares</b>					
13. % of non-domestic rating income to be allocated to each authority	50%	40%	10%	0%	100%
<b>Non-Domestic Rating Income for 2016-17</b>					
14. Non-domestic rating income from rates retention scheme	22,233,490	17,786,792	4,446,698	0	44,466,980
15. (less) qualifying relief in Enterprise Zones	0	0	0	0	0
16. Not used this year					
17 <b>TOTAL:</b>	22,233,490	17,786,792	4,446,698	0	44,466,980
<b>Other Income for 2016-17</b>					
18. add: cost of collection allowance		193,935			193,935
19. add: amounts retained in respect of Designated Areas		0			0
20. add: amounts retained in respect of renewable energy schemes		0	0		0
21. add: qualifying relief in Enterprise Zones		0	0	0	0
22. add: City of London Offset		0			0
23. Not used this year					
<b>Estimated Surplus/Deficit on Collection Fund</b>					
24. Estimated Surplus/Deficit at end of 2015-16	-2,837,986	-2,270,389	-567,597	0	-5,675,972
<b>TOTAL FOR THE YEAR</b>					
25. Total amount due to authorities	19,395,504	15,710,338	3,879,101	0	38,984,943

**NATIONAL NON-DOMESTIC RATES RETURN - NDR1**

**2016-17**

Please e-mail to: [ndr.statistics@communities.gsi.gov.uk](mailto:ndr.statistics@communities.gsi.gov.uk) by no later than **31 January 2016**.  
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Local Authority : East Hertfordshire

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**PART 1C: SECTION 31 GRANT (See Note C)**

**This page is for information only; please do not amend any of the figures**

Estimated sums due from Government via Section 31 grant, to compensate authorities for the cost of changes to the business rates system announced in the 2013, 2014 & 2015 Autumn Statements

	Column 2 East Hertfordshire	Column 3 Hertfordshire County Council	Column 4	Column 5 Total
<b>2015-16 Multiplier Cap</b>				
26. Cost of 2% cap on 2015-16 small business rates multiplier	£ 257,247	£ 64,312	£ 0	£ 321,559
<b>Small Business Rate Relief</b>				
27. Cost of temporary doubling SBRR for 2016-17	540,199	135,050	0	675,249
28. Cost to authorities of maintaining relief on "first" property	0	0	0	0
<b>"New Empty" Property Relief</b>				
29. Cost to authorities of giving relief to newly-built empty property	13,915	3,479	0	17,394
<b>"Long Term Empty" Property Relief</b>				
30. Relief on occupation of "long-term empty" property	5,601	1,400	0	7,001
<b>In lieu of Transitional Relief</b>				
31. Payments in lieu of Transitional Relief	21,067	5,267	0	26,334
<b>TOTAL FOR THE YEAR</b>				
32. Amount of Section 31 grant due to authorities to compensate for reliefs	£ 838,029	£ 209,508	£ 0	£ 1,047,537

**NB** To determine the amount of S31 grant due to it, the authority will have to add / deduct from the amount shown in line 32, a sum to reflect the adjustment to tariffs / top-ups in respect of the multiplier cap (See notes for Line 32)

**Certificate of Chief Financial Officer / Section 151 Officer**

I confirm that the entries in this form are the best I can make on the information available to me and amounts are calculated in accordance with regulations made under Schedule 7B to the Local Government Act 1988. I also confirm that the authority has acted diligently in relation to the collection of non-domestic rates.

Name of Chief Financial Officer  
or Section 151 Officer : .....

Signature : .....

Date : .....

**PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1**  
**2016-17**

All figures must be entered in whole £

If you are content with your answers please return this form to DCLG as soon as possible

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**Local Authority : East Hertfordshire**

**PART 2: NET RATES PAYABLE**

**You should complete column 1 only**

	Column 1 BA Area (exc. Designated areas) <b>Complete this column</b>	Column 2 Designated areas <b>Do not complete this column</b>	Column 3 TOTAL (All BA Area) <b>Do not complete this column</b>
	£	£	£
<b>GROSS RATES PAYABLE</b> (All data should be entered as +ve unless specified otherwise)			
1. Rateable Value at <input type="text" value="31/12/2015"/>	<input type="text" value="112,899,479"/>	<input type="text" value="0"/>	<input type="text" value="112,899,479"/>
2. Small business rating multiplier for 2016-17 (pence) <input type="text" value="48.4"/>			
3. Gross rates 2016-17 (RV x multiplier)	<input type="text" value="54,643,348"/>	<input type="text" value="0"/>	<input type="text" value="54,643,348"/>
4. Estimated growth/decline in gross rates (+ = increase, - = decrease)	<input type="text" value="-343,701"/>	<input type="text" value="0"/>	<input type="text" value="-343,701"/>
5. Forecast gross rates payable in 2016-17	<input type="text" value="54,299,647"/>	<input type="text" value="0"/>	<input type="text" value="54,299,647"/>
<b>TRANSITIONAL ARRANGEMENTS (See Note E) - Not applicable in 2016-17</b>			
6. Revenue foregone because increases in rates have been deferred (Show as -ve)	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
7. Additional income received because reductions in rates have been deferred (Show as +ve)	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
8. Net cost of transitional arrangements	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
9. Changes as a result of estimated growth / decline in cost of transitional arrangements (+ = decline, - = increase)	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
10. Forecast net cost of transitional arrangements	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
<b>TRANSITIONAL PROTECTION PAYMENTS (See Note F) - Not applicable in 2016-17</b>			
11. Sum due to/(from) authority	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
<b>MANDATORY RELIEFS (See Note G) (All data should be entered as -ve unless specified otherwise)</b>			
<b>Small Business Rate Relief</b>			
12. Forecast of relief to be provided in 2016-17	<input type="text" value="-2,662,490"/>	<input type="text" value="0"/>	<input type="text" value="-2,662,490"/>
13. of which: relief on existing properties where a 2nd property is occupied	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
14. Additional yield from the small business supplement (Show as +ve)	<input type="text" value="1,225,715"/>	<input type="text" value="0"/>	<input type="text" value="1,225,715"/>
15. Net cost of small business rate relief (line 12 + line 14)	<input type="text" value="-1,436,775"/>	<input type="text" value="0"/>	<input type="text" value="-1,436,775"/>
<b>Charitable occupation</b>			
16. Forecast of relief to be provided in 2016-17	<input type="text" value="-4,149,356"/>	<input type="text" value="0"/>	<input type="text" value="-4,149,356"/>
<b>Community Amateur Sports Clubs (CASCs)</b>			
17. Forecast of relief to be provided in 2016-17	<input type="text" value="-108,276"/>	<input type="text" value="0"/>	<input type="text" value="-108,276"/>
<b>Rural rate relief</b>			
18. Forecast of relief to be provided in 2016-17	<input type="text" value="-48,284"/>	<input type="text" value="0"/>	<input type="text" value="-48,284"/>



**PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1  
2016-17**

All figures must be entered in whole £

If you are content with your answers please return this form to DCLG as soon as possible

Ver 1.31

**Local Authority : East Hertfordshire**

**PART 2: NET RATES PAYABLE**

**You should complete column 1 only**

	Column 1 BA Area (exc. Designated areas)	Column 2 Designated areas	Column 3 TOTAL (All BA Area)
19. Forecast of mandatory reliefs to be provided in 2016-17 (Sum of lines 15 to 18)	-5,742,691	0	
20. Changes as a result of estimated growth/decline in mandatory relief (+ = decline, - = increase)	-1,069,675	0	
<b>21. Total forecast mandatory reliefs to be provided in 2016-17</b>	<b>-6,812,366</b>	<b>0</b>	<b>-6,812,366</b>

**UNOCCUPIED PROPERTY (See Note H) (All data should be entered as -ve unless specified otherwise)**

**Partially occupied hereditaments**

22. Forecast of 'relief' to be provided in 2016-17	-19,136	0	-19,136
<b>Empty premises</b>			
23. Forecast of 'relief' to be provided in 2016-17	-1,493,712	0	-1,493,712

24. Forecast of unoccupied property 'relief' to be provided in 2016-17 (Line 22 + line 23)	-1,512,848	0	
25. Changes as a result of estimated growth/decline in unoccupied property 'relief' (+ = decline, - = increase)	-199,650	0	
<b>26. Total forecast unoccupied property 'relief' to be provided in 2016-17</b>	<b>-1,712,498</b>	<b>0</b>	<b>-1,712,498</b>

**DISCRETIONARY RELIEFS (See Note J) (All data should be entered as -ve unless specified otherwise)**

**Charitable occupation**

27. Forecast of relief to be provided in 2016-17	-177,680	0	-177,680
--	----------	---	----------

**Non-profit making bodies**

28. Forecast of relief to be provided in 2016-17	-41,401	0	-41,401
--	---------	---	---------

**Community Amateur Sports Clubs (CASCs)**

29. Forecast of relief to be provided in 2016-17	0	0	0
--	---	---	---

**Rural shops etc**

30. Forecast of relief to be provided in 2016-17	-21,247	0	-21,247
--	---------	---	---------

**Small rural businesses**

31. Forecast of relief to be provided in 2016-17	-1,447	0	-1,447
--	--------	---	--------

**Other ratepayers**

32. Forecast of relief to be provided in 2016-17	0	0	0
--	---	---	---

*of which:*

33. Relief given to Case A hereditaments		0	
34. Relief given to Case B hereditaments	0		

**PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1**  
**2016-17**

All figures must be entered in whole £

If you are content with your answers please return this form to DCLG as soon as possible

Ver 1.31

**Local Authority : East Hertfordshire**

**PART 2: NET RATES PAYABLE**

**You should complete column 1 only**

	Column 1 BA Area (exc. Designated areas)	Column 2 Designated areas	Column 3 TOTAL (All BA Area)
35. Forecast of discretionary relief to be provided in 2016-17 (Sum of lines 27 to 32)	-241,775	0	
36. Changes as a result of estimated growth/decline in discretionary relief (+ = decline, - = increase)	-30,250	0	
<b>37. Total forecast discretionary relief to be provided in 2016-17</b>	<b>-272,025</b>	<b>0</b>	<b>-272,025</b>
<b>DISCRETIONARY RELIEFS FUNDED THROUGH SECTION 31 GRANT (See Note K) (All data should be entered as -ve unless specified otherwise)</b>			
<b>"New Empty" properties</b>			
38. Forecast of relief to be provided in 2016-17	-34,293	0	-34,293
<b>"Long term empty" properties</b>			
39. Forecast of relief to be provided in 2016-17	-13,803	0	-13,803
<b>In lieu of Transitional Relief</b>			
40. Payments to ratepayers in lieu of Transitional Relief in 2016-17	-51,917	0	-51,917
41. Forecast of discretionary reliefs funded through S31 grant to be provided in 2016-17 (Sum of lines 38 to 39)	-100,013	0	
42. Changes as a result of estimated growth/decline in Section 31 discretionary relief (+ = decline, - = increase)	-50,417	0	
<b>43. Total forecast of discretionary reliefs funded through S31 grant to be provided in 2016-17</b>	<b>-150,430</b>	<b>0</b>	<b>-150,430</b>
<b>NET RATES PAYABLE</b>			
44. Forecast of net rates payable by rate payers after taking account of transitional adjustments, unoccupied property relief, mandatory and discretionary reliefs	£ 45,352,328	£ 0	£ 45,352,328

Checked by Chief Financial / Section 151 Officer :

**PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1**  
**2016-17**

All figures must be entered in whole £

If you are content with your answers please return this form to DCLG as soon as possible

Ver 1.31

**Local Authority : East Hertfordshire**

**PART 3: COLLECTABLE RATES AND DISREGARDED AMOUNTS**

**You should complete column 1 only**

Column 1 BA Area (exc. Designated areas) Complete this column £	Designated areas			Column 5 TOTAL (All BA Area) Do not complete this column £	
	Column 2 Do not complete this column £	Column 3 Do not complete this column £	Column 4 Do not complete this column £		
<b>NET RATES PAYABLE</b> 1. Sum payable by rate payers after taking account of transitional adjustments, empty property rate, mandatory and discretionary reliefs	45,352,328	0	0	0	45,352,328
<b>(LESS) LOSSES</b> 2. Estimated bad debts in respect of 2016-17 rates payable	-317,466	0	0	0	-317,466
3. Estimated repayments in respect of 2016-17 rates payable	-373,947	0	0	0	-373,947
<b>COLLECTABLE RATES</b> 4. Net Rates payable less losses	44,660,915	0	0	0	44,660,915
<b>DISREGARDED AMOUNTS</b> 5. Renewable Energy	0	0	0	0	0
6. Transitional Protection Payment	0	0	0	0	0
7. Baseline	0	0	0	0	0
<b>DISREGARDED AMOUNTS</b> 8. Total Disregarded Amounts	0	0	0	0	0

Checked by Chief Financial / Section 151 Officer : \_\_\_\_\_

**PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NDR1**  
**2016-17**

All figures must be entered in whole £

If you are content with your answers please return this form to DCLG as soon as possible

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**Local Authority : East Hertfordshire**

**PART 4: ESTIMATED COLLECTION FUND BALANCE**

**OPENING BALANCE**

1. Opening Balance (From Collection Fund Statement)	£	£
		-8,719,525

**BUSINESS RATES CREDITS AND CHARGES**

2. Business rates credited and charged to the Collection Fund in 2015-16	44,914,474	
3. Sums written off in excess of the allowance for non-collection	0	
4. Changes to the allowance for non-collection	-117,860	
5. Amounts charged against the provision for appeals following RV list changes	310,395	
6. Changes to the provision for appeals	-885,500	
<b>7. Total business rates credits and charges (Total lines 2 to 6)</b>		44,221,509

**OTHER RATES RETENTION SCHEME CREDITS**

8. Transitional protection payments received, or to be received in 2015-16	0	
9. Transfers/payments to the Collection Fund for end-year reconciliations	0	
10. Transfers/payments into the Collection Fund in 2015-16 in respect of a previous year's deficit	3,791,951	
<b>11. Total Other Credits (Total lines 8 to 10)</b>		3,791,951

**OTHER RATES RETENTION SCHEME CHARGES**

12. Transitional protection payments made, or to be made, in 2015-16		
13. Payments made, or to be made, to the Secretary of State in respect of the central share in 2015-16	-22,387,466	
14. Payments made, or to be made to, major precepting authorities in respect of business rates income in 2015-16	-4,477,493	
15. Transfers made, or to be made, to the billing authority's General Fund in respect of business rates income in 2015-16	-17,909,972	
16. Transfers made, or to be made, to the billing authority's General Fund; and payments made, or to be made, to a precepting authority in respect of disregarded amounts in 2015-16	-194,976	
17. Transfers/payments from the Collection Fund for end-year reconciliations		
18. Transfers/payments made from the Collection Fund in 2015-16 in respect of a previous year's surplus		
<b>19. Total Other Charges (Total lines 12 to 18)</b>		-44,969,907

**20. Adjustment for 5-Year Spread**

**ESTIMATED SURPLUS/(DEFICIT) ON COLLECTION FUND IN RESPECT OF FINANCIAL YEAR 2015-16**

21. Opening balance plus total credits, less total charges, plus adjustment for 5-year spread (Total lines 1, 7, 11, 19 & 20)		£
		-5,675,972

Checked by Chief Financial / Section 151 Officer :