

EAST HERTS COUNCIL

COUNCIL – 14 DECEMBER 2016

REPORT BY THE EXECUTIVE MEMBER FOR FINANCE AND
SUPPORT SERVICES

NATIONAL NON-DOMESTIC RATES RETURN - DELEGATED
AUTHORITY

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- To ensure an appropriate approval process is in place for the setting of the National Non-Domestic Rates Budget for 2017/18 and future years. This will enable submission of the National Non-Domestic Rates (NNDR1) return to Central Government and Hertfordshire County Council by the statutory deadline of 31st January 2017 without the need for additional Council meetings.

RECOMMENDATIONS FOR COUNCIL: That:

(A)	authority to approve and submit the annual National Non-Domestic Rates (NNDR1) return to Central Government be delegated to the Section 151 Officer in consultation with the Executive Member for Finance and Support Services for 2017/18 and future years; and
(B)	the delegation scheme in the Council Constitution be amended to reflect this authorisation and the Monitoring Officer be authorised to make the consequential textual amendments.

1.0 Background

1.1 Under the provisions of the Non-Domestic Rating (Rates Retention) Regulations 2013 the Council is required, on or before 31st January, to estimate and notify Central government and Hertfordshire County Council of the amount of its share of non-

domestic rates for the relevant year. This information is collated and submitted on a NNDR1 form.

1.2 The Business Rate Retention scheme came into effect on 1st April 2013. Under this scheme a proportion of National Non-Domestic Rates (NNDR) is retained by local Government. The NNDR1 form is a key document in the budget setting process which provides financial estimates of retained business rates and surplus/deficit position on the Collection Fund which both East Herts and Hertfordshire County Council require to complete their budget for the upcoming year.

1.3 In previous years the NNDR1 and estimates that it contains have been approved at a Council meeting in January as part of the budget setting process as set out in the Constitution.

2.0 Report

2.1 The 2017/18 NNDR1 form will contain estimates of the collectible non-domestic rates and the balance on the collection fund as at 31st March 2017. In order to produce these estimates officers use software from Capita (the Council's software provider), reports from consultants regarding value of appeals, along with local knowledge and professional judgement.

2.2 A revaluation of rateable values has been carried out by the Valuation Office and will come into effect on 1st April 2017. This impacts all hereditaments on the East Herts rating list, with both increases and decreases in valuation. The impact of this revaluation, to both local and central government will offset by a change to the multiplier (the gross value of rates payable across the country will not change).

2.3 There will however be changes, both up and down, to the rates paid by individual rate payers; these will be phased in using a series of transitional reliefs. These transitional reliefs are set based on legislation from Central Government.

2.4 In order to estimate the impact of this revaluation and subsequent entitlement to reliefs, officers will be using the end of year software release from Capita which is not expected to be received until late January 2017 due to the need to reflect legislation.

2.5 A communication received from the Department of Communities and Local Government (DCLG) indicates that the 2017/18 NNDR1

form will be sent to local authorities on the 16th December 2016, although there is a caveat that this date is subject to change. It is anticipated that, as in previous years, there will be amendments to the form before the final draft is received.

- 2.6 This potential late publication of the NNDR1 form, legislative changes and delayed software release will impact on the time available to officers to complete and submit the 2017/18 NNDR1 by 31st January 2017.
- 2.7 The proposal to delegate authority to approve the Non-Domestic rates budget and NNDR1 will ensure that statutory deadlines are met without the need for additional Council meetings. Details of retained business rates will be reported to Council as part of the budget setting process.
- 3.0 Implications/Consultations
- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

None

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