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**BUSINESS RATES INCOME - CALCULATION OF BASELINE 2013/14**

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**Responsible Cabinet Member – Councillor Stephen Harker  
Efficiency and Resources Portfolio**

**Responsible Director – Paul Wildsmith, Director of Resources**

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**SUMMARY REPORT**

**Purpose of the Report**

1. To approve the Council's estimated Business Rate Income for 2013/14.

**Summary**

2. In accordance with the Local Government Finance Act 2012 the Council is required from 2013/14 to have committee approval by 31 January for their NNDR1 form which estimates the business rates income for the coming financial year. The NNDR1 form is attached as **Appendix 1**.

**Recommendation**

3. It is recommended that:-
  - (a) The report for the calculation of the Council's Business Rate Income for the year 2013/14 be approved.
  - (b) The completed NNDR1 form as set out at Appendix 1 be approved.

**Reasons**

4. The recommendations are supported to comply with statutory requirements, enabling the Business Rate Income for 2013/14 to be approved by Council by 31 January 2013.

**Paul Wildsmith  
Director of Resources**

**Background Papers**

No Background papers were used in the preparation of this report

Peter Carrick - Extension 2326

S17 Crime and Disorder	This report has no implications for crime and disorder
Health and Well Being	There are no health and well being issues
Carbon Impact	There are no carbon impact implications
Diversity	There are no diversity issues
Wards Affected	The proposals affect all wards
Groups Affected	The proposals affect all Groups
Budget and Policy Framework	This report must be considered by Council
Key Decision	This is not an executive decision
Urgent Decision	This is not an executive decision.
One Darlington: Perfectly Placed	This report has no implications for the Sustainable Community Strategy
Efficiency	The reports does not have any efficiency implications

## MAIN REPORT

### Information and Analysis

5. The Local Government Finance Bill was given Royal Assent on 31 October 2012 and its requirements are due to come into effect from 1 April 2013 and therefore apply to the 2013/14 MTFP.
6. Under the new legislation, 49% of National Non-Domestic Rates (NNDR) will be retained locally by the Council, 1% will be passed to the Durham & Darlington Fire & Rescue Authority and 50% will be paid over to central Government to fund the Revenue Support Grant and other core grants.
7. At the moment all NNDR collected is paid to the Government under the national funding and pooling arrangements, and the Council then receives back an amount depending on perceived need calculated through the Formula Grant mechanism.
8. Currently, officers complete a return known as the NNDR1 form before the start of each financial year which is returned to the Department for Communities and Local Government (DCLG). This form provides the local tax base for business properties in the area for the forthcoming year and forms part of the national pool.
9. Under the Business Rates Retention Scheme the NNDR1 form becomes a key document in the budget setting process. An initial submission to Government of the provisional NNDR1 form for 2013/14 was required by 7 January 2013. A final version must be approved by Council and returned to the DCLG no later than 31 January 2013.
10. The need to obtain sign-off of the NNDR1 form is a new requirement and is date critical. Officers prepared and submitted the provisional return on 7 January 2013 in line with requirements set out in legislation. The provisional return is attached to this report as Appendix 1.
11. Page 2 of the NNDR1 return summaries the position as follows:
  - (a) £16,565,702 – NNDR income collected to be paid to Central Government being 50% of net rate yield excluding transitional arrangements.
  - (b) £16,234,388 – NNDR income collected to be retained by the Council being 49% of net rate yield excluding transitional arrangements.
  - (c) £331,314 – NNDR income collected to be passed to Durham & Darlington Fire and Rescue Authority being 1% of net rate yield excluding transitional arrangements.
12. The provisional and final figures must be reported to DCLG and any relevant precepting authorities. In the case of the Council it must formally notify Durham & Darlington Fire and Rescue Authority of their proportionate share of the Councils total estimated business rates income for 2013/14

## **Outcome of Consultation**

13. This is a technical report, which follows a prescribed format. There has been no consultation in compiling this report.