

Enfield Council

Appendix C

Council – 25 January 2023

2023/24 Business Rate base

1. NATIONAL NON-DOMESTIC RATES RETURN – NNDR1 2023-24

1.1 The NNDR1 return is used to report the estimate of Enfield's non domestic rating income to DLUHC.

1.2 The Non-Domestic Rating (Rates Retention) Regulations 2013 require Enfield Council to calculate the following amounts and to notify these amounts to the Secretary of State and any relevant precepting authorities by **31 January**:

- the amount of the central share of its non-domestic rating income for the relevant year;
- the amount of each relevant precepting authority's share of non-domestic rating income for the relevant year;
- the amount (if any) to be deducted from the central share payment in accordance with regulation 4(1) (qualifying relief);
- the amount of each relevant precepting authority's share of any amount to be deducted from the central share payment in accordance with regulation 4(1);
- the authority's estimate of the amount specified by regulation 7(2) (payments with respect to county matters) for the relevant year;
- The authority's estimate of the surplus or deficit on its collection fund for the preceding year.

2. Completing the NNDR1

2.1 Each billing authority needs to estimate the business rate income it expects to collect in the next financial year. This is done by completing an NNDR1 form. This year the starting point is the rateable value on the draft rating list released on 9 January 2023.

2.2 From the gross yield figure a series of deductions must be made

1. The amount of small business rate relief
2. The total of all mandatory and discretionary reliefs
3. Cost of collection (provided by the DLUHC)
4. Losses on collection
 - Bad debt provision
 - Future appeal provision

Then the following additions must be made

1. Additional yield generated to small business rate relief
2. Additional rates collected as a result of rates deferred

2.3 This results in the Net Rating Income which is the figure that central government will use to estimate the central share and shares to

preceptors. This figure also determines the safety net and levy payments.

3. Timetable

- 3.1 The NNDR1 form must be completed by the 31st January 2023. The NNDR3 return, which reports the actual out turn for the previous year (2022/23), will be completed by end of June 2023, and includes results in the gross collectable rates income. The NNDR3 determines the actual surplus or deficit on the collection fund, and this is used to calculate the difference between the forecast surplus or deficit on the collection fund for the year before that immediately preceding the relevant financial year and the actual as determined in the NNDR3

4. The Role of NNDR1 and NNDR3 in the schedule of payments

- 4.1 The NNDR1 estimates the net rating income and 37% is paid to the GLA and 30% paid to Enfield as set out in regulation.

5. Approval

- 5.1 The approval of the NNDR 1 return is delegated in line with usual governance practices to the Audit Committee.

6. Rate Retention Calculation

- 6.1 Based on the calculation below the amount to be retained by Enfield under the rate retention scheme will be £36,268,939, excluding estimate Collection Fund Deficit. Deficit is expected to be £3,155,956, leading to a net retained business rate share of £33,112,983. The section 31 Grants are expected to be £13,241,748.

NNDR 1 RETURN SUMMARY FOR 2023/24

1. Rateable Value at 10 January 2023	324,775,005
2. Small business rating multiplier for 2023-24 49.9pence	
3. Gross rates 2023-24 - (RV x multiplier)	162,062,727
4. Estimated growth/decline in gross rates	<u>0</u>
	162,062,727
5. Forecast gross rates payable in 2023-24	
6. Net cost of transitional arrangements	(13,906,320)
7. Total forecast mandatory reliefs to be provided in 2023-24	(12,166,145)
8. Total forecast unoccupied property 'relief' to be provided in 2023-24	(1,767,846)
9. Total forecast discretionary relief to be provided in 2023-24	(448,706)
10. Total forecast of discretionary reliefs funded through S31 grant to be provided in 2023-24 (<i>make this nil in case no s31 next year</i>)	(14,458,049)
11. Forecast of net rates payable by rate payers after taking account of transitional adjustments, unoccupied property relief, mandatory and discretionary reliefs	<u>119,315,661</u>
12. Estimated bad debts in respect of 2023-24 rates payable	(7,465,783)
13. Estimated repayments in respect of 2023-24 rates payable	(4,530,500)
14. Net Rates payable less losses	<u>107,319,378</u>
15. Cost of collection formula	(329,235)
16. Transitional Protection Payments	13,906,320
NON-DOMESTIC RATING INCOME	<u><u>120,896,463</u></u>

**NON-DOMESTIC RATING INCOME FROM RATES RETENTION
SCHEME**

Central Government	Enfield	Greater London Authority	Total
33%	30%	37%	100%
£	£	£	£
39,895,833	36,268,939	44,731,691	120,896,463