



WARDS AFFECTED: ALL WARDS

1. **PURPOSE OF REPORT**

To outline to Executive the timescales for the NNDR1 Baseline 2014/2015 and to approve delegated authority to the Deputy Chief Executive (Corporate Direction) for approval of the baseline going forwards.

2. **RECOMMENDATION**

- 2.1 That Executive note requirements and timescales for approval of the NNDR1 form
- 2.2 That Executive agree delegated authority to the Deputy Chief Executive (Corporate Direction) to approve the NNDR baseline

3. **BACKGROUND TO THE REPORT**

- 3.1 On 18 July 2011, the Department for Communities and Local Government (DCLG) published proposals for business rates retention, as part of the Local Government Resource Review. From 2013/14, billing authorities were required to pay over 50% of collected business rates to the DCLG to be returned as Revenue Support Grant (RSG). The remaining 50% is split between the billing authority (80%) and the precepting authorities (20%).
- 3.2 On an annual basis billing authorities are required to provide details of expected business rates income for the following year on a NNDR1 form. Until 2013/14, this information was submitted to the DCLG and used for budget setting purposes only. Section 59A of the Local Government Finance Act 1988, as amended by Section 1 of the Local Government Finance Act 2012 made it obligatory from 2013/2014 for this form to be formally approved by 31st January each year. For this Authority, this approval is deemed an Executive function.
- 3.3 The draft NNDR1 form for 2014/2015 was issued by Government on 3rd January 2014. The final form will be received by 17th January 2014 – a number of weeks later than in 2013/2014. Because of this delay, it is proposed that approval of the NNDR1 form and the resulting baseline is delegated by Executive to the Deputy Chief Executive (Corporate Direction). This will ensure that deadlines are met for 2014/2015 and in future years. This process is consistent with the approval of the Council Tax Base which was approved for delegation by Executive previously.
- 3.4 A verbal update on the proposed Business Rates forecast for 2014/2015 will be provided at this meeting.

4. **FINANCIAL IMPLICATIONS [KP]**

- 4.1 The NNDR1 form will forecast the level of NNDR expected to be collected by the Council in year, after taking into account discounts, collection rates and appeals estimates.
- 4.2 Of the total income forecast, 50% is paid to central government. The remaining 50% (locally retained share) shared as follows:

- 80% retained by Hinckley and Bosworth Borough Council
- 18% passed to Leicestershire County Council
- 2% passed to Fire/Police Authorities

4.3 As outlined in the Local Government Finance Act (2012), the retained business rates of this Council are subject to a tariff set out in the 2014/2015 Local Government Finance Settlement. Any growth over the set baseline will be subject to a “levy” payment which is paid using the same proportions indicated above. The settlement announced that a safety net threshold for all Councils of 7.5%. On this basis, this Council would need to lose £173,586 of Business Rates before a safety net payment will be made.

5. LEGAL IMPLICATIONS [MR]

As set out in the report

6. CORPORATE PLAN IMPLICATIONS

The baseline is a key element of the General Fund budget which will support all elements of the Corporate Plan.

7. CONSULTATION

n/a – no consultation requirements as this is a statutory return completion

8. RISK IMPLICATIONS

It is the Council’s policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer’s opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
That the Council has insufficient resources to meet its aspirations and cannot set a balanced budget	That the strategy is applied to produce a balanced budget and demands are matched to resources	S. Kohli

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

The budget process will impact on all areas of the Borough and all groups within the population

10. CORPORATE IMPLICATIONS

By submitting this report, the report author has taken the following into account:

- Community Safety implications

- Environmental implications
 - ICT implications
 - Asset Management implications
 - Human Resources implications
 - Planning Implications
 - Voluntary Sector
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Background papers: Local Government Finance Settlement

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