

# Crawley Borough Council

## Consideration Report for Delegated Decision by the Leader of the Council

**Expected Date of Decision 7 February 2024**

### **Calculation of the Non-Domestic Rates Income for the Year 2024/2025**

Report of the Chief Executive and Head of Corporate Finance (Section 151 Officer) – **FIN/646**

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#### **1. Purpose**

- 1.1 The purpose of this briefing note is for the Leader of the Council to exercise his delegated authority to approve the Non-Domestic Rates Income for 2024/2025.

#### **2. Recommendations**

- 2.1 The Leader is recommended to approve the calculation of the Non-Domestic Rates income for 2024/2025.

#### **3. Reasons for the Recommendations**

- 3.1 The Council has to provide the Government with an estimate of Non-Domestic Rates income for the forthcoming year by way of completion of the NNDR1.

#### **4. Background**

- 4.1 The Non-Domestic Rating (Rates Retention) Regulations 2013 require a billing authority, by 31 January in the preceding year, to:
- a) Calculate its non-domestic rates income for the relevant year;
  - b) Calculate the amount of the central share of its non-domestic rating income for the relevant year;
  - c) Calculate the amount of each relevant precepting authority's share of its non-domestic rating income for the relevant year; and
  - d) Notify the Secretary of State and any relevant precepting authorities of the amounts calculated.
- 4.2 The Non-Domestic Rates income is used to calculate the level of grant receivable by the Council through the Business Rates Retention Scheme introduced from April 2013. There is now a direct link between the Non-Domestic Rates income receivable in the year and the level of grant receivable by the Council.

## 5. Information & Analysis Supporting Recommendation

5.1 The calculation is reported in NNDR1 (National Non-Domestic Rates Return) which is attached at Appendix A. This shows:

(a)	non-domestic rates income ( <b>part 1 line 11</b> )	£138,897,261
(b)	amount of the central share	£69,448,631
(c)	amount of West Sussex County Council share	£13,889,726
	amount of Crawley Borough Council share	<u>£55,558,904</u>

## 6. Implications

6.1 The Council's share of the non-domestic rates income is estimated to be £55,558,904. After allowing for the tariff due to the Government, a further levy and other adjustments the projected retained rates for 2024/25 are:

Council's share of non-domestic rates income	<b>55,558,904</b>
Tariff	-49,719,433
Levy	-1,957,870
Additional rates due to renewable energy	959
S31 Grants	3,434,069
<b>Total retained for the year</b>	<b><u>7,316,629</u></b>
Surplus in 2023/24 financial year	1,382,582
Transfer to the Business Rates Equalisation Reserve	-712,201
<b>Total</b>	<b><u>7,987,009</u></b>

6.2 There is budgeted income of £3,434,069 in respect of Section 31 Grants. This is to reimburse the Council for business rate reliefs, including retail, hospitality and leisure relief given by the Government which have reduced the retained rates that the Council would otherwise have received.

6.3 A business rates equalisation reserve has been established to assist in the management of these swings; this reserve currently has £5m, but there is an anticipated use of £0.712m in 2023/24, which will be replenished during 2024/25. The resulting balance of £5m will be used to mitigate further variations in business rates income.

6.4 The above funding has been incorporated in the Council's budget for 2024/25.

6.5 At the end of the year, the actual non-domestic rates income collectable will be used to make an adjustment: these are expected to be applied to future periods (2024/25 and 2025/26).

## 7. Background Papers

Local Government Finance Act 1988

Local Government Finance Act 2012

Non-Domestic Rating (Rates Retention) Regulations 2013

[The Local Authorities \(Collection Fund: Surplus and Deficit\) \(Coronavirus\) \(England\) Regulations 2020](#)