

ED2 REPORT

Report Title	NNDR Surplus Declaration 2024/25	
Date of Meeting	Friday 31 January 2025	
Report Author	John Chance (Chief Accountant)	
Corporate Director	Chief Financial Officer S151	
Lead Cabinet Member(s)	Cabinet Member for Resources	
Why is this a key decision?	1. Expenditure over £500K	Yes
	2. Significant impact on 2 or more wards	No
Wards Affected	(All Wards);	
Identify exempt information and exemption category	Choose an item.	

Appendices (if any)	None
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1. Executive Summary

- 1.1 This report details the NNDR forecast surplus for the financial year 2024/25.
- 1.2 As a billing authority, the council is required to comply with the Local Government Finance Act 1992 (as amended) to determine the estimated surplus or deficit on the collection fund in respect of National Non-Domestic Rates prior to 31 January.

1.3 Approval of the collection fund balance and Business Rates tax base is delegated from the Council to the s151 officer per paragraph 1.4 Chapter 2, Part 3 of the Constitution.

2. Recommendations

For the reasons set out in this report:

2.1 Approve the proposal that the Council:

(a) Determines the estimated 31 March 2025 balance of the Business Rate Collection Fund to be a surplus of £6,527,450.95 (before distribution to Central Government and Essex County Fire).

(b) Allocates the surplus to the three main precepting bodies in the proportion set out in legislation:

(i) Thurrock Council	£3,198,450.97
(ii) Central Government	£3,263,725.48; and
(iii) Essex County Fire	£65,274.51.

3. Commissioner's Comments

3.1 N/A

4. Introduction and Proposals

Forecast of the NNDR surplus for 2024/25

4.1 This report sets out the information required for Council to approve:

- the determination of the estimated surplus balance of the Business Rate Collection Fund that is apportioned between the Council, Central Government and the Fire Authority in accordance with regulations.

4.2 Each billing authority is required to maintain a separate Collection Fund which shows its transactions in relation to Business Rates and Council Tax and illustrates the way that these have been distributed to preceptors and the General Fund.

4.3 The key reason for balances arising on the Collection Fund are:

1. The business rates estimated at the start of the year and any predicted growth in those rates may differ from the actual amounts collectable from

business rate payers, mainly as a result of growth and business closures but also as a result of successful appeals; and this could lead to a balance on the collection fund at the end of the year.

The Collection Fund includes contributions to the bad debt provisions for business rates which are reassessed each year. The business rates collection fund also includes a provision for appeals by business against rate charges, which requires regular assessment in accordance with industry trends and known appeals due to economic circumstances.

- 4.4 Billing authorities are required by the Local Government Finance Act 2012 to estimate any surplus or deficit on their Business Rate Collection Fund for the year as at 31 January every year and, at the same time, apportion such amount between themselves and the major precepting authorities in accordance with regulations. This is then notified to central government through the NNDR 1 form which will be issued in due course. This will be populated using the data supporting the position included in this report and will form the calculation of available resources to be included in the final budget proposals.
- 4.5 Based on the latest forecasts of collections and write offs the Business Rates Collection Fund is estimated to have a surplus of £6,527,450.95 as at 31 March 2025. This is apportioned under regulations as follows:

Major Precepting Authority	£
Thurrock Council	3,198,450.97
Central Government	3,263,725.48
Essex County Fire	65,274.51
Total Allocated	6,527,450.95

- The Council's share of the balance is a surplus of £3,198,450.97 which needs to be taken account of in the budget for 2025/26 and has been included in the MTFS.

5. Alternative options considered

- 5.1 The Council has a legal requirement to declare the business rate surplus annually, therefore no other options are applicable.

6. Consultation

6.1 There is no requirement to consult on this declaration.

7. Financial Implications

7.1 The contents of this report are driven by a statutory framework and as such the Council is governed by this framework.

Implications verified by: Jasbir Kaur Sandhu

Head of Financial Strategy and Planning

30 January 2025

8. Risk Implications

8.1 The forecast of the annual surplus or deficit in respect of the business rate collection fund does have a number of inherent risks which may impact on the forecast:

8.1.1 New business during the year

8.1.2 Impact of business rate appeals

8.1.3 Closure of businesses during the year impacting on income collected

Implications Verified by N/A

Date

9. Legal and Governance Implications

9.1 As a billing authority, the council is required to comply with the Local Government Finance Act 1992 (as amended) to determine the estimated surplus or deficit on the collection fund in respect of National Non-Domestic Rates prior to 31 January.

9.2 This is a decision that can be taken under delegation by the Chief Financial Officer and section 151 officer, pursuant to paragraph 1.4 Chapter 2, Part 3 of the council's constitution.

Implications verified by Helen Nicol, Assistant Director Legal & Governance

Date 30/01/25

10. Equality and Diversity Implications (including the public sector equality duty)

Implications Verified by N/A

Date

11. Other Relevant Implications

None

12. Background Documents

None



Relevance Check

Budget Reduction/Service Area:

Service Lead

Date:

In what ways does this Budget reduction have an impact on an outward facing service? How will the service feel different to your customers or potential customers?

N/A

If not, how does it impact on staff e.g. redundancies, pay grades, working conditions? Why are you confident that these staff changes will not affect the service that you provide?

N/A

Is a Customer Impact Assessment needed? No

