

Addendum to Item 7.03 - Report of the Cabinet

Business Rates Income Forecast 2014/2015 and Projected Business Rates Income Outturn 2013/2014

Report of the Head of Financial Resources

1. Introduction

- 1.1 In accordance with regulations, the Council must submit to Government by 31st January 2014
- the forecast outturn for Business Rates income for 2013/2014 and
 - the total estimated Business Rates income before transitional arrangements for the year 2014/2015.
- 1.2 The submission is to be made using a form known as the NNDR1. The information contained in the form provides the basis for
- the forecast Business Rates Collection Fund position at 31st March 2014 and
 - the estimated total Business Rate income for 2014/2015
- both to be apportioned in accordance with regulations between the Council, Central Government and the Tyne and Wear Fire and Rescue Authority.
- 1.3 At its meeting on 15th January 2014, cabinet agreed to provide delegated authority to the Head of Financial Resources, in consultation with the Leader of the Council and Cabinet Secretary, to approve the final version of the NNDR1 form to be submitted to Council.
- 1.4 The final NNDR1 form for submission to government is attached at Appendix 1 to this addendum with a summary of the position set out below.

2. Forecast Outturn Business Rates Income 2013/2014

- 2.1 The total net income forecast from Business Rates for 2013/2014 is £80.246m which results in a forecast deficit on the Business Rates Collection Fund at 31st March 2014 of £3.156m. This will be apportioned in accordance with the regulations as follows:

	£
Government	1,578,239
Tyne and Wear Fire and Rescue Authority	31,564
Sunderland City Council	1,546,674
Total	<u>3,156,477</u>

2.2 The deficit position reflects the anticipated reduction in income as a result of the level of successful valuation appeals, including amounts backdated prior to 1st April 2013.

2.3 As a consequence of the Business Rates Collection Fund deficit, the level of retained Business Rates income available to support the Councils Revenue Budget in 2014/2015 is reduced by £1.547m. The impact of this on the Revenue Budget for 2014/2015 is provided for within the Safety Net Reserve Budget Provision.

3. Estimated Business Rates income before transitional arrangements for the year 2014/2015

3.1 The total estimated business rates income for 2014/2015, after taking into account the 2013/2014 deficit position is £80.634m which will be apportioned in accordance with the regulations as follows:

	£
Government	39,780,610
Tyne and Wear Fire and Rescue Authority	796,286
Sunderland City Council	40,056,962
Total	<u>80,633,858</u>

3.2 Business Rates income of £40.057m will be taken into account in finalising the Councils budget for 2014/2015.