

Blaby District Council

Cabinet Executive

Date of Meeting	13 January 2025
Title of Report	National Non-Domestic Rates Base 2025/26 This is a Key Decision and is on the Forward Plan.
Lead Member	Cllr. Maggie Wright - Finance, People & Performance (Deputy Leader)
Report Author	Finance Group Manager
Corporate Priority	All Themes: Enabling communities and supporting vulnerable residents; Enhancing and maintaining our natural and built environment; Growing and supporting our economy; Keeping you safe and healthy; Ambitious and well managed Council, valuing our people

1. What is this report about?

- 1.1 The Local Government Finance Act 2012 requires local authorities to set an annual National Non-Domestic Rate Base, otherwise known as the Business Rates Base. The Base must be set by 31st January ahead of the forthcoming financial year.

2. Recommendation(s) to Cabinet Executive

- 2.1 That the amount calculated by Blaby District Council as its National Non-Domestic Rate Base for the financial year 2025/26 shall be £54,000,207.
- 2.2 That delegated authority is given to the Executive Director (Section 151) in consultation with the Portfolio Holder to make amendments, if required, to the draft National Non-Domestic Rate Base prior to submission of the NNDR1 return by 31st January 2025.

3. Reason for Decisions Recommended

- 3.1 The Council has a statutory obligation to set its National Non-Domestic Rate (NNDR) Base for 2025/26 by 31st January 2025.
- 3.2 It is appropriate for the Executive Director (Section 151) to have authority to amend the National Non-Domestic Rate Base in line with the finalised NNDR1 submission, to ensure that all known factors are considered.

4. Matters to consider

4.1 Background

The Local Government Finance Act 2012 requires the Council to formally calculate and approve its NNDR Base for the forthcoming financial year. The NNDR Base represents the estimated level of Business Rates collectable in the year. It is the figure against which growth or reduced levels of business rates can be measured.

The Council must also complete an annual NNDR1 return to the Department for Levelling Up, Housing and Communities (DLUHC) by 31st January ahead of the new financial year, and it is this return that is used to determine the NNDR Base. The Council is also required to submit a copy of the NNDR1 return to relevant authorities, in this case the Leicestershire County Council, and the Combined Fire Authority.

4.2 Proposal(s)

The NNDR1 return was released on 13th December, and at the time of writing this report, work on the NNDR1 was still in progress. Therefore, the base figure quoted in this report is that which has been used in the latest iteration of the Medium-Term Financial Strategy (MTFS). Gross rates payable are calculated by multiplying the current overall rateable value for the district (£119,402,940) by the rate multipliers for 2025/26. This figure is then adjusted to consider forecast growth, various reliefs, empty properties, a provision for bad debts, and potential appeals. Similar to the previous year for 2025/26 the standard rate multiplier will be increased in line with the Consumer Price Index (CPI) for September 2024 (1.65%), whilst the small business rate multiplier will be frozen again.

In terms of growth, there are three vacant units at Fosse Park that have not yet been rated, but all other significant properties are included in the overall rateable value above. For the purposes of the NNDR1 it has been assumed that the 3 vacant units will be occupied from 1st October 2025, which equates to growth of approximately £142,798.

Using the forecast position in the MTFS, the business rates base for 2025/26 has been estimated at £54.0m, an increase of approximately £1.4m compared with the 2024/25 NNDR1 return. Blaby's share of this sum is 40% in 2025/26, approximately £21.6m, although from this sum Blaby must pay a tariff of around £14.9m and an estimated levy of £2.9m. There is also an estimated surplus of £1.7m to be added in 2025/26, based upon the forecast position for 31st March 2025.

It is estimated that the Council will receive just under £3.1m by way of Section 31 grant for cap compensation and various other measures introduced by the government, which have led to a reduction in business rate income. The estimated position on Business rates is considerably improved in comparison with 2024/25, which means that the Council will be

able to add £1.9m to the NNDR Income Reserve in order to maintain the overall level of business rate income at a similar level to that budgeted for 2024/25 (£6.6m).

4.3 Business Rates Pooling

The Council, along with other authorities in Leicestershire, is a member of the Leicestershire Business Rate Pool. Each year Pool members consider whether it is financially beneficial to continue the Pool for the forthcoming year. At the time of writing this report, Section 151 Officers from across the County were still of the opinion that it remains advantageous to continue with the Pool in 2025/26.

5. Significant issues

- 5.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

6. Environmental impact

- 6.1 No direct impact arising from this report.

7. What will it cost and are there opportunities for savings?

- 7.1 Not applicable.

8. What are the risks and how can they be reduced?

8.1

Current Risk	Actions to reduce the risks
That the impact of valuation appeals on the NNDR Base is greater than expected.	This is out of the Council's control, but officers will continue to monitor the performance of business rates against the Base monthly. The provision of 3.57% of gross rates payable has been built into the NNDR Base.
That growth estimates are either understated or overstated.	Growth has been included based on known current developments, estimated completions and assumptions about the rateable value that may be determined by the VO. As above, this position will be monitored monthly, and any significant impact brought to members' attention at the earliest opportunity.

9. Other options considered

9.1 None. The setting of the NNDR Base is a statutory requirement.

10. Appendix

10.1 None.

11. Background paper(s)

11.1 None.

12. Report author's contact details

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