

Validation Notes for NNDR3 2011-12

Please read this form before submitting NNDR3

The National Non-domestic Rates Final Contributions Return 2011-12 is designed to report your authority's non-domestic rating contribution for 2011-12. On receipt of your form, we carry out a number of checks to satisfy ourselves that the form has been completed correctly, and where the data varies significantly from that provided on the NNDR1 (or NNDR2 if applicable) or previous NNDR3 we seek an explanation for the variance.

Electronic NNDR3 Form

To improve the processing of the NNDR3 form the validation checks and all calculations are built into the NNDR3 form. The form provides space on the validation sheet for local authorities to comment on any data that have failed the validation checks. Details of the checks that are incorporated in the NNDR3 form are set out below. Please note that whilst we have tried to incorporate most of the checks into the validation sheet we may need to contact local authorities for additional information following the validation on our database.

GENERAL CHECKS

Signature

The Department for Communities and Local Government requires the NNDR3 to be signed and dated by the CFO. Please ensure that the form is signed by the CFO before submitting your form. **NB** We still require an electronic copy of the NNDR3 in addition to the copy signed by the CFO and forwarded to the department at nndr.statistics@communities.gsi.gov.uk.

Alterations

The NNDR3 form is an auditor-certified form. If alterations need to be made to the certified hard copy of the form, please print a corrected version and have the new version signed and dated by your Chief Financial Officer. Certified paper copies of the form will not be accepted if hand written amendments have been made.

Arithmetic Calculations

Before returning the forms please ensure that all arithmetic calculations are correct and that data are specified to the correct number of decimal places. Where possible the form should be completed to the nearest pence. If the form is completed to the nearest pound, please use normal rounding conventions i.e. £1.50 should be rounded to £2.00 or £1.49 rounded to £1.00. As mentioned above we are not allowed to alter the form, even the smallest changes will need to be amended and signed by the CFO. Would the completing officer therefore please check that the correct rounding conventions are used.

SPECIFIC VALIDATION CHECKS

Part I Contribution to the Pool

Gross Amount (Test 1)

The Gross Amount figure in Part I, line 1 should be exactly the same as the Gross Amount in Part II, line 13. If it is slightly different (no more than £1) due to the nature of the reports produced by your computer system please confirm this when submitting the form.

Discretionary Reliefs (Tests 2-6)

Only use a minus or brackets to indicate income.

We compare discretionary relief with the data provided on the NNDR3 for 2010-11 and an explanation will be required if the figure given on the NNDR3 2011-12 has changed by more than the following amounts.

- **Charity Relief - by more than 50% (either up or down) AND the actual difference is more than £10,000**
- **Non-Profit - by more than 50% (either up or down) AND the actual difference is more than £10,000.**
- **Community Amateur Sports Clubs - by more than 25% (either up or down)**
- **Rural Shops and Post Offices - by more than 50% (either up or down) AND the actual difference is more than £10,000.**
- **Other Small Rural Businesses - by more than 50% (either up or down) AND the actual difference is more than £5,000.**

Below are a few examples of the type of explanations we would expect:

- Councils may have had a change of policy and approved more/fewer reliefs.
- Charity Relief increased due to relief being given to a large leisure centre and this was not known when completing the NNDR1.
- Following publicity there is a greater number of applications received than anticipated.

In cases where there is a significant change to information on the 2011-12 NNDR1 we will not accept the explanation that it was a poor estimate on your NNDR1.

Reductions Under s49 (Hardship Relief) (Test 7)

Please provide the following information on hardship relief:

- the type of business involved;
- the amount of relief granted;
- if any relief has been granted to the company in the previous two years, please provide details.

State Aid

It should be remembered that discretionary relief and hardship relief may be state aid under EU law if it exceeds a de-minimis threshold. This threshold is currently €100,000 to any one business undertaking over a three year period. The exemption should not be relied upon without first checking with the business concerned that they have not received other state aids in the previous three years. Further, the de-minimis exemption does not apply in certain sectors, including agriculture, fisheries, transport, shipbuilding, coal and steel.

Reductions under regulation 5 of SI 1991 No. 141 (charges on properties) (Test 8)

Please provide details where more than £100,000 has been granted for this relief.

Cost of Collection (Test 9)

This is a set calculation and the figure should be exactly the same as that shown on your NNDR1 for 2011-12. If the figure is different, an explanation must be provided when returning the form.

Losses in Collection (Test 10)

An explanation is required if the figure given is **more than 5%** of your Net Yield

Interest on Overpayments (Test 11)

An explanation is required if the figure given is **more than 2%** of your Net Yield

Part II Other Information

Gross Rates Payable (Test 12 and 13)

These two tests compare this information with the Gross Rates payable information both against the figure for previous years and against the Rateable Value provided on your NNDR1 for 2011-12 multiplied by the 2011-12 multiplier. It is assumed that this should be in a similar region to the gross rates payable on your NNDR3.

- An explanation is required if the Gross Rates Payable in 2011-12 is less than the Gross Rates Payable in previous years (Test 12)
- An explanation is required if the change is more than 20% in the Rateable Value provided on your 2011-12 NNDR1 multiplied by the 2011-12 multiplier (either up or down) (Test 13).

Transitional Relief (Increased rate yield Tests 14 & 15, Decreased rate yield Tests 16 & 17)

We compare the figures for 2011-12 with the previous year's figures on the NNDR3 and also against the figure on the NNDR1 for 2011-12.

An explanation will be required if the figure given has changed by more than the following amounts:

- if the figure for 2011-12 is more than that for previous years (Tests 14 & 16)
- more than 75% (either up or down) AND the actual difference amounts to more than £100,000 (Tests 15 & 17)

For example if your increased transitional relief has increased by 78% but the actual difference only amounts to £99,458 then no explanation is required.

Mandatory Reliefs (Tests 18 - 32)

We compare the mandatory reliefs for 2011-12 both against that shown on the NNDR3 form for previous years plus with the NNDR3 for 2010-11. Explanation will be required if the figure for previous years is greater than that for 2011-12 and / or if the figure for 2011-12 has changed by more than the following amounts.

- **Small Business Rate Relief** - by more than 50% (either up or down) AND the actual difference is more than £50,000
- **Charity Relief** - by more than 50% (either up or down) AND the actual difference is more than £15,000
- **Community Amateur Sports Clubs** - by more than 25% (either up or down)
- **Rural Shops** - by more than 50% (either up or down) AND the actual difference is more than £15,000.
- **Former Agricultural Premises** – by more than 50% (up or down) AND the actual difference is more than £5,000.
- **Partly Occupied** - by more than 50% (either up or down) AND the actual difference is more than £40,000.
- **Empty Properties** - by more than 50% (either up or down) AND the actual difference is more than £100,000.

Arrears (Tests 33 & 34)

The arrears figures should be cumulative and we therefore anticipate that the figure will be larger than the arrears figure given on your NNDR3 for 2010-11. Please provide an explanation if:

- the total arrears have gone down compared with last year (Test 33);
- The figure has increased by more than 20% and the actual difference is more than £500,000 (Test 34).

Contributions to the pool (Test 35)

We compare the contribution to the pool figure given in Part I line 14 on the NNDR3 2011-12 with line 23 on the NNDR1 for 2011-12. An explanation is required if the difference between these two figures is either greater than 10% (either up or down) or greater than £1,000,000.

If you have any difficulty with any of the above checks or require clarification on completing the form, please contact Sheela Vyas at nndr.statistics@communities.gsi.gov.uk

Department for Communities and Local Government
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