

NNDR1 SUPPLEMENTARY FORM 2012-13 GUIDANCE NOTES AND VALIDATION CHECKS

The supplementary information should be a breakdown of the information provided on the NNDR1 form 2012-13.

Please note that two additional cells have been added to the NNDR1 supplementary form this year.

1) Part 1 Line k becomes “Number of hereditaments within Enterprise Zones being granted discounts as at 31 December 2011”; subsequent lines are renumbered.

2) After Part 2 is a cell for capturing information on existing liabilities in enterprise zones (as only growth in enterprise zones will be retained). The supplementary information section on page 6 provides further details.

Please note: A white cell surrounded by a black line needs be completed.

A white cell without a black surround (on page 2) does not need to be amended – it is there to show data for completeness.

For part 1 of the supplementary form, authorities are asked to record the number of hereditaments that are receiving relief at 31 December 2011 based on the 2010 rating list, and the thresholds applicable to the 2010 list, and **NOT** the number of times hereditaments may receive the relief during the year. The table below shows the thresholds that should be applied. If it is not possible to take the data as at 31 December 2011, the data should be taken as soon as possible after this date.

Relief Threshold for the main NNDR1 and NNDR1 Supplementary form – based on the 2010 ratings List	
Small Business Rate relief scheme	2010 Threshold
Additional properties disregarded in considering entitlement to small business rate relief.	£2,599
Eligible ratepayers receive 100% relief.	£6,000
Eligible ratepayers receive relief on a sliding scale.	More than £6,000 to £12,000
Eligible ratepayers (outside London) currently have their rates liability calculated using the small business non-domestic rating multiplier	£17,999
Eligible ratepayers (inside London) currently have their rates liability calculated using the small business non-domestic rating multiplier	£25,499

Rural rate relief	
A sole shop, general store or post office	£8,500
A sole petrol filling station or pub.	£12,500
Discretionary relief for other businesses	£16,500

Empty Property rate relief	
Exemption threshold	£2,600

For part 2 of the form, the information on both mandatory and discretionary relief should be the amount of relief that local authorities are permitted to offset against the contribution to the 2012-13 pool.

We expect the amounts of relief recorded in Part 2 of the supplementary form to be the same as the amounts of relief recorded on the main NNDR1 form. Once the main NNDR1 form is completed the relevant amounts of relief will be automatically transferred to the supplementary form and there should be no need to change these figures. (See "Sources of data" below for details of which cells in Part 2 are automatically filled from the main NNDR1, those which require completion and those which are calculated from data within the supplementary form).

Data requirements

Part 1: Numbers of hereditaments being granted relief as at 31 December 2011

MANDATORY RELIEF

Insert in lines 1a to 1e, the number of hereditaments being granted relief as at 31 December 2011. The data in parts 1e i to 1e vi should add to the number in line 1e.

The breakdown of relief is as follows:-

- Line 1a The number of hereditaments being granted charitable relief
- Line 1b The number of hereditaments being granted Community Amateur Sports Clubs relief
- Line 1c The number of hereditaments being granted rural general stores, post offices, public houses, petrol filling stations and food shops relief.
- Line 1d The number of hereditaments being granted partly occupied premises relief.
- Line 1e The number of hereditaments to be granted empty property relief.

Line 1e should be broken down into 6 component parts as follows:

- Line 1e i Where the hereditament is an empty industrial property that is rated above the exemption threshold
- Line 1e ii Where the hereditament is empty and has listed building status
- Line 1e iii Where the hereditament is empty and is owned by a Community Amateur Sports Club

- Line 1e iv Where the hereditament is empty and is owned by a charity
- Line 1e v Where the hereditament is empty and is not included in categories i to vi
- Line 1e vi Where the hereditament is an empty non-industrial property that is rated above the exemption threshold.

DISCRETIONARY RELIEF

Insert in lines 1f to 1j the number of hereditaments being granted discretionary relief as at 31 December 2011.

The breakdown of relief is as follows:-

- Line 1f The number of hereditaments being granted charitable relief
- Line 1g The number of hereditaments being granted non profit making bodies' relief
- Line 1h The number of hereditaments being granted Community Amateur Sports Clubs' relief
- Line 1i The number of hereditaments being granted general stores, post offices, public houses, petrol filling stations and food shops relief
- Line 1j The number of hereditaments being granted other small rural businesses relief
- Line 1k The number of hereditaments being granted discounts within Enterprise Zones

SMALL BUSINESS RATE RELIEF

Lines 1k to 1m ask for information on the Small Business Rate (SBR) relief.

- Line 1k The number of hereditaments that contribute to the small business rate relief scheme by paying the additional multiplier.
- Line 1l The number of hereditaments that benefit from the small business rate relief under s43 (4A).

The figure in line 1l should be broken down as follows:

- Line 1l i The number of hereditaments benefiting from small business rate relief that have a rateable value of between £0 and £6,000 that will receive the maximum discount.

Line 1l ii The number of hereditaments benefiting from small business rate relief that have a rateable value of between £6,001 and £12,000 that will receive the discount on a sliding scale.

Line 1m The hereditaments that only pay the small business rate multiplier and do not receiving a discount. (These have a rateable value of between £12,001 and £17,999 in London and a rateable value of between £12,001 and £25,499 in the rest of the country).

Part 2: Estimated value of relief to be granted in 2012-13

MANDATORY RELIEF

Lines 2a to 2e ask for the amount of mandatory relief to be offset against the contribution to the pool in 2012-13. Most of these amounts will be automatically inserted, taken from the appropriate cell from the NNDR1 form (see Sources of data below). The exception to this is part e where a breakdown of the data is required. The data in parts 2e i to 2e vi should add to the amount in line 2e.

The breakdown of relief is as follows:-

- | | |
|---------|---|
| Line 2a | The estimated lost yield in 2012-13 through the application of 80% mandatory rate relief for properties occupied by charities in the authority's area (section 43(5) and (6)(a) of the Act).
<i>Line 2a should equal line 8 of the main NNDR1 2012-13</i> |
| Line 2b | The estimated lost yield in 2012-13 through the application of 80% mandatory rate relief for properties occupied by registered CASCs in the authority's area (section 43(5) and (6)(b) of the Act).
<i>Line 2b should equal line 9 of the main NNDR1 2012-13</i> |
| Line 2c | The estimated lost yield in 2012-13 through the application of 50% mandatory rate relief for rural general stores, post offices, public houses, petrol filling stations and food shops, in the authority's area (section 43(6A) to (6E) of the Act).
<i>Line 2c should equal line 10 of the main NNDR1 2012-13</i> |
| Line 2d | The estimated lost yield in 2012-13 as a result of the rateable value of a hereditament being apportioned between its occupied and unoccupied parts under section 44A of the Act.
<i>Line 2d should equal line 11 of the main NNDR1 2012-13</i> |
| Line 2e | The estimated lost yield in 2012-13 as a result of premises being unoccupied. This is the amount of relief granted in accordance with the Non-domestic Rating (Unoccupied Property) (England) |

Regulations 2008 (SI 2008/386), as amended.
Line 1e should equal line 12 of the main NNDR1 2012-13

Line 2e should be broken down in to 6 component parts:

- Line 2e i Where the hereditament is an empty industrial property that is rated above the exemption threshold
- Line 2e ii Where the hereditament is empty and has listed building status
- Line 2e iii Where the hereditament is empty and is owned by a Community Amateur Sports Club
- Line 2e iv Where the hereditament is empty and is owned by a charity
- Line 2e v Where the hereditament is empty and is not included in categories i to vi
- Line 2e vi Where the hereditament is an empty non-industrial property that is rated above the exemption threshold.

In making these estimates, the authority must assume that where a property is unoccupied on **31 December 2011**, it becomes unoccupied on 1 April 2012 and will remain unoccupied throughout 2012-13.

DISCRETIONARY RELIEF

Lines 2f to 2j ask for the amounts of discretionary relief to be offset against the contribution to the pool in 2012-13. All of these amounts will be automatically inserted, taken from the appropriate cell from the NNDR1 form.

The breakdown of relief is as follows:-

- Line 2f 25% of the total amount of any relief the authority expects to grant charitable organisations for 2012-13 by virtue of its powers under section 47(1) and (2)(a) of the Act.
Line 2f should equal line 15 of the main NNDR1 2012-13
- Line 2g 75% of the total of any relief the authority expects to grant to non-profit making organisations for 2012-13 by virtue of its powers under section 47(1) and (2)(b) and (c) of the Act.
Line 2g should equal line 16 of the main NNDR1 2012-13
- Line 2h 25% of the total amount of any relief the authority expects to grant for 2012-13 by virtue of its powers under section 47(1) and (2)(ba) of the Act.
Line 2h should equal line 17 of the main NNDR1 2012-13
- Line 2i 75% of the total of any relief the authority expects to grant to sole general stores, post offices, public houses, petrol filling stations and to rural food shops for 2012-13 by virtue of its

powers under section 47(1) and (3A) of the Act.
Line 2i should equal line 18 of the main NNDR1 2012-13

Line 2j Insert 75% of the total of any relief the authority expects to grant to other rural businesses for 2012-13 by virtue of its powers under section 47(1), (3A) and (3B) of the Act.
Line 2j should equal line 19 of the main NNDR1 2012-13

SMALL BUSINESS RATE RELIEF

Lines 2k to 2m ask for information on the Small Business Rate (SBR) relief.

Line 2k The estimated revenue generated to finance the small business rate relief by hereditaments paying the additional multiplier.
This should equal line 6 of the main NNDR1 2012-13.

Line 2l The estimated cost of the small business rate relief for properties within the billing authority area.
This should equal line 7 of the main NNDR1 2012-13

The figure in line 2l should be broken down as follows:

Line 2l i The value of the small business rate relief to be granted to those hereditaments with a rateable value of between £0 and £6,000 that will receive the maximum discount.

Line 2l ii The value of the small business rate relief to be granted to those hereditaments with a rateable value of between £6,001 and £12,000 that will receive the discount on a sliding scale.

Sources of data

Data in Part 2 are automatically transferred from the main NNDR1 return as follows:

Lines 2a to 2e (excluding lines 2e i to 2e vi) are filled in from lines 8 to 12 of the main NNDR1 form.

Lines 2f to 2j are filled in from lines 15 to 19 of the main NNDR1 form.

Lines 2k & 2l (excluding lines 2l i and 2l ii) are filled in from lines 6 and 7 of the main NNDR1 form.

Supplementary Information

The Government's new Enterprise Zones policy will allow authorities to retain all business rates growth within the area of the zone for a period of at least 25 years – starting from the financial year 2013-14 – to support the delivery of economic

priorities for the LEP area as a whole. Some of the areas which are expected to constitute Enterprise Zones contain existing properties; therefore, we need to calculate a baseline against which future business rates growth will be calculated.

To assess the baseline, Government will use the usual NNDR1 process to gather the relevant information. Authorities with an Enterprise Zone need to calculate the daily net charge for 2012-13, i.e. the daily net charge taking into account the relevant 2012-13 multiplier, transition, empty exemptions and other reliefs (but not any new Local Discretionary Relief) dependant on the information as at 31 December 2011 (as per the other information that is provided for the NNDR1 return).

The Government will multiply the amount provided by 365 to calculate a year baseline. The baseline will be uprated each year for inflation.

If you cannot provide that figure to the requested deadline, please return the form without the figure. We will then collect the figure separately

Comments

If you need to make any comments about why the data do not correspond with the data on the main NNDR1 form or the totals within the form do not add up correctly please enter them in the Notes box at the bottom of the form.

Department for Communities and Local Government
January 2012