

Key Decision

Made by an Executive Member or Chief Officer



MANCHESTER
CITY COUNCIL

Notice of Key Decision Made

Decision maker	Carol Culley, Deputy Chief Executive and City Treasurer	
Date of decision	31 January 2022	
What is the decision?	Budget 2023/24 - The calculation of the Council's business rate income.	
Reasons for the decision (but excluding any exempt or confidential information)	Statutory duty to notify Central Government and the Greater Manchester Combined Authority (Fire and Rescue Service) by 31 January 2023.	
Alternatives considered and rejected	Not applicable	
Interests Declared	None	
Officer contact details For any further information	Name: Tel: Email	Neil Doherty 07854 995540 neil.doherty1@manchester.gov.uk

Register of Key Decisions

Register of Key Decisions Reference	2022/11/11E	(date of plan & page number)
OR – if not published in the Register of Key Decisions		
Reasons for special urgency such that this was not published in a Register of Key Decisions		

Scrutiny Call In

Call-in deadline	
OR – if Exempt from Call-in	
Advice as to how any delay would seriously prejudice the legal or financial position of the Council	Following a report to Resources and Governance Scrutiny committee on 7 December 2021 the Chair of the committee has agreed to exempt this decision from call in.
Scrutiny Chair who agreed the urgency	Councillor Andrew Simcock Chair of Resource and Governance Scrutiny

Date this notice was published	
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Carol Culley
Deputy Chief Executive and City Treasurer
31.1.2023

**MANCHESTER CITY COUNCIL
KEY DECISION PROCESS**

REPORT TO: Deputy Chief Executive and City Treasurer and Executive Member for Finance and Resources

DATE: 31 January 2023

SUBJECT: Calculation of the City Council's Business Rates Base to be used for Budget Setting Purposes in 2023/24

REPORT OF: Corporate finance

PURPOSE OF REPORT:

To advise on the method of calculating the City Council's business rates base to be used for budget setting purposes for the 2023/24 financial year.

RECOMMENDATIONS

The Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Finance and Resources, agrees under delegated powers to determine the Business Rates base for 2023/24 including the calculation of the Council's business rate income and the Greater Manchester Combined Authority's (Fire and Rescue Service) share and the notification of the above calculations as required to the Secretary of State and the Greater Manchester Combined Authority. In accordance with the Non-Domestic Rating (Rates Retention) Regulations 2013. The City Council's business rates income used for budget setting purposes for the year 2023/24 shall be £341.6673m (based on a 99% share of income, with 1% directed to the GM Fire and Rescue Authority).

FINANCIAL CONSEQUENCES FOR THE REVENUE BUDGET

The business rates base calculation informs the overall resolutions for the proposed Revenue Budget

FINANCIAL CONSEQUENCES FOR THE CAPITAL BUDGET:

There are no direct consequences for the Capital Budget.

CONTACT OFFICER	Tel Number	E-Mail Address
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BACKGROUND PAPERS

Local Government Finance Act 1992

The Non-Domestic Rating (Rates Retention) Regulations 2013

Introduction

1. The National Non Domestic Rating 1 form (NNDR1), which estimates the amount of business rate income for 2023/24, split between that to be retained by the local authority and that to be paid to the Greater Manchester Combined Authority (Fire and Rescue Service) has to be certified by the Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Finance and Resources, and submitted to the Secretary of State and the Greater Manchester Combined Authority (Fire and Rescue Service) by 31 January 2023.
2. The business rates income budget is based on the estimate of gross business rates payable by business ratepayers in 2023/24 reflecting the 2023 revaluation, effective from 1 April 2023. This is adjusted by the forecast cost of mandatory reliefs including small business rate relief, charity and community and amateur sports club relief, and partly occupied and empty property relief. It is further adjusted by discretionary reliefs and reliefs funded by Section 31 grant. This net rates payable is then reduced by an allowance for the costs of collection, an estimate of non collection, and the effect of appeals against rateable values up to 31 March 2024.
3. The effect of appeals on the rating list is based on data and information provided by the Valuation Office Agency (VOA), the government agency responsible for administering appeals, and from local systems and intelligence. Appeals present significant volatility in the business rates system, and following the introduction of the reformed appeal process 'Check, Challenge and Appeal' from 2017, a Rateable Value can be adjusted following a 'check' from a ratepayer, rather than progressing to the Challenge or Appeal stage. There is limited information available from the VOA for the new process; therefore, authorities are reliant on historical information and trends.
4. The Council continues to facilitate four Enterprise Zones, two at located at Manchester Airport and two along the Oxford Road Corridor, where growth above the prescribed baseline is retained locally. This baseline has been adjusted to reflect the Rateable Value movements within the Enterprise Zone due to the 2023 revaluation. Enterprise Zones offer business rate relief for up to 5 years funded by government, simplified planning and capital allowances (tax relief) to encourage new businesses to locate within the specific area. Enterprise Zones are considered and reported separately with a forecast £0.979m to be retained in 2023/24, an increase on previous years due to the expiration and removal of EZ relief and growth within the area.
5. This calculation results in an estimate of the non domestic rating income. As part of the 100% business rates retention pilot 99% of the income continues to be retained by the Council and 1% paid to the Greater Manchester Combined Authority (Fire and Rescue Service). The exception to this split relates to any growth in business rates within the Enterprise Zone, the full effect of which is retained for economic development.
6. A report to Resources and Governance Scrutiny Committee on 6 December 2022 noted that due to the requirement to notify Central Government and the Greater Manchester Combined Authority (Fire and Rescue element) of the business rates base by 31 January 2023 the Chair of the committee will be requested to exempt this decision from call in.

7. Recommendation :

The City Council's business rates income used for budget setting purposes for the year 2023/24 shall be £341.667m.



Carol Culley
Deputy Chief Executive and City Treasurer

Date

31.1.2023



Cllr Rabnawaz Akbar
Executive Member for Finance and Resources

Date

31.1.2023