**2021-22 NNDR1: NON-DOMESTIC RATING INCOME ADDITIONAL DATA COLLECTION**

**GUIDANCE NOTES**

***Please read these notes before completing and submitting the additional data collection form.***

**Introduction**

1. These guidance notes are intended to aid billing authorities in filling in the additional data collection form issued to them in order to calculate the additional relief they plan to award in 2021/22, in respect of the expanded retail discount and nursery discount.
2. We ask that billing authorities provide us with their best estimate of the total amount of additional relief they aim to award in 2021/22 by the deadline, in order that this does not delay payment of s.31 grant. The amount of additional relief already paid for the first four months of the reliefs will be netted off from this amount and the remainder of the estimate paid on-account from August. Reconciliations of these amounts will happen as per the usual process, at NNDR3 stage.

**Background**

1. In response to the Covid-19 pandemic, the existing business rates retail discount was expanded at Spring Budget 2020 to include eligible leisure and hospitality ratepayers at 100% discount with no Rateable Value (RV) cap, and a new 100% nursery discount was also introduced for eligible nurseries.
2. At Spring Budget 2021, the Chancellor announced that the expanded retail discount and the nursery discount will continue to apply in 2021/22 for eligible ratepayers (see notes A and B).
3. The Government has confirmed that it will fully fund local authorities for awarding these discounts. Local authorities will be compensated for any loss to their “local share” of business rates by means of a s.31 grant.
4. The Government announced that it would make initial on-account payments to billing authorities for the initial four months of the 2021/22 scheme based on 2020/21 estimates, to aid cashflow in advance of an additional data collection. This estimate was derived from the NNDR1 2021/22, Part 4a line 3, and consists of billing authorities’ estimates of their expanded retail discount, nursery discount and local newspaper discount for the 2020/21 financial year. The amount paid on account from April to June is 100% of the 2020/21 estimated amounts due per month, and 66% of this per month value for July.
5. This data collection exercise requires billing authorities to enter their **total estimate of the amount of qualifying expanded retail discount and nursery discount they will award over the course of 2021/22**. It will take into account the amounts paid in respect of April to July 2021 when determining the remainder of on account s.31 payments to be made throughout the year. These amounts will be paid in full to billing authorities from August to aid cashflow. **Authorities must not submit an estimate of the amount of expanded retail and nursery discount for the last eight months of the year only**.
6. Reconciliation will take place as usual following year-end, at which point major precepting authorities will receive their share of the s.31 compensation.
7. To note, the Government is not changing the legislation around the reliefs available to properties. Instead, the Government will, in line with the eligibility criteria set out in the schemes’ guidance, reimburse local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended) to grant relief.
8. It will be for individual local billing authorities to adopt a local scheme and determine in each individual case when, having regard to the schemes’ guidance, to grant relief under section 47. Central government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003).
9. The Government considers that relief awarded under the schemes announced at the Budget on 3 March 2021 is not a subsidy. This means that local authorities should award relief to all eligible properties up to the caps specified in the schemes’ guidance. More information can be found [here](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/984536/BRIL_4_-_Legislation__21-22_Rate_Reliefs_2.pdf).

**Completion and submission of the additional data collection form**

1. This form will be run on the on-line DELTA system. We expect to open this form on **Wednesday 30** **June 2021** and the collection will run until **Monday 12 July 2021**.
2. In order to provide timely payments to local authorities of the additional s.31 grant, we would ask that a completed form is certified by the authority’s Section 151 Officer CFO / S151 Officer and submitted on the DELTA system by **Monday 12 July 2021**.
3. **The form must be filled in, and certified by, two separate DELTA accounts. Please ensure that your local authority’s Section 151 Officer has an active account, and that their account is not used to also fill in the form, they should certify the form only.**
4. Please note, authorities will not be able to submit data on DELTA after the closedown date unless they contact the statistics team to arrange an extension.
5. If you have any queries regarding the submission of this form, please contact the NNDR statistics team at [nndr.statistics@communities.gov.uk](mailto:nndr.statistics@communities.gov.uk)

**Detailed notes on completing the additional data collection form**

1. The additional data collection form comprises two parts, 1a and 1b. Authorities are only required to enter values in part 1a of the form; these should be entered in whole **£ and as negative values. The form cannot be submitted if positive figures are entered in these cells.**
2. As with the NNDR1, the form requires (as necessary) data inputs to be disaggregated between designated areas and the rest of the billing authority area. The form automatically calculates the total for the whole billing authority area.
3. Part 1a allows local authorities to enter their data on the reliefs. These values are then summed automatically and used in Part 1b, which calculates the amount of s.31 grant due to the billing authority for the additional relief. The total amount of s.31 grant to be awarded to the authority is then calculated in lines 3 – 5, as the total relief to be awarded for 2021/22, minus the amount paid on account for the first four months of the year.
4. Authorities must submit the **total estimate** of the amount of qualifying expanded retail discount and nursery discount they will award over the course of 2021/22. **It is imperative that authorities do not submit an estimate of the amount of expanded retail and nursery discount for the last eight months of the year only, as this will lead to authorities being undercompensated until reconciliation for 2021/22, likely to take place in early 2023**.
5. S.31 grant paid out through the NNDR1 process is paid as per local authorities’ individual business rates local shares and central share as determined by legislation. With this collection exercise, **s.31 grant paid will be paid on account to billing authorities only.** This is because, until figures are reconciled at NNDR3 stage, billing authorities will be bearing the full cash cost of having to make payments to their general funds, central Government and major precepting authorities (MPAs) of non-domestic rating income that they will no longer be collecting as a result of the expanded retail and nursery discount schemes.
6. To avoid over-compensating authorities for relief given in designated areas, the calculation of s.31 funded reliefs in the NNDR1 2021/22 only awarded billing authorities 100% compensation if they forecast growth in their aggregate designated areas. In this form, the calculation of s.31 compensation for relief given in designated areas will allocate the full 100% of any qualifying relief to the billing authority, regardless of whether the authority forecasted growth in their aggregate designated areas. This is to provide billing authorities with 100% compensation on account for the amounts they budgeted for, based on estimates submitted before the reliefs were announced. Authorities should note, however, that as announced at NNDR1 2021/22, a revised form of this calculation will be included in the NNDR3 2021/22, which will apply to all s.31 funded reliefs awarded in designated areas.
7. Reconciliation of these amounts will take place as part of the usual NNDR3 process, including transfers to MPAs. The final position at end-year reconciliation will ensure that local authorities are no worse or better off than had they not given this relief.

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| **Note A: Expanded Retail Discount**  The Government announced in the 2018 Budget that it would provide a business rates retail discount scheme for occupied retail properties with a rateable value of less than £51,000 in each of the years 2019/20 and 2020/21. The value of the discount was one third of the bill, to be applied after mandatory reliefs and other discretionary reliefs, excluding those where local authorities have used their discretionary relief powers introduced by the Localism Act which are not funded by section 31 grants.  On 27 January 2020 the Government further announced its intention to increase this discount to 50% for eligible businesses and expand the discount to include cinemas and live music venues with a rateable value of under £51,000. At the Spring 2020 Budget, the Chancellor announced that, in response to Covid-19, the Government would increase the discount to 100% and extend it to include the leisure and hospitality sectors. The discount was subsequently further expanded to include businesses of any rateable value within these categories, and additional types of businesses have been included within the scheme.  Due to the ongoing Covid-19 pandemic, at Spring Budget on 3 March 2021, the Chancellor announced the continuation of support for eligible retail, hospitality, leisure businesses in England. For the first three months of the 2021/22 financial year, the expanded retail discount will continue to apply at 100% with no cash cap. For the remaining nine months of the year, the discount will decrease to 66% with a cash cap at £105,000 per business, or £2 million per business where the business is in occupation of a property that was required, or would have been required, to close, based on the law and guidance applicable on 5 January 2021.  For full guidance on how to apply the expanded retail discount, please click [here](https://www.gov.uk/government/publications/business-rates-expanded-retail-discount-2021-to-2022-local-authority-guidance).  The Government has already set out the compensation due via s.31 grant to billing authorities for the initial four months of 2021/22 to assist them with any cash flow issues. Billing authorities are now required to estimate **the total amount of qualifying expanded retail discount they intend to award under the 2021/22 scheme**. This form will then calculate the remaining on account compensation due for the year which will be paid to billing authorities from August 2021 to March 2022. |

**Part 1a: Cost of Reliefs**

Line 1: **Data cell. Local Authorities should enter data.**

See Note A.At line 1 authorities should enter the **TOTAL** cost of any expanded retail discount they expect to award in accordance with the guidance over the 2021/22 financial year, for which they expect to be reimbursed through s.31 grant. Authorities should enter a negative figure.

Where applicable, separate figures are required for qualifying relief given to eligible hereditaments in designated areas (column 2, see para 22) and the rest of the authority’s area (column 1).

Column 3 automatically sums both columns to give the total expanded retail discount for 2021/22.

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| **Note B: Nursery Discount**  As an extraordinary response to Covid-19, the Government announced a 100% business rates nursery discount on 18 March 2020.  This relief applied to hereditaments occupied by providers on Ofsted’s Early Years Register and wholly or mainly used for the provision of the Early Years Foundation Stage and which are subject to business rates in the year 2020/21. There was no rateable value limit on the relief.  At the Spring Budget on 3 March 2021, the Chancellor extended the nursery discount at 100% for the initial three months of the 2021/22 financial year, decreasing to 66% for the remainder of the year.  There will be no cash cap on the nursery discount for the first three months of the 2021/22 scheme. However, from 1 July 2021 relief will be capped at £105,000 per business.  For full guidance on how to apply the nursery discount, please click [here](https://www.gov.uk/government/publications/business-rates-nursery-childcare-discount-2021-to-2022-local-authority-guidance/business-rates-nursery-childcare-discount-2021-to-2022-local-authority-guidance).  The Government has already set out the compensation due via s.31 grant to billing authorities for the initial four months of 2021/22 to assist them with any cash flow issues. Billing authorities are now required to estimate the **total amount of qualifying nursery discount they intend to award under the 2021/22 scheme**. This form will then calculate the remaining on account compensation due for the year which will be paid to billing authorities from August 2021 to March 2022. |

Line 2: **Data cell. Local Authorities should enter data.**

See Note B. At line 2 authorities should enter the **TOTAL** cost of any nursery discount they expect to award in accordance with the guidance over the 2021/22 financial year, for which they expect to be reimbursed through s.31 grant. Authorities should enter a negative figure.

Where applicable, separate figures are required for qualifying relief given to eligible hereditaments in designated areas (column 2, see para 22) and the rest of the authority’s area (column 1).

Column 3 automatically sums both columns to give the total nursery discount for 2021/22.

**Part 1b: Section 31 Grant**

1. This part of the form is for information only. It calculates the amount of s.31 grant to be paid to billing authorities (see para 21) in respect of the qualifying expanded retail and nursery discount that authorities estimate they will award in 2021/22.

*Authorities are not required to enter data in this section.*

Line 3: Information Cell. Authorities are **not** required to enter data

This cell calculates the total cost of the expanded retail discount and nursery discount to be awarded in 2021/22 (see Notes A and B). It is the total relief to be awarded in both designated areas and the rest of the local authority area, given by the sum of line 1 column 3 and line 2 column 3. The figure is given as a positive.

Line 4: Information Cell. Authorities are **not** required to enter data

This cell shows the amount of s.31 grant payment to be paid to billing authorities on account for the first four months of the 2021/22 financial year.

This figure is derived from NNDR1 2021/22 Part 4a line 3, the billing authority’s estimate of the total amount of expanded retail discount, nursery discount and local newspaper discount it would award for the 2020/21 financial year.

The figure in line 4 is calculated as the part 4a line 3 number, divided by 12 to give a per month figure, multiplied by 3 months at 100% and one month at 66%. The figure is given as a positive.

Line 5: Information Cell. Authorities are **not** required to enter data

This line shows the total amount of additional s.31 grant to be awarded to billing authorities in respect of the reliefs announced at Spring Budget 2021. This value is calculated as line 3 minus line 4. The figure is given as a positive.

**Submitting and certifying the form**

1. The completed form must be submitted via DELTA. Once it has been ‘submitted for certification’ by your data officer, an automatic message will be sent to the certifying officer (Chief Financial / Section 151 officer) with the link that they must use to certify the form. Further guidance on how to certify the form is attached to this email and can also be found in the DELTA Help and Guidance area. The certified form should be completed on DELTA by **Monday 12 July 2021.**
2. The form should be saved or submitted by a separate account to the person who is certifying the return. Please make sure that the certifier only reviews the form after it has been submitted via DELTA. A PDF of the form can be downloaded before and after it has been submitted if this is easier to review, but certification must still take place in DELTA. If you find you are unable to certify the form, please contact [nndr.statistics@communities.gov.uk](mailto:nndr.statistics@communities.gov.uk) as soon as possible using the subject heading of ‘*Additional data collection exercise 2021-22 – certification’*.
3. Please ensure that your local authority’s Chief Financial / Section 151 Officer has an active account, the correct access group, and that their account is not used to also fill in the form; they should certify the form only. If your relevant officer does not have an account, they must contact [DELTAadmin@communities.gov.uk](mailto:DELTAadmin@communities.gov.uk) as soon as possible using the subject heading ‘*Account for* *NNDR data collection*’. For more information please refer to the covering email.
4. Authorities will not be able to submit the form on DELTA after **Monday 12 July 2021** unless they have contacted [nndr.statistics@communities.gov.uk](mailto:nndr.statistics@communities.gov.uk) using the subject heading of ‘*Additional data collection exercise 2021-22 – deadline’.* Late or missing returns increase the risk of a delay to payments. If there is a problem in meeting this deadline, it is imperative that you contact the statistics team as early as possible.
5. Please note that any changes made after the data has been certified (for example, for a correction to data) must be certified again.

**Ministry for Housing Communities and Local Government**

**June 2021**