Under Performing Indicator Recovery Plan

2021/22 Quarter Two

Indicator Name

Business rates (NNDR) collection.

Current Performance

Target: 56.5%

Performance: 49.35%

Historic Performance

Column1	16/17	17/18	18/19	19/20	20/21	21/22
Q1		31.19%	22.25%	21.68%	21.52%	20.41%
Q2		56.88%	49.83%	48.75%	48.10%	49.35%
Q3		75.05%	76.63%	74.20%	74.12%	
Q4		98.50%	96.26%	94.99%	94.71%	

Reasons for Current Under Performance

Further to the report at end of Q1: the withdrawal of the 100% NNDR Holiday for many ratepayers, replaced by a 66% reduction in some cases from July onwards continues to feed through the normal cashflow of instalments (the charge now being levied – 33% where previously there was a zero liability – has been spread over all instalments to the end of the financial year).

However, the month of September alone has seen approximately £1.4m of Expanded Retail Discount removed from the accounts at the request of ratepayers wishing to 'opt out' of the Government scheme. Some of these are large businesses, including

M&S - £312,015.88 & £194,058.66
B&Q - £217,003.84
Furniture Village - £168,691.52
New Look - £118,591.41
Next - £99,566.04

This inflation of the Net Collectible Debit has cancelled out the narrowing of the gap from the July billing process – and, once again, the awards reinstated to accounts have had to be spread over instalments through to the end of the financial year.

More requests to 'opt out' may be received and can neither be predicted, not satisfactorily estimated. They are beyond the NNDR Teams' ability to control.

Coupled with

- the new delays in resurrecting in-year recovery (the Kent courts are not releasing Magistrates' Court hearing dates for any authority at present. There have been no NNDR liability orders obtained for the 2020-21 and 2021-22 amounts outstanding.
- And the confirmation now from Govt and practitioner bodies that the Govt's Covid Relief scheme (to replace the barring of MCC RV appeals for Covid-related reasons) and the awards to all councils out of a 5bn Grant will not even receive Royal Assent before the New Year.

This means that NNDR collection has continued to fall – notwithstanding the stable return of actual receipts from the majority of paying ratepayers.

Actions to Improve Under Performance

(or reasons why this is not necessary)

Measures outlined in the Q1 Report continue to be followed by the NNDR Team:

The NNDR Team has been able to devote all resources to normal duties now that the Support Grant Schemes have all closed.

Ratepayers with arrears not otherwise being summonsed in the near future continue to be contacted by email, letter and telephone to encourage contact with the department to make arrangements (potentially over longer periods of time) to avoid the need for recovery action and costs.

Monthly targets continue to be closely monitored.

Notwithstanding the above, the fact remains, unfortunately, that many aspects of NNDR are being influenced by factors outside of the Authority's control.

As such, and at the request of the Head of the Shared Service Partnership, collection targets for Business Rates for TWBC - and also for MBC, which has likewise been adversely affected by the same factors – will be revisited in coming days to downwardly revise in-year estimates to reflect the factors referenced above.