

Consultation response: Changes to the payment process for schools' business rates

Date: 5 May 2021

Contact: DCN@Local.gov.uk



About the District Councils' Network

The District Councils' Network (DCN) is a cross-party member led network of 180 district councils. We are a Special Interest Group of the Local Government Association (LGA) and provide a single voice for district councils within the Local Government Association. District councils in England deliver 86 out of 137 essential local government services to over 22 million people - 40% of the population - and cover 68% of the country by area.

Consultation Questions

1. Do you agree that the direct payment of schools' NNDR via ESFA to billing authorities is preferable to the current system?

We broadly support the proposal subject to the caveats set out in our responses to the other questions below.

2. Do you anticipate any new burdens as a result of the proposals? Alternatively, would the proposals result in savings for local authorities and schools?

This question will need to be answered through a new burdens assessment with a representative sample of district councils. As councils will still be expected to send bills to maintained schools and academies, there would no savings arising from this. Additional costs may be incurred for tier two authorities in converting the data into a format suitable to upload into the portal.

3. We are anticipating that billing authorities would provide one upload of bill data to ESFA for all the schools within their borough/district. Is this the best way to collect rates information from billing authorities, and what information would billing authorities need in order to provide the required upload of bill data?

We would refer you to responses from individual districts but agree with this approach. Billing authorities will need to know the file format required; this should be a readily available format and the deadline date for accepting the information into the portal.

4. Where multiple billing systems exist within local authorities, what issues would this proposal raise?

As districts will use a number of software proposals, the department should therefore test the proposals with the main systems before rolling it out more widely. It is likely that local authorities will use either Academy or Northgate software. However, this will present issues as these systems will not export data in the same format and data manipulation will be required

to get it into format suitable for uploading into the portal. This could be labour intensive for billing authorities.

5. In local authorities where discretionary relief is provided, how could this best be taken forward under the new system?

The new system should not alter the current arrangements as bills will be issued net of any reliefs, whether mandatory or discretionary.

6. Are there any issues of detail that would need to be resolved in order to implement this proposal? One that occurs to us is how to handle schools occupying sites that also have other bodies on site, such as a children's centre.

It will depend on whether other bodies are part of the same hereditament or are split. In the latter case it should not cause any problems as the other bodies would not be affected by this proposal. In the former case it would depend on whether the school was expected to cover the cost of the other body or if it was recouped through, for example, a service charge.

7. If the direct payment of rates is implemented, would payments made once a year (in June) with a reconciliation for any adjustments at the end of the year (in March) be workable for billing authorities?

Yes

8. To ensure payments are properly reconciled at the end of the year, could billing authorities provide any revised claims via the online portal between May and March?

Yes this can be done when a change is made.

9. Please provide any information that you consider we should take into account in assessing the equalities impact of the above proposals.

None.