

APPENDIX A

Changes to the payment process of schools' business rates Government

Q1. Do you agree that the direct payment of schools' NNDR via ESFA to billing authorities is preferable to the current system?

No. Whilst beneficial from an accounting perspective, these proposals bring additional administrative burden to the Billing Authority in the billing and administration of NNDR. Overall therefore it is preferable to remain with the current system.

Q2. Do you anticipate any new burdens as a result of the proposals? Alternatively, would the proposals result in savings for local authorities and schools?

The proposals bring new burdens in respect NNDR administration. Software used to administer NNDR is aligned to statutory regulations which includes billing in instalments and recovering when overdue. The proposed delays in initial payment and adjusted payments would require system enhancements and/or manual intervention to identify and manually suppress schools and academies from the statutory process. The requirement to issue demands 'for information only' is neither in accordance with legislation nor currently available within the parameters of the system and uploading billing data duplicates the billing process.

If the proposals are to go ahead there will be a need to consider the mechanism for tied accommodation funding to be provided to schools as this is currently included within the rates budget provided to schools. There is no NFF factor for this.

If the proposals are to go ahead will rates expenditure still need to be recorded in the statutory returns such as CFR?

Q3. 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?

Upload of bill data is an additional step in the process for Billing Authorities; work would be required to ensure the data can be extracted and submitted in the format required whilst satisfying information security.

Q4. Where multiple billing systems exist within local authorities, what issues would this proposal raise?

N/A

Q5. In local authorities where discretionary relief is provided, how could this best be taken forward under the new system?

N/A

Q6. 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.

The proposals are not in accordance with statutory regulations around billing of NNDR; should Government require an alternative billing process for schools and academies legislation would

require amendment. For example regulations require that a demand must be issued for payment, including 'for information only' appears to negate the demand being a request for payment. Furthermore, the proposals for payment are outside the statutory instalment scheme; an alternative instalment scheme for schools and academies should therefore be introduced into regulations if this becomes mandatory.

Q7. 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?

From an accounting point of view having this all reconciled by the end of each financial year would be workable for the authority. However as discussed in Q2 software used to administer NNDR is aligned to statutory regulations which includes billing in instalments and recovering when overdue. The proposed delays in initial payment and adjusted payments would require system enhancements and/or manual intervention to identify and manually suppress schools and academies from the statutory process and is therefore not workable for the administration of NNDR.

Q8. 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?

This proposal brings additional administrative burden to the Billing Authority in the billing and administration of NNDR.

Q9. Please provide any information that you consider we should take into account in assessing the equalities impact of the proposals for change.

The proposals provide opportunities for one sector of business to pay outside of statutory regulations. This is not permitted for any other sector and therefore creates inequalities between business sectors.