

TITLE OF REPORT: School National Non-Domestic Rates (NNDR)

Purpose of the Report

1. To bring to Schools Forum the Department for Education (DfE) intention to centrally pay all mainstream school NNDR.

Background

2. The DfE ran a consultation from 10 March 2021 to 5 May 2021 on a proposal to centralise the payment of NNDR for state funded' mainstream schools from 2022/23 onwards.
3. This will entail the Education and Skills Funding Agency (ESFA) paying billing authorities directly on the behalf of state-funded schools from April 2022. This will replace the system in which schools receive funding for NNDR in their annual budgets and pay their NNDR to their billing authority.
4. Under the proposal's schools will retain the formal liability for the payment of NNDR, but the ESFA will act as a paying agent on schools behalf. Billing authorities will upload bill data for all schools to the online ESFA system and billing authorities will supply schools with payment information to allow schools to account for NNDR. Billing authorities will also need to upload any adjustments to the ESFA online system and there will be a single reconciliation payment in March to account for all of the in-year adjustments. If the ESFA has overpaid the overpayment will be deducted from the ESFA's payment in the next financial year. Detailed information on the practicalities of accounting for NNDR in mainstream schools accounts is to follow.
5. On the 8 September 2021 the latest ESFA update for local authorities was published. The below section was included in this update for action for schools.

Action: call for local authority maintained schools to register multi-use sites

ESFA will cover additional rates costs associated with additional buildings on a school site which are used to deliver education for pupils at the school (for example, a sports hall that is used during school hours and at evenings by the wider community).

We will not cover the additional rates costs associated with buildings which are

not used to deliver education for pupils at the school.

For a smooth transition to the new payment system, we'd encourage schools to register buildings which are not used to deliver education for pupils at the school as a separate entity on the Valuation Office Agency's (VOA) rating list.

This ensures that two individual bills are produced, meaning the bill data uploaded to ESFA by billing authorities will only relate to the parts of a school site used to deliver education and will exclude any other buildings.

This is likely to apply to schools which contain:

- several service providers (for example, a private nursery attached to a primary school)
- other bodies which occupy specific buildings (for example, a caretaker's house or community swimming pool)

6. There is no information or guidance on how schools should go about this process, and there does not seem to be any specific part of the VOA website that deals with the above request. A link to the VOA website is below.

[Valuation Office Agency - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Proposal

7. It is proposed that Schools Forum notes the contents of this report to keep updated on the new NNDR process that will commence April 2022.

Recommendation

8. It is recommended that Schools Forum notes the contents of this report and that changes to the NNDR process will take place from April 2022.

For the following reasons:

- To provide funding for the new XP Gateshead free school for the financial year 2021/22.

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