

LANCASHIRE SCHOOLS FORUM

Date of meeting: 6 July 2021

Item No 12

Title: Urgent Business

Appendix A refers

Executive Summary

This report provides an update on Forum decisions/recommendations taken since the last meeting using the urgent business process.

Recommendations

The Forum is asked to:

- a) Note the report.

Background

This report provides an update on Forum decisions/recommendations taken since the last meeting using the urgent business process.

DfE Consultation Changes to the payment process of schools' business rates

On 10 March 2021, the DfE issued a consultation on Changes to the payment process of schools' business rates. A copy of the consultation document was provided to members at the Forum meeting on 18 March 2021.

As the consultation had only just been released, members were able to express some initial comments on the proposals, but it was agreed that a draft response would be circulated for comment using the urgent business procedure, so that an approved forum reply could be submitted by the closing date of 5 May 2021, which was before the next cycle of Forum meetings took place.

A draft Forum text for a response was circulated on 15 April 2021, with comments requested by 30 April 2021.

23 responses were received from members. Some sought clarifications about the proposed process or made more general observations about the implications of the change, but all supported the draft response without any amendments.

A Forum consultation response was therefore submitted on 4 May 2021 and a copy is provided at Appendix A.

Response ID ANON-MNY8-5SBP-6Submitted to **Changes to the payment process of schools' business rates**Submitted on **2021-05-04 10:38:37****Introduction****1 What is your name?****Name:**

Paul Bonser

2 What is your email address?**Email:**

schoolsforum@lancashire.gov.uk

3 What is your organisation?**Organisation:**

Lancashire Schools Forum

4 What type of organisation is it?**List of organisation types:**

Other

5 What is your role?**Text box for role:**

Clerk to Schools Forum

6 What local authority area are you based in?**Please select:**

Lancashire

7 Are you happy to be contacted directly about your response?

Yes

8 Would you like us to keep your responses confidential?

No

Reason for confidentiality:**Consultation Questions - Proposal 1****9 Do you agree that the direct payment of schools' NNDR via the ESFA to billing authorities is preferable to the current system? Before answering this question, please refer to Proposal 1 of the consultation document. Use the comments box to explain your answer.**

Yes

Comments:

The Forum are supportive of the principles behind the proposed new system and agrees that this is preferable to the current system. We welcome the proposed streamlining of the system that the proposals would create and the reduced administrative burden on individual schools and academies.

Our main concern relates to the liability element of the proposals. The consultation indicates that liability for business rates would remain unchanged, with schools and academies liable for payment of any penalty charges incurred as a result of an unpaid bill. This does not seem appropriate. Under the proposals, the DfE/ESFA are making bill payments, so they should be liable for any penalties as a result of unpaid bills, rather than schools and academies that are no longer involved in the payment process.

In addition, the proposals appear to reduce the incentive for schools, academies or LAs to challenge any rateable values determined by the billing authorities. Under the current system, there is some incentive for valuations to be challenged at a local level, if they are deemed inaccurate. However, if business rate bills are paid nationally and funding is top-sliced from DSG allocations, the impact of any inaccurate valuations is lost in the national payment, which reduces any motivation to instigate an appeal process.

Finally, the consultation refers to the proposals being for "state-funded schools" including academies and local authority maintained schools. However, the methodology in the documentation makes reference to the APT, which is only applicable to the Schools Block funding of the DSG, covering mainstream primary and secondary schools and academies. All "state-funded schools" would suggest that academies and local authority maintained schools funded from the Early

Years and High Needs Blocks should also be included in the new billing arrangements, for example Maintained Nursery Schools, Maintained Pupil Referral Units or AP Academies. If such schools and academies are included in the new arrangements, further clarification about the recharge methodology for such establishments would be appreciated. If some academies and local authority maintained schools are excluded, further information about what billing arrangements that will apply to them in 2022/23 would be welcomed. The Forum are concerned that if the proposals are only applicable to certain maintained schools and academies, then this could lead to some confusion in the system, with the risk that some NNDR bills are paid twice, or not at all. It would also seem sensible to include all "state-funded schools" in the system, as a set out in the document, as a matter of principle, and on the basis of equity and consistency, so that they too may benefit from the advantages described in the proposals.

10 Do you anticipate any new burdens as a result of the proposals? Alternatively, would the proposals result in savings for local authorities and schools? Before answering this question, please refer to Proposal 1 of the consultation document. Use the comments box to outline any new burdens or savings for local authorities and schools that you anticipate would arise as a result of the proposals.

No

Comments:

A key benefit of the proposals is the reduced administrative burden on schools, academies and LAs.

11 We are anticipating that billing authorities would provide one upload of bill data to the 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? Before answering this question, please refer to Proposal 1 of the consultation document. Use the comments box to explain your answer and suggest what information billing authorities would need in order to provide the required upload of data.

Unsure

Comments:

No comment as we are not a billing authority and would not be involved in this area.

12 Where multiple billing systems exist within local authorities, what issues would this proposal raise? Before answering this question, please refer to Proposal 1 of the consultation document.

Comments:

No comments, billing authorities will be best placed to respond

13 In local authorities where discretionary relief is provided, how could this best be taken forward under the new system? Before answering this question, please refer to Proposal 1 of the consultation document.

Comments:

No comments, billing authorities will be best placed to respond

14 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. Before answering this question, please refer to Proposal 1 of the consultation document.

Comments:

We agree that the introduction of the new system will create the need for clarity where schools share sites with other bodies. Currently, billing authorities charge the site, with the bill being paid by the school and costs apportioned out amongst different bodies. The new system would require an assessment of the relevant rateable values for the site occupiers and individual bills to be raised for school costs, which can then be fed into the new system and paid centrally by DfE. This issue can be complicated by shared areas on a site that are utilised by multiple occupiers.

Consultation Questions - Proposal 2

15 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? Before answering this question, please refer to Proposal 2 of the consultation document. Use the comments box to explain your answer.

Unsure

Comments:

No comments, billing authorities will be best placed to respond

16 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? Before answering this question, please refer to Proposal 2 of the consultation document. Use the comments box to explain your answer, suggest any issues that could arise from this approach and offer any alternative timelines to

revised claim uploads.

Unsure

Comments:

No comments, billing authorities will be best placed to respond

Consultation Questions - Equalities Impact Assessment

17 Please provide any information that you consider we should take into account in assessing the equalities impact of the above proposals. Before answering this question, please refer to Annex A of the consultation document.

Comments:

No comments