

Business Rates - Forecast

	2023/24	2024/25	2025/26	2026/27	2027/28	
	£'m	£'m	£'m	£'m	£'m	
Section 31 grant for underindexing the business rates multiplier	12.419	12.419	12.419	12.419	12.419	In line with the NNDR1 Return for 2023/24. Assume no future growth given economic slowdown risk
Business Rates-top-up grant	35.921	37.864	40.005	40.805	41.621	2023/24 as per the LGFS. 2024/25 & 2025/26 uprated in line with LG Futures modelling. Years thereafter uprated by an assumed 2% per annum
In-Year Business Rates Income	32.168	33.909	33.909	33.909	33.909	Croydon 30% share of business rates income collected. Estimate based on the 2023/24 NNDR1. Assume no future uplift given risk of economic slowdown.
Other section 31 grants (for business rate reliefs)	10.338	11.479	11.479	11.479	11.479	Based on NNDR1 for 2023/24 and LG Futures modelling. Assume no future growth given economic slowdown risk.
Prior Year Adjustments	-12.215	0	0	0	0	Arising from prior year rebates
Draw down from business rates reserve	12.215	0	0	0	0	Reserve c/fwd to 23/24 of £19.633m funded from section 31 grants received for covid business rate reliefs. This is matched against the prior year adjustments.
2024-25 Budget proposals		1.937	2.200	2.200	2.200	Impact of new developments and allowance for inflation
Total - All Business Rates	90.846	97.608	100.012	100.812	101.628	

Croydon Budget Presentation

Section 31 grant for underindexing the business rates multiplier	12.419	12.419	12.419	12.419	12.419
Business Rates Income	78.427	85.189	87.593	88.393	89.209
Total	90.846	97.608	100.012	100.812	101.628

Notes:

- A business rates revaluation is effective from 1 April 2023.
The impact should be neutral but the split between income and the top-up grant may change.
Transitional reliefs may also apply and change the level of section 31 grants.
- This forecast is based on the NNDR1 submitted in January 2023.
- The business rates system is due to be rebased from 2025/26.
For the purpose of this forecast the impact is assumed to be neutral.
- Croydon will carry forward a business rate relief reserve of £19.633m to 2023/24
This was funded from government section 31 grant received in respect of business rate reliefs provided during Covid.
The reserve is now matched against the prior year business rate adjustments arising from the impact of Covid.