

Local Government Finance Circular No. 3/2025

Directors of Finance of Scottish Local Authorities

Our Reference: A51618711
26 March 2025

Dear Director of Finance

NON DOMESTIC RATES INCENTIVISATION SCHEME 2023-26

1. The circular provides details of the final NDRIS amounts to be retained for 2023-24 for individual local authorities, the final targets for 2024-25 and the provisional targets for 2025-26.

3. Following the change in the revaluation timetable from 5 years to 3 years and to provide further incentivisation, Ministers have taken the decision that the benefit from growing the non-domestic rates tax base should be retained will be extended over two revaluation periods rather than one as was previously the case. This extension is on the condition that the additional income is maintained.

4. The full background and terms and conditions of the NDRIS were set out in Annex N of the Local Government Finance Circular No. 9/2014 dated 11 December 2014.

5. The various parts and annexes to this Circular, listed below, provide more of the detail behind the calculations.

Annex A: Non Domestic Rates Incentivisation Scheme 2023-24 retention amounts;

Annex B: Non Domestic Rates Incentivisation Scheme 2024-25 final targets.; and

Annex C: Non Domestic Rates Incentivisation Scheme 2025-26 provisional targets.

6. Any enquiries should be addressed to: Craig Inglis craig.inglis@gov.scot

7. This Circular is available on the Scottish Government website at: <https://www.gov.scot/publications/local-government-finance-circulars-index/>

Yours faithfully

Craig Inglis
Local Government & Analytical Services Division

NON DOMESTIC RATES INCENTIVISATION SCHEME – 2023-24 RETENTION AMOUNTS

Local Authority	2023-24 NDRIS final retention amount (£)
Angus	750,979
Clackmannanshire	10,972
East Lothian	70,557
East Renfrewshire	168,864
Eilean Siar	24,005
Falkirk	273,546
Fife	955,637
Highland	352,547
Midlothian	42,156
North Ayrshire	24,027
North Lanarkshire	321,458
Renfrewshire	464,114
South Ayrshire	373,021
South Lanarkshire	382,241
Stirling	39,017
SCOTLAND	4,253,139

NON DOMESTIC RATES INCENTIVISATION SCHEME – 2024-25 FINAL TARGETS

Local Authority	Final 2024-25
Aberdeen City	0.6%
Aberdeenshire	0.9%
Angus	1.0%
Argyll & Bute	0.8%
Clackmannanshire	0.8%
Dumfries & Galloway	1.0%
Dundee City	0.8%
East Ayrshire	0.9%
East Dunbartonshire	0.9%
East Lothian	0.9%
East Renfrewshire	0.9%
Edinburgh, City of	0.9%
Eilean Siar	1.0%
Falkirk	0.7%
Fife	0.8%
Glasgow City	0.8%
Highland	1.1%
Inverclyde	0.8%
Midlothian	1.0%
Moray	1.0%
North Ayrshire	0.8%
North Lanarkshire	0.8%
Orkney Islands	0.7%
Perth & Kinross	0.8%
Renfrewshire	0.8%
Scottish Borders	0.9%
Shetland Islands	0.6%
South Ayrshire	0.9%
South Lanarkshire	0.9%
Stirling	0.8%
West Dunbartonshire	0.9%
West Lothian	0.9%

NON DOMESTIC RATES INCENTIVISATION SCHEME – 2025-26 PROVISIONAL TARGETS

Local Authority	Updated provisional 2025-26
Aberdeen City	0.6%
Aberdeenshire	0.9%
Angus	1.0%
Argyll & Bute	0.8%
Clackmannanshire	0.8%
Dumfries & Galloway	1.0%
Dundee City	0.8%
East Ayrshire	0.9%
East Dunbartonshire	0.9%
East Lothian	0.9%
East Renfrewshire	0.9%
Edinburgh, City of	0.9%
Eilean Siar	1.0%
Falkirk	0.7%
Fife	0.8%
Glasgow City	0.8%
Highland	1.1%
Inverclyde	0.8%
Midlothian	1.0%
Moray	1.0%
North Ayrshire	0.8%
North Lanarkshire	0.8%
Orkney Islands	0.7%
Perth & Kinross	0.8%
Renfrewshire	0.8%
Scottish Borders	0.9%
Shetland Islands	0.6%
South Ayrshire	0.9%
South Lanarkshire	0.9%
Stirling	0.9%
West Dunbartonshire	0.9%
West Lothian	0.9%