

## Local Government Finance Circular No. 5/2026

Directors of Finance of Scottish Local Authorities

Our Reference: A55786796  
20 March 2026

Dear Director of Finance

### Non Domestic Rates Incentivisation Scheme (NDRIS) 2024-27

1. The circular provides details of the final NDRIS amounts to be retained for 2024-25 for individual local authorities, the final targets for 2025-26 and the provisional targets for 2026-27.

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 2024-25 retention amounts;

Annex B: Non Domestic Rates Incentivisation Scheme 2025-26 final targets.; and

Annex C: Non Domestic Rates Incentivisation Scheme 2026-27 provisional targets.

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

**ANNEX A****NON DOMESTIC RATES INCENTIVISATION SCHEME – 2024-25 RETENTION AMOUNTS**

Local Authority	2024-25 NDRIS final retention amount (£)
Argyll & Bute	390,327
Clackmannanshire	38,178
East Ayrshire	120,009
East Renfrewshire	55,730
Moray	66,102
North Ayrshire	20,392
Shetland Islands*	1,705,381
South Ayrshire	46,520
South Lanarkshire	187,530

\*Large buoyancy in Shetland due to addition of Wind Turbine VIKING ENERGY WIND FARM LLP, UARN: 11/23/000100/2 (RV of £9,525,000)

## NON DOMESTIC RATES INCENTIVISATION SCHEME – 2025-26 FINAL TARGETS

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

## NON DOMESTIC RATES INCENTIVISATION SCHEME – 2026-27 PROVISIONAL TARGETS

Local Authority	Updated provisional Target 2026-27
Aberdeen City	0.6%
Aberdeenshire	0.9%
Angus	0.9%
Argyll & Bute	0.9%
Clackmannanshire	0.8%
Dumfries & Galloway	0.9%
Dundee City	0.7%
East Ayrshire	0.8%
East Dunbartonshire	0.8%
East Lothian	0.8%
East Renfrewshire	1.0%
Edinburgh, City of	0.8%
Eilean Siar	0.8%
Falkirk	0.7%
Fife	0.9%
Glasgow City	0.7%
Highland	0.8%
Inverclyde	0.8%
Midlothian	0.8%
Moray	0.9%
North Ayrshire	0.8%
North Lanarkshire	0.8%
Orkney Islands	0.7%
Perth & Kinross	0.7%
Renfrewshire	0.8%
Scottish Borders	0.8%
Shetland Islands	0.8%
South Ayrshire	0.9%
South Lanarkshire	0.9%
Stirling	0.8%
West Dunbartonshire	0.9%
West Lothian	0.8%

