

**Non-Domestic Rates Income Return**  
**Notified – 2019-20**  
**Guidance Notes**

These notes are intended to help with the completion of the form for the Non-Domestic Rates Notified return. The form is designed to calculate the notified return for your Council for 2019-20 which provides an estimate of the Council's Non-Domestic Rate Income (NDRI) collected, and therefore contributed, to the Non-Domestic Rates Pool in 2019-20.

**Transaction Cut-off Date** refers to the date up to which NDRI was included or based on at the time of completing return.

**Gross NDRI**

1. Enter in **line 1** the amount payable to your Council in 2019-20:
  - a. this amount should be the theoretical maximum rate yield using the most up-to-date information available on rateable values at the time of making the calculation;
  - b. the amount entered at line 1 should include rates yield from properties, which would have previously been exempt from Non-Domestic Rates because of Crown Exemption;
  - c. no account should be taken of any reduction in yield arising from mandatory or discretionary reliefs; and
  - d. churches or buildings occupied by a religious body or for religious worship must be included here to enable them to be exempted.
2. Enter in **line 2a** the gross Large Business Supplement yield contributing to the total in line 1. Enter in **line 2b** the Large Business Supplement yield net of reliefs contributing to total in line 1. If possible provide yields for both lines 2a and 2b.
3. **Line 3** is the amount of non-domestic rates exempted due to church and religious relief and will be the same as provided in line 9.
4. Please include in **line 4** any adjustment made (if any) to line 1 to account for in-year changes in rateable value due to appeals, growth in the tax base or any other reason. If there has been no such allowance made in line 1 please leave blank.
5. **Line 5** is equal to Line 1.

The figures entered in lines 6 to 32 should reflect only actual amounts for the period 1 April 2019 to 31 March 2020. No provision for future relief or remissions should be included in lines 6 to 32 of this return. Any outstanding reliefs and remissions should be entered under prior year adjustments in the following year's returns.

**Less Mandatory Reliefs**

6. **Line 6** is the estimate of the total reduction of rate yield in 2019-20 in respect of unoccupied/partly unoccupied property arising as a result of the operation of Regulations 2 and 3 of the Non-Domestic Rating (Unoccupied Property) (Scotland) Regulations 2018, excluding any provision relating to Part 1 of the Schedule (which is considered under line 7).
7. Enter in **line 7** your estimate of the reduction of rate yield in 2019-20 in respect of New Start relief arising as a result of the operation of Regulation 2 of the Non-Domestic

Rating (Unoccupied Property) (Scotland) Regulations 2018 in respect of Regulation 4 of the Non-Domestic Rating (Unoccupied Property) (Scotland) Regulations 2018.

8. Enter in **line 8**, your estimate of the reduction of rate yield in 2019-20 in respect of Fresh Start relief arising as a result of the operation of Regulation 4 of the Non-Domestic Rating (Unoccupied Property) (Scotland) Regulations 2018.
9. Enter in **line 9**, your estimate of the reduction in rate yield in 2019-20 as a result of religious relief as stated in section 22(1) of the Valuation and Rating (Scotland) Act 1956 on “churches, etc.”.
10. Enter in **line 10**, your estimate of the reduction in rate yield for 2019-20 resulting only from the application of 80% **mandatory** relief for the properties occupied by charities (excluding sports clubs), under Section 4(2) of the Local Government (Financial Provisions) (Scotland) Act 1962. Discretionary relief must be entered separately at line 27.
11. Enter in **line 10a** the amount reported in line 10 which is a result of relief granted to Arm’s-Length External Organisations (ALEOs). Note that this is included in line 10, but separately reported here.
12. Enter in **line 11** your estimate of the reduction in rate yield for 2019-20 as a result of the application of the 80% **mandatory** relief for the properties occupied by Sports Clubs (Community Amateur Sports Clubs (CASCs) or Sports Clubs which are registered charities) as provided for under by Section 4(2) of the Local Government (Financial Provisions etc.) (Scotland) Act 1962. Discretionary relief must be entered separately at either line 28 or line 29.
13. Enter in **line 11a** the amount reported in line 11 which is a result of relief granted to Arm’s-Length External Organisations (ALEOs). Note that this is included in line 11, but separately reported here.
14. Enter in **line 12** your estimate of the reduction in rate yield in 2019-20 for disabled persons arising from the operation of sections 4 and 5 of the Rating (Disabled Persons) Act 1978.
15. Enter in **line 13** your estimation of the reduction in rate yield in 2019-20 as a result of the 100% **mandatory** rate relief for rural properties under paragraph 4 of Schedule 2 of the Local Government and Rating Act 1997 and The Non-Domestic Rates (Rural Areas) (Scotland) Regulations 2017.
16. Enter in **line 14**, your estimation of the reduction in rate yield in 2019-20 as a result of the Small Business Bonus Scheme (SBBS), under The Non Domestic Rates (Levying) (Scotland) Regulations 2019.
17. Enter in **line 15**, your estimation of the reduction in rate yield in 2019-20 resulting only from the application of mandatory renewables relief under The Non-Domestic (Renewable Energy Generation Relief) (Scotland) Amendment Regulations 2018.
18. Enter in **line 16**, your estimate of the reduction in rate yield in 2019-20 arising from the application of district heating relief under The Non-Domestic Rates (District Heating Relief) (Scotland) Regulations 2017.
19. Enter in **line 17**, your estimate of the reduction in rate yield in 2019-20 arising from the application of relief within Enterprise Area sites, if there are designated

Enterprise area(s) within the Council area, under The Non-Domestic Rates (Enterprise Areas) (Scotland) Regulations 2016.

20. Enter in **line 18**, your estimate of the reduction in rate yield in 2019-20 as a result of The Non-Domestic Rates (Transitional Relief) (Scotland) Amendment Regulations 2019, relating to Classes 1 to 8, 10 and 11 in the Schedule - hospitality related properties and net of reductions relating to other reliefs.
21. Enter in **line 19**, your estimate of the reduction in rate yield in 2019-20 as a result of The Non-Domestic Rates (Transitional Relief) (Scotland) Amendment Regulations 2019, relating to Class 12 in the Schedule - for offices in Aberdeen City and Aberdeenshire councils - and net of reductions relating to other reliefs.
22. Enter in **line 20** your estimate of the reduction in rate yield in 2019-20 as a result of the application of the 100% relief for day nurseries under The Non-Domestic Rates (Day Nursery Relief) (Scotland) Regulations 2018.
23. Enter in **line 21** your estimate of the reduction in rate yield in 2019-20 as a result of the application of the relief for properties newly added to the valuation roll and **first occupation having taken place**, or to **existing properties where improvements** have taken place resulting in an increase in RV (regardless of occupation) under The Non-Domestic Rates (New and Improved Properties) (Scotland) Regulations 2019.
24. Enter in **line 21a** your estimate of the amount reported in line 21 which is a result of relief for **existing properties where improvements have taken place**.
25. Enter in **line 21b** your estimate of the amount reported in line 21 which is a result of relief for **new-build properties which are in occupation**.
26. Enter in **line 22** your estimate of the reduction in rate yield in 2019-20 as a result of the application of the 100% relief for new-build properties that have never yet been occupied, under The Non-Domestic Rates (New and Improved Properties) (Scotland) Regulations 2019. Note that this is only for properties that have **yet to be occupied**. Amount of relief paid to those properties that have been occupied to be reported under in line 21
27. Enter in **line 23** your estimate of the reduction in rate yield in 2019-20 as a result of the application of relief for mobile masts under The Non-Domestic Rates (Telecommunication Installations) (Scotland) Amendment Regulations 2019.
28. Enter in **line 24** your estimate of the reduction in the rate yield in 2019-20 as a result of the application of the 100% relief for new fibre installations under the The Non-Domestic Rates (Telecommunications New Fibre Infrastructure Relief) (Scotland) Regulations 2019.
29. Enter in **line 25** your estimate of the reduction in the rate yield in 2019-20 as a result of the exemption from rates for lighthouses under section 221 of the Merchant Shipping Act 1995.

## **Less Discretionary Reliefs**

30. Enter in **line 26**, 75%<sup>1</sup> of your estimate of the reduction in rate yield as a result of Hardship relief. The Local Government (Scotland) Act 1994 makes provision for the award of hardship relief if the Council is satisfied that the rate payer would sustain hardship if relief was not granted.
31. Enter in **line 27**, 75% of your estimate of the (maximum of 20% of the full rates bill) reduction in rate yield as a result of discretionary relief granted under sections 4(5)(a) and 4(5)(b) of the Local Government (Financial Provisions) (Scotland) Act 1962 for charities (excluding sports clubs) and other organisations.
32. Enter in **line 27a**, the amount reported in line 27 which is a result of relief granted to Arm's-Length External Organisations (ALEOs). Note that this is included in line 27, but separately reported here, and as at line 27 is 75% of the relief granted.
33. Enter in **line 28**, 75% of your estimate of the reduction in rate yield (maximum of 20% of the full rates bill) as a result of discretionary relief for sports clubs (Community Amateur Sports Clubs (CASCs) or Sports Clubs which are registered charities) granted under section 4(5) (a) of the Local Government (Financial Provisions) (Scotland) Act 1962.
34. Enter in **line 28a** the amount reported in line 28 which is a result of relief granted to Arm's-Length External Organisations (ALEOs). Note that this is included in line 28, but separately reported here, and as at line 28 is 75% of the relief granted.
35. Enter in **line 29**, 100% of the reduction in rate yield as a result of discretionary relief for not-for-profit clubs, societies or organisations used for the purposes of recreation granted under section 4(5) (c) of the Local Government (Financial Provisions) (Scotland) Act 1962
36. Enter in **line 29a** the amount reported in line 29 which is a result of relief granted to Arm's-Length External Organisations (ALEOs). Note that this is included in line 29, but separately reported here.
37. Enter in **line 30**, 75% of your estimate of the reduction in rate yield as a result of discretionary rural relief granted under paragraph 4 of Schedule 2 of the Local Government and Rating Act 1997, excluding any in respect of stud farms.
38. Stud farms established on or after 1 April 2005 qualify for discretionary relief under The Valuation (Stud Farms) (Scotland) Order 2005. Enter in **line 31**, 75% of your estimate of the reduction in rates yield as a result of discretionary relief granted in respect of stud farms.
39. **Gross Amount, line 32** is the subtotal of line 5 minus the sum of mandatory and discretionary reliefs.

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<sup>1</sup> Where hardship relief relates to claims by businesses negatively affected as a result of the Glasgow School of Art fire, include 95% of the estimate of the reduction in rate yield for these cases where applicable

## Other Deductions

40. Paragraph 7 of Schedule 1 to The Non-Domestic Rating Contributions (Scotland) Regulations 1996 enables amounts in respect of losses in collection to be deducted from the gross amount. Enter in **line 33** the amount in respect of bad debts which should be written off or doubtful debts for which provision should be made in respect of 2019-20.
41. Paragraph 9 of Schedule 1 to The Non-Domestic Rating Contributions (Scotland) Regulations 1996 provides that the gross amount of interest paid by the Council during the year should also be deducted from the gross amount. These repayments are required under The Non-Domestic Rating (Payment of Interest) (Scotland) Regulation 1992 and Amendment Regulations 2009 in respect of overpayments refunded as a result of alteration to the local rating list under Section 9A of the Local Government (Scotland) Act 1975. Enter in **line 34** the amount in respect of any interest, which is expected to be paid by the Council in 2019-20 in respect of overpaid rates, in respect of **all** years since 1 April 1990.
42. **Line 35** subtotal of line 32 minus 33 and 34.

## Prior year adjustments for 1993-94 to 2018-19

### DEDUCTIONS

Paragraphs 7A and 8A of Schedule 1 of the Regulations (as added by the Amendment Regulations 1999) require local authorities to calculate a separate sum in respect of prior year losses, for the period prior to devolution and for the period since devolution.

43. Enter in **line 36**, in accordance with paragraph 7 and 7A of Schedule 1 of the Regulations, your estimate of the loss of rate yield arising from an increase in the bad debts provision for 1993-94 to 31 March 2019 which has not been taken into account in the 1993-94 to 2018-19 returns. **Total pre and post-devolution bad debts should be included in this line.**
44. Enter in **line 37**, in accordance with paragraph 8 and 8A of Schedule 1, any amounts repaid or expected to be repayable by the authority (mainly as the result of appeals) for 1993-94 to 2018-19, which have not been taken into account in the 1993-94 to 2018-19 returns. Interest paid on overpaid rates during 2019-20 in respect of prior years should be included at line 34, therefore there should be no provision made at line 37 for interest paid.
45. Enter in **line 38**, in accordance with paragraph 11 of Schedule 1 of the Regulations, the amounts which are expected to be **repaid** by the authority in respect of rates/contributions due for 1993-94 to 2018-19 which have not been taken into account in the 1993-94 to 2018-19 returns.
46. Enter in **Line 39**, any backdated relief granted in 2019-20 but relating to prior years for either the Small Business Rates Relief Scheme (SBRRS) or its replacement the Small Business Bonus Scheme.
47. Enter in **Line 40** any backdated relief granted in 2019-20 but relating to prior years for all types of the Business Growth Accelerator relief – whether for occupied or unoccupied new build or for improvements.

48. The Local Government and Rating Act 1997 makes provision for the backdating of discretionary relief for charitable organisations and similar bodies. A Council may, in the first six months of the financial year, make a decision to backdate relief under section 4(5) of the 1962 Act. Enter the amount in **line 41** in accordance with paragraph 4 of Schedule 2 to the Regulations.
49. Enter in **line 42** any backdated relief other than SBBS and BGA, granted in 2019-20 but relating to prior years. Include in comments to which relief(s) this is in relation to.
50. Enter in **line 43**, any other additions or deductions (net deductions) which do not fall easily into any of the above categories. This should include any sector specific rates reliefs such as steel plants and digital masts. If you are using this box please let us know the reason for use in the comments box.
51. **Line 44**, is the total prior year deduction, i.e. lines 36 to 43.

## ADDITIONS

52. Enter in **Line 45**, in accordance with paragraph 10 of Schedule 1, the amounts which have now been paid or are expected to be payable to the authority in respect of non-domestic rate income written off in the calculations made for 1993-94 to 2018-19 under paragraph 11(5) of Schedule 12 to the 1992 Act.
53. Enter in **line 46**, in accordance with paragraph 11 of Schedule 1, the amount in respect of 1993-94 to 2018-19 which has been paid or is expected to become payable to the authority in respect of rates/contributions due for 1993-94 to 2018-19 which have not been taken into account in the 1993-94 to 2018-19 returns.
54. **Line 47**, is total prior year additions, i.e. line 45 plus 46.
55. **Line 48**, is total contributable amount before local authority retentions, line 35 minus line 44 plus line 47.
56. Enter in **line 49** for those local authorities that have approved TIF (Tax Incremental Financing (TIF)) projects, include if relevant the net TIF income as set out in the Non-domestic Rating contributions (Scotland) Amendment Regulations 2010. This should match the TIF Annual return submitted separately.
57. Enter in **line 50** any income associated with BRIS (Business Rates Incentivisation Scheme) amounts retained by the local authority which relate to post 2017 revaluation – i.e. for 2017-18 and 2018-19. **Amounts relating to the scheme prior to the 2017 revaluation have all been now claimed and should no longer be reported.** The guidance relating to the scheme can be found at Annex N of Local Government Finance Circular No. 9/2014. Note that the guidance explains that any benefits gained would continue to be retained until the end of the review period assuming the additional rates income also continued during that period. So the payment amounts published in relation to 2017/18 can be retained for a second year, assuming 2018/19 income did not drop (in real terms) below 2017/18 levels, in addition to any 2018/19 payment amounts as recently made available in Local Government Finance Circular 7/2020. Since both the 2017/18 and 2018/19 payment amounts were made available after the completion of the 2018/19 audited returns we would expect that these 2 years of the scheme would both be accounted for in this return.
58. **Line 51** is the Notified Amount, line 48 minus line 49 and line 50.

**Local Rates Relief** – section 3A of the Local Government (Financial Provisions etc.) (Scotland) Act 1962, as inserted by The Community Empowerment (Scotland) Act 2015, enables local authorities to provide locally funded rates relief schemes. Please enter in **line 52** any amount of rates relief provided under any local rates relief scheme implemented through these new powers. Please note, this does not affect the total amount and is being collected for information purposes.

**Comments Box**

Please use the comments box to provide explanations of any special factors affecting the figures given in this return and any additional notes on items in the return, particularly including information about any entry made in boxes 42 and 43.

**Certification**

Entries must be certified as being made in accordance with the Regulations and, where appropriate, being the best estimates, which could be made on the basis of information available at the time of the calculation.

**Enquiries**

If you have any queries about the completion of the return please e-mail [lgfstats@gov.scot](mailto:lgfstats@gov.scot).

**Return Date**

The form should be completed via the online ProcXed System as soon as possible and no later than **11 June 2020**, though please get in touch if there will be difficulties in meeting this deadline.

**ProcXed Guidance**

Guidance on the use of ProcXed is available to download from the Scottish Government website at <https://www.gov.scot/publications/non-domestic-rates-income-ndri-returns/>

**Scottish Government**

**Local Government and Analytical Services Division**

**2 April 2020**