

**Non-Domestic Rates Income Return**  
**Provisional Contributable Amount (PCA) – 2016-17**  
**Guidance Notes**

These notes are intended to help with the completion of the form for the Non-Domestic Rates Income Provisional Contributable Amount (PCA) return. The form is designed to calculate the PCA for your Council for 2016-17 which provides an estimate of the Council's Non-Domestic Rate Income (NDR) it will collect, and therefore contribute, to the Non-Domestic Rates Pool in 2016-17.

**Transaction Cut-off Date** refers to the date up to which non-domestic rates income 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 2016-17:
  - 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 and;
  - c. no account should be taken of any reduction in yield arising from mandatory or discretionary reliefs;
  - 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. If gross cannot be supplied, please see line 2b.  
Enter in **line 2b** the Large Business Supplement yield net of reliefs contributing to total in line 1 if the gross is not available.
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 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 so such allowance made in line 1 please leave blank.

The figures entered in lines 6 to 23 should reflect only actual amounts for the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017. **No** provision for future relief or remissions should be included in lines 6 to 23 of this return. Any outstanding reliefs and remissions should be entered under prior year adjustments in the following year's returns.

**Less Mandatory Reliefs**

5. **Line 6** is the estimate of the total reduction of rate yield in 2016-17 in respect of unoccupied/partly unoccupied property arising as a result of the operation of sections 24 and 24A of the Local Government (Scotland) Act 1966, and by Regulations 2 and 3 of the Non-Domestic Rating (Unoccupied Property) (Scotland) Regulations 1994 (as further amended by SSI 2016/124), excluding any provision relating to Part 1A of the Schedule (which is considered under line 7).

6. Enter in **line 7**, your estimate of the reduction of rate yield in 2016-17 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 1994 (as further amended by SSI 2016/124) in respect of Part 1A of the Schedule. This regulation provides for an exemption from rates for a maximum of 15 months, for new build property that remains unoccupied when first entered in the valuation roll (thereafter it can be eligible for unoccupied property relief).
7. Enter in **line 8**, your estimate of the reduction of rate yield in 2016-17 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 1994. The regulation allows for relief of 50% for a period of 12 months on occupation of properties that were previously unoccupied for a period of 12 months; have a rateable value of up to £65,000; and were previously used as a shop, office, hotel, restaurant or pub. Where there has not been a last use, relief is offered where the property is intended to be used as a shop, office, hotel, restaurant or pub.
8. Enter in **line 9**, your estimate of the reduction in rate yield in 2016-17 as a result of religious relief as stated in section 22(1) of the Valuation and Rating (Scotland) Act 1956 on “churches, etc.”, as substituted by paragraph 10 of Schedule 13 of the 1992 Act.
9. Enter in **line 10**, your estimate of the reduction in rate yield for 2016-17 resulting only from the application of 80% **mandatory** relief for the properties occupied by charities (excluding sports clubs). Discretionary relief must be entered separately at line 19. Section 4(2) of the Local Government (Financial Provisions) (Scotland) Act 1962 as amended by the Local Government Finance Act 1988, provides for 80% mandatory relief from rates for qualifying charitable organisations. The Council may, at their discretion, under section 4(5) of the Act, top this up to 100%.
10. Enter in **line 11** your estimate of the reduction in rate yield for 2016-17 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 Section 98 of the Charities and Trustee Investment (Scotland) Act 2005 and Section 4(2) of the Local Government (Financial Provisions etc.) (Scotland) Act 1962. The Council also has discretion, under section 4(5) of the 1962 Act, to top this up to 100%. Discretionary relief must be entered separately at line 20.
11. Enter in **line 12** your estimate of the reduction in rate yield in 2016-17 for disabled persons arising from the operation of sections 4 and 5 of the Rating (Disabled Persons) Act 1978. Please note that no account should be taken of grant paid to the Council to offset rate reductions under section 69 of the Local Government, Planning and Land Act 1980. No grant, other than residual payments, is payable under this legislation with effect from 1995-96.
12. Enter in **line 13** your estimation of the reduction in rate yield in 2016-17 as a result of the provisions, resulting only from the application of 50% **mandatory** rate relief for rural properties. Discretionary relief must be entered separately at line 22. Schedule 2 of the Local Government and Rating Act 1997, as amended, and The Non-Domestic Rating (Petrol Filling Stations, Public Houses and Hotels) (Scotland) Order 2009 (SSI 2009/69) make provisions for 50% mandatory relief from rates for certain general stores, post offices, food stores, petrol filling stations, public houses and hotels in designated rural areas. The Non-Domestic Rating (Rural Areas and Rateable Value Limits) (Scotland) Amendment Order 2010 (SSI 2010/37) sets the rateable value threshold at £12,750 for petrol filling stations, public houses and hotels and £8,500 for all other qualifying subjects. The Council may, at their discretion, top up the relief to 100%. The Council

also has discretion to grant up to 100% relief on certain other rural properties with a rateable value of £17,000 or less.

13. Enter in **line 14**, your estimation of the reduction in rate yield in 2016-17 as a result of the provisions, resulting only from the application of mandatory rate relief under the Small Business Bonus Scheme (SBBS). The Non Domestic Rates (Levying) (Scotland) Regulations 2014 2016 (SSI 2014/302016/114) makes provision for up to 100% relief from rates for certain small business properties. The Order sets the combined rateable value thresholds for relief at £10,000 or less for 100% relief, more than £10,000, and up to £12,000 for 50% relief and more than £12,000 and up to £18,000 for 25% relief. Properties with a cumulative rateable value of £35,000, or less can receive 25% rates relief on individual properties with a rateable value of up to £18,000.
14. Enter in **line 15**, your estimation of the reduction in rate yield in 2016-17 resulting only from the application of mandatory rate relief under the Renewable Energy Relief Scheme. The Non-Domestic (Renewable Energy Generation Relief) (Scotland) Regulations 2010 (SSI 2010/44), as further amended by SSI 2016/121, make provision for a discount of up to 100% on the rates bill for certain properties solely concerned with the production of renewable energy for which community organisations are entitled to a profit share, and for a discount of up to 10% for certain properties solely concerned with the production of renewable energy that are entered in the valuation roll between 1 April 2016 and 31 March 2017.
15. Enter in **line 16**, your estimate of the reduction in rate yield in 2016-17 arising from the application of relief to Enterprise Area sites, if there are designated Enterprise area(s) within the Council area, under The Non-Domestic Rates (Enterprise Areas) (Scotland) Regulations 2016.
16. **Line 17**, Gross NDRI less mandatory reliefs' field is the sub-total of the form up to this point and is the sum of line 5 minus the total of lines 6 to 16.

### **Less Discretionary Reliefs**

17. Enter in **line 18**, 75% 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.
18. Enter in **line 19**, 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 section 4(5) of the Local Government (Financial Provisions) (Scotland) Act 1962 for charities (excluding sports clubs) and other organisations.
19. Enter in **line 20**, your estimate of 100% of the reduction in rate yield as a result of discretionary relief for sports clubs granted under section 4(5) of the Local Government (Financial Provisions) (Scotland) Act 1962.
20. 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, at 100% for sports bodies and 75% for other backdated relief. Enter the amount in **line 21** in accordance with paragraph 4 of Schedule 2 to the Regulations.

21. Enter in **line 22**, 75% of your estimate of the (maximum of 50% of the full rates bill for general stores, food stores, petrol filling stations, public houses, hotels and post offices and maximum of 100% for other eligible businesses (rural relief)) 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.
22. Stud farms established on or after 1 April 2003 qualify for discretionary relief under section 28 of the Local Government in Scotland Act 2003. The Valuation (Stud Farms) (Scotland) Order 2003 prescribes the maximum rateable value which lands and heritages occupied by a qualifying stud farm at £7,000. Enter in **line 23**, 75% of your estimate of the reduction in rates yield as a result of discretionary relief granted under paragraph 4 of Schedule 2 of the Local Government and Rating Act 1997.

### Other Deductions

23. Paragraph 7 of Schedule 1 to the Regulations enables amounts in respect of losses in collection to be deducted from the gross amount. Enter in **line 24** the amount in respect of bad debts which should be written off or doubtful debts for which provision should be made in respect of 2016-17.
24. Paragraph 9 of Schedule 1 to the Regulations 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) Regulations 1992 (SI 1992 No. 2184 (s.218)) 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 25** the amount in respect of any interest, which is expected to be paid by the Council in 2016-17 in respect of overpaid rates, in respect of **all** years since 1 April 1990.
25. **Line 26** subtotal of line 17 minus 18 to 25.

### Prior year adjustments for 1993-94 to 2015-16

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.

26. Enter in **line 27**, 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 1998-99 and 1 April 1999 to 30 June 1999 which has not been taken into account in the 1993-94 to 2015-16 returns. Also include, 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 1 July 1999 to 31 March 2016 which has not been taken into account in the 1993-94 to 2015-16 returns. **Total pre and post devolution bad debts should be included in this line.**
27. Enter in **line 28**, 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 1998-99 and 1 April 1999 to 30 June 1999, which have not been taken into account in the 1993-94 to 2015-16 returns. Interest paid on overpaid rates during 2015-16 in respect of prior years should be included at line 23, therefore there should be no provision made at line 27 for interest paid. Please also include, 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 1 July 1999 to 31 March 2015, which have not been taken into account in the 1993-94 to 2015-16 returns. Interest paid on overpaid rates during 2016-17 in respect of prior years should be included at line 23, therefore there should be no provision made at line 28 for interest paid.  
**Total pre and post devolution loss to the authority should be reported in this line.**

28. Enter in **line 29**, 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 2016-17 which have not been taken into account in the 1993-94 to 2015-16 returns.
29. **Line 30**, is the total prior year deductions i.e. the sum of lines 27 to 29.
30. Enter in **line 31**, 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 2015-16 under paragraph 11(5) of Schedule 12 to the 1992 Act.
31. Enter in **line 32**, in accordance with paragraph 11 of Schedule 1, the amount in respect of 1993-94 to 2015-16 which has been paid or is expected to become payable to the authority in respect of rates/contributions due for 1993-94 to 2016-17 which have not been taken into account in the 1993-94 to 2015-16 returns.
32. **Line 33**, is the total prior year additions i.e. line 31 plus line 32.

#### **Other additions/deductions not included elsewhere**

33. Enter in **line 34**, any backdated relief granted in 2016-17 for either the Small Business Rates Relief Scheme (SBRRS) or its replacement the Small Business Bonus Scheme.
34. Enter in **line 35**, 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.
35. Enter in **line 36**, any income associated with BRIS payments to the local authority which have not been recorded in any previous NDR return from 1994-95 to 2015-16.
36. Enter in **line 37** 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.
37. **Line 38** is the Provisional Contributable Amount for your Council for 2016-17, which is the sum of line 26 minus line 30, plus line 33, minus line 34, minus line 35, minus line 36 minus line 37.
38. 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 include 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 PCA 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 box 37.

### **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 Sandy McPhee at [Alexander.mcphee@scotland.gsi.gov.uk](mailto:Alexander.mcphee@scotland.gsi.gov.uk) or telephone 0131 244 7030, or email [lqfstats@scotland.gsi.gov.uk](mailto:lqfstats@scotland.gsi.gov.uk)

### **Return Date**

The form should be completed via the online [ProcXed System](#) as soon as possible and no later than **Wednesday 20th April 2016**. It is important to adhere to this date to inform the Scottish Government of your Council's provisional contribution to the NDR Pool in 2016-17.

### **ProcXed Guidance**

Guidance on the use of ProcXed is available to download from the Scottish Government website at <http://www.scotland.gov.uk/Topics/Statistics/Browse/Local-Government-Finance/ReturnNDR>

**Scottish Government  
Local Government and Analytical Services Division  
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