

Non-Domestic Rates Income Return
Provisional Contributable Amount (PCA) – 2018-19
Guidance Notes

These notes are intended to help with the completion of the form for the Non-Domestic Rates Provisional Contributable Amount (PCA) return. The form is designed to calculate the PCA for your Council for 2018-19 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 2018-19.

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 2018-19:
 - 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. Enter in **line 2b** the Large Business Supplement yield net of reliefs contributing to total in line 1
If possible provide both 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 25 should reflect only actual amounts for the period 1st April 2018 to 31st March 2019. No provision for future relief or remissions should be included in lines 6 to 25 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 2018-19 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 1A of the Schedule (which

is considered under line 7).

7. Enter in **line 7**, your estimate of the reduction of rate yield in 2018-19 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 Part 1A of the Schedule.
8. Enter in **line 8**, your estimate of the reduction of rate yield in 2018-19 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 2018-19 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 2018-19 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 21.
11. Enter in **line 11** your estimate of the reduction in rate yield for 2018-19 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 line 22.
12. Enter in **line 12** your estimate of the reduction in rate yield in 2018-19 for disabled persons arising from the operation of sections 4 and 5 of the Rating (Disabled Persons) Act 1978.
13. Enter in **line 13** your estimation of the reduction in rate yield in 2018-19 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**.
14. Enter in **line 14**, your estimation of the reduction in rate yield in 2018-19 as a result of the Small Business Bonus Scheme (SBBS), under The Non Domestic Rates (Levying) (Scotland) Regulations 2018.
15. Enter in **line 15**, your estimation of the reduction in rate yield in 2018-19 resulting only from the application of mandatory renewables relief under The Non-Domestic (Renewable Energy Generation Relief) (Scotland) Amendment Regulations 2018.
16. Enter in **line 16**, your estimate of the reduction in rate yield in 2018-19 arising from the application of district heating relief under The Non-Domestic Rates (District Heating Relief) (Scotland) Regulations 2017.
17. Enter in **line 17**, your estimate of the reduction in rate yield in 2018-19 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.

18. Enter in **line 18**, your estimate of the reduction in rate yield in 2018-19 as a result of The Non-Domestic Rates (Transitional Relief) Amendment (Scotland) Regulations 2018, relating to Classes 1 to 8, 10 and 11 in the Schedule - hospitality related properties and net of reductions relating to other reliefs.
19. Enter in **line 19**, your estimate of the reduction in rate yield in 2018-19 as a result of The Non-Domestic Rates (Transitional Relief) Amendment (Scotland) Regulations 2018, relating to Class 12 in the Schedule - for offices in Aberdeen City and Aberdeenshire councils - and net of reductions relating to other reliefs.
20. Enter in **line 20** your estimate of the reduction in rate yield in 2018-19 as a result of the application of the 100% relief for day nurseries under the The Non-Domestic Rates (Day Nursery Relief) (Scotland) Regulations 2018
21. Enter in **line 21** your estimate of the reduction in rate yield in 2018-19 as a result of the application of the 100% relief for properties newly added to the valuation roll, **after first occupation**, under The Non-Domestic Rates (New and Improved Properties) (Scotland) Regulations 2018. Note that this is only for properties that have been occupied. Amount of relief paid to new empty properties to be reported in line 22.
22. Enter in **line 22** your estimate of the reduction in rate yield in 2018-19 as a result of the application of the 100% relief for properties newly added to the valuation roll, and having never been occupied, under The Non-Domestic Rates (New and Improved Properties) (Scotland) Regulations 2018. 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
- 23. Less Discretionary Reliefs**
24. Enter in **line 23**, 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.
25. Enter in **line 24**, 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.
26. Enter in **line 25**, 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.
27. 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 26** in accordance with paragraph 4 of Schedule 2 to the Regulations.
28. Enter in **line 27**, 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.

29. Stud farms established on or after 1 April 2003 qualify for discretionary relief under section 28 of the Local Government in Scotland Act 2003. Enter in **line 28**, 75% of your estimate of the reduction in rates yield as a result of discretionary relief granted in respect of stud farms under paragraph 4 of Schedule 2 of the Local Government and Rating Act 1997.
30. **Gross Amount, line 29** is the subtotal of line 5 minus sum of mandatory and discretionary reliefs.

Other Deductions

31. 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 30** the amount in respect of bad debts which should be written off or doubtful debts for which provision should be made in respect of 2018-19.
32. 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 31** the amount in respect of any interest, which is expected to be paid by the Council in 2018-19 in respect of overpaid rates, in respect of **all** years since 1 April 1990.
33. **Line 32** subtotal of line 29 minus 30 and 31.

Prior year adjustments for 1993-94 to 2017-18

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.

34. Enter in **line 33**, 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 2017-18 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 2018 which has not been taken into account in the 1993-94 to 2017-18 returns. **Total pre and post devolution bad debts should be included in this line.**
35. Enter in **line 34**, 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 2017-18 returns. Interest paid on overpaid rates during 2017-18 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 2018, which have not been taken into account in the 1993-94 to 2017-18 returns. Interest paid on overpaid rates during 2018-19 in respect of prior years should be included at line 23, therefore there should be no provision made at line 28 for interest paid.

36. Enter in **line 35**, 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 2017-18 which have not been taken into account in the 1993-94 to 2017-18 returns.
37. Enter in **Line 36**, any backdated relief granted in 2017-18 for either the Small Business Rates Relief Scheme (SBRRS) or its replacement the Small Business Bonus Scheme.
38. 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.
39. **Line 38**, is the total prior year deduction, i.e. lines 33 to 37.

ADDITIONS

40. Enter in **Line 39**, 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 2017-18 under paragraph 11(5) of Schedule 12 to the 1992 Act.
41. Enter in **line 40**, in accordance with paragraph 11 of Schedule 1, the amount in respect of 1993 94 to 2017-18 which has been paid or is expected to become payable to the authority in respect of rates/contributions due for 1993-94 to 2017-18 which have not been taken into account in the 1993 94 to 2017-18 returns.
42. **Line 41**, is total prior year additions, i.e. line 39 plus 40.
43. **Line 42**, is total contributable amount before local authority retentions, line 32 minus line 38 plus line 41.
44. Enter in **line 43** 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.
45. Enter in **line 44** any income associated with BRIS (Business Rates Incentivisation Scheme) amounts retained by the local authority which will be confirmed by the Scottish Government shortly for 2016-17 **ONLY**. Amounts previously retained for earlier years should no longer be reported following the 2017 revaluation.
46. **Line 45** is the provisional contributable amount, line 42 minus line 43 and line 44.

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 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 25th April 2018**. It is important to adhere to this date to inform the Scottish Government of your Council's provisional contributable amount to the NDR Pool in 2018-19.

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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