



Non-Domestic Rates Income (NDRI) Return Provisional Contributable Amount (PCA) – 2021-22 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 local authorities for 2021-22, which provides an estimate of the Non-Domestic Rates Income (NDRI) that each will collect, and therefore contribute, to the Non-Domestic Rates Pool in 2021-22.

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 the local authority in 2021-22:
 - 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;
 - the amount entered at line 1 should **include** rates yield from properties which would have previously been exempt from Non-Domestic Rates because of a Crown Exemption;
 - no account should be taken of any reduction in yield arising from mandatory or discretionary reliefs; and
 - 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 additional income arising from the Intermediate Property Rate. Enter in **line 2b** the additional income arising from the Intermediate Property Rate *net* of reliefs contributing to the total in line 1. If possible, provide yields for both lines 2a and 2b. This should refer **only** to the income arising from the difference between the Basic Property Rate and the Intermediate Property Rate.
3. Enter in **line 3a** the gross additional income arising from the Higher Property Rate. Enter in **line 3b** the additional income arising from the Higher Property Rate net of reliefs contributing to the total in line 1. If possible, provide yields for both lines 3a and 3b. This should refer **only** to the income arising from the difference between the Basic Property Rate and the Higher Property Rate.
4. **Line 4** is the amount of non-domestic rates exempted due to church and religious relief and will be the same as provided in line 9.
5. Please include in **line 5** 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.
6. **Line 6** is equal to Line 1.

The figures entered in lines 7 to 33 should reflect only estimated amounts for the period 1 April 2021 to 31 March 2022. **No** provision for future relief or remissions should be included in lines 7 to 33 of this return. Any outstanding reliefs and remissions should be entered under prior year adjustments in the following year's returns.

Less Mandatory Reliefs

7. **Line 7** is the estimate of the total reduction of rate yield in 2021-22 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, as amended by The Non-Domestic Rating (Unoccupied Property)(Scotland) Amendment Regulations 2020, excluding any provision relating to Part 1 of the Schedule.
8. Enter in **line 8** your estimate of the reduction of rate yield in 2021-22 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, as amended by The Non-Domestic Rates (Levying and Miscellaneous Amendments) (Scotland) Regulations 2021.
9. Enter in **line 9** your estimate of the reduction in rate yield in 2021-22 as a result of religious relief under section 22(1) of the Valuation and Rating (Scotland) Act 1956, as amended by schedule 13 of the Local Government Finance Act 1992.
10. Enter in **line 10** your estimate of the reduction in rate yield for 2021-22 resulting only from the application of 80% **mandatory** relief for the properties occupied by charities (excluding sports clubs) as provided for under section 4(2) of the Local Government (Financial Provisions) (Scotland) Act 1962. Discretionary relief must be entered separately at line 29.
 - a. 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.
11. Enter in **line 11** your estimate of the reduction in rate yield for 2021-22 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 only) 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 30 or line 31.
 - a. 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.
12. Enter in **line 12** your estimate of the reduction in rate yield in 2021-22 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 estimate of the reduction in rate yield in 2021-22 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. Discretionary relief must be entered separately at line 32.
14. Enter in **line 14** your estimate of the reduction in rate yield in 2021-22 as a result of the Small Business Bonus Scheme (SBBS), under The Non-Domestic Rates (Levying and Miscellaneous Amendments) (Scotland) Regulations 2021.
15. Enter in **line 15** your estimate of the reduction in rate yield in 2021-22 resulting only from the application of mandatory renewables relief under The Non-Domestic Rates (Renewable Energy Generation Relief) (Scotland) Regulations 2010, as amended by The Non-Domestic Rates (Renewable Energy Generation Relief) (Scotland) Amendment Regulations 2021.

16. Enter in **line 16** your estimate of the reduction in rate yield in 2021-22 arising from the application of district heating relief under The Non-Domestic Rates (District Heating Relief) (Scotland) Regulations 2017, as amended by The Non-Domestic Rates (Renewable Energy Generation Relief) (Scotland) Amendment Regulations 2021.
17. Enter in **line 17** your estimate of the reduction in rate yield in 2021-22 arising from the application of relief within Enterprise Area sites, if there are designated Enterprise area(s) within the local authority area, under The Non-Domestic Rates (Enterprise Areas) (Scotland) Regulations 2016, as amended by The Non-Domestic Rates (Enterprise Areas) (Scotland) Amendment Regulations 2020.
18. Enter in **line 18** your estimate of the reduction in rate yield in 2021-22 as a result of Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2017, as amended by The Non-Domestic Rates (Levying and Miscellaneous Amendments) (Scotland) Regulations 2021, relating to Classes 1 to 8, 10 and 11 in the Schedule – hospitality-related properties only - and net of reductions relating to other reliefs.
19. Enter in **line 19** your estimate of the reduction in rate yield in 2021-22 as a result of Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2017, as amended by The Non-Domestic Rates (Levying and Miscellaneous Amendments) (Scotland) Regulations 2021, relating to Class 12 in the Schedule - for offices in Aberdeen City and Aberdeenshire local authorities only - and net of reductions relating to other reliefs.
20. Enter in **line 20** your estimate of the reduction in rate yield in 2021-22 as a result of the application of the 100% relief for day nurseries under The Non-Domestic Rates (Day Nursery Relief) (Scotland) Regulations 2018, as amended by The Non-Domestic Rates (Levying and Miscellaneous Amendments) (Scotland) Regulations 2021.
21. Enter in **line 21** your estimate of the reduction in rate yield in 2021-22 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 rateable value (regardless of occupation) under The Non-Domestic Rates (Relief for New and Improved Properties) (Scotland) Regulations 2019, as amended by The Non-Domestic Rates (Levying and Miscellaneous Amendments) (Scotland) Regulations 2021.
 - a. 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.
 - b. 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.
22. Enter in **line 22** your estimate of the reduction in rate yield in 2021-22 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 (Relief for New and Improved Properties) (Scotland) Regulations 2019, as amended by The Non-Domestic Rates (Levying and Miscellaneous Amendments) (Scotland) Regulations 2021. Note that this is only for properties that have yet to be occupied. The amount of relief paid to those properties that have been occupied is to be reported under in line 21.
23. Enter in **line 23** your estimate of the reduction in rate yield in 2021-22 as a result of the application of relief for mobile masts under The Non-Domestic Rates (Telecommunications Installations) (Scotland) Regulations 2016, as amended by The Non-Domestic Rates (Levying and Miscellaneous Amendments) (Scotland) Regulations 2021.

24. Enter in **line 24** your estimate of the reduction in the rate yield in 2021-22 as a result of the application of the 100% relief for The Non-Domestic Rates (Telecommunications New Fibre Infrastructure Relief) (Scotland) Regulations 2019, as amended by The Non-Domestic Rates (Levying and Miscellaneous Amendments) (Scotland) Regulations 2021.
25. Enter in **line 25** your estimate of the reduction in the rate yield in 2021-22 as a result of the Reverse Vending Machine relief under the Non-Domestic Rates (Reverse Vending Machine Relief) (Scotland) Regulations 2020.
26. Enter in **line 26** your estimate of the reduction in the rate yield in 2021-22 as a result of the exemption from rates for lighthouses under section 221 of the Merchant Shipping Act 1995.
27. Enter in **line 27** your estimate of the reduction in the rate yield in 2021-22 as a result of relief for Retail, Hospitality, Leisure, and Airport Relief under The Non-Domestic Rates (Coronavirus Reliefs) (Scotland) Regulations 2021.

Less Discretionary Reliefs

28. Enter in **line 28** 75%¹ of your estimate of the reduction in rate yield as a result of Hardship relief under section 156 of The Local Government (Scotland) Act 1994.
29. Enter in **line 29** 75% of your estimate of the (maximum of 20% of the full rates bill) reduction in rates yield as a result of discretionary relief granted under sections 4(5)(a) (maximum 20% top-up to mandatory charitable rates relief) and 4(5)(b) (up to 100% discretionary relief) of the Local Government (Financial Provisions) (Scotland) Act 1962 for charities (excluding sports clubs) and other organisations.
 - a. 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, and as in line 29 is 75% of the relief granted.
30. Enter in **line 30** 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.
 - a. Enter in **line 30a** the amount reported in line 30 which is a result of relief granted to Arm's-Length External Organisations (ALEOs). Note that this is included in line 30, but separately reported here, and as in line 30 is 75% of the relief granted.
31. Enter in **line 31** 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.
 - a. Enter in **line 31a** the amount reported in line 31 which is a result of relief granted to Arm's-Length External Organisations (ALEOs). Note that this is included in line 31, but separately reported here.

¹ 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.

32. Enter in **line 32** 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.
33. Stud farms established on or after 1 April 2005 qualify for discretionary relief under The Valuation (Stud Farms) (Scotland) Order 2005. Enter in **line 33** 75% of your estimate of the reduction in rates yield as a result of discretionary relief granted in respect of stud farms.
34. **Gross Amount, line 34** is the subtotal of line 6 minus the sum of mandatory and discretionary reliefs.

Other Deductions

35. 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 35** the amount in respect of bad debts which should be written off or doubtful debts for which provision should be made in respect of 2021-22.
36. Paragraph 9 of Schedule 1 to The Non-Domestic Rating Contributions (Scotland) Regulations 1996 provides that the gross amount of interest paid by the local authority 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 as amended by The Non-Domestic Rating (Payment of Interest) (Scotland) 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 36** the amount in respect of any interest, which is expected to be paid by the local authority in 2021-22 in respect of overpaid rates, in respect of **all** years since 1 April 1990.
37. **Line 37** subtotal of line 34 minus 35 and 36.

Prior year adjustments for 1993-94 to 2020-21

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.

38. Enter in **line 38**, 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 April 1993 to 31 March 2020 which has not been taken into account in the 1993-94 to 2020-21 returns. **Total pre and post-devolution bad debts should be included in this line.**
39. Enter in **line 39**, in accordance with paragraph 8 and 8A of Schedule 1, any amounts repaid or expected to be repayable by the local authority (mainly as the result of appeals) for 1993-94 to 2020-21, which have not been taken into account in the 1993-94 to 2020-21 returns. Interest paid on overpaid rates during 2021-22 in respect of prior years should be included at line 36, therefore there should be no provision made at line 39 for interest paid.

40. Enter in **line 40** in accordance with paragraph 11 of Schedule 1 of the Regulations, the amounts which are expected to be **repaid** by the local authority in respect of **rates/contributions** due for 1993-94 to 2020-21 which have not been taken into account in the 1993-94 to 2020-21 returns.
41. The Local Government and Rating Act 1997 makes provision for the backdating of discretionary relief for charitable organisations and similar bodies. A local authority 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.
42. Enter in **line 42** any backdated relief granted in 2021-22 but relating to prior years for either the Small Business Rates Relief Scheme (SBRRS) or its replacement the Small Business Bonus Scheme (SBBS).
43. Enter in **line 43** any backdated relief granted in 2021-22 but relating to prior years for all types of the Business Growth Accelerator relief – whether for occupied or unoccupied new build or for improvements.
44. Enter in **line 44** any backdated relief other than SBBS and BGA, granted in 2021-22 but relating to prior years. Include in comments to which relief(s) this is in relation to.
45. Enter in **line 45** 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.
46. **Line 46** is the total prior year deduction, i.e. the sum of lines 38 to 45.

Additions

47. Enter in **line 47** in accordance with paragraph 10 of Schedule 1, the amounts which have now been paid or are expected to be payable to the local authority in respect of non-domestic rate income written off in the calculations made for 1993-94 to 2020-21 under paragraph 11(5) of Schedule 12 to the 1992 Act.
48. Enter in **line 48** in accordance with paragraph 11 of Schedule 1, the amount in respect of 1993-94 to 2020-21 which has been paid or is expected to become payable to the local authority in respect of rates/contributions due for 1993-94 to 2020-21 which have not been taken into account in the 1993-94 to 2020-21 returns.
49. **Line 49** is total prior year additions, i.e. line 47 plus 48.
50. **Line 50** is total contributable amount before local authority retentions, line 37 minus line 46 plus line 49.
51. Enter in **line 51** 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.
52. Enter in **line 52** 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, 2018-19, and also for 2019-20 (should 2019-20 amounts be published prior to completion of the return). 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 (in this case revaluation 2022) assuming the additional rates income also continued during that period. Note that amounts relating to the scheme prior to the 2017 revaluation have all been now claimed and should no longer be reported.

53. **Line 53** is the provisional contributable amount, line 50 minus line 51 and line 52.
54. Enter in **line 54** any local reduction or remission of rates. 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 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 lines 45 and 54.

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.

Return Date

The form should be completed via the online ProcXed System as soon as possible and no later than **29 April 2021**. It is important to adhere to this date to inform the Scottish Government of your local authority's contribution to the NDR Pool in 2021-22.

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/>. Please ensure that you are using the NEW version of ProcXed (v8.4) as otherwise you will not be able to submit your return. This can be accessed via the following link: <https://procxed.scotxed.net/finance/>.

Scottish Government

Local Government and Analytical Services Division

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