

PUBLIC SERVICES AND GOVERNMENT

CONTRIBUTABLE AMOUNT DATA RELEASE

Non-Domestic Rates Contributable Income (NDRI) 2017-18 to 2020-21

Non-Domestic Rates Income (NDRI) returns are provided to the Scottish Government by local authorities three times a year. These returns provide local authorities' Contributable NDRI, which is the amount collected from ratepayers before deducting the local authorities' own discretionary relief payments. It is also the amount nominally contributed to the Scottish Government's NDR pool. Councils make an initial estimate of the Contributable amount of NDRI after issuing annual bills at the start of the year – the Provisional Contributable Amount (PCA). This is updated halfway through the year in the Mid-Year Estimate (MYE), and provisional outturn figures are provided in the Notified returns after the end of the financial year. The Notified returns are audited to provide the final outturn amounts, which are published in February in the next financial year as part of the Scottish Local Government Finance Statistics publication.

Table 1 (see page 3) sets out all estimates of NDRI made since 2017-18. It should be noted that in each year audited outturn figures are lower than the PCA estimate. The final row of Table 1 shows, for the last 3 years, how much higher than outturn the PCA and MYE have been. The PCA return in these years over-estimated the actual NDRI collected, partly because the PCA is based on NDR amounts billed at the start of the Financial Year. The PCAs tend to overestimate NDRI – in the last three years, the PCA estimate overstated outturn by 3% (£82m) in 2017-18, 1% in 2018-19 (£36m) and 4.5% (over provisional outturn) in 2019-20 (£129m).

Other published sources of NDRI figures are set out below.

More details on the NDRI returns can be found in the guidance notes used by local authorities to complete the return: <http://www.gov.scot/publications/non-domestic-rates-income-ndri-returns/>.

Other sources of NDRI data

Forecasts

The Scottish Fiscal Commission (SFC) produce forecasts of NDRI at fiscal events (Scottish Budget and Medium Term Financial Strategy) and may produce forecasts at any time in response to events such as a change in NDR policy. These forecasts are based on estimates provided by local authorities in their NDRI returns, as well as an assessment of other key variables that determine final NDRI (such as reductions in the tax base due to appeals) and an assessment of the impact of any new policies introduced by the Scottish Government.

The SFC's latest forecast of NDRI for 2020-21 are:

Supplementary Costings – Non-Domestic Rates Measures March 2020¹ (which was published following the introduction of two new reliefs in response to COVID-19 – table 2.1 presents forecasts of NDRI totals, and table 1.1 presents forecasts of the two new reliefs)

Scotland's Economic and Fiscal Forecasts February 2020² (includes mandatory and discretionary reliefs' totals for 2020-21, before the introduction of the two new reliefs in response to COVID-19)

Outturn

Outturn figures for NDRI are published in Scottish Local Government Finance Statistics³. The latest release (published February 2020) includes audited outturn figures for 2018-19. Audited outturn figures for 2019-20 will be published in SLGFS in February 2021.

¹ <https://www.fiscalcommission.scot/forecast/supplementary-costings-non-domestic-rates-measures-march-2020/>

² <https://www.fiscalcommission.scot/forecast/scotlands-economic-and-fiscal-forecasts-february-2020/>

³ <https://www.gov.scot/publications/scottish-local-government-finance-statistics-slgfs-2018-19/>

Table 1: Non-Domestic Rates Contributable Income Amount, as provided by councils in NDRI returns

(£ millions)	2017-18				2018-19 ⁷				2019-20 ⁸				2020-21 ⁹
	PCA	MYE	Notified	Audited	PCA	MYE	Notified	Audited	PCA	MYE	Notified	Audited	PCA
Gross Amount payable to local authorities	3,555	3,541	3,564	3,564	3,682	3,696	3,691	3,691	3,760	3,755	3,735		3,685
Mandatory Reliefs ¹	598	618	649	649	648	669	695	695	695	709	726		1,591
Discretionary Reliefs ²	37	35	35	35	36	37	37	37	37	37	37		36
Other Deductions ³	30	43	41	41	43	41	45	45	47	44	41		38
Prior Year Adjustments ⁴	45	62	77	74	71	81	57	57	88	115	155		95
NDRI before LA retentions	2,845	2,783	2,762	2,765	2,885	2,868	2,857	2,857	2,892	2,850	2,776		1,925
Local Authority Retentions ⁵	1	1	2	2	2	10	11	11	2	6	15		9
CONTRIBUTABLE AMOUNT	2,844	2,782	2,759	2,762	2,883	2,858	2,847	2,847	2,890	2,844	2,761		1,916
<i>Difference compared to final Audited</i> ⁶	82	20	-3	-	36	11	0	-	129	83	-		

1. The mandatory reliefs' total from the PCA for 2020-21 is subject to considerable uncertainty. For instance, certain councils had already drawn up provisional NDR bills for 2020-21 before the COVID-19 reliefs were announced. In addition, some councils only include certain reliefs once a new application has been made during the year.
2. Excludes local authorities own contribution (generally 25%) to the cost of discretionary reliefs.
3. Includes provision for write offs and refunds of interest in respect of overpayments of rates.
4. Includes appeals, bad debts, late changes to the valuation roll, and backdated reliefs.
5. Includes retentions from the Tax Incremental Funding (TIF) Scheme and the Business Rates Incentivisation Scheme (BRIS)
6. For 2019-20 the MYE and PCA are compared to Notified totals as the Audited figures are not yet available.
7. Audited figures for 2018-19 do differ from notified but to the nearest £m are the same.
8. Audited totals for 2019-20 will be available late 2020.
9. Mid-Year estimate totals for 2020-21 will be available later in 2020.

Correspondence and enquiries

For enquiries about this statistical release please email lgfstats@gov.scot.

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