



# *Statistical Release*

26 May 2010

## NATIONAL NON-DOMESTIC RATES TO BE COLLECTED BY LOCAL AUTHORITIES IN ENGLAND 2010-11

- The contribution to the pool from the local lists is expected to decline by 1.9% to £20.0 billion in 2010-11.
- Between 2006-07 and 2010-11 the contribution to the pool from the local lists is expected to have increased by 19%.
- London accounts for 27% of the contribution to the national pool while having only 15% of the population.
- At 31 December 2009, there were an estimated 487,000 hereditaments benefiting from the Small Business Rate Relief scheme in England. This represents an increase of 23% since December 2006.

This release provides information on national non-domestic rates and associated information for the financial year 2010-11, and changes over previous years. This information is derived from national non-domestic rates (NNDR1) returns submitted by all 326 billing authorities in England in January and February 2010. The release also provides information on the number of hereditaments benefiting from, or contributing to, the Small Business Rate Relief scheme.

The release has been compiled by the Local Government Finance – Data Collection, Analysis and Accountancy division of Communities and Local Government.

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## National non-domestic rates to be collected by local authorities in England 2010-11

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No allowance has been made in the production of this release for the proposed changes to the Small Business Rate Relief scheme applicable from 1 October 2010 that were announced in the Budget on 24 March 2010.

The NNDR1 data for 2009-10 are as supplied by the local authorities in January and February 2009, they have not been adjusted to take into account any NNDR2 forms that may have been submitted to CLG during the 2009-10 financial year.

## National non-domestic rates to be collected by local authorities in England 2010-11

1. **Table 1** gives details of the yield from national non-domestic rates based on local lists, from 2006-07 to 2010-11.

- It is estimated that the contribution to the pool from the local lists will decline by 1.9% to £20.0 billion in 2010-11. The reasons for this decline include the inclusion of an allowance for Transitional Relief which, in 2009-10, was estimated to be zero; a revised supplement for the Small Business Rate Relief scheme and further reforms of the Empty Property Rate Relief scheme.
- Between 2006-07 and 2010-11 the contribution to the pool from the local lists is expected to have increased by 19%.

**Table 1: Outturn national non-domestic rate yield from local lists, in England, since 2006-07<sup>(a)</sup>**

	£ million				
	2006-07	2007-08	2008-09	2009-10(B)	2010-11(B)
<b>Yield before reliefs in respect of current year</b>	<b>20,013</b>	<b>20,521</b>	<b>21,307</b>	<b>22,473</b>	<b>22,929</b>
<i>add</i>					
Changes in respect of previous years	-477	-948	-670	0	0
<i>less</i>					
Buoyancy Factor Allowance	-	-	-	188	289
<b>Yield before reliefs</b>	<b>19,536</b>	<b>19,573</b>	<b>20,637</b>	<b>22,285</b>	<b>22,641</b>
<i>less</i>					
Transitional Relief	278	-120	-73	0	470
Mandatory Relief	2,191	2,137	1,396	1,493	1,896
Discretionary Relief	38	39	42	42	42
Small Business Rate Relief	-57	148	145	127	-49
Schedule of Payment agreements	-	-	59	-	-
<b>Net rate yield</b>	<b>17,086</b>	<b>17,369</b>	<b>19,068</b>	<b>20,623</b>	<b>20,281</b>
<i>less</i>					
Collection costs including losses <sup>(b)</sup>	233	232	347	225	275
<b>Contribution to the pool</b>	<b>16,853</b>	<b>17,138</b>	<b>18,722</b>	<b>20,398</b>	<b>20,006</b>
	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
Small business rate multiplier (pence)	42.6	44.1	45.8	48.1	40.7
National non-domestic rates multiplier (pence)	43.3	44.4	46.2	48.5	41.4
Number of hereditaments ('000) <sup>(c)</sup>	1,663	1,681	1,692	1,698	1,718
Rateable value <sup>(c)</sup>	47,094 <sup>(d)</sup>	47,314 <sup>(d)</sup>	46,888 <sup>(d)</sup>	46,721 <sup>(d)</sup>	56,337 <sup>(e)</sup>

Source: NNDR1 and NNDR3 returns - data for 2006-07 to 2008-09 are outturn figures from NNDR3; those for 2009-10 and 2010-11 are budget estimates from NNDR1.

(a) This excludes contributions from the central list and other contributions to the pool.

(b) Includes the City of London offset of £9.8million in 2009-10 and £10million in 2010-11.

(c) As at 31 December in previous year.

(d) Based on draft list for use following April 2005 revaluation.

(e) Based on draft list for use following April 2010 revaluation.

2. In **Table 1** the yields before reliefs for 2006-07 to 2008-09 do not equal the rateable value multiplied by the multiplier because the yield figures are outturn but the rateable value is given as at 31 December of the previous year. Data on the *Changes in respect of previous years* are not collected on the NNDR1 returns.
3. The figures for 2009-10 and 2010-11 in **Table 1** are estimates and include a buoyancy factor allowance. This is an estimate of the effect on the yield of expected repayments in respect of previous years following reductions in rateable value due to successful appeals, plus any interest payments that may arise from those repayments. See *Terminology used in this release* for full details.
4. The figures for Transitional Relief shown in **Table 1** are net (i.e. the reduced yield due to the full increases in NNDR being deferred because of the transitional arrangements less the increased yield due to the full decreases in NNDR being deferred). See *Terminology used in this release* for full details.
5. When calculating a hereditament's non-domestic rates liability, one of two multipliers are used. This is because of the Small Business Rate Relief scheme. The multipliers used by all hereditaments are shown in **Table 1**. In 2010-11 those hereditaments that will not benefit from the Small Business Rate Relief scheme will pay an additional 0.7p supplement to fund the Small Business Rate Relief granted. See *Terminology used in this release* for full details.
6. 2010-11 is a revaluation year when all hereditaments in the country are reassessed to take into account changes in the property market rent values since the previous revaluation. The multipliers used are also adjusted at each revaluation so that nationally, no additional revenue, other than would have been due allowing for inflation, is collected as a result of the revaluation. The previous revaluation was in April 2005 (and was based on property values as at 1 April 2003); the current revaluation applies from 1 April 2010 (based on property values as at 1 April 2008).

7. **Table 2** gives a breakdown of the contribution to the national non-domestic rates pool by region in 2010-11.

- London accounts for 27% of the contribution to the national pool while having only 15% of the population.

<b>Table 2: Contribution to the national non-domestic rate pool by region 2010-11</b>			
	<b>Contribution to pool (£ million)</b>	<b>Proportion of contribution to pool (%)</b>	<b>Proportion of total population (%)</b>
North East	744	3.7	5.0
North West	2,305	11.5	13.4
Yorkshire & the Humber	1,666	8.3	10.1
East Midlands	1,323	6.6	8.6
West Midlands	1,799	9.0	10.5
East of England	1,990	9.9	11.1
London	5,411	27.0	14.9
South East	3,119	15.6	16.3
South West	1,649	8.2	10.1
<b>Total England</b>	<b>20,006</b>	<b>100.0</b>	<b>100.0</b>

Source: NNDR1 returns and revised ONS mid-year 2008 population estimates

### **Mandatory and discretionary relief**

8. **Table 3** gives figures for mandatory and discretionary reliefs applied to national non-domestic rates bills by billing authorities. Mandatory reliefs are automatic entitlements in any billing authority area whereas discretionary reliefs are granted at a billing authority's discretion and are funded locally. An example of these two types of relief is properties held by charities, which are automatically entitled to mandatory relief of 80% but where billing authorities have the discretion to top up the amount to 100%. Details of the value of locally funded reliefs are not included in this release.
9. In 2008-09, the rules governing empty property rate relief and partly occupied relief were reformed by the Rating (Empty Properties) Act 2007 and subsequent changes in legislation introduced further reforms for both 2009-10 and 2010-11. See *Terminology used in this release* for full details.

- Local authorities estimate they will grant nearly £1.9 billion of mandatory reliefs in 2010-11, some 27% more than in 2009-10, the majority of this increase is due to changes in the regulations governing empty property rate relief.
- Charity relief accounts for half of all relief granted; the value of charity relief is expected to grow by more than 25% between 2006-07 and 2010-11.

**Table 3: Mandatory and discretionary rate reliefs since 2006-07<sup>(a)</sup>**

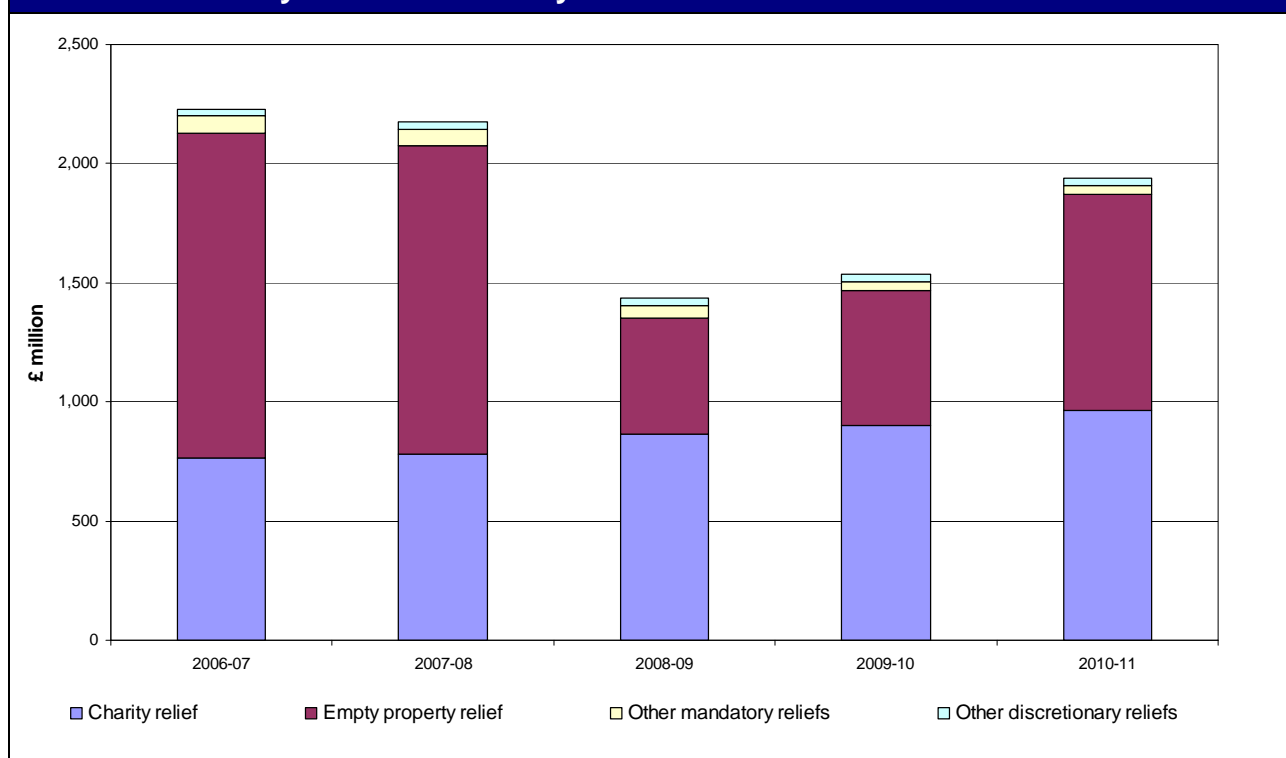
	£ million				
	2006-07	2007-08	2008-09	2009-10(B)	2010-11(B)
<b>Mandatory Reliefs</b>					
Charity	759.5	770.7	853.8	889.2	952.1
Rural village shop	5.2	5.9	6.1	6.1	5.5
Former agricultural premises <sup>(b)</sup>	0.6	0.0	0.0	-	-
Partly occupied	54.5	55.9	36.3	14.4	17.0
Empty property	1,361.8	1,294.0	487.0	569.8	907.8
Community amateur sports clubs	9.4	10.6	12.7	13.1	13.9
<b>Total</b>	<b>2,191.0</b>	<b>2,137.0   </b>	<b>1,395.9   </b>	<b>1,492.6   </b>	<b>1,896.3</b>
<b>Discretionary Reliefs</b>					
Charity	8.2	8.8	9.1	9.7	9.7
Non-profit making bodies	25.4	25.7	27.9	28.3	28.6
Rural village shop	1.9	2.0	2.1	2.1	2.0
Other small rural business	1.2	1.3	1.3	1.3	1.2
Former agricultural premises <sup>(b)</sup>	0.1	0.0	0.0	-	-
Hardship	1.4	0.9	1.3	-	-
Charges on property	0.0	0.0	0.1	-	-
Community amateur sports clubs	0.1	0.2	0.2	0.3	0.2
<b>Total</b>	<b>38.2</b>	<b>38.9</b>	<b>41.9</b>	<b>41.7   </b>	<b>41.8</b>

Source: NNDR1 and NNDR3 returns - data for 2006-07 to 2008-09 are outturn figures from NNDR3; those for 2009-10 and 2010-11 are budget estimates from NNDR1.

(a) Excludes small business rate relief.

(b) Relief for former agricultural premises ended in August 2006.

**Chart A: Mandatory and discretionary rate reliefs since 2006-07<sup>(a)</sup>**



(a) Excludes Small Business Rate Relief or Transitional Relief

10. **Table 4** gives details of the number of hereditaments in receipt of mandatory and discretionary rate relief as at 31 December.

- There were 320,000 hereditaments in receipt of mandatory relief as at 31 December 2009.
- At the same date, 50,000 hereditaments were in receipt of discretionary relief.

<b>Table 4: Number of hereditaments in receipt of mandatory and discretionary rate relief as at 31 December<sup>(a)</sup></b>			
	thousand		
	2007	2008	2009
<b>Mandatory Reliefs</b>			
Charity	75.8	78.2	79.1
Rural village shop	6.6	6.3	6.1
Partly occupied	3.6	1.1	0.9
Empty premises	186.4	147.9	230.1
Community amateur sports clubs	2.8	3.1	3.4
<b>Total</b>	<b>275.2</b>	<b>   236.6</b>	<b>   319.5</b>
<b>Discretionary Reliefs</b>			
Charity	30.0	30.9	32.1
Non-profit making bodies	13.0	13.2	11.9
Rural village shop	3.5	3.6	3.5
Other small rural business	1.2	1.2	1.0
Community amateur sports clubs	1.0	1.2	1.3
<b>Total</b>	<b>48.8</b>	<b>49.9</b>	<b>49.7</b>

Source: NNDR1(Supplementary) returns  
(a) Excludes Small Business Rate Relief or Transitional Relief.

11. As mentioned above, following the reform in 2008-09 of the rules governing empty property rate relief and partly occupied relief by the Rating (Empty Properties) Act 2007 there were subsequent changes in legislation that introduced further reforms. As a result of these reforms, the numbers of hereditaments claiming either empty property relief or partly occupied relief shown in **Table 4** are not strictly comparable across all years.

**Estimated number of hereditaments benefiting from, or contributing to, the Small Business Rate Relief scheme as at 31 December**

12. Data on the number of hereditaments in receipt of Small Business Rate Relief (SBRR) were collected from billing authorities for the first time in December 2006. Since then, billing authorities have provided more detailed information on the NNDR1 Supplementary form on the number of hereditaments benefiting from, or contributing to, the SBRR scheme.

13. The rules governing the SBRR scheme are set out in the *Terminology used in this release* section below.
14. The numbers provided by billing authorities have been subjected to rigorous quality assurance checks which are outlined in more detail in the **Data quality** section of this release. These checks indicate that, in respect of 2009, all but 4 of the 326 billing authorities have provided information of an acceptable standard. National estimates of the number of hereditaments benefiting from, or contributing to, the SBRR scheme have been derived that includes estimates for these authorities. This information can be seen in **Table 5**.

- At 31 December 2009, there were an estimated 487,000 hereditaments benefiting from the Small Business Rate Relief scheme. This represents an increase of 23% since December 2006

**Table 5: Number of hereditaments benefiting from, or contributing to, the Small Business Rate Relief scheme as at 31 December**

	2006	2007	thousand hereditaments	
			2008	2009
Contributing to the SBRR scheme	...	1,265	1,254 R	1,233
Benefiting from the SBRR scheme	396	433	453 R	487
<i>of which</i>				
<i>In receipt of Small Business Rate Relief</i>	...	...	406	437
<i>of which</i>				
<i>RV of less than £5,000 (relief at 50%)</i>	...	...	259	280
<i>RV between £5,001 &amp; £10,000 (relief up to 50%)</i>	...	...	147	157
<i>Pay Small Business Rate multiplier only</i>	...	...	47	50

Source: NNDR returns

### **Additional tables**

Additional tables have been produced at local authority level that is not included in the printed version of this release. These are available on the Department's website and can be found at:

<http://www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics/nondomesticrates/>

The national estimates of the number of hereditaments either benefiting from, or contributing to, the Small Business Rate Relief scheme in England have been derived from data submitted by billing authorities that passed all the validation tests and from those billing authorities where imputation was deemed possible. Only information submitted by billing authorities that passed all the validation tests have been published in the table listed



below. Therefore the figures in the table below will not sum to the England estimates in this release.

- **Table 6 2008** shows details of the number of hereditaments benefiting from, or contributing to, the Small Business Rate Relief scheme by billing authority as at 31 December 2008. These data have been revised since they were originally published in February 2010.
- **Table 6 2009** shows details of the number of hereditaments benefiting from, or contributing to, the Small Business Rate Relief scheme by billing authority as at 31 December 2009.

### **Terminology used in this release**

A list of terms relating to local government finance is given in the glossary at *Annex G to Local Government Financial Statistics England No. 19 2009*. This is accessible at <http://www.communities.gov.uk/publications/corporate/statistics/financialstatistics192009>. The most relevant terms for this release are explained below.

**Billing authority** - a local authority empowered to collect non-domestic rates. In England, shire and metropolitan districts, the Council of the Isles of Scilly, unitary authorities, London boroughs and the City of London are billing authorities.

**Buoyancy factor** - an adjustment made to take account of the Communities and Local Government's estimate of the effect on yield of expected repayments in respect of previous years as a result of reductions in rateable value due to successful appeals, and of any interest payments arising from those repayments. **See Table 1**

**Business rates** - a tax on non-domestic property in England (and Scotland and Wales), based on the notional annual rent of a property known as the **Rateable Value**, also called **National non-domestic rates**.

**Central list** - Since 1990, a central rating list has existed for England containing large network properties which would not sit comfortably on local rating lists e.g. railways, light railways, utilities, communication facilities, pipelines and canals. The income from such properties is collected by central government and paid by them into the pool. In 2010-11 it is estimated this will amount to about £1,220 million. Further details can be found on the CLG website at: <http://www.communities.gov.uk/documents/statistics/xls/1313166.xls>

**Charity relief** - a relief within the business rates system to help charities meet the cost of their rates.

**Community Amateur Sports Clubs (CASC) relief** - a relief within the business rates system to help sports clubs meet the cost of their rates.

**Deferment** – in 2009-10 businesses were allowed to defer 60% of the increase in their bills arising from the change in the multiplier. 50% of the money deferred is to be paid in 2010-11 and 50% in 2011-12. The estimates from the 2010-11 NNDR1 form do not include any revenues to be collected in 2010-11 which have been deferred from previous financial years.

**Discretionary relief** - in addition to mandatory reliefs, local authorities have the power to award relief at their discretion provided the hereditaments meet locally set criteria. The current categories of discretionary relief are:

- Charity
- Non-profit making bodies
- Rural village shop
- Other small rural businesses
- Community & Amateur sports clubs
- Hardship
- Charges on property

A further relief for former agricultural properties ceased during August 2006 and is no longer but may be applied retrospectively where applicable.

An example of these mandatory and discretionary reliefs is properties held by charities, which are automatically entitled to mandatory relief of 80% but where billing authorities have the discretion to top up the amount to 100%.

**Distributable Amount** - the estimated total amount in the national business rate pool that is available to be distributed to local authorities as part of the annual Local Government Finance Settlement. The business rates are collected by local authorities from the **Local list** and paid into a national pool and then, along with business rates collected by CLG from the **Central list**, redistributed to all authorities.

Prior to 2006-07, business rates were distributed based on an amount per head depending on the services that the authority provided. From 2006-07 onwards, it is distributed using the same formula as that for Revenue Support Grant.

**Empty Property Rates** - business rates charged on empty property – i.e. charge to the owner / occupier of a property which is on the rating list but which has no business tenant.

**Empty Property Rate relief** - a relief within the business rates system to help owners / occupiers of empty properties meet the cost of their **Empty Property Rates**.

Prior to 1 April 2008, after an initial 3 month rate-free period, industrial properties continued to receive 100% relief, while all other empty properties received 50% relief. During 2008-09 properties could only claim 100% relief for the first 3 months (or 6 months for industrial properties) of being empty, after which they were liable for full rates.

In 2009-10 additional Empty Property Rate relief was introduced for smaller properties. Following the initial rate-free period, properties below £15,000 in rateable value continued to receive 100% relief.

In 2010-11, following the 2010 revaluation, the measure of a small property was increased to those hereditaments with a rateable value of £18,000 or less. So for 2010-11, following the initial rate-free period, those properties with a rateable value of £18,000 or less continue to receive 100% relief.

**Hereditament** - the legal name for the unit of non-domestic property that is, or may become, liable to national non-domestic rates, and thus appears on the rating list. The list is compiled and maintained by the Valuation Office Agency of HM Revenue and Customs

(VOA). These can include pylons, telephone boxes, advertising hoardings as well as offices, shops, warehouses, factories, and public buildings like hospitals and schools. A hereditament may be several buildings together like a university campus or just one office in a block.

There are around 1.7million hereditaments in England.

**Local Government Finance Act 1988** - the main legislation in respect of business rates; also called 'the 1988 Act' or 'LGFA 1988'.

**Local list** - local rating lists include not only non-domestic **hereditaments** but also Crown properties, such as central government hereditaments and Ministry of Defence establishments. The income from properties on local rating lists is collected by billing authorities and paid by them into the pool.

**Mandatory relief** - hereditaments are automatically entitled to relief of all or part of their rates bill provided they meet the criteria set down in legislation. There are currently five categories of mandatory relief:

- Charity
- Rural village shop
- Community & Amateur sports clubs
- Partially empty properties
- Empty properties

A further relief for former agricultural hereditaments ceased during August 2006 and is no longer available for the current year but may be applied retrospectively where applicable.

**National Multiplier** - the figure used to calculate a non-domestic rates bill from the rateable value. The rateable value times the multiplier equals the notional rates liability. The figure is set annually by the Government and reflects the change in the Retail Price Index in September the previous year. The standard multiplier includes a supplement which funds small business rate relief.

The multiplier for 2010-11 is £0.414 and reflects the 2010 revaluation. The figure is set annually by the Government and reflects the change in the Retail Price Index in September the previous year.

**NNDR – national non-domestic rates** - are a means by which local businesses or organisations contribute to the cost of local authority services. Liable properties include public buildings, pipelines and advertising hoardings, as well as businesses. Some non-domestic properties, such as agricultural land and associated buildings, and churches, are exempt however. On 1 April 1990 the rating of non-domestic (mainly commercial and industrial) properties was substantially reformed. Before 1990-91, rates were set individually by local authorities and varied from authority to authority. Since 1 April 1990, the national multiplier has been set by the Government.

**Rates Liability** - the basis of the rates bill. The liability is the **rateable value** times the multiplier, but may be adjusted by any **transitional relief** in place, or by any **mandatory, discretionary** or **small business rate** relief applicable, to give the amount of rates payable.

**Rateable value – RV** - the legal term for the notional annual rent of a **hereditament**, assessed by the VOA. Every property has a rateable value that is based, broadly, on the annual rent that the property could have been let for on the open market at a particular date (currently 1 April 2008, using a list compiled for 1 April 2010). The RV is used in determining the **rates liability**, and therefore the bill.

**Revaluation** - the rateable value of a property is re-assessed every five years, at revaluation, to ensure changes in property market rent values are taken into account.

Rateable values go both up and down at revaluation, in comparison to the average.

The multiplier is amended to ensure that nationally, no additional revenue other than would have been due allowing for inflation, is collected as a result of revaluation.

The current revaluation applies from 1 April 2010 (based on property values as at 1 April 2008).

**Rural Rate Relief** - relief within the business rates system to help retain essential commercial services in rural areas.

Mandatory Rural Rate Relief is available for a sole shop, general store or post office in a defined rural area with a maximum RV of £8,500 (between 2006-07 to 2009-10 the maximum RV was £7,000) or a sole petrol filling station or pub with a maximum RV of £12,500 (between 2006-07 to 2009-10 the maximum RV was £10,500).

Discretionary Rural Rate Relief is also available for other businesses in a defined rural area with a maximum RV of £16,500 (between 2006-07 and 2009-10 the maximum RV was £14,000).

**Schedule of Payments** – in 2008-09 there were several large scale revaluations that were back dated for a number of years. It was recognised that businesses would not be able to pay this back dated liability immediately. To assist with the recovery of this money, agreements for a Schedule of Payments were drawn up between local authorities and the rate payer to allow the payment of this back dated liability over a maximum period of 8 years. No account has been taken in completing the NNDR1 form of any revenues to be collected in 2009-10 or 2010-11 which are as a result of Schedule of Payment agreements.

**Small Business Rate Relief scheme (SBRR)** - a relief scheme within the business rates system to help small businesses meet the cost of their rates.

The SBRR is funded by those businesses not receiving benefit from the scheme through a supplement included in the National Multiplier.

**For the period 2005-06 to 2009-10**

<b>Rateable Value Range</b>	<b>Multiplier payable</b>	<b>Relief Granted</b>	<b>Note</b>
Below £5,000	Small business rate multiplier 2005-06: 41.5p 2006-07: 42.6p 2007-08: 44.1p 2008-09: 45.8p 2009-10: 48.1p.	50% rate relief on liability	This relief is available for: - one property; - one main property and other additional properties, according to certain conditions.
Between £5,001 and £10,000		Relief is on a declining sliding scale from 50% to zero.	
Between £10,001 and £21,500 in London or £10,001 and £15,000 elsewhere		No relief granted	
Rest	National non-domestic rate multiplier 2005-06: 42.2p 2006-07: 43.3p 2007-08: 44.4p 2008-09: 46.2p 2009-10: 48.5p		The Small Business Rate Relief scheme is funded by businesses that pay the national non-domestic rates multiplier.

**For 2010-11**

<b>Rateable Value Range</b>	<b>Multiplier payable</b>	<b>Relief Granted</b>	<b>Note</b>
Below £6,000	Small business rate multiplier 2010-11: 40.7p	50% rate relief on liability	This relief is available for: - one property; - one main property and other additional properties, according to certain conditions.
Between £6,001 and £12,000		Relief is on a declining sliding scale from 50% to zero.	
Between £12,001 and £26,000 in London or £12,001 and £18,000 elsewhere		No relief granted	

Rest	National non-domestic rate multiplier 2010-11: 41.4p		The Small Business Rate Relief scheme is funded by businesses that pay the national non-domestic rates multiplier.
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**Small Business Multiplier** - the small business multiplier excludes the supplement which funds the SBRR scheme. The small business multiplier for 2010-11 is £0.407 and reflects the 2010 revaluation. The figure is set annually by the Government and reflects the change in the Retail Price Index in September of the previous year.

**Transitional Relief** - Properties are revalued every five years and transitional arrangements are in place which moderate significant increases and decreases in bills. The transitional scheme is designed to be broadly revenue neutral over the life of the scheme. This revenue neutrality is achieved by phasing in both the decreases in the rate bills of those who benefit from revaluation, and also the increases in the rates bills of those who face higher rates bills due to revaluation. The figures for Transitional Relief shown in the tables in this release are net (i.e. the reduced yield due to the full increases in NNDR being deferred because of the transitional arrangements less the increased yield due to the full decreases in NNDR being deferred).

The transitional relief scheme for the period 2005-06 to 2009-10 was designed to phase in significant changes in bills over a maximum of four years so that in 2009-10, the final year of the 2005 revaluation period, all hereditaments were expected to be paying their true rates liability. The transitional relief scheme for the period 2010-11 to 2014-15 is designed to phase in significant changes in bills over a maximum of five years.

## **Data quality**

The information in this release is based on data returned to Communities and Local Government by English billing authorities on National Non-Domestic Rates (NNDR1) forms and the NNDR1(Supplementary) form.

The financial data collected are used in calculating each local authority's initial contribution to the national non-domestic rates pool. This effectively ensures a 100% response rate before the release is compiled.

The data taken from the NNDR1(Supplementary) form are, in general, as supplied by the local authorities. CLG have corrected errors in the data as necessary after consultation with local authorities.

The key financial figure reported on the form (i.e. the local authority's estimate of their contribution to the national non-domestic rates pool) sets the figure they are expected to transfer to Communities and Local Government during the year. This contribution to the pool is normally made in 24 equal payments. Although these contributions to the pool are fixed at the beginning of the year, if during the year an authority estimates they will collect less non-domestic rates than they originally estimated, subject to a number of conditions, their contributions may be varied downwards. This can happen up to a maximum of four times during the year. Local authorities have a very strong financial incentive to report accurate financial figures on the NNDR1 forms. The form also has to be signed by the Chief Finance Officer of the authority.

Figures are subjected to rigorous pre-defined validation tests both within the form itself, while the form is being completed by the authority and also in Communities and Local Government as the data are received and stored.

The estimated number of hereditaments benefiting from the SBRR scheme in 2009 is calculated from data taken from the NNDR1(Supplementary) form. CLG subjected these data to a rigorous validation process which revealed issues with the quality of data supplied by some billing authorities.

The forms were initially screened for items of non response. The data sets were then subjected to three validation tests. Billing authorities whose data raised the most significant issues were contacted and provided data that passed the validation tests. Only returns which passed all the validation tests were used to calculate a national estimate for the number of hereditaments benefiting from the SBRR scheme.

The validation process consisted of three stages. In order to pass the validation process all three tests had to be passed. These tests required these data to be internally consistent, to broadly correspond to an external data source (namely the VOA 2005 rating list), and that changes from one year to the next were reasonable.

These amendments meant that 99% of billing authorities were used to calculate the national estimate.

In addition to the national estimates, data at billing authority level are also being made available with this release. Only data submitted by billing authorities that passed all the validation checks will be made public, comprising 99% of billing authorities.

Finally, the release document, once prepared, is also subject to intensive peer review before being cleared as fit for the purposes of publication.

The statistical release relating to previous years can be found on the Communities and Local Government website at:

<http://www.communities.gov.uk/publications/corporate/statistics/sbrrfeb2010>

### **Uses made of the data**

The data in this Statistical Release are used to inform government policy on national non-domestic rates as well as calculating each local authority's contribution to the national non-domestic rates pool. The data also allow policy colleagues to be able to monitor the results of any policy or financial changes to non-domestic rates or reliefs. The national non-domestic rates figure for 2010-11 will also be used to estimate accrued national non-domestic rates for the Office for National Statistics which will be used in the Public Sector Finances statistics and the National Accounts. In addition the data are regularly used in answering parliamentary questions and various information requests.

The data are also used by local authorities, their associations and regional bodies. Data are made available on a local level and there are many requests for these data for comparisons between authorities.



## Background Notes

1. For press enquiries about this Statistical Release please contact the Local Government press desk on 0303 444 0444 or email [press.office@communities.gsi.gov.uk](mailto:press.office@communities.gsi.gov.uk). For other enquiries please telephone John Farrar on 0303 444 2116 or email [nndr.statistics@communities.gsi.gov.uk](mailto:nndr.statistics@communities.gsi.gov.uk).
2. This Statistical Release can be found at the following web address:  
<http://www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics/nondomesticrates/forecast/>
3. The figures shown in this release may have been updated from previous statistical releases. The data are subject to updating as a result of both audited and revised forms being received.
4. The NNDR3 data for 2006-07 to 2008-09 are taken from returns that have been certified by auditors. Data for 2009-10 are taken from NNDR1 forms and are consistent with those published in May 2009. They have not been updated to reflect any changes brought about as a result of local authorities submitting NNDR2 forms during 2009-10.
5. The information for 2010-11 in this release is derived from national non-domestic rates (NNDR1) returns submitted by all 326 billing authorities in England in January and February 2010. No allowance has been made in the production of this release for the proposed changes to the Small Business Rate Relief scheme applicable from 1 October 2010 that were announced in the Budget on 24 March 2010.
6. Timings of future releases are regularly placed on the Department's website, <http://www.communities.gov.uk/corporate/researchandstatistics/statistics/publicationschedule/> and on the National Statistics website, <http://www.statistics.gov.uk/hub/index.html>
7. Further information is also available on the department's website <http://www.communities.gov.uk/localgovernment/localgovernmentfinance/>
8. For a fuller picture of recent trends in local government finance readers are directed to *Local Government Financial Statistics England No.19 2009* which is available in hard copy from Cambertown Limited at [product@communities.gsi.gov.uk](mailto:product@communities.gsi.gov.uk) (Tel: 0300 123 1124) and electronically in PDF format via the Department's web site: [www.communities.gov.uk/publications/corporate/statistics/financialstatistics192009](http://www.communities.gov.uk/publications/corporate/statistics/financialstatistics192009)

9. Both the Scottish Government and the Welsh Assembly Government also collect non-domestic rates data. Their information can be found at the following websites:

Scotland:

<http://www.scotland.gov.uk/Topics/Statistics/Browse/Local-Government-Finance>

Wales:

In English:

<http://wales.gov.uk/topics/statistics/theme/loc-gov/?lang=en>

In Welsh:

<http://wales.gov.uk/topics/statistics/theme/loc-gov/?lang=cy>

#### **Symbols and convention used in this release**

...	=	not available
–	=	not relevant
-	=	negative
0	=	Zero or negligible
	=	Discontinuity in data
B	=	Budget figure
E	=	Experimental data
R	=	Revised since the publication of the last statistical release

#### **Rounding**

Where figures have been rounded, there may be a slight discrepancy between the total and the sum of constituent items