



National non-domestic rates to be collected by local authorities in England 2015-16 (Revised)

- Local authorities estimate the non-domestic rating income in 2015-16 will be £23.1 billion, an increase of £0.7 billion, or 3.3%, on the figure for 2014-15. This amount is what authorities expect to collect after all reliefs, accounting adjustments and sums retained outside the rates retention scheme e.g. revenue from enterprise zones, are taken into consideration.
- Local authorities forecast they will retain £9.4 billion from the rates retention scheme in 2015-16. This is £0.3 billion, or 3.2%, more than in 2014-15.
- Local authorities forecast they will grant a total of £3,336 million of relief from business rates in 2015-16. Of this, it is estimated that £2,484 million of mandatory relief (excluding small business rate relief), will be granted in 2015-16 of which charitable relief will amount to £1,511 million or 45%.
- It is forecast that the Small Business Rate relief scheme will grant more than £1 billion of relief in 2015-16. After allowing for receipts of the supplement paid by some businesses to fund the scheme, local authorities forecast they will grant £439 million more relief than is collected by the supplement.
- Local authorities forecast they will grant a total of £413million discretionary relief in 2015-16 of which £303 million will be funded through Section 31 grants.
- At 31 December 2014, there were 602,500 hereditaments benefiting from the Small Business Rate Relief scheme; 279,900 hereditaments in receipt of mandatory relief and 254,300 hereditaments in receipt of discretionary relief.

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Introduction

This release has been compiled by the Local Government Finance - Analysis and Data Division of Department for Communities and Local Government and it provides information on national non-domestic rates and associated information for the financial year 2015-16. This information is derived from the national non-domestic rates (NNDR1) returns submitted by all 326 billing authorities in England in January and February 2015. This release also includes, for the first time, comparisons with previous year's data and data collected on the NNDR1(Supplementary) form. Information for 2013-14 is presented on an outturn basis, whilst information for 2014-15 and 2015-16 are forecasts for the year.

Uses made of the data

The data in this Statistical Release are used to inform government policy on national non-domestic rates. It also allows for monitoring of the results of any policy or financial changes to non-domestic rates or reliefs.

Following receipt of NNDR1 forms, the Department for Communities and Local Government will calculate what every authority - both billing authorities and major precepting authorities - is entitled to as a safety net payment on account. The Department will notify local authorities of these estimated amounts before the end of February. Authorities will then need to confirm whether they would like these sums to be paid to them.

The Department also uses the data to prepare a schedule of payments, which is sent to local authorities, detailing the amounts which will be paid, and when payments will take place. The schedule of payments under the business rates retention scheme covers payments for the central share, tariff and top-ups, transitional protection and safety net on account. See the *Definitions* section of this release for more information about these terms.

Data from the NNDR1 2015-16 form feed into forecasts of public finance which are compiled by the Office for Budget Responsibility. Local authorities and their associations also use the data to make comparisons between authorities. Finally, the data are regularly used in answering parliamentary questions and various information requests.

The full set of data are available from:

<https://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/national-non-domestic-rates-collected-by-councils>

1. The national non-domestic rates system

Non domestic rates, or business rates, are collected by billing authorities and are the way in which those that occupy a non-domestic property (or hereditament¹) contribute towards local services. The introduction of the business rates retention scheme¹ in 2013-14 allows local authorities to retain a proportion of the revenue that is generated in their area. This release presents data for the three years of the existence of this new scheme.

Apart from properties that are exempt from business rates, each non-domestic property has a rateable value which is set by the Valuation Office Agency (VOA). Billing authorities work out the business rates liability for every hereditament by multiplying the rateable value of the property by the appropriate multiplier. There are two multipliers, the non-domestic multiplier and the small business non domestic rate multiplier. The former is higher because it includes a supplement which is used to fund the Small Business Rate Relief scheme, which is designed to help small businesses meet the cost of their business rates. Further details on this scheme can be found in the *Definitions* section of this release.

The Government sets the multipliers for each financial year for England according to formulae set by legislation. Generally, the multipliers increase in line with the Retail Price Index in September of the preceding year. However since 2014-15, the Government has capped the increase in the multiplier at 2% to provide business rate payers with additional support. *Section 4* below provides further details.

The multipliers used are shown in **Table 1a**. In 2015-16, the national non-domestic multiplier will include a 1.3p supplement to fund the Small Business Rate Relief scheme.

In addition to the Small Business Rate Relief scheme, rateable properties may also be eligible for other discounts or reliefs on their business rates bills. Some of these are mandatory i.e. they are automatic entitlements in any billing authority area. Business rates payers may also receive discretionary relief which are granted at a billing authority's discretion. Further information about the types of reliefs available are presented in **Table 2** and in the *Definitions* section of this release.

2. National non-domestic rates to be collected by local authorities in England 2015-16

Table 1a gives details of the amount of national non-domestic rates local authorities estimate they will collect in 2015-16 and the reliefs they will grant.

- Local authorities estimate the non-domestic rating income in 2015-16 will be £23.1 billion, an increase of £0.7 billion, or 3.3%, on the figure for 2014-15. This amount is what authori-

¹ Further details about the business rates retention scheme and an explanation of hereditaments can be found in the *Definitions* section of this release.

ties expect to collect after all reliefs, accounting adjustments and sums retained outside the rates retention scheme e.g. revenue from enterprise zones, are taken into consideration.

In 2015-16 there is no transitional relief reported on the NNDR1 forms as the last scheme was designed to run for a five year period, from April 2010 to 31 March 2015. It was not immediately replaced because the revaluation planned to come into force in April 2015 which would have triggered a new transitional relief scheme, has been postponed until April 2017. Further details can be found in the *Definitions* section of this release.

Table 1b gives details of local authority estimates of their income from the rates retention scheme, and how it has been allocated each year. These amounts are based on data submitted by authorities on their NNDR1 returns. Any differences between authorities' forecasts and the outturn position will feed through either as a surplus or deficit in future years.

- Local authorities forecast they will retain £9.4 billion from the rates retention scheme in 2015-16. This is £0.3 billion, or 3.2%, more than in 2014-15.

Symbols and conventions

...	= not available
0	= zero or negligible
-	= not relevant
	= a discontinuity in data between years
(R)	= revised data

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

The figures in this release have superseded those published on 18 February 2015. Minor revisions have been made to tables 1a, 1b, 3, 4, the local authority drop down table and the supplementary tables. More information about the reason for the revision is given in the Revisions Policy section on page 18..

Table 1a National non-domestic rates to be collected by local authorities 2013-14 to 2015-16

	£ million		
	Outturn	Forecast	
	2013-14	2014-15	2015-16
Gross rates payable in year	25,555	26,788	27,379 (R)
Net cost of Small Business Rate relief ^(a)	-591	-457	-439
Mandatory relief ^(a)	-2,452	-2,476	-2,485
Discretionary relief ^(a)	-100	-441	-414
Total cost of reliefs	-3,142	-3,374	-3,337
Gross Rates Payable after reliefs	22,412	23,414	24,042 (R)
Transitional arrangements^{(a)(b)}			
Additional revenue received because reduction delayed	98	15	0
Revenue forgone because increase delayed	-63	-92	0
Net cost of transitional arrangement	36	-77	0
Changes as a result of growth/decline in relief in year	-	3	0
Net cost of transitional arrangements^{(c)(d)}	36	-74	0
Net Rates Yield	22,448	23,340	24,042 (R)
Accounting adjustments			
Losses in collection	-26	-326	-298
Losses on appeal	-1,745	-578	-486
Total cost of accounting adjustments	-1,771	-905	-784 (R)
Collectable rates	20,677	22,435	23,258
Net cost of transitional protection payments made to authorities ^{(c)(d)}	-33	74	-
Allowance for Cost of Collection	-84	-84	-84
Special Authority Deductions (City of London only)	-11	-11	-11
	-128	-21	-95
	20,549	22,414	23,163
Disregarded Amounts			
Amounts retained in respect of Designated Areas ^(e)	-4	-19	-22
<i>of which</i>			
Amounts retained in respect of Enterprise Zones ^(e)	-3	-9	-
Amounts retained in respect of New Development Deal areas ^(e)	-1	-10	-
Amounts retained in respect of Renewable Energy schemes	-4	-9	-20
Total Disregarded Amounts	-7	-28	-42
Non-domestic rating income from rates retention scheme for year	20,541	22,386	23,121

	2013-14	2014-15	2015-16
Small business rate multiplier(pence)	46.2	47.1	48.0
National non-domestic rates multiplier (pence)	47.1	48.2	49.3
Number of hereditaments on rating list as at 30 Sept ('000s)	1,771	1,787	1,816
Aggregate rateable value on rating list as at 30 Sept	57,154	57,069	57,224

Source: Data for 2013-14 are taken from auditor confirmed NNDR3 forms, data for 2014-15 & 2015-16 are taken from NNDR1 forms

Note:

(a) Data for 2013-14 also include reliefs (including transitional relief) granted (or recouped for previous awards made in error) in respect of previous years

(b) No transitional relief is (currently) available in 2015-16

(c) Transitional Protection Payments are made between central and local government to reverse the effects of transitional arrangements

(d) In 2013-14, these amounts are different as a result of differences in local authority reporting.

(e) In 2015-16, the amounts in respect of Enterprise Zones & New Development Deal areas were not collected separately

Table 1b National non-domestic rates to be collected by local authorities 2013-14 to 2015-16

	Outturn	£ million	
	2013-14	Forecast	
		2014-15	2015-16
Non-domestic rating income from rates retention scheme for year calculated on the NNDR3	20,541	-	-
Non-domestic rating income from rates retention scheme for year calculated on the NNDR1	21,733	22,386	23,121 (R)
NNDR surplus / deficit on collection for year ^(a)	-1,192	-	-
Allocation of the NNDR revenue^(b)			
Amount of NNDR to be paid to central government (central share)	10,863	11,193	11,560 (R)
Amount of NNDR to be retained by billing authority	8,821	9,068	9,360 (R)
Amount of NNDR to be passed to county council / GLA	1,928	2,001	2,072
Amount of NNDR passed to Fire Authority	122	124	128

Source: Data for 2013-14 are taken from auditor confirmed NNDR3 forms, data for 2014-15 & 2015-16 are taken from NNDR1 forms

^(a) The surplus/deficit on collection relating to a given year is the difference between the forecast and outturn non-domestic rating income. It will be paid to/from central government over the following two years

^(b) The non-domestic revenue allocated each year is determined by the NNDR1 forecast made by local authorities

3. National non-domestic rate reliefs to be granted by local authorities 2015-16

Table 2 shows 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.

- Local authorities forecast they will grant a total of £3,336 million of relief from business rates in 2015-16. This is £38 million, or 1.1%, less than in 2014-15.
- Of this, it is estimated that £2,484 million of mandatory relief (excluding small business rate relief), will be granted in 2015-16. This is £8 million, or 0.3% less than in 2014-15.
- It is forecast that charitable relief will amount to £1,511 million in 2015-16. This accounts for 45% of the total amount of relief to be granted in 2015-16 and is an increase of £91 million or 6.4% on 2014-15.
- It is forecast that the Small Business Rate relief scheme will grant more than £1 billion of relief in 2015-16, an increase of £80 million or 8.1% on 2014-15.

- After allowing for receipts of the supplement paid by some businesses to fund the Small Business Rate relief scheme, local authorities forecast they will grant £439 million more relief than is collected by the supplement. This is £18 million or 4% less than in 2014-15.
- Local authorities forecast they will grant a total of £413million discretionary relief in 2015-16. This is £28 million, or 6% less than in 2014-15.
- Of this discretionary relief, in 2015-16 £303 million will be funded through Section 31 grants. This is £44 million, or 13% less than in 2014-15.
- Other discretionary relief will amount to £101 million in 2015-16, up by £8 million or 9% on the figure for 2014-15.

Table 2 Cost of reliefs from national non-domestic rates : 2013-14 to 2015-16

	£ million		
	Outturn	Forecast	
	2013-14	2014-15	2015-16
Mandatory reliefs			
Small Business Rate Relief			
Relief to be provided in year	-1,034	-992	-1,072
<i>of which: relief on existing properties where a 2nd property is occupied</i>	-	-8	-4
Additional yield generated from the small business supplement	443	535	633
Net cost of small business rate relief	-591	-457	-439
Charitable occupation	-1,396	-1,420	-1,511
Community Amateur Sports Clubs (CASCs)	-18	-19	-20
Rural rate relief	-6	-6	-6
Partially occupied hereditaments	-48	-35	-31
Empty premises	-983	-917	-846
Changes as a result of local estimates of growth or decline in mandatory relief	-	-80	-71
Total cost of mandatory reliefs	-2,452	-2,476	-2,484
Discretionary reliefs			
Charitable occupation	-43	-44	-44
Non-profit making bodies	-35	-36	-37
Community Amateur Sports Clubs (CASCs)	-1	-1	-1
Rural shops etc	-3	-3	-3
Small rural businesses	-2	-2	-2
Other ratepayers under s47	-8	-7	-14
Hardship relief	-3	-	-
Total cost of discretionary relief	-96	-93	-101
Discretionary reliefs funded through Section 31 grants			
"New Empty" properties	-1	-23	-9
"Long term empty" properties	-	-51	-11
Retail relief	-	-272	-284
Flooding relief	-3	-	-
Total cost of discretionary reliefs funded through S31 grant	-4	-347	-303
Changes as a result of local estimates of growth or decline in discretionary relief	-	-2	-9
Total cost of discretionary relief	-100	-441	-413
Total cost of relief	-3,142	-3,374	-3,336

Source: Data for 2013-14 are taken from auditor confirmed NNDR3 forms, data for 2014-15 & 2015-16 are taken from NNDR1 forms
Data for 2013-14 also include reliefs granted (or recouped for previous awards made in error) in respect of previous years

4. National non-domestic rate reliefs funded by Section 31 grants

Central government compensates local authorities for changes that it makes to the national non-domestic rates tax. The compensation is made outside of the rate retention scheme by means of a Section 31 (S31) grant. The grants are given to local authorities to fund activities which are not covered by existing payment schedules or methods. The measures for which authorities are compensated were announced by the Chancellor in the 2012, 2013 and 2014 Autumn Statements. More information about these measures can be found in the *Definitions* section of this release.

Table 3 shows the section 31 grants paid since 2013-14 for the following measures:

- a) the cap on the increase in the small business multiplier to 2% in 2014-15 (Autumn Statement 2013) and in 2015-16 (Autumn Statement 2014);
- b) the doubling of Small Business Rate Relief (Autumn Statement 2012, 2013 & 2014);
- c) ratepayers continuing to receive their Small Business Rate relief for 12 months when they take on an additional property which would normally disqualify them from receiving the relief (Autumn Statement 2013);
- d) empty new build properties are exempt from empty property rates for 18 months (Autumn Statement 2012);
- e) 50 per cent business rates relief for 18 months for businesses that - between 1 April 2014 and 31 March 2016 - move into retail premises that have been empty for a year or more (Autumn Statement 2013); and
- f) a discount of £1,000 for shops, pubs and restaurants with a rateable value of £50,000 or less for two years, from 1 April 2014 (Autumn Statement 2013). The level of discount was increased to £1,500 from 1 April 2015 in the Autumn Statement 2014.
- g) In addition, local authorities are also compensated for the cost of discounts given to eligible businesses as a result of the floods that occurred during December 2013 to March 2014. This reimbursement is not reported on NNDR1 returns.

Table 3 National non-domestic rates measures funded by Section 31 grants

	£ million		
	Outturn 2013-14	Forecast 2014-15	2015-16
a) Capping the increase in the small business rates multiplier	-	120	169
b) Temporary doubling of the small business rates relief	-	248	271 (R)
c) Maintaining small business rates relief on "first" properties	-	4	2
d) Relief to newly built properties	1	12	4
e) Relief awarded on the occupation of "long-term empty" properties	-	26	5
f) Retail relief ^(a)	-	137	144
g) Flooding relief ^(b)	3
Total amount of reliefs funded by Section 31 grants	4	548	596 (R)

Source: Data for 2013-14 are taken from auditor confirmed NNDR3 forms, data for 2014-15 & 2015-16 are taken from NNDR1 forms

Note:

(a) Level of retail relief was changed from £1,000 per qualifying property in 2014-15 to £1,500 per qualifying property in 2015-16

(b) No estimate of relief to be granted was made in 2014-15 or 2015-16, it is paid "after the event"

The amounts shown in **Table 3** are the Section 31 grant payable to local authorities to compensate them for the loss of income arising from the measures above. They differ from the amounts shown in **Table 2** which show the total amount of relief granted to business ratepayers under each of the measures.

5. Supplementary information

Table 4 gives details of the number of hereditaments in receipt of small business rate relief, mandatory and discretionary rate relief as at 31 December. This information is collected on the NNDR1 Supplementary. The figures are as reported by local authorities at the time at which they submitted their main NNDR1 forms. We are also publishing for the first time with this release the number of hereditaments claiming reliefs under the new business rates retention system.

- At 31 December 2014, there were 602,500 hereditaments benefiting from the Small Business Rate Relief scheme through paying the lower multiplier and getting a discount. In addition, 518,300 hereditaments were paying the lower multiplier and not getting discount.
- At the same date, there were 279,900 hereditaments were in receipt of mandatory relief and 254,300 hereditaments were in receipt of discretionary relief. This figure includes 206,100 hereditaments benefitting from the new retail relief.

Number of hereditaments in receipt of mandatory and discretionary rate relief as at 31 December 2012, 2013 and 2014 ^(b)

	Thousand		
	2012	2013	2014
Mandatory Reliefs			
Charity	85.6	87.9	88.1
Rural village shop	5.2	4.9	4.7
Partly occupied	0.7	0.6	0.4
Empty premises	208.2	197.6	182.7
Community amateur sports clubs	3.9	3.9	4.0
Total	303.6	294.8	279.9
Small Business Rate Relief ^(a)			
Paying additional supplement	-	706.7	696.7 ^(R)
Paying lower multiplier and receiving a discount	-	574.9	602.5 ^(R)
<i>of which</i>			
100% discount	-	384.6	404.4 ^(R)
0% to 100% discount on sliding scale	-	190.4	198.1 ^(R)
Paying lower multiplier and not receiving a discount	-	513.3	518.3 ^(R)
Total	-	1,794.9	1,817.5 ^(R)
Discretionary Reliefs			
Charity	30.4	30.1	28.2
Non-profit making bodies	8.4	7.2	7.0
Rural village shop	3.2	3.1	2.8
Other small rural business	0.8	0.7	1.8
Community amateur sports clubs	1.3	1.5	1.4
Enterprise zone discounts	0.3	0.5	0.7
Subject to S47 discount	-	2.5	4.0
S31 New empty property relief	-	-	0.8
S31 Long term empty relief	-	-	1.6 ^(R)
S31 Retail relief	-	-	206.1 ^(R)
Total	44.4	45.6	254.3 ^(R)

Source: NDR1(Supplementary) returns

(a) Small Business Rate Relief figures were not published in 2012 due to quality issues

(b) Some hereditaments may be entitled to more than one relief. Therefore, the total number of reliefs awarded to hereditaments may be greater than the total number of hereditaments in receipt of relief.

6. Definitions

A list of terms relating to local government finance is given in the glossary at Annex G of the latest edition of *Local Government Finance Statistics England* which is accessible at <https://www.gov.uk/government/collections/local-government-finance-statistics-england>

The most relevant terms for this release are explained below.

Baseline funding level – an assessment made at the introduction of the business rates retention scheme of the amount of business rates each local authority would need to fund their services.

Business rates baseline – an assessment made at the introduction of the business rates retention scheme of the amount of business rates each local authority would be able to collect.

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.

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

Business rates retention scheme – This was established on 1 April 2013 and for the first time since 1990, local authorities in England were given a share of the business rates they collected in their local area. The scheme requires all billing authorities to submit two forms to the department: a forecast of the business rates they expect to collect in a given financial year in the January preceding it (NNDR1); and the actual business rates that they collected during the financial year in the September following it (NNDR3). The data from these forms is used to inform payments between central and local government.

Central share payments - under the business rates retention scheme, local authorities retain 50% of the business rates they collect. The remaining 50% is passed to central government as the *central share*. Billing authorities will make their central share payments to central government over the course of the financial year.

Charity relief - a relief within the business rates system that can be granted registered charities.

Community Amateur Sports Clubs (CASC) relief - a relief within the business rates system that can be granted to community and amateur sports clubs.

Designated areas – for NNDR1 2015-16 data for both **Enterprise Zones** and **New Deal Development areas** were collected as one item under the heading of Designated Areas.

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

- Other local discounts awarded under Section 47 of the Local Government Finance Act 1988

Enterprise Zones – specific areas where a combination of financial incentives and reduced planning restrictions will apply. Enterprise Zones will benefit from:

- a business rate discount for a five year period up to state aid de minimis levels;
- all business rates growth above a baseline defined in legislation within the zone for a period of at least 25 years will be retained by the local area, to support the Local Economic Partnership's economic priorities;

Empty Property Rates - business rates charged on an unoccupied property – i.e. charge to the owner 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 that can be granted to the owner of an unoccupied property

Properties can claim 100% relief for the first 3 months (or 6 months for industrial properties) of being empty, after which they are liable for full rates.

A hereditament with a rateable value of £2,600 or less is classed as “a small property” and following the initial rate-free period, continues to receive 100% relief.

From October 2013, the Government introduced a temporary measure for unoccupied new builds. Unoccupied new builds can be granted empty property relief for up to 18 months (up to state aid limits) where the property comes on to the list between 1 October 2013 and 30 September 2016. The 18 month period includes the initial 3 or 6 month exemption and so properties may, if unoccupied, be exempt from non-domestic rates for up to an extra 15 or 12 months.

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, which is an executive 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, such as a university campus or just one office in a block. There are approximately 1.8 million 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 a proportion is retained as part of the business rates retention scheme.

Losses in appeals –The owner/occupier of a hereditament will often appeal against the rateable value placed on their property. Under the business rates retention scheme, local authorities are required to make a provision for the amount that they expect to have to repay to rate payers following successful appeals.

Mandatory relief - hereditaments are automatically entitled to relief for 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

National Multiplier - the figure used to calculate a non-domestic rates bill from the rateable value. The rateable value times the multiplier gives 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 (See **Small Business Multiplier**). The standard multiplier includes a supplement which funds small business rate relief. The multiplier for 2015-16 is £0.493 (i.e. 48.0p + 1.3p).

NNDR – national non-domestic rates - a tax on the occupation of non-domestic property in England (and Scotland and Wales), based on the notional annual rent for a property on the open market known as the **Rateable Value**.

New Development Deals - £120m of funding available over six years (£15m in both 2013-14 and 2014-15) to finance additional infrastructure. Authorities are entitled to retain all business rates growth in NDD areas for a period of 25 years.

ONS – the Office for National Statistics is the government agency responsible for compiling, analysing and disseminating many of the United Kingdom's economic, social and demographic statistics including the Retail Price Index, trade figures and labour market data as well as the periodic census of the population and health statistics.

Rates Liability - the basis of the rates bill. The liability is the **rateable value** times the multiplier, but this 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.

Renewable Energy – From 1 April 2013, local authorities are allowed to retain up to 100% of business rates from new renewable energy projects.

Revaluation - the rateable value of a property is generally re-assessed every five years, at revaluation, to ensure changes in property market rent values are taken into account. However the next revaluation has been postponed until 2017 to provide greater stability for businesses and to encourage economic growth. Five yearly revaluations will continue from 2017.

Rateable values will go both up and down at revaluation, in comparison to the average and revaluation does not raise extra money for Government. At revaluation, the multiplier is amended to ensure that nationally, no additional revenue other than that which would have been due allowing for inflation, is collected.

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 or a sole petrol filling station or pub with a maximum RV of £12,500.

Safety net payments on account - to protect authorities against significant reductions in their income, a safety net guarantees local authorities 92.5% of their **baseline funding level** for the year. Authorities that forecast that their income will fall below the threshold for the safety net when they submit their NNDR1 will receive a safety net payment on account. These payments are reconciled at the end of the financial year when they authorities submit their outturn NNDR data.

Section 31 (S31) grants – this refers to Section 31 of the Local Government Finance Act 2003 which makes it possible for government to pay local authorities grants towards their activities which are not covered by existing payment schedules or methods.

Section 47 (S47) – this refers to Section 47 of the Local Government Finance Act 1988 which has been recently been amended to allow authorities greater scope to award locally funded discretionary discounts.

Small Business Rate Relief scheme (also known as SBRR) - a scheme that provides a relief within the business rates system that can be granted to small businesses.

This relief is primarily funded by a supplement (currently 1.3p) included in the National Multiplier, which is used to calculate the rates liability for business with an rateable value greater than £18,000 outside of London and £25,500 within London. In addition, businesses that fail other criteria are also liable for the supplement to fund the scheme (see table below).

An important change to the level of relief granted introduced from 1 October 2010 that will run until at least 31 March 2016, doubles the level of Small Business Rate Relief. The additional costs arising from this temporary change in the scheme are being met by the Government. (See **Table 3** above).

From 1 April 2013 to 31 March 2016

Rateable Value Range	Multiplier payable	Relief Granted	Note
Below £6,000	Small business rate multiplier 2013-14: 46.2p 2014-15: 47.1p 2015-16: 48.0p	100% rate relief on liability	This relief is only available for: - one property; - one main property and other additional properties, according to certain conditions. If these conditions cannot be met then the property is liable for the national non-domestic multiplier.
Between £6,001 and £12,000		Relief is on a declining sliding scale from 100% to zero.	
Up to £25,500 in London and £18,000 elsewhere		No relief granted but bills calculated using the small business multiplier	
Rest	National non-domestic rate multiplier 2013-14: 47.1p 2014-15: 48.2p 2015-16: 49.3p		The Small Business Rate Relief scheme is funded by businesses that pay the national non-domestic rates multiplier.

Small Business Multiplier - the small business multiplier excludes the supplement which funds the Small Business Rate relief scheme. The small business multiplier for 2015-16 is £0.480. The figure is set annually by the Government and normally reflects the change in the Retail Price Index in September of the previous year.

However, in the 2014 Autumn Statement, the Chancellor announced that for 2015-16 the increase in the multiplier would be capped at 2% rather than the 2.3% that would have been applicable had the change in the September 2014 RPI been applied. It was also announced that local authorities would be recompensed by central government for this loss of income through a **Section 31 grant**. (See **Table 3** in the release above)

Tariff and top-up payments - when the business rates retention scheme was introduced, two assessments were done for each local authority; the amount of business rates that they were able to collect (the **business rates baseline**), and the amount of income from business rates that they would need to fund their services (the **baseline funding level**). Authorities with a **baseline fund-**

ing level greater than their **business rates baseline** receive a top-up payment equal to the difference. These top-ups payments are funded by tariff payments made by authorities that have a business rates baseline greater than their baseline funding level. Tariff and top-up payments are indexed by the change in the **small business multiplier** each year.

Transitional protection payments - as a result of transitional arrangements, local authorities will collect either more, or less, income than they would have done had transitional arrangements never been in place. To cancel out the effects of these transitional arrangements, transitional protection payments are made between central government and billing authorities.

Transitional Relief – The rateable value of properties are normally reassessed every five years (see **Revaluation** above) and transitional arrangements are in place which moderate significant increases and decreases in bills. The transitional scheme is designed to be 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 current transitional relief scheme was designed to phase in significant changes in bills over a maximum of five years from 1 April 2010 and ended on 31 March 2015. It was not immediately replaced because the revaluation planned to come into force in April 2015 which would have triggered a new transitional relief scheme, has been postponed until April 2017.

As part of the Autumn Statement 2014, provision was made to assist hereditaments with a rateable value of less than £50,000 that had come out of transition. As it was not possible for authorities to produce a reliable estimate of this relief at the time of submitting the 2015-16 NNDR1 form, the information was not collected and authorities will be asked to submit a separate return later in 2015-16.

7. Technical Notes

Survey design for collecting NNDR1 data for January 2015

During January 2015, all 326 billing authorities in England were required to complete the NNDR1 form to show their estimates of the amount of national non-domestic rates that they will be able to collect in 2015-16. They were also required to determine the amount of non-domestic rates they will be required to pay to central government and their major precepting authorities under the business rates retention scheme.

Data quality

This Statistical Release contains Official Statistics and as such has been produced to the high professional standards set out in the National Statistics Code of Practice. Official Statistics products undergo regular quality assurance reviews to ensure that they meet customer demands.

The information in this release is based on data returned to the Department for Communities and
National non-domestic rates to be collected by local authorities in England 2015-16, Statistical Release 17

Local Government by billing authorities in England on the National non-domestic rates (NNDR1) forms. The data collected are used to estimate the amount each local authority will collect in national non-domestic rates in 2015-16 and these data will be used by billing authorities and major precepting authorities to agree a schedule of payments for the share of business rates income that is to be paid to major precepting authorities. The data will also be used in calculating the entitlement that individual local authorities might have to safety net payments. It also informs other payments that need to be made under the business rates retention scheme, both between billing authorities and major precepting authorities, and between the Department for Communities and Local Government and local authorities. This effectively ensures a 100% response rate before the release is compiled.

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 by Department for Communities and Local Government as the data are received and stored.

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

Rounding

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

Revisions policy

This policy has been developed in accordance with the UK Statistics Authority Code of Practice for Official statistics and the Department for Communities and Local Government Revisions Policy (found at <https://www.gov.uk/government/publications/statistical-notice-dclg-revisions-policy>).

There are two types of revisions that the policy covers:

Non-Scheduled Revisions

This non-scheduled revision was made on the 27 March 2015 to the original statistical release on *National non-domestic rates to be collected by local authorities in England 2015-16* which was published on 18 February 2015.

Minor revisions to tables 1a, 1b and 3 and the associated local authority drop down table were made following representations from local authorities following the issue of a financial payment report for 2015-16.

Minor revisions were also made to the number of hereditaments claiming reliefs to include corrected figures received from ten authorities after the publication of the previous release. These revisions affect table 4 in the main release.

Scheduled Revisions

There are no scheduled revisions for this series.

Background notes

This Statistical Release can be found at the following web address:

<https://www.gov.uk/government/collections/national-non-domestic-rates-collected-by-councils>

Timings of future releases are regularly placed on the Department's website,

<https://www.gov.uk/government/publications/uses-of-local-authority-spending-and-finance-data>

For a fuller picture of recent trends in local government finance, readers are directed to the latest edition of *Local Government Finance Statistics England* which is available from the Department for Communities and Local Government website:

<https://www.gov.uk/government/publications/local-government-financial-statistics-england>

User engagement

Users are encouraged to provide comments and feedback on how these statistics are used and how well they meet user needs. Comments on any issues relating to this statistical release are welcomed and should be sent to nndr.statistics@communities.gsi.gov.uk

The Department's engagement strategy to meet the needs of statistics users is published here:

<https://www.gov.uk/government/publications/engagement-strategy-to-meet-the-needs-of-statistics-users>

Devolved administration statistics

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>

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Information about Official Statistics produced by other government departments is available via the gov.uk website

Statistics produced by DCLG are available here: <https://www.gov.uk/government/statistics>

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