



National non-domestic rates to be collected by local authorities in England 2017-18 - revised

- Local authorities estimate the non-domestic rating income for 2017-18 will be £23.9 billion. This is what authorities estimate they will collect after all reliefs, accounting adjustments and sums retained outside the rates retention scheme are taken into consideration.
- Local authorities report they will grant a total of £3.8 billion of relief from business rates in 2017-18. Of this £2.7 billion is the cost of other mandatory relief, £908 million is the net cost of small business rate relief and £128 million is the cost discretionary relief.
- The £908 million small business rate relief cost is a net figure. Authorities estimate they will grant £1.5 billion relief under the Small Business Rate relief scheme, but this offset by other businesses contributing £629 million in the form of a supplement to cover some of the cost of this relief.

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Introduction

This release has been compiled by the Department for Communities and Local Government (DCLG) and it provides information on national non-domestic rates and associated information for the financial year 2017-18 and comparisons with 2016-17. This information is derived from the national non-domestic rates (NNDR1) returns submitted by billing authorities in England.

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 hereditament) contribute towards local services. Since 2013-14 local authorities are allowed to retain a proportion of the revenue that is generated in their area. The NNDR1 form collects data that estimates what authorities will collect and the out-turn data (collected on the NNDR3) is what was collected.

Apart from properties that are exempt from business rates, such as agricultural land, parks and places of worship, 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.

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 in 2014-15 the Government capped the increase in the multiplier at 2% to provide business rate payers with additional support, and this has had a knock on effect in subsequent years which authorities are being compensated for through a Section 31 grant.

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, and some are discretionary relief which are granted at a billing authority's discretion. Some of the reliefs are time limited, for example retail relief was introduced from 1 April 2014 and lasted for two years, as a result changes across years are not strictly comparable. Further information about the types of reliefs available are presented in **Table 2**.

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

Special factors affecting 2017-18

Revaluation and transitional relief

Every few years, the government adjusts the rateable value of business properties to reflect changes in the property market. This is known as a revaluation. At revaluation, the Government also revises the business rates multiplier to reflect the aggregate change in rateable values. As the revaluation is not designed to raise any more or less tax, the Government adjusts the multiplier. So the small business non-domestic multiplier for 2017-18 is reduced from 48.4p to 46.6p. The national non-domestic multiplier will fall from 49.7p to 47.9p.

The latest revaluation comes into effect on the 1 April 2017 and reflects the rental market as at 1 April 2015. Table 1 therefore shows a discontinuity between 2016-17 and 2017-18 to reflect the revaluation.

At a Revaluation, the Government also puts in place a transitional scheme that protect small and medium business ratepayers from significant step-changes in bills, by phasing-in increases over a number of years. The net transitional arrangements shown in Table 1 reflects the difference between revenue foregone and additional revenue collected, because the rates bills of ratepayers are being phased up or down as a result of the transitional scheme.

Small business rates relief

In the 2016 Budget, Government announced a permanent doubling of small business rates relief and there have been changes to the thresholds, meaning that 100% relief will be given to all businesses that have a rateable value of below £12,000, and tapering of the relief for businesses with a rateable value between £12,000 and £15,000. This was previously a temporary doubling that required an extension each year. The threshold at which a higher multiplier is applied has been increased from £18,000 (or £25,500 in Greater London) to £51,000. These changes may have affected the small business rates figures.

1. National non-domestic rates to be collected by local authorities in England 2017-18

Table 1 gives details of the amount of national non-domestic rates local authorities estimate they will collect in 2017-18 and the reliefs they will grant. The multipliers used are also shown. The national non-domestic multiplier for 2017-18 includes a 1.3p supplement to fund the Small Business Rate Relief scheme.

- Local authorities estimate the non-domestic rating income for 2017-18 will be £23.9 billion. This is what authorities estimate they will collect after all reliefs, accounting adjustments and sums retained outside the rates retention scheme are taken into consideration.
- Local authorities report they will grant a total of £3.8 billion of relief from business rates in 2017-18. Of this £2.7 billion is the cost of other mandatory relief, £908 million is the net cost of small business rate relief and £128 million is the cost discretionary relief.

Appeals

As part of the NNDR1 process authorities are required to make an estimate of how much income they will forego as a result of changes to rating lists, including appeals by businesses against their valuations. This includes both income not collected in year and also refunds they have to make in respect of previous years.

The figure for 2017-18 represents authorities' best estimate of the total future loss of non-domestic rates on the 2017 Rating list.

- Local authority estimates of the net addition to the appeals provision is £1.3 billion in 2017-18.

Table 1 National non-domestic rates to be collected by local authorities 2013-14 to 2017-18^(R)

	Outturn			£ million Forecast	
	2013-14	2014-15	2015-16	2016-17	2017-18 ^(e)
Gross rates payable in year	25,630	26,039	26,660	27,745	 29,488
Net cost of Small Business Rate relief	591	580	539	481	908
Other mandatory relief	2,452	2,471	2,594	2,552	2,744
Discretionary relief	100	312	445	137	128
Total cost of reliefs	3,142	3,363	3,577	3,170	 3,780
Gross Rates Payable in year less total cost of reliefs	22,488	22,675	23,083	24,575	 25,708
Net cost of transitional arrangement ^(a)	36	119	165	0	-119
Net Rates Yield (Gross Rates Payable less net cost of Transition)	22,524	22,794	23,248	24,575	 25,589
Accounting adjustments					
Losses in collection ^(b)	90	221	228	283	303
Net addition to appeals provision	1,745	770	291	621	1,318
Interest payable		2	4	-	-
Deferrals		60	-	-	-
Total cost of accounting adjustments	1,835	932	523	904	 1,621
Other deductions from collectable rates^(c)	128	214	260	95	 -24
Disregarded Amounts					
Amounts retained in respect of Designated Areas	4	15	14	29	27
Amounts retained in respect of Renewable Energy schemes	4	22	38	39	50
Total Disregarded Amounts	7	38	51	69	 77
Non-domestic rating income from rates retention scheme (Net Rates Yield less Accounting adjustments, Other deductions & Disregarded amounts)	20,533	21,610	22,414	23,507	 23,914
	2013-14	2014-15	2015-16	2016-17	2017-18^(e)
Small business rate multiplier(pence)	46.2	47.1	48.0	48.4	46.6
National non-domestic rates multiplier (pence)	47.1	48.2	49.3	49.7	47.9
Number of hereditaments on rating list as at 30 Sept ('000s) ^(d)	1,771	1,787	1,816	1,831	1,856
Total aggregate rateable value of all hereditaments on rating list as at 30 Sept (£ million) ^(d)	57,154	57,069	57,224	57,289	63,212
Source: Outturn data are taken from auditor confirmed NNDR3 forms, forecast data are taken from NNDR1 forms					
(a) No transitional relief awarded in 2015-16 or 2016-17, however 2015-16 outturn reflects transitional arrangements in respect to previous years.					
(b) Losses in collection - write offs are not included in the Total cost of Accounting Adjustments					
(c) Other deductions from collectable rates includes an allowance for cost of collection & legal costs, a special authority deduction for the City of London, and the net cost of transitional protection payments made to authorities to reverse the effects of transitional arrangements					
(d) Data taken from VOA local list as at 30 September of the previous year e.g 2015-16 data taken as at 30 September 2014.					
(e) Revaluation comes into effect 1st April 2017					
(R) 2017-18 figures revised.					

2. Reliefs to be granted by local authorities in 2017-18

Table 2 shows figures for mandatory and discretionary reliefs billing authorities expect they will grant in 2017-18. Mandatory reliefs are automatic entitlements in any billing authority area whereas discretionary reliefs are granted at a billing authority's discretion.

- Of the estimated £3.8 billion relief to be granted from business rates, £2.7 billion is mandatory relief excluding small business rate relief.
- Authorities estimate they will grant £1.5 billion relief under the Small Business Rate relief scheme for 2017-18 whilst receipts from the supplement paid by some businesses to fund the Small Business Rate relief scheme in 2017-18 are expected to be £629 million. This gives a net cost of the scheme of £908 million.
- Local authorities expect to grant a total of £128 million discretionary relief in 2017-18.
- Total relief provided to charitable occupations (that is both mandatory and discretionary relief) is expected to amount to £1.8 billion in respect of 2017-18, and these reliefs account for 48% of the total relief to be granted.
- Authorities estimate the amount of relief to be granted to empty premises in 2017-18 will be £832 million.

Table 2 : Cost of reliefs from national non-domestic rates : 2013-14 to 2017-18^(R)

	Outturn			Forecast	
	2013-14 ^(a)	2014-15	2015-16	2016-17	2017-18 ^(b)
£ million					
MANDATORY RELIEFS					
Small Business Rate Relief					
In respect of current year					
Relief provided in year	986	1,061	1,123	1,129	1,537
<i>of which: relief on existing properties where a 2nd property is occupied</i>	-	-	-	2	3
Additional yield generated from the small business supplement	447	543	646	648	629
Net cost of small business rate relief in respect of current year	539	518	477	481	908
Net cost of small business rate relief in respect of previous years	52	62	61	-	-
Net cost of small business rate relief	591	580	539	481	 908
Other Mandatory reliefs					
In respect of current year					
Charitable occupation	1,391	1,476	1,558	1,575	1,775
Community Amateur Sports Clubs (CASCs)	18	19	20	21	19
Rural rate relief	6	6	6	6	5
Partially occupied hereditaments	34	32	32	27	21
Empty premises	988	947	935	838	832
Total other mandatory relief in respect of current year	2,438	2,480	2,551	2,466	2,652
Other mandatory relief in respect of previous years	14	-9	42	-	-
Changes as a result of local estimates of growth or decline in mandatory relief	-	-	-	86	92
Total cost of other mandatory relief	2,452	2,471	2,594	2,552	 2,744
Total cost of mandatory relief	3,042	3,051	3,132	3,033	 3,652
DISCRETIONARY RELIEFS					
In respect of current year					
Charitable occupation	43	44	44	46	51
Non-profit making bodies	35	36	38	36	35
Community Amateur Sports Clubs (CASCs)	1	1	1	1	1
Rural rate relief	3	3	3	3	1
Small rural businesses	2	2	2	2	1
Other relief awarded under s47	8	12	13	19	21
Hardship relief	3	3	2	-	-
Total discretionary relief in respect of current year	95	100	104	106	109
Discretionary relief in respect of previous years	1	2	4	-	-
Discretionary reliefs funded through Section 31 grants					
"New Empty" properties	1	4	7	8	6
"Long term empty" properties	-	4	13	10	4
Retail relief	-	196	296	-	-
Flooding relief	3	1	7	-	-
Rural rate relief	-	-	-	-	5
Local newspaper temporary relief	-	-	-	-	0
In lieu of Transitional relief	-	-	4	7	-
Total cost of discretionary reliefs funded through S31 grant	4	205	328	25	15
Discretionary relief funded through S31 grants in respect of previous years	-	5	10	-	-
Changes as a result of local estimates of growth or decline in discretionary relief	-	-	-	6	3
Total cost of discretionary relief	100	312	445	137	 128
TOTAL COST OF ALL RELIEFS	3,142	3,363	3,577	3,170	 3,780

Source: Outturn data are taken from auditor confirmed NNDR3 forms, forecast data are taken from NNDR1 forms

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

(b) Revaluation comes into effect 1st April 2017

(R) 2017-18 figures revised.

3. Reliefs to be funded by Section 31 grants

Since 2013-14, a number of measures have been announced by the Chancellor in recent Autumn Statements have made changes to the national non-domestic rates scheme. Central government compensates local authorities for these changes and this 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. More information about these measures can be found in the *Definitions* section of this release.

The amounts shown in **Table 3** are the Section 31 grant to be paid to local authorities to compensate them for the loss of income arising from the measures listed below. They differ from the amounts shown in **Table 2** which show the total amount of relief to be granted to business ratepayers under each of the measures as they exclude the central government share of the reliefs.

Table 3 shows the Section 31 grants paid to local authorities from 2013-14 to 2015-16 and what authorities expect to be paid in 2016-17 and 2017-18 for the following measures:

- a) the cap on the increase in the small business multiplier to 2% in 2014-15
- b) the doubling of Small Business Rate Relief;
- 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;
- d) empty new build properties are exempt from empty property rates for 18 months;
- e) 50 per cent business rates relief for 18 months for businesses that - between 1 April 2014 and 31 March 2016 - moved into retail premises that had been empty for a year or more;
- 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. This relief was changed to £1,500 for 2015-16. This relief was temporary and is no longer available.
- g) compensation for the cost of discounts given to eligible businesses as a result of the floods that occurred during December 2013 to March 2014.
- h) the doubling of rural rate relief with effect from 1 April 2017.
- i) a discount of £1,500 on office space occupied by local newspapers for two years from 1 April 2017.
- j) transitional relief compensation to be paid in 2016-17. This is in lieu of relief authorities expect to grant businesses to compensate for the transitional relief they would have received, had the transitional arrangements not ended.
- k) any pilot authority that would have been entitled to compensation for reliefs given in Enterprise Zones will no longer be able to make a deduction from the central share for the sums due.

Table 3 : National non-domestic rates measures funded by Section 31 grants 2013-14 to 2017-18^(R)

	Outturn			Forecast		£ million
	2013-14	2014-15	2015-16	2016-17	2017-18	
a) Capping the increase in the small business rates multiplier	-	115	164	171	224	
b) Doubling of the small business rates relief ^(a)	-	274	292	286	471	
c) Maintaining small business rates relief on "first" properties	-	1	2	1	2	
d) Relief to newly built properties	1	2	4	4	4	
e) Relief awarded on the occupation of "long-term empty" properties	-	2	7	5	2	
f) Retail relief ^(b)	-	99	154	-	-	
g) Flooding relief ^(c)	3	5	4	-	-	
h) Rural rate relief	-	-	-	-	2	
i) Local newspaper temporary relief ^(d)	-	-	-	-	0	
j) In lieu of Transitional Relief	-	-	2	4	-	
k) Enterprise Zone qualifying relief in 100% pilot areas	-	-	-	-	4	
Total amount of reliefs funded by Section 31 grants	4	498	630	472	710	

Source: Outturn data are taken from auditor confirmed NNDR3 forms, forecast data are taken from NNDR1 forms

Note:

(a) Doubling was temporary between 2014-15 to 2016-17.

(b) The level of retail relief was changed from £1,000 per qualifying property in 2014-15 to £1,500 per qualifying property in 2015-16. It is not available from 2016-17 onward.

(c) No estimate of relief to be granted was made in 2016-17 or 2017-18, it is paid "after the event"

(d) Value below £0.5 million

(R) 2017-18 figures revised.

4. Definitions

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

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 commenced in 2013 and local authorities in England now receive a share of the business rates they collect 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 – specific areas where growth in business rates is retained by the authority outside of the rates retention system. They consist of

- New Development Deal areas where funding has been made available over six years to finance additional infrastructure. Authorities are entitled to retain all business rates growth in NDD areas for a period of 25 years; and
- Enterprise Zones which 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;

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

Empty new-builds rate relief (“New Empty”) – this scheme was introduced from 1 October 2013 to reimburse authorities for any discretionary relief they awarded to qualifying ratepayers who occupy empty new-build hereditaments. The relief is available for up to 18 months.

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 which 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.

Empty retail property relief (“Long term empty”) - this scheme was introduced from 1 April 2014, to reimburse authorities for any discretionary relief they awarded to qualifying ratepayers who are new occupiers of retail property that had been empty for more than a year. The relief was granted at 50% and lasts for 18 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 (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 normally reflects the change in the Retail Price Index in September the previous year (See **Small Business Multiplier**). As mentioned above in 2014-15, the Government capped the increase in the multiplier at 2% to provide business rate payers with additional support. The standard multiplier includes a supplement which funds small business rate relief. The multiplier for 2017-18 is £0.479.

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**.

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 2015, using a list compiled for 1 April 2017). 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.

Retail relief - a discount for shops, pubs and restaurants with a rateable value of £50,000 or less for two years - was introduced from 1 April 2014 and ran for two years. The relief granted was a maximum of £1,000 in 2014-15 and a maximum of £1,500 in 2015-16. The relief was discontinued for 2016-17.

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. The next revaluation was postponed from 2015 until 2017 to provide greater stability for businesses and to encourage economic growth.

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 2017 (based on property values as at 1 April 2015).

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.

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. S31 grants are used to fund local authority 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 allows authorities 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 (1.3p in 2017-18) included in the **National Multiplier**, which is used to calculate the rates liability for business with a rateable value greater than £51,000. 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 was introduced from 1 October 2010 and has continued each year through to 2017-18. It effectively doubles the level of Small Business Rate Relief granted. The additional costs arising from this change in the scheme are being met by the Government (see **Table 3** above). From 2010 to 2017 this was a temporary doubling. From 2017-18 this is a permanent change. In addition, in 2017-18 thresholds changed for those eligible to the relief. These are shown in the table below.

From 1 April 2017

Rateable Value Range	Multiplier payable	Relief Granted	Note
Below £12,000	Small business rate multiplier 2017-18: 46.6	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 £12,001 and £15,000		Relief is on a declining sliding scale from 100% to zero.	
Up to £51,000		No relief granted but bills calculated using the small business multiplier	
Rest	National non-domestic rate multiplier 2017-18: 47.9		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 figure is set annually by the Government and normally reflects the change in the Retail Price Index in September of the previous year but in 2014-15, the Government capped the increase in the multiplier at 2% to provide business rate payers with additional support. The small business multiplier for 2017-18 is £0.466.

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 – when the rateable value of properties are reassessed (see **Revaluation** above) and transitional arrangements are put 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 2017.

5. Technical Notes

Symbols and conventions

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

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

Survey design for collecting NNDR1 data for 2017-18

During January 2017, 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 2017-18. 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.

At the same time as they submitted their main NNDR1 forms, local authorities also reported the number of hereditaments in receipt of small business rate relief, mandatory and discretionary rate relief as at 31 December 2016. This information was collected on the NNDR1 (Supplementary)

form and will be released in Spring 2017.

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 needs.

The information in this release is based on data returned to DCLG by billing authorities in England on the National non-domestic rates (NNDR1) forms.

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 DCLG 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.

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

Where a substantial error has occurred as a result of the compilation, imputation or dissemination process, the statistical release, live tables and other accompanying releases will be updated with a correction notice as soon as is practical.

Scheduled Revisions

Figures revised following receipt of corrections submitted by 12 local authorities. This includes the one local authority who were unable to submit their data prior to initial publication in February 2017.

Further validation checks are required on the details of the Designated Areas data submitted on the NNDR1 form. An update to the local authority level table with this data will be published once these checks are complete.

A further table will be published with the information collected on the NNDR1 (Supplementary) form which includes the number of hereditaments in receipt of small business rate relief, mandatory and discretionary rate relief as at 31 December 2016. These data are undergoing validation and checking and will be released in Spring 2017.

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, DCLG will calculate what every authority - both billing authorities and major precepting authorities - is entitled to as a safety net payment on account. 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.

Data from the NNDR1 2017-18 forms will also 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>

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

DCLG are interesting in understanding more about how the Local Government Finance statistics and data are used and the decisions they inform. This is important for us so we can provide a high quality service which meets users' needs. We would be extremely grateful if you could spend a couple of minutes completing this survey <https://www.surveymonkey.co.uk/r/LGFuserengagement> or contact us at LGFstats@communities.gsi.gov.uk

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/statistics/announcements>

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>

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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If you have any enquiries regarding this document/publication, email contactus@communities.gov.uk or write to us at:

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