



Llywodraeth Cymru  
Welsh Government

GUIDANCE, DOCUMENT

# Business rates (non-domestic rates) data collection provisional figures: guidance 2024 to 2025

Guidance for local authorities on how to calculate and submit their provisional non-domestic rating contribution (NDR1).

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# Contents

[Introduction](#)

[Reliefs](#)

[Discretionary reliefs](#)

[Small business rate relief](#)

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# Introduction

These notes are intended to help authorities with the calculation of form NDR1 which sets out their provisional non-domestic rating contribution for 2024 to 2025.

References in these notes to “the Act” refer to [the Local Government Finance Act 1988](#), as amended. Paragraph 5(2) of Schedule 8 to the Act requires authorities to calculate their provisional non-domestic rating contribution for the following financial year, by such time as the Welsh Ministers direct. For 2024 to 2025, the amount of the provisional calculation must be carried out and the sum notified to the Welsh Ministers by 23 February 2024.

References in these notes to “the Regulations” refer to the Non-Domestic Rating Contributions (Wales) Regulations 1992 ([SI 1992/3238](#)), as subsequently amended.

Paragraph 5(3) of Schedule 8 to the 1988 Act enables the Welsh Ministers to make their own calculation of the provisional amount if the authority fails to notify the amount by the date specified or if the Welsh Ministers believe that the amount notified has not been calculated in accordance with the Regulations. If the Welsh Ministers make such a calculation, they must notify the authority of their reasons for doing so and the amount calculated. In order that the Welsh Ministers may decide whether or not to exercise this power, authorities are required, under section 139A of the Act to supply information which is relevant to the calculation of the provisional amount, in a manner and form specified by the Welsh Ministers. That form is NDR1.

For the purposes of calculating the provisional amount, the Regulations provide that the following shall be assumed to be nil:

- amounts payable for a preceding financial year which have not been taken

into account in a preceding financial year's out-turn calculation

- amounts of hardship relief to be granted in 2024 to 2025 under section 49 of the Act
- amounts of interest payable by the authority during 2024 to 2025 (these are taken into account in the buoyancy factor)

Additionally, the following shall be assumed to be nil:

- sums whose recovery has been, or is to be, deferred in 2024 to 2025, as a result of agreements entered into with ratepayers under regulation 5 of the Non-Domestic Rating (Collection and Enforcement) (Local Lists) (Amendment and Miscellaneous Provision) Regulations 1991 ([SI 1991/141](#))
- adjustments for sums wrongly included in previous years' outturn calculations

## Preliminary information

Enter in line 1 the number of hereditaments shown in the local non-domestic rating list for the authority area as at 31 December 2023.

Enter in line 2 the aggregate rateable value in the list for the authority's area as at 31 December 2023.

## Gross calculated rate yield

Line 3 is a calculated field and is the gross rate yield calculated by multiplying the amount entered in line 2 by the proposed non-domestic rating multiplier for 2024 to 2025 of 0.562. No account should be taken in this line of any reduction in yield arising from any reliefs as they will be dealt with in subsequent lines.

# Reliefs

The authority's best estimates of lost yields should be shown as positive.

## Mandatory reliefs

### Charities

Enter in line 4 the result of the application of 80% mandatory rate relief for properties occupied by charities in the authority, by virtue of reductions under paragraph 2(1)(b) and (2)(a) of Schedule 4ZA (charitable rate relief charities) to the Act. The authority must assume that properties occupied by charities on 31 December 2023 will continue to be so occupied throughout 2024 to 2025.

### Registered community amateur sports clubs

Reductions under paragraph 2(1)(b) and (2)(b) of Schedule 4ZA (charitable rate relief community amateur sports clubs) to the Act provides for mandatory rate relief for registered community amateur sports clubs. Enter in line 5 the authority's best estimate of lost yield in 2024 to 2025 as a result of the application of 80% mandatory rate relief for properties occupied by registered community amateur sports clubs in the authority. The authority must assume that properties occupied by registered community amateur sports clubs on 31 December 2023 will continue to be so occupied throughout 2024 to 2025.

### Small business rate relief

Enter in line 6.4 the authority's best estimate of lost yield in 2024 to 2025 as a

result of the application of this relief in respect of small businesses, excluding post offices and childcare premises. Lost yield in respect of post offices should be entered in line 6.2 and childcare premises in line 6.3. **2017 No. 1229 (W. 293)**

## Partly occupied premises

Enter in line 7 the authority's best estimate of lost yield in 2024 to 25 as a result of the rateable value of a hereditament being apportioned between its occupied and unoccupied parts under section 44A (partly occupied hereditaments) of the Act. The authority must assume that where such an apportionment applies on 31 December 2023, the apportionment will continue throughout 2024 to 2025.

## Empty property

Enter in line 8 the authority's best estimate of lost yield in 2024 to 2025 as a result of property being unoccupied. The unoccupied rate is the same as the occupied rate by virtue of section 45 of the Act unless the property is exempt from empty property rates by virtue of the Non-Domestic Rating (Unoccupied Property) (Wales) Regulations 2008 (**SI 2008/2449 (W.217)**). The authority must assume that where a property is unoccupied on 31 December 2023, it will remain unoccupied throughout 2024 to 2025.

## Transitional relief

Enter in line 8.5 the authority's best estimate of lost yield in 2024 to 2025 as a result of the application of transitional relief following the 2023 revaluation. **2022 No. 1350 (W. 272)**

## Heat networks relief

Enter in line 8.8 the authority's best estimate of lost yield in 2024 to 2025 as a result of the application of this relief in respect of low-carbon heat networks. **2024 No. 38 (W. 13)**

## Improvement relief

Enter in line 8.9 the authority's best estimate of lost yield in 2024 to 2025 as a result of the application of this relief in respect of qualifying property improvements. **2023 No. 1354 (W. 244)**. For 2024 to 2025 the value of any relief granted will be collected on out-turn at the NDR3 stage only. For 2025 to 2026 onwards, authorities will be asked to also provide an estimate of the relief to be granted through the NDR1 for the year.

## Gross yield

Line 9 is a calculated field, and is the amount found by subtracting from the amount entered in line 3, the amounts entered in lines 4, 5, 6.9, 7, 8, 8.5 and 8.8.

## Gross amount

Line 10 is a calculated field, and is the amount determined by multiplying the amount in line 9 (gross yield) by 1.002. The amount of 1.002 is prescribed by the Regulations and takes account of the Welsh Minister's estimate of the effect on yield of expected repayments, in respect of previous years, resulting from reductions in rateable value due to successful appeals and of interest payments arising from those repayments.

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# Discretionary reliefs

## Charities

In line 11, enter 25% of the total amount of any relief the authority expects to grant for 2024 to 2025 (having taken account of the transitional arrangements where applicable) by virtue of its powers under section 47(5B)(a) (charities) of the Act, i.e. the “top-up” relief for charitable organisations receiving mandatory rate relief. The estimate should not take account of relief where, although the decision to grant discretionary relief is expected to be taken in 2024 to 2025, the relief is in respect of the financial year 2023 to 2024; such amounts will be taken into account in the NDR3 return for that financial year. Where no decision has been taken as to whether such relief should continue in respect of a hereditament for which relief has been granted for 2023 to 2024, it should be assumed that the relief will continue in 2024 to 2025.

## Registered community amateur sports clubs

In line 12, enter 25% of the total amount of any relief the authority expects to grant for 2024 to 2025 by virtue of its powers under section 47(5B)(b) (charitable rate relief community amateur sports clubs) to the Act, i.e. “top-up” relief for registered community amateur sports clubs receiving mandatory rate relief. The estimate should not take account of relief where, although the decision to grant discretionary relief is expected to be taken in 2024 to 2025, the relief is in respect of the financial year 2023 to 2024; such amounts will be taken into account in the NDR3 return for 2023 to 2024. Where no decision has been taken as to whether such relief should continue in respect of a hereditament for which relief has been granted for 2023 to 2024, it should be assumed that the relief will continue in 2024 to 2025.



## Non-profit making bodies

In line 13, enter 90% of the total of any relief the authority expects to grant to non-profit making organisations for 2024 to 2025 by virtue of its powers under section 47 (non-profit making bodies) of the Act. The estimate should not take account of relief where, although the decision to grant discretionary relief is expected to be taken in 2023 to 2024, the relief is in respect of the financial year 2023 to 2024; such amounts will be taken into account in the NDR3 return for 2023 to 2024. Where no decision has been taken as to whether such relief should continue in respect of a hereditament for which relief has been granted for 2023 to 2024, it should be assumed that the relief will continue in 2024 to 2025.

## Net rate yield

Line 15 is a calculated field, and is the amount found by subtracting from line 10 (the gross amount) the amounts entered in lines 11, 12, and 13.

## Losses in collection

If the authority has made proper arrangements for securing economy, efficiency and effectiveness in relation to the collection of non-domestic rates, it is permitted to make an allowance for bad and doubtful debts under paragraph 6 of Schedule 1 to the Regulations. The appropriate percentage allowance for 2024 to 2025 is 1.0%. Line 16 is calculated as the amount found by applying this percentage to the amount entered in line 15 (the net rate yield).

## Costs of collection

Line 17 is the total allowance prescribed by Schedule 1 of the Regulations found by adding the following amounts:

- the number of hereditaments (line 1) multiplied by £39.50
- the aggregate rateable value on the local non-domestic rating list for the authority as at 31 December 2023 (line 2) multiplied by 0.00087

## Provisional calculation of contribution to the pool

Line 18 is the amount calculated by subtracting from the amount entered in line 15 (the net yield) the amounts entered in lines 16 and 17.

## Small business rate relief

Enter in line 23 the number of hereditaments ineligible for small business rate relief as a result of the multiple occupation limit.

Enter in line 24 the authority's best estimate of increased yield in 2024 to 2025 as a result of the multiple occupation limit i.e. the amount of Small Business Rate Relief that would otherwise have been awarded.

## Certification

Entries made in lines 4 to 8.9, and 11 to 13 must be certified by the Chief Finance Officer for the authority as being the best that could be made on the basis of the information available at the time. The Chief Finance Officer must

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also certify that to the best of their knowledge and belief, the entries in lines 1 and 2 represent the number of hereditaments and the aggregate rateable value shown in the draft local non-domestic rating list for the authority as at 31 December 2023.

The Chief Finance Officer must further certify that they are satisfied that the authority has made proper arrangements for securing economy, efficiency and effectiveness in relation to the collection of non-domestic rates in order that it can claim the losses in collection allowance under paragraph 6 of Schedule 1 of the Regulations.

Once the form has been certified it must be returned by 23 February 2024 in accordance with the instructions provided.

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