
From: [Redacted]

Sent: 16 May 2018 16:43

To: [Redacted] Grisewood A (Aidan)

Cc: Ireland J (John); [Redacted]

Subject: OFFICIAL SENSITIVE – Final Forecasts and Fact-check – Non-Domestic Rates – May 2018

All,

In accordance with the Protocol, the Commission is now formally sharing our final forecasts with the Scottish Government and sharing our report for fact-checking purposes. Please see below the final forecast for Non-Domestic Rates, these forecasts will not change.

£ million	2016-17 Outturn	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	2,731	2,774	2,788	2,859	2,931	3,110	3,307	3,339

The Scottish Government is invited to confirm the factual accuracy of the report, accompanying spreadsheets and the presentation of Scottish Government policy. As per the protocol we require any comments to be received by the end of Monday 21st May. For ease we are sending the report in sections directly to the relevant teams, please ensure that all relevant people in the Scottish Government are included on this copy list and have sight of the report.

This report and forecasts are being shared strictly for the purposes of commenting on the factual accuracy of the report and for the development of the Scottish Government's Medium Term Financial Outlook. The report and forecasts contains Scottish Fiscal Commission assumptions and determinants that are classified as OFFICIAL-SENSITIVE until the time of publication, they must be protected at all times and must not be shared beyond those requiring access for the purposes of fact-checking.

Please note that the report is still being finalised and the Commission retains the right to change any element of the report. As per the protocol the report will be shared with the Cabinet Secretary for Finance and the Constitution on Thursday 24th May. A final pre-release version will be shared with the Cabinet Secretary on Wednesday 30th May and the final version of the report will be published on Thursday 31st May.

<< File: Scotland's Economic and Fiscal Forecasts - May 2018 - Chapter 3 - Non-Domestic Rates.pdf >> << File: Scotland's Economic and Fiscal Forecasts - May 2018 - Annex A - Removal of New Start.pdf >> << File: Scotland's Economic and Fiscal Forecasts - May 2018 - Chapter 3 - Tax - Charts and Tables.xlsx >> << File: Scotland's Economic and Fiscal Forecasts - May 2018 - Chapter 3 - Tax - Supplementary Charts and Tables.xlsx >>

We will also cover Non-Domestic Rates in the summary section of the report, this is still in development as we work on the overall narrative of the report. We will provide this separately for fact-checking on the 22nd May, and invite comments on factual accuracy back from the Scottish Government by the morning of the 24th May. The final version of the report will be provided to the Cabinet Secretary for Finance and Constitution in the afternoon of the 24th May.

From: [Redacted]

Sent: 21 May 2018 14:25

To: [Redacted] Grisewood A (Aidan)

Cc: Ireland J (John); [Redacted]

Subject: RE: OFFICIAL SENSITIVE – Final Forecasts and Fact-check – Non-Domestic Rates – May 2018

[Redacted]

Thank you very much for this. Please find below comments on the NDR chapter:

- On the main chapter,
 - Paragraph 3.17 *“while Hydro relief will be considered once the review of the valuation of Hydro schemes recommended by the Barclay Review has reported a correction”* to *“while the **Plant and Machinery review of Hydro schemes** will be considered once the review of the valuation of Hydro schemes recommended by the Barclay Review...”*
- On the supplementary charts and tables,
 - Table 3.4, While 2016-17 figures agree with the audited figures on reliefs that were published in the latest Local Government Finance Stats publication, the 2017-18 figures have not yet been published, and they do differ from mid-year estimates because of the modelling of TR. Could footnote (4) be changed to “Figures are estimates based on a combination of mid-year estimates from local authorities combined with additional modelling of TR costs.” And footnote (3) to “Figures are audited figures from local authority income returns” (rather than based on).
 - Table 3.5 Could there be a footnote to say that the appeals loss for 2017/18 is still a projection and not an actual. Also, columns E and F could be headed “Cumulative Percentage...”
- Annex B:
 - Policy Recostings, Table B.2, By presenting the figures rounded the 0’s makes it look as though no change to most. Could it be presented to nearest 1 decimal place instead. Or else have a different notation for actual zero (e.g. ‘-’) so the difference is clear.

Best Wishes

[Redacted]

From: [Redacted]

Sent: 21 May 2018 14:32

To: [Redacted] Grisewood A (Aidan)

Cc: Ireland J (John); [Redacted]

Subject: RE: OFFICIAL SENSITIVE – Final Forecasts and Fact-check – Non-Domestic Rates – May 2018

[Redacted],

apologies I have just realised a small editing mistake. Please see below:

- Paragraph 3.17 “while Hydro relief will be considered once the review of the valuation of Hydro schemes recommended by the Barclay Review has reported a” correction to “while the Hydro Relief will be considered once the review of the **Plant and Machinery review of Hydro schemes** recommended by the Barclay Review...”