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## Local Government Finance Circular No. 6/2016

Available on Scottish Government website at:

[www.gov.scot/topics/government/local-government/17999/11203](http://www.gov.scot/topics/government/local-government/17999/11203)

Chief Executives and Directors of Finance of Scottish Local Authorities  
Chief Executive, Convention of Scottish Local Authorities (COSLA)

Our ref: A14790865  
6 July 2016

Dear Sir / Madam,

### **NON-DOMESTIC RATES: DECAPITALISATION RATES FOR 2017 REVALUATION**

1. Decapitalisation rates are used by the Scottish Assessors when valuing certain non-domestic property using the 'contractor's basis' method of valuation. Ministers have prescribed decapitalisation rates for all revaluations since 1990.
2. A public consultation on setting the decapitalisation rates for the 2017 revaluation was carried out from August to November 2015, and contains further background. It is accessible via this weblink:  
<https://consult.scotland.gov.uk/digital-communications/setting-of-decapitalisation-rates>
3. Having regard to the considerations in the consultation paper and having considered the responses, Scottish Ministers have decided to amend the prescribed upper and lower rates from 5% and 3.33% to 4.6% and 2.9% respectively.
4. The Government will bring forward secondary legislation to make these changes for the 2017 revaluation. The 2017 rateable values for properties valued by the Assessors on the contractor's basis will come into force on 1 April 2017.
5. I would be happy to discuss in the event of any queries. My contact details are above.

Yours faithfully,

**DOUGIE MCLAREN**

Local Government & Analytical Services Division