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## Local Government Finance Circular No. 7/2022

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

28 June 2022

Dear Sir / Madam,

### NON-DOMESTIC RATES: DECAPITALISATION RATES FOR THE 2023 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 2023 revaluation was carried out from 20 December 2021 to 13 March 2022, and contains further background.
3. Having regard to the considerations in the consultation paper and having considered the responses, Scottish Ministers have decided to retain the prescribed standard and lower rates at 4.6% and 2.9% respectively. The [Valuation for Rating \(Decapitalisation Rate\) \(Scotland\) Regulations 2016](#) will therefore remain in force.
4. Draft 2023 values for rateable non-domestic properties, including those valued by the Assessors on the Contractor's basis, will be published on 30 November 2022. Final rateable values will come into force on 1 April 2023.

Yours sincerely,

**ANOUK BERTHIER**

Local Government & Analytical Services Division