

REVALUATION 2010 IN SCOTLAND

Introduction

1. This paper presents an analysis of the impact of the 2010 non-domestic (or business) rate revaluation in Scotland.

The place of revaluations in the business rate system

2. Business rate revaluations normally take place every 5 years. The most recent revaluation came into effect on 1 April 2010.

3. The purpose of revaluation is to ensure that the tax burden is distributed fairly by taking account of changes over time in market conditions and individual business circumstances. At each revaluation, the Scottish Assessors, who are independent of both the Scottish Government and local authorities, assess a rateable value for each non-domestic (business) property in Scotland taking account of the type and nature of the property in question. Details of the approaches the Assessors use to calculate rateable values are published in practice notes, which are available at www.saa.gov.uk. The approaches followed are generally the same across the UK.

4. By and large, rateable values will have increased in those sectors and individual properties where business conditions have improved since the previous revaluation. Similarly, rateable values generally fall for sectors and individual properties where business conditions have worsened since the previous revaluation. Where a business disagrees with a rateable value provided for its property, it may challenge the assessment through an independent appeals procedure.

5. Rateable values are one of 2 elements in the calculation of business rates. The other is the annual national rate poundage which is set by Scottish Ministers. Multiplying its rateable value by the poundage rate set will determine the initial rate bill in any year for each property. For most businesses, that will then be offset by a range of rate reliefs which are available. Rates reliefs are described later in this document (**Annex A**).

6. Normally, the rate poundage at a revaluation would be set so as to ensure that the total rates income paid by all businesses in the year following the revaluation is broadly the same as the total paid prior to the revaluation, though recognising that some individual businesses will pay more and others less. For the 2010 revaluation in Scotland, a different approach was followed. Following a commitment given by Scottish Ministers in 2007, the rate poundage for 2010-11 in Scotland was set to match the rate set for England. In setting this rate poundage, no account was therefore taken of: (i) what the rate poundage would need to have been to match rates income levels in previous years; (ii) the higher level of reliefs in Scotland; (iii) the different appeals system in Scotland; and (iv) the fact that rateable values in Scotland are, on average, lower than those in England.

7. As a result, the rate poundage set for Scotland in 2010-11 was significantly lower than it would have been had the traditional approach applied. The impact for *all* businesses in Scotland paying business rates in 2010-11 is an estimated

immediate annual cut in their rates bills worth in total well over £200 million. The actual amount of the rate poundage in 2010-11 is 40.7p, down 15% from the 48.1p set in 2009-10. Had we set the poundage independently of England for 2010-11, it would have been well over 44p.

8. Overall, before any reliefs and appeals (which will reduce bills further) are considered, the outcome of the revaluation for close to 60% of ratepayers in Scotland is bills will be same or decrease in 2010-11 compared to 2009-10. The average saving for these businesses is estimated to be well over £1,300, which is almost double the reported figure in England.

Large business supplement threshold

9. Business properties with a rateable value of £35,000 and over in 2010-11 pay a supplement on their rates, called the large business supplement. In 2009-10, the threshold was £29,000. Raising the threshold reduced the number of businesses paying the supplement by 712 properties in 2010-11 (see **Annex H**).

Relief schemes

10. There are a number of rates relief schemes. Over half of all businesses will benefit from rates relief in 2010-11 (see Table 2 of **Annex C**). The estimated value of all reliefs available between 2010 and 2015 (ie until the next revaluation) is shown below. Broadly, given that the annual rates paid in any year is around £2 billion, the value of reliefs is significant, at around 17% of this total.

Relief	Estimated total value of relief 2010-15 £m
Empty properties	769
Religious property exemption	104
Charities/ not for profit	634
Disabled persons	235
Rural rate relief	22
Small business bonus scheme	581
Sporting/ sports clubs	54
Renewable rates relief	Not yet available*
TOTAL	Over 2,400

* figures will be available in 2011-12, after the first full year of operation

11. Renewable rates relief is a new scheme introduced on 1 April 2010. All the other schemes existed before revaluation. The eligibility thresholds of existing schemes have been revised following the revaluation as set out in **Annex A**. In general, the reliefs available in Scotland are significantly more generous than those available in the rest of the UK.

The case for and against transitional relief

12. Throughout the revaluation process, Ministers and officials met, spoke to, corresponded with and heard representations from, a range of stakeholders. They

included individual ratepayers, rating agents, and business organisations including the Federation of Small Businesses, the Scottish Licensed Trade Association, Scottish Renewables, the Confederation of British Industry and the Scottish Retail Consortium. Officials also attended the Scottish Assessors Ratepayers Forum meetings, to which a broad range of ratepayers and business organisations are invited. The issues raised in these exchanges, which included issues relating to transitional relief, were taken into account in assessing the way forward.

13. The purpose of transitional relief is to cap rates bill rises for those businesses whose rates bills would rise by the greatest percentage following a revaluation and meet the cost of these increases by increasing the bills of those who stand to benefit the most from revaluation. Generally, transitional relief schemes are set to limit rates rises for those properties whose rates bills would rise by over 12.5% in real terms, limiting the savings to others by a corresponding amount to fund the costs. Transitional relief therefore serves to smooth the impact of changes around the revaluation.

14. Following the 2005 revaluation, there was transitional relief in Scotland and in England, but not in Wales. For 2010, there will be a further transition scheme for England, but not for Wales.

15. As indicated in paragraph 6 above, the rate poundage in previous Scottish revaluations was set to ensure that the total rates income paid by all businesses in the year following the revaluation remained broadly the same as the total paid in the year before revaluation. However, that was not the approach taken with the 2010 revaluation in Scotland. Had it been, the poundage rate for Scotland in 2010-11 (and therefore rates bills) would have been significantly higher. But setting rate poundage to be the same as in England means that *all* businesses in Scotland paying business rates in 2010-11, have lower bills than they would have otherwise had. The annual amount of the reduction, when added up over all businesses, is estimated to be well over £200 million, equivalent to around £1,000 per property.

16. So, in considering the case for transitional relief scheme for Scotland in 2010, all businesses were already benefitting from a reduction in their (combined) rates bills (of over £200 million) as a result of a lower rate poundage than would otherwise have applied. Half of all business were also benefitting from rates reliefs (worth almost £500 million a year) which are more generous than in England. In other words, relative to England, and before any decisions were taken about transitional relief, Scottish businesses were already benefitting significantly.

17. Nevertheless, a transitional relief scheme was modelled for Scotland to see what its impact would have been. The results are shown in **Annex B**. A traditional transitional relief scheme would have resulted in an estimated transfer of funds from a large part of the private sector, amounting to almost £77 million in 2010-11 alone, to cushion the rates bill increases for the public sector and a relatively small number of large businesses in the private sector. Because transitional relief schemes are traditionally intended to be self-financing, the cost of capping rises for some must be met by limiting the savings for others. This means that, once the upper cap is set, a lower cap is then fixed to enable the costs of introducing the upper cap to be met. If a 12.5% upper cap had been applied in Scotland in 2010, as was the case in

England, and the lower cap had been set at 0%, that would have meant that no savings would have been passed on to any business. However, setting the lower cap at 0% would not raise enough to offset the income lost from the upper cap. The estimated difference is over £58 million in 2010-11 and the Scottish Government would have had to meet this from within its own budget. A number of other transitional relief schemes were modelled and all had the same impact of subsidising the public sector and large industries at the expense of small and medium sized private sector businesses.

18. An immediate impact of a transitional relief scheme for Scotland would therefore have been a subsidy from mainly small and medium sized businesses in the private sector to the public sector and large private sector businesses. However, because small businesses are more likely to be eligible for rates reliefs, consideration also need to be given to the impact of reliefs on the calculations. For example, over three quarters of care facilities are eligible for relief as are over half of all hotels. In general, the greater the impact of rates relief schemes, the more cost would be loaded onto small and medium sized businesses not eligible for reliefs.

19. Nor does raising the cap that would be set for transitional relief have any marked impact. The same mix of businesses is affected, wherever the cap is set.

20. Taking all these aspects into account:

- That all businesses in Scotland will have their rates bills reduced by well over £200 million in 2010-11 as a result of the lower rates poundage set, unlike south of the Border;
- That the full amount of any saving should be passed on to those businesses whose rates bills fall following revaluation - the average saving to them is over £1,300;
- That over half of all business in Scotland benefit from rates reliefs which are significantly more generous than in England; and
- That a transitional relief scheme in Scotland would have seen a transfer of funding worth just under £77 million from mainly small and medium sized businesses in the private sector to the public sector and larger private sector businesses;
- A TR scheme similar to the English (upper cap set at 12.5%), would mean no savings (lower cap set at 0%) would have been passed on to any business and there would still be a shortfall of £58 million which would need to be met by the Scottish Government.

it was concluded, on balance, that the merits of a transitional relief scheme for Scotland in 2010 were outweighed by the disadvantages.

Summary of analysis

21. In Scotland, at the start of the 2010-11 financial year, there were over 213,000 properties recorded as non-domestic on the Scottish Assessors' database. These are split by the Scottish Assessors into one of twenty property classifications shown in **Annex C**.
22. A table showing the distribution of properties at 1 April 2010, in terms of number of properties and total rateable value, across property classifications and rateable value bands, is given in **Annex D**.
23. In assessing the impact of revaluation, there are a number of factors to be borne in mind. Since the previous revaluation, new properties will have been built and some properties will have been demolished. Others will have been merged, or consolidated, or a number of properties may have been created from what was previously, for business rates purposes, a single entity. Particularly in the case of merged or consolidated properties, a distortion can result as the property into which others have been consolidated will show an artificially high bill increase.
24. Every business has a right to appeal their rateable value and, if successful, any reduction in rateable value will give a corresponding reduction in their rates bill. It has not been possible to estimate, on an individual subject level, which subjects would be likely to lodge appeals following the 2010 revaluation, nor the impact of those appeals. In this report, therefore, it has not been possible to incorporate the likely effects of appeals into the analysis of bill changes. In general, however, the impact will be to lower the amount of tax to be paid.
25. Over half of all businesses are likely to receive a discounted bill in 2010-11, as a result of rates reliefs. This will also reduce final bills significantly.
26. Analysis (**Annex B**) indicates that almost 60% of all ratepayers saw their bills fall or remain the same from 1 April 2010. **Annexes E and F** contain a series of graphs, all before appeals and reliefs, showing the distribution of bill changes overall at sector level (**Annex E**) and at property category level (**Annex F**). Comparing graphs in **Annex E**, the private sector has, overall, the greatest proportion of ratepayers seeing decreasing bills as a result of revaluation, with an estimated 60% seeing bills fall or stay the same, compared to the public sector where only 26% see bills fall or stay the same. In addition, **Annexes E and F** also show the impact a transitional relief scheme would have had. The additional effect of including a TR scheme at a 12.5% cap would have been that an estimated 79% of all ratepayers would have been worse or no better off and looking at just small and medium sized businesses in the private sector, an estimated 81% would have been worse or no better off, compared to an estimated 51% of the public sector who would have been better off.
27. **Annex G** shows broad changes in rates bills by region within Scotland where businesses are grouped into the 3 main geographic areas – the south west, the south and east and the north. These show the same broad high level trend in changing bills across Scotland.

28. This report contains a range of analyses, including by business category and region within Scotland. Further detail on the impact of revaluation is available on the Scottish Assessors website. The impact of revaluation on an individual property can be found using the postcode search facility at www.saa.gov.uk. Analysis of changes in rateable value, including a category analysis by local authority area, can be found at http://www.saa.gov.uk/general_statistics.php. For practical reasons, this report does not replicate these further results. To have replicated the graphs in **Annexes E-G** for example for all 20 categories for each of the 32 local authority areas would have added a further 640 pages of graphs and would have made the report unmanageably large.

29. It should be noted that data on the Scottish Assessors website show rateable values. They do not show directly the impact of revaluation on bills as the figures provided do not take into account the poundage level, nor the impacts of reliefs and appeals. In addition, the statistics on the Assessors website are updated regularly and so may not exactly match data contained in this report, which are based on the information recorded by the Assessors as at 1 April 2010.

Scottish Government
14 May 2010

Relief schemes

Small Business Bonus Scheme

1. Eligibility for the Small Business Bonus Scheme is based on rateable value thresholds. Those thresholds were uplifted following revaluation, as shown below.

Thresholds by rateable value	2009-10 threshold	2010-11 threshold
100% relief	£8,000	£10,000
50% relief	£10,000	£12,000
25%	£15,000	£18,000
Upper limit for cumulative rateable value	£15,000	£25,000

2. Setting the threshold for 100% relief at £10,000 means that, for 2010-11, a small business in Scotland with a single property can save up to £4,070.

3. From 1 April 2010, businesses with multiple properties whose cumulative rateable value is £25,000 or less are eligible for relief of 25% for each property with a rateable value of less than £18,000. It is expected that around 3,600 additional properties will benefit from the scheme by the end of 2010-11, compared to 2009-10.

4. Measures to extend small business relief in England were announced as part of the Budget on 24 March 2010. These are planned to come into force on 1 October 2010, following legislation to be taken through the UK Parliament. However, the Small Business Bonus Scheme is already more generous than the new measures announced for England with differences between the 2 schemes ranging up to £3,000 per business property in 2010-11.

Rural Rates Relief

5. Thresholds for the Rural Rates Relief Scheme were uplifted for 2010-11 to ensure the same the level of properties were eligible for relief as before the revaluation. Threshold levels are shown below and also compared against those for England.

Thresholds by £ rateable value	Current UK thresholds 2009-10	2010-11 Scottish thresholds	2010-11 English thresholds
Sole shop, general store or post office	£7,000	£8,500	£8,500
Sole petrol filling station, hotel or pub	£10,500	£12,750	£12,500
Cap for discretionary relief	£14,000	£17,000	£16,500

New Renewables Relief Scheme

6. A new targeted relief for renewable energy producers is available in Scotland from 1 April 2010. This relief offers discounts of up to 100% to support the central role of renewable energy producers in the climate change agenda and to promote expansion of the sector.

Thresholds by rateable value	Percentage relief (%)
up to £145k	100
up to £430k	50
between £430k and £860k	25
between £860k and £4m	10
greater than £4m	2.5

Other reliefs

7. The thresholds and conditions for all other reliefs (such as charitable relief, disabled persons relief, religious property relief and empty property relief) are unchanged following the 2010 revaluation. More detailed information on all reliefs is available at: www.scotland.gov.uk/revaluation.

Estimated impact of a Transitional Relief (TR) scheme on the business rates tax base by sector, property classification, and region (before reliefs and appeals)

1. The following summary shows the number of ratepayers with a bill decrease or no change in bill from 31 March 2010 to 1 April 2010. The number of overall properties of 212,842 reflects properties which can be matched across the pre and post revaluation period. A small number of properties which have opened, closed, merged or split across cannot be matched to show impact.

Number of ratepayers with a bill decrease or no change	126,327
Total number of matched properties as at 1 April 2010	212,842
Per cent better off or no worse off	59.4%

2. A more detailed analysis showing the proportion of winners (i.e. those who have bill rises capped) and losers (those who pay for that cap) under a transitional relief (TR) scheme is given below. This excludes properties which neither benefit from nor contribute to TR. As a result, the figures shown are not the total number of properties in each category. Those totals can be found in Annex C.

3. Because TR traditionally works by shifting the tax burden, there will be properties which would gain from TR through reduced bills and conversely properties which would lose and see higher bills than they would have without TR. The table shows the overall impact, in real terms, within each sector and the net effect overall.

4. For example, looking at the category of the private sector a 12.5% upper capped TR scheme would reduce the bills for 38,288 individual properties by an estimated £47.2 million, but would raise the bills of 87,556 properties by an estimated £124.1 million, giving a net loss to the sector of an estimated £76.9 million. For shops, the net loss would be an estimated £26.1 million. For the public sector, the estimated gain would be £28.6 million, while the Other sector (particularly within the Statutory Undertaking category) would have gained an estimated £106.7 million.

5. Because transitional relief schemes are generally self-financing, the cost of capping rises for some businesses must be met by limiting the savings for others. This means that, once the upper cap is set, a lower cap is then fixed to enable the costs of introducing the upper cap to be met. If a 12.5% cap had been applied in Scotland in 2010, as was the case in England, and the lower cap had been set at 0%, that would have meant that no savings would have been passed on to any business.

6. At a 12.5% upper cap, the total cost to fund the TR scheme is estimated to be just over £194 million. However, setting the lower cap at 0% would not raise enough to offset the income lost from the upper cap and this would only generate an estimated £136 million to offset the costs. The difference is an estimated £58 million in 2010-11 and the Scottish Government would have had to meet this from within its own budget.

Estimated Impact of Transitional Relief (TR) of an upward cap on bill increases of 12.5% as at April 2010

N=Number of properties	TR Gainers and total cost at a cap of 12.5% (real terms) for bill increases		TR Funders and total contributions at a cap of 0% (real terms) for bill decreases		Net impact of TR
	N	Transitional relief (£)	N	Transitional relief (£)	(£)
All	57,505	194,027,878	98,522	-135,658,928	58,368,950
Private sector	38,288	47,183,414	87,556	-124,107,708	-76,924,294
Shops	9,248	15,844,268	31,134	-41,914,634	-26,070,366
Public Houses	719	1,978,485	2,490	-4,616,483	-2,637,998
Offices	6,932	6,877,200	20,777	-32,880,945	-26,003,745
Hotels	1,714	5,981,176	1,436	-2,728,825	3,252,351
Industrial Subjects	9,492	11,067,968	23,438	-33,766,602	-22,698,634
Leisure, Entertainment, Caravans etc.	8,382	3,106,099	5,251	-6,624,629	-3,518,530
Garages and Petrol Stations	1,331	2,104,647	2,002	-1,355,978	748,669
Advertising	470	223,571	1,028	-219,613	3,958
Public sector	9,463	34,232,542	3,749	-5,592,218	28,640,324
Education and Training	2,681	20,321,776	575	-1,693,104	18,628,672
Public Service Subjects	5,907	8,368,674	1,855	-2,635,955	5,732,719
Health and Medical	875	5,542,092	1,319	-1,263,160	4,278,932
Other sector	9,754	112,611,923	7,217	-5,959,002	106,652,921
Cultural	783	1,382,743	291	-408,784	973,959
Sporting Subjects	703	313,830	975	-616,113	-302,283
Communications	80	213,509	203	-143,228	70,281
Quarries, Mines, etc.	191	1,224,449	181	-582,188	642,261
Petrochemical	76	2,711,989	25	-103,576	2,608,413
Religious	3,799	2,307,980	1,263	-813,182	1,494,798
Other	1,885	5,854,111	3,621	-1,594,822	4,259,289
Care Facilities	2,044	3,584,121	522	-597,037	2,987,084
Statutory Undertaking	193	95,019,192	136	-1,100,072	93,919,120
Rateable Value Band					
Small (rateable value less than or equal to £18,000)	43,644	12,168,994	75,240	-24,260,012	-12,091,018
Medium (rateable value between £18,000 and £35,000)	4,983	7,112,701	10,151	-14,599,500	-7,486,799
Large (rateable value greater than or equal to £35,000)	8,878	174,746,182	13,131	-96,799,417	77,946,765
Region *					
North	25,332	40,199,026	27,976	-20,590,486	19,608,540
South West	13,382	100,997,294	43,193	-68,395,610	32,601,684
South & East	18,791	52,831,558	27,353	-46,672,832	6,158,726

*Note: The North region includes Aberdeen City, Aberdeenshire, Angus, Argyll & Bute, Dundee City, Eilean Siar, Highland, Moray, Orkney Islands, Perth & Kinross, Shetland Islands and Stirling. The South West region includes East Ayrshire, East Dunbartonshire, East Renfrewshire, Glasgow City, Inverclyde, North Ayrshire, North Lanarkshire, Renfrewshire, and South Ayrshire, South Lanarkshire and West Dunbartonshire. The South & East region includes Clackmannanshire, Dumfries & Galloway, East Lothian, City of Edinburgh, Falkirk, Fife, Midlothian, Scottish Borders and West Lothian.

Table 1 - Distribution of Non-Domestic Rates Properties by Property Classification as at 31 March 2010 (based on the 2005 revaluation list) and 1 April 2010 (based on the 2010 revaluation list).

The table below shows the total number of properties, including those which generally pay no rates, such as religious properties, split by category. While the tax base overall increases from £5.3 billion to £6.6 billion, the overall impact on bills will be zero over the 5 year revaluation cycle. This is because the poundage reduction must be taken into account when calculating bills. Additionally exempt properties (which do not pay rates), along with appeals and relief will also significantly reduce the amount paid in bills. The category of religious property appears for completeness in the table, although properties used as places of worship do not pay business rates.

	As at 31 March 2010		As at 1 April 2010	
	Number of properties	Total Rateable Value (£)	Number of properties	Total Rateable Value (£)
All Scotland	214,245	5,345,289,524	213,311	6,612,484,645
Shops	52,696	1,382,742,896	52,670	1,586,233,272
Public Houses	4,010	102,569,264	4,021	117,322,000
Offices	36,641	986,725,156	36,648	1,110,188,131
Hotels	4,440	136,794,855	4,580	179,630,744
Industrial Subjects	45,052	973,336,095	45,112	1,106,608,602
Leisure, Entertainment, Caravans etc.	18,608	195,794,741	18,506	225,871,597
Garages and Petrol Stations	4,564	56,536,863	4,456	66,183,560
Cultural	1,370	31,306,785	1,362	41,297,750
Sporting Subjects	3,315	16,640,870	2,753	17,947,515
Education and Training	3,953	355,768,945	3,938	496,220,330
Public Service Subjects	10,159	238,594,155	10,117	310,327,658
Communications	425	21,544,040	389	15,302,525
Quarries, Mines, etc.	709	19,194,610	705	24,187,132
Petrochemical	147	83,916,085	145	112,707,280
Religious	6,311	39,352,725	6,304	53,305,317
Health and Medical	3,106	147,707,315	3,109	191,821,305
Other	12,867	63,780,127	12,774	85,074,056
Care Facilities	3,210	74,628,265	3,199	102,476,360
Advertising	1,972	6,830,110	1,973	8,398,809
Statutory Undertaking	690	411,525,622	550	761,380,702

The number of properties shown is the number recorded as at 1 April 2010. Over time, the number of properties will change as properties open or split, or are closed, merge or are demolished. This table shows the total number of properties (214,245) at 31 March 2010 (pre-revaluation) and 213,311 (post-revaluation) of these 212,842 existed across the revaluation period. This is in part due to an administrative tidy up of the data to reflect properties which have opened, closed, split or merged across the period and cannot be directly matched. The number of properties has also changed in between the 2005 revaluation list and the 2010 revaluation list for other reasons. For example, there has been a consolidation of some statutory undertaking properties and, within the sporting category, there has been a decrease in the number currently registered due a substantial number of fishing rights still awaiting final values by the Assessors in the 2010 list. Rateable values for fishing rights are only used for Fishery Board Assessment purposes and do not generate any business rate income.

Table 2 – Proportion of properties in receipt of relief.

Table 2 below shows the total percentage of properties estimated to be in receipt of relief and receive a discount on their business rates bill. Next year over half are estimated to receive a discount and generally more properties in the private sector will receive relief.

	Proportion of properties in receipt of relief
All Scotland	53%
Private Sector	56%
Shops	59%
Public Houses	31%
Offices	49%
Hotels	52%
Industrial Subjects	56%
Leisure, Entertainment, Caravans etc.	70%
Garages and Petrol Stations	60%
Advertising	4%
Public Sector	46%
Education and Training	33%
Public Service Subjects	50%
Health and Medical	47%
Other Sector	44%
Cultural	56%
Sporting Subjects	29%
Communications	15%
Quarries, Mines, etc.	19%
Petrochemical	13%
Religious	81%
Other	25%
Care Facilities	76%
Statutory Undertaking	7%

Annex D

Distribution of Non-domestic Rates Properties by Property Classification and by Rateable Value Band as at 1 April 2010.

This series of tables splits the total number of all non-domestic properties in Scotland by rateable value band and Assessor category. It includes all properties including those which are zero-rated or exempt from payment of rates, for example religious properties.

Property Classification	Shops		Public Houses		Offices		Hotels	
	Number of properties	Total Rateable value (£)	Number of properties	Total Rateable value (£)	Number of properties	Total Rateable value (£)	Number of properties	Total Rateable value (£)
up to £18,000	40,287	265,383,594	1,864	21,479,840	27,570	168,974,114	3,117	18,571,036
£18,001 to £34,999	4,981	121,943,066	1,233	30,347,350	3,871	97,063,639	530	13,337,373
£35,000 to £49,999	1,817	75,498,350	413	17,126,050	1,508	62,583,500	223	9,294,745
£50,000 to £64,999	1,073	61,170,300	154	8,697,210	874	49,508,613	157	8,909,810
£65,000 to £89,999	1,117	84,691,700	167	12,584,200	775	58,629,550	134	10,093,070
£90,000 to £119,999	823	85,217,750	90	9,182,800	532	54,919,661	96	9,903,000
£120,000 to £249,999	1,561	263,803,326	87	14,231,950	813	136,869,040	185	30,862,460
£250,000 to £499,999	615	211,409,300	13	3,672,600	412	144,504,514	86	29,965,250
£500,000 to £999,999	235	157,610,506	.	.	175	118,863,500	34	22,209,000
£1,000,000 and over	161	259,505,380	.	.	118	218,272,000	18	26,485,000
All	52,670	1,586,233,272	4,021	117,322,000	36,648	1,110,188,131	4,580	179,630,744

Property Classification	Industrial Subjects		Leisure, Entertainment, Caravans		Garages and Petrol Stations		Cultural	
	Number of properties	Total Rateable value (£)	Number of properties	Total Rateable value (£)	Number of properties	Total Rateable value (£)	Number of properties	Total Rateable value (£)
up to £18,000	34,744	175,555,677	16,558	46,169,432	3,635	16,998,535	960	6,351,250
£18,001 to £34,999	4,359	108,474,825	771	19,291,055	354	8,988,125	206	5,136,550
£35,000 to £49,999	1,676	69,855,400	325	13,495,650	160	6,715,500	49	1,997,750
£50,000 to £64,999	999	56,735,700	192	10,859,050	98	5,546,050	46	2,613,600
£65,000 to £89,999	961	73,088,150	184	13,773,600	75	5,698,150	30	2,323,350
£90,000 to £119,999	666	68,265,850	113	11,675,950	43	4,421,900	16	1,687,000
£120,000 to £249,999	1,087	182,052,800	183	30,904,450	75	12,245,100	29	4,977,650
£250,000 to £499,999	384	129,640,200	124	41,041,410	14	4,328,200	19	6,389,600
£500,000 to £999,999	158	107,455,500	50	31,418,000	2	1,242,000	2	1,151,000
£1,000,000 and over	78	135,484,500	6	7,243,000	.	.	5	8,670,000
All	45,112	1,106,608,602	18,506	225,871,597	4,456	66,183,560	1,362	41,297,750

Property Classification	Sporting Subjects		Education and Training		Public Service Subjects		Communications	
	Number of properties	Total Rateable value (£)	Number of properties	Total Rateable value (£)	Number of properties	Total Rateable value (£)	Number of properties	Total Rateable value (£)
up to £18,000	2,646	3,943,665	943	8,631,755	7,885	42,426,303	306	1,015,625
£18,001 to £34,999	56	1,461,700	511	13,066,225	1,019	25,300,305	14	336,300
£35,000 to £49,999	17	657,200	348	14,627,725	327	13,710,100	11	478,050
£50,000 to £64,999	5	290,800	328	18,864,825	199	11,215,950	10	562,050
£65,000 to £89,999	5	376,800	521	39,946,650	218	16,609,850	8	626,600
£90,000 to £119,999	7	737,750	348	35,722,400	124	12,620,400	12	1,204,600
£120,000 to £249,999	9	1,586,100	426	72,388,750	191	32,091,650	10	1,778,900
£250,000 to £499,999	3	1,034,000	305	110,465,900	78	27,562,400	10	3,480,400
£500,000 to £999,999	1	598,500	178	118,473,100	39	26,588,200	7	4,711,000
£1,000,000 and over	4	7,261,000	30	64,033,000	37	102,202,500	1	1,109,000
All	2,753	17,947,515	3,938	496,220,330	10,117	310,327,658	389	15,302,525

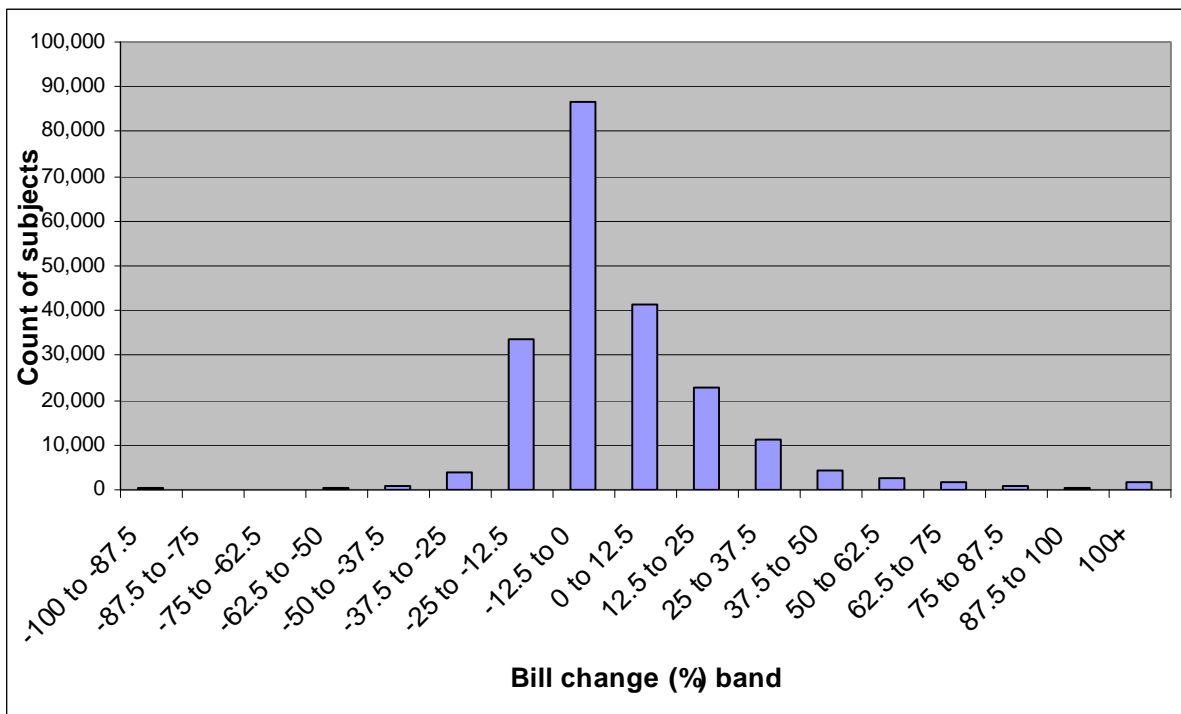
Property Classification	Quarries, Mines, etc.		Petrochemical		Religious		Health and Medical	
	Number of properties	Total Rateable value (£)	Number of properties	Total Rateable value (£)	Number of properties	Total Rateable value (£)	Number of properties	Total Rateable value (£)
up to £18,000	504	1,227,956	44	302,830	5,480	26,440,217	1,948	14,336,505
£18,001 to £34,999	65	1,624,139	17	446,950	613	14,852,550	407	10,190,450
£35,000 to £49,999	40	1,718,442	4	158,500	128	5,245,400	168	7,041,600
£50,000 to £64,999	12	697,100	4	217,000	44	2,465,350	123	7,012,300
£65,000 to £89,999	25	1,906,168	4	286,000	18	1,326,600	126	9,730,150
£90,000 to £119,999	11	1,131,550	5	528,000	8	806,500	100	10,330,050
£120,000 to £249,999	26	4,319,889	15	2,768,500	13	2,168,700	139	22,964,950
£250,000 to £499,999	11	3,640,877	20	7,012,000	.	.	46	15,888,000
£500,000 to £999,999	11	7,921,011	10	6,954,500	.	.	19	13,192,800
£1,000,000 and over	.	.	22	94,033,000	.	.	33	81,134,500
All	705	24,187,132	145	112,707,280	6,304	53,305,317	3,109	191,821,305

Property Classification	Other		Care Facilities		Advertising		Statutory Undertaking	
	Total Rateable value (£)	Number of properties	Total Rateable value (£)	Number of properties	Total Rateable value (£)	Number of properties	Total Rateable value (£)	Number of properties
(a) up to £18,000	12,203	17,017,798	1,661	12,315,450	1,924	5,607,809	235	871,256
(b) £18,001 to £34,999	267	6,593,208	561	14,346,700	33	823,730	43	1,072,401
(c) £35,000 to £49,999	86	3,543,900	304	12,787,660	6	252,970	28	1,174,900
(d) £50,000 to £64,999	36	2,055,400	201	11,490,250	.	.	9	538,900
(e) £65,000 to £89,999	43	3,349,200	223	16,911,600	3	216,000	31	2,293,250
(f) £90,000 to £119,999	27	2,725,950	118	12,054,700	1	108,000	20	2,123,557
(g) £120,000 to £249,999	62	10,645,150	123	19,704,000	3	406,000	70	12,443,998
(h) £250,000 to £499,999	23	7,878,100	7	2,250,000	3	984,300	45	15,198,789
(i) £500,000 to £999,999	14	10,183,750	1	616,000	.	.	37	26,251,150
(j) £1,000,000 and over	13	21,081,600	32	699,412,501
All	12,774	85,074,056	3,199	102,476,360	1,973	8,398,809	550	761,380,702

Distribution of bill changes (%) (before reliefs and appeals) by number of ratepayers

The graphs in Annex E show the distribution of bill changes by the number of ratepayers in each category to take account of those properties which do not pay rates, for example, religious properties, and for which a revaluation would not change the bill amount.

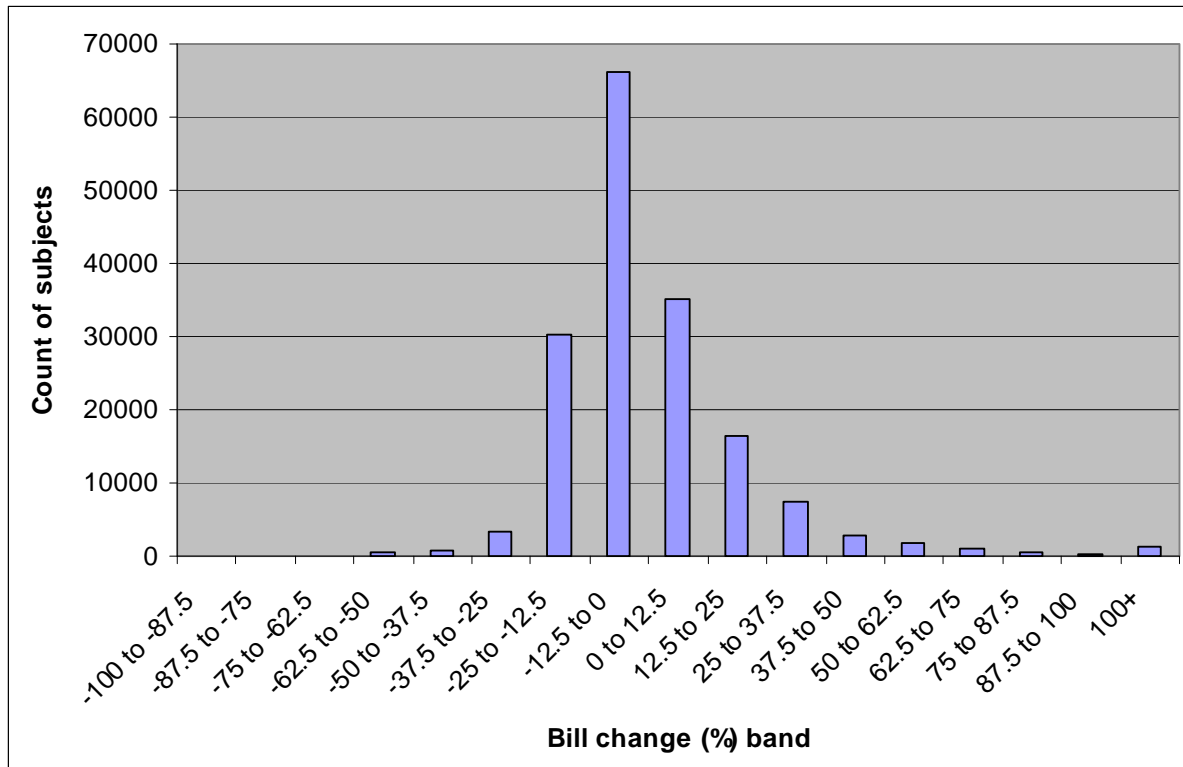
Graph 1: Overall Business rates bill change (%) distribution
(before reliefs and appeals)



Overall the majority of ratepayers (59.4%) saw bills fall or stay the same on 1 April 2010, before appeals and reliefs. An estimated 53% will receive relief in 2010-11. The additional effect of TR if it had been introduced at the same cap as the English rate of a 12.5% cap, then 79% of the total would have been worse or no better off.

Graph 2: Private Sector (SME and High Street) - bill change (%) distribution- before appeals and reliefs

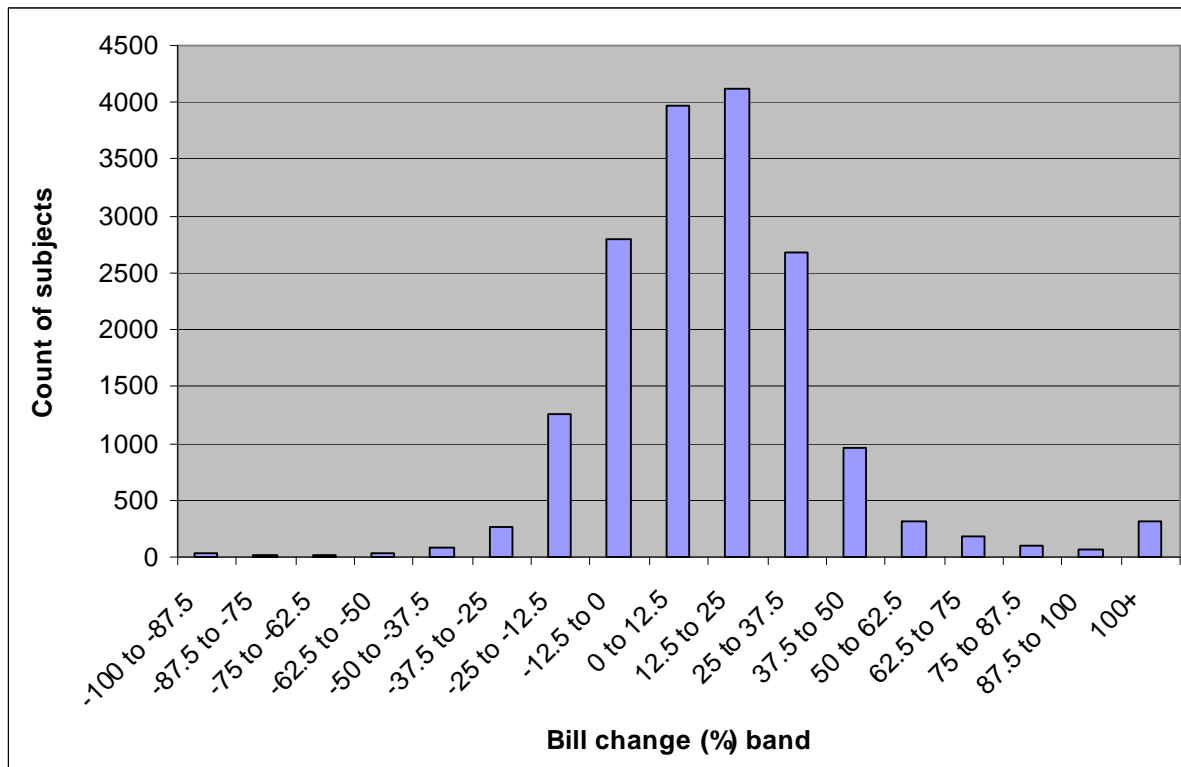
This sector comprises the following categories- shops, pubs, offices, garages and petrol stations, industrial, hotels, leisure& entertainment and advertising. See graphs 5-12 for analysis by individual categories.



Overall 60% of ratepayers in the sector saw bills fall or stay the same on 1 April 2010, before appeals and relief.

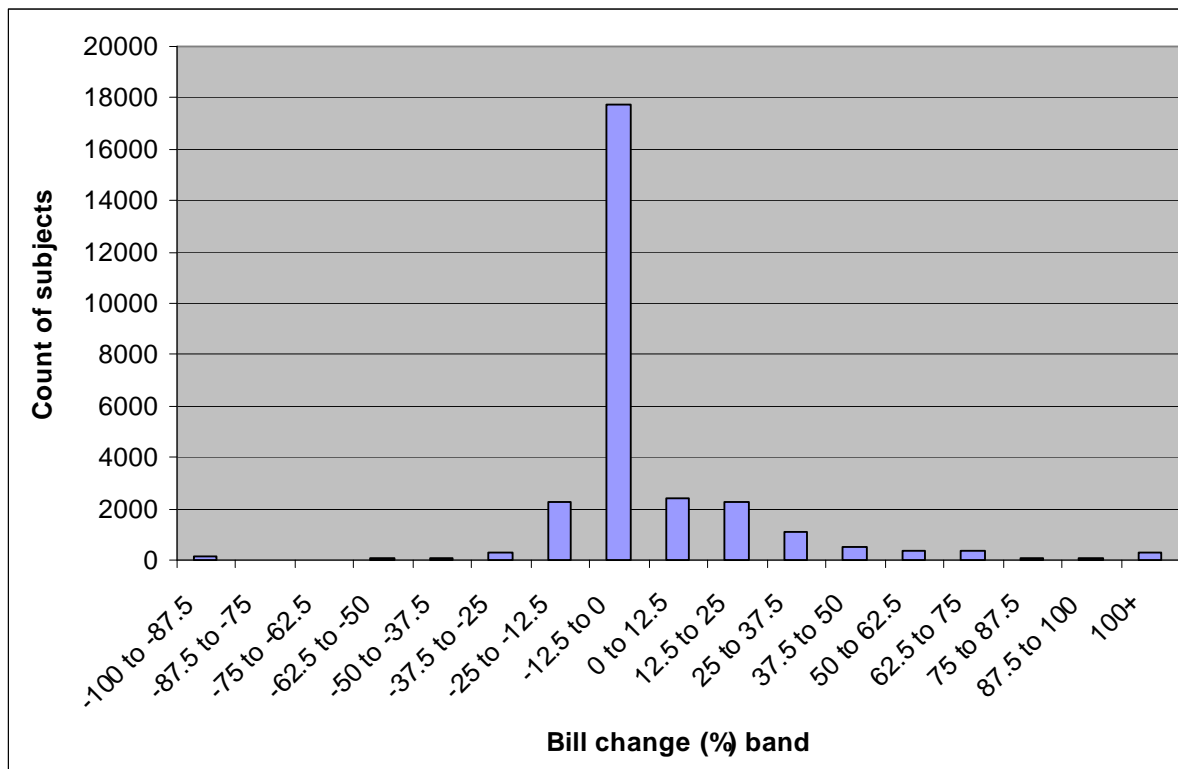
Latest figures show that 56% of this sector were in receipt of relief and received a discount on their bill. This includes Small business Bonus, Rural rate relief, empty property relief and charitable relief. The additional effect of TR if it had been introduced at the same cap as the English rate, then 81% of the total would have been worse or no better off.

Graph 3: Public Sector - bill change (%) distribution (before reliefs and appeals)
 This sector comprises the following categories – public service, education and health and medical. See graphs 13-15 for analysis by individual categories.



Overall 26% of ratepayers in the sector saw bills fall or stay the same on 1 April 2010. Latest figures show that 46% of this sector were in receipt of relief and received a discount on their bill. This includes museums and other cultural properties in the public sector who are registered charities and receive charitable relief, sports facilities or grounds in receipt of sporting relief and a number of properties associated with care or training of disabled persons and receive disabled person relief. The additional effect of TR if it had been introduced at the same cap as the English rate, then 49% of the total would have been worse or no better off.

Graph 4: Other Sector - bill change (%) distribution (before reliefs and appeals)
 This sector includes mixed public / private sector - for example cultural, sporting and care properties and larger industries which cannot be classed as small or medium sized enterprises, such as mining, petrochemicals, communications and statutory undertakings. See graphs 16-23 for analysis by individual categories.



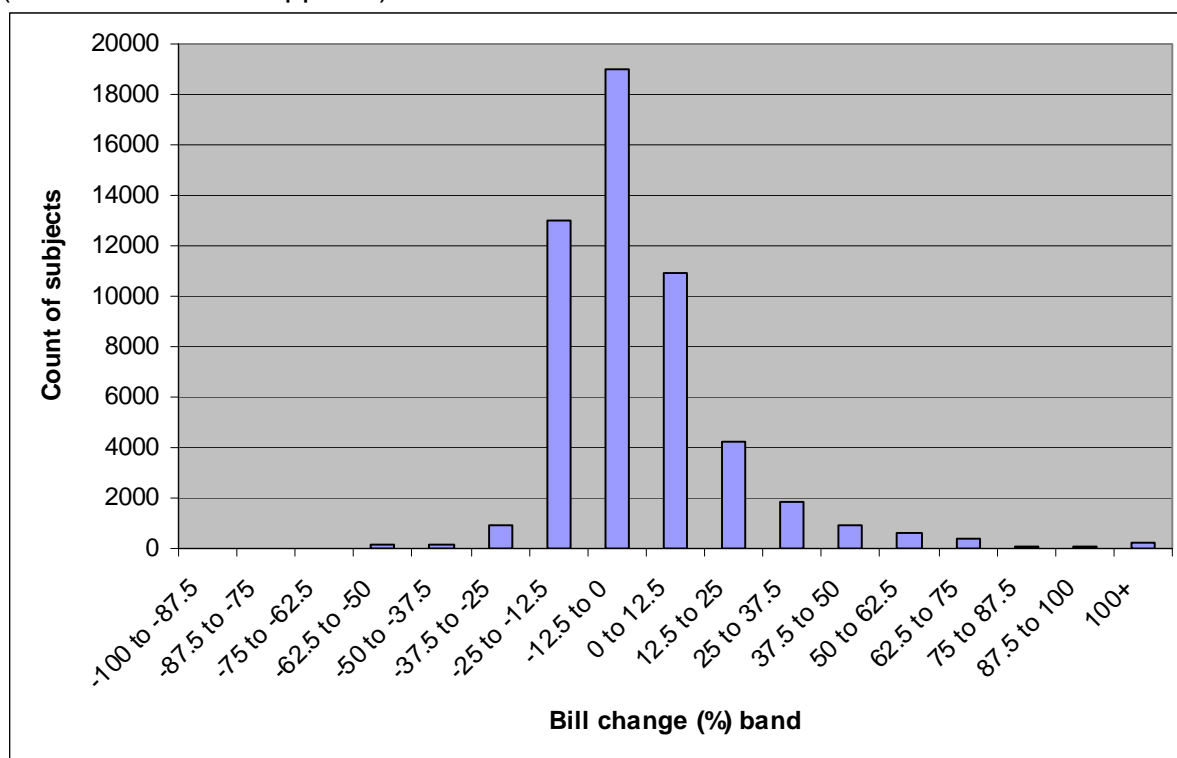
Overall 73% of ratepayers in this category saw bills fall or stay the same on 1 April 2010. Latest figures show that 44% of this sector were in receipt of relief and received a discount on their bill. Reliefs include, for example, the Small Business Bonus Scheme, charitable relief and disabled persons relief. The additional effect of TR if it had been introduced at the same cap as the English rate, then 82% of the total would have been worse or no better off.

Detailed analysis of bill change by category

Private Sector

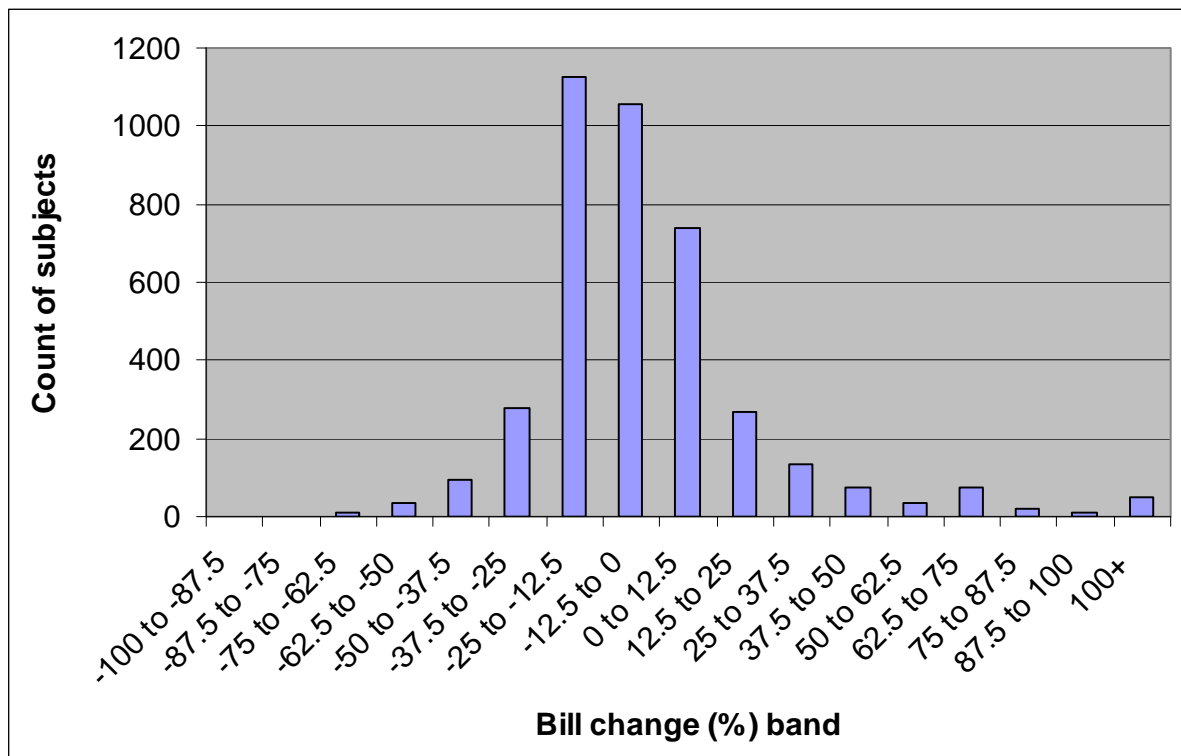
Comprises- shops, pubs, offices, garages and petrol stations, industrial, hotels, leisure & entertainment and advertising

Graph 5: Shops - bill change (%) distribution
(before reliefs and appeals)



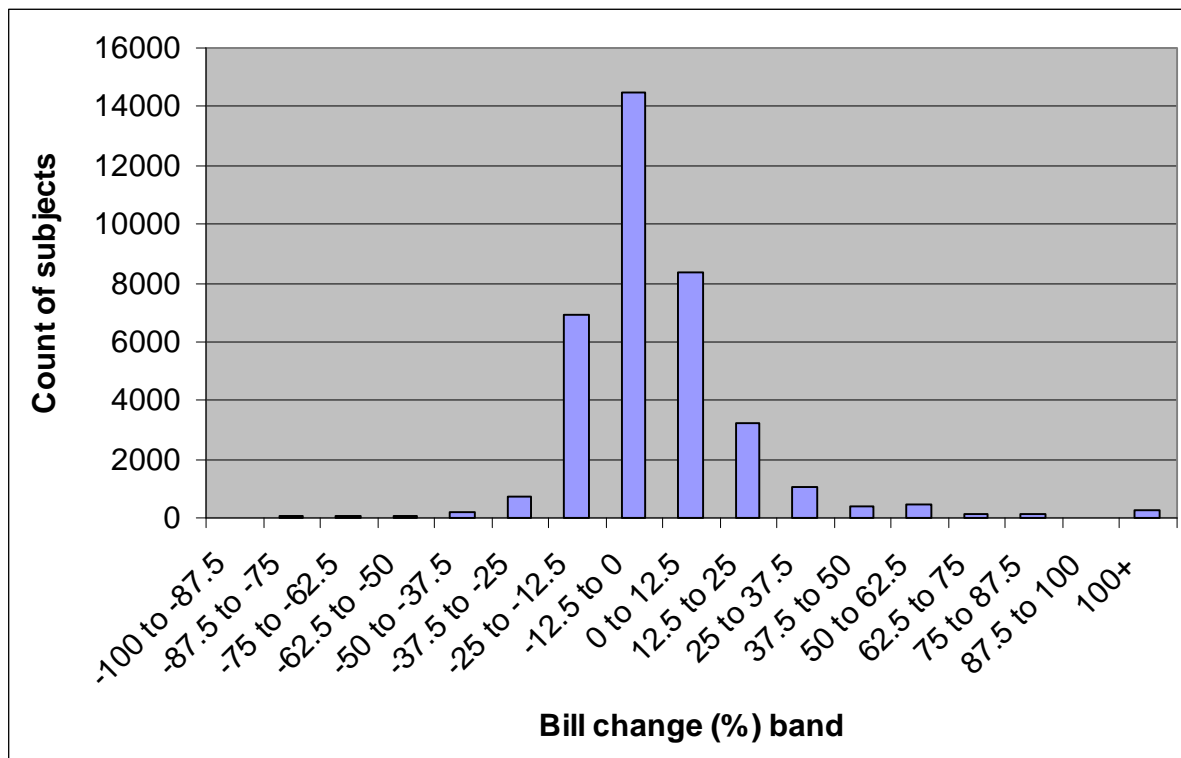
Overall 63% of ratepayers in this category saw bills fall or stay the same on 1 April 2010. This is before appeals and reliefs reduce bills even further. Latest figures show that 59% of this category were in receipt of relief and received a discount on their bill. The additional effect of TR if it had been introduced at the same cap as the English rate, then 84% of the total would have been worse or no better off.

Graph 6: Public Houses - bill change (%) distribution
(before reliefs and appeals)



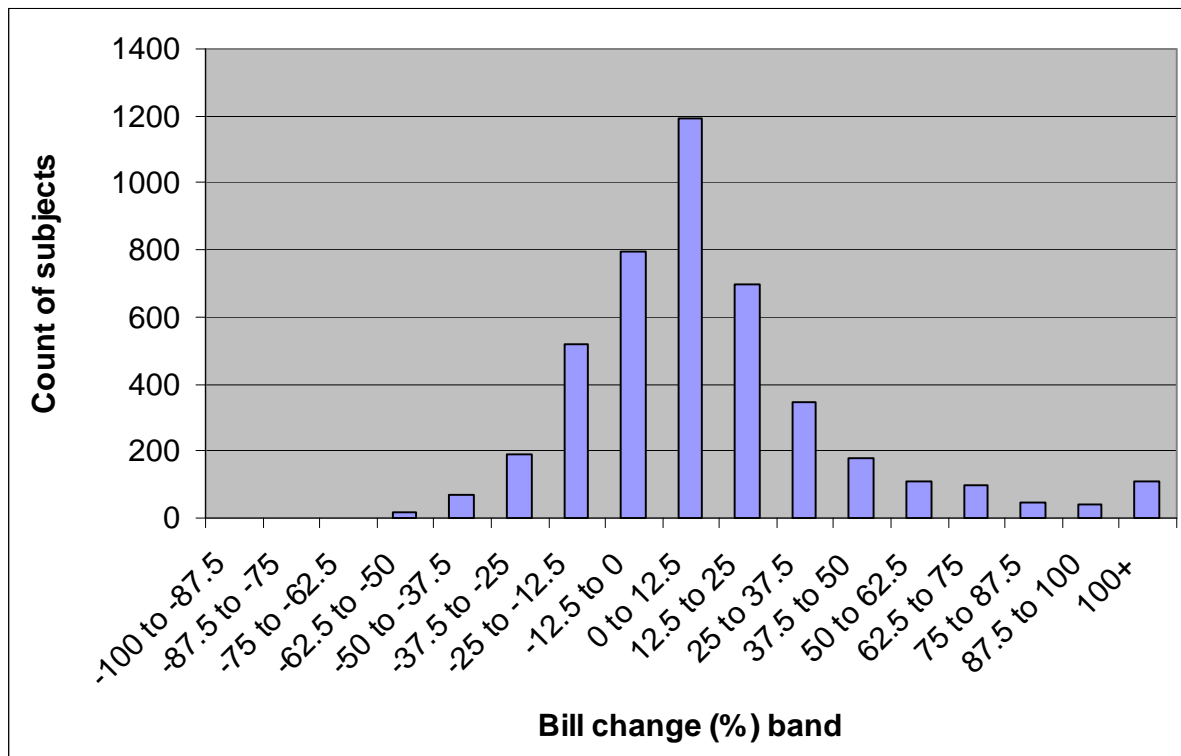
Overall 65% of ratepayers in this category saw bills fall or stay the same on 1 April 2010. This is before appeals and reliefs reduce bills even further. Latest figures show that 31% of this category were in receipt of relief and received a discount on their bill. The additional effect of TR if it had been introduced at the same cap as the English rate, then 83% of the total would have been worse or no better off.

Graph 7: Offices - bill change (%) distribution
(before reliefs and appeals)



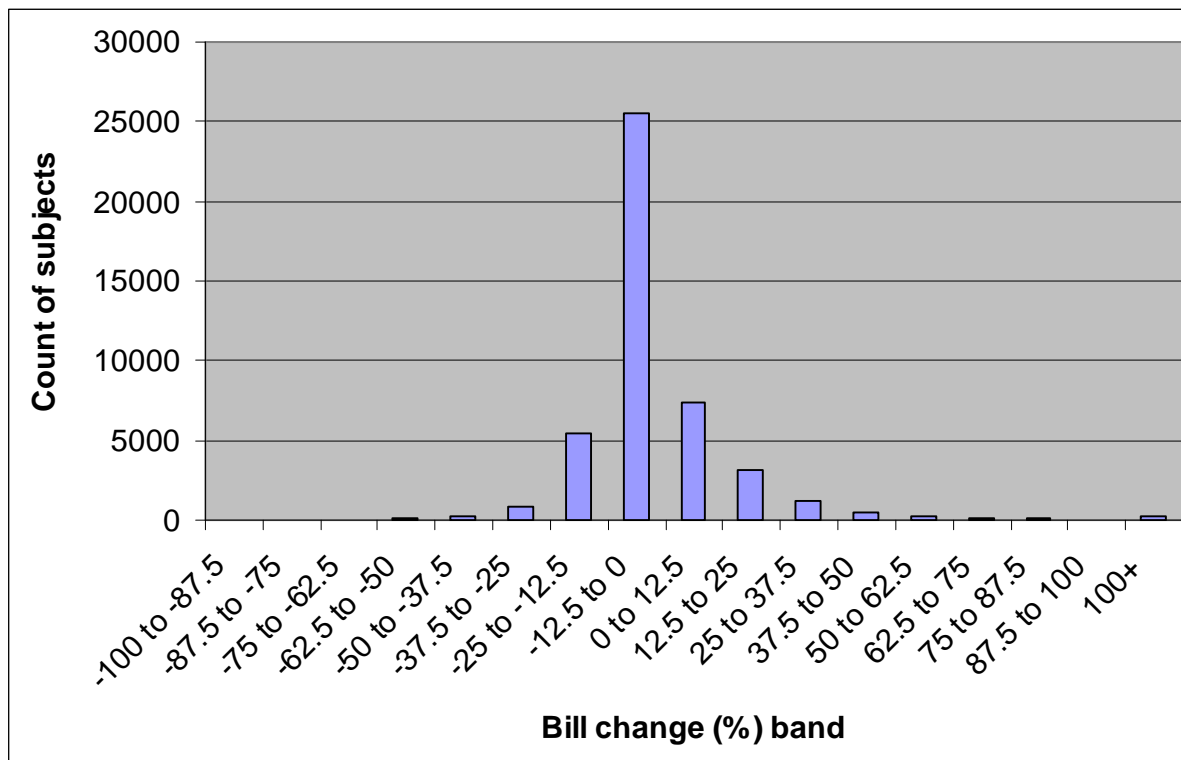
Overall 61% of ratepayers in this category saw bills fall or stay the same on 1 April 2010. This is before appeals and reliefs reduce bills even further. Latest figures show that 49% of this category were in receipt of relief and received a discount on their bill. The additional effect of TR if it had been introduced at the same cap as the English rate, then 84% of the total would have been worse or no better off.

Graph 8: Hotels - bill change (%) distribution- before reliefs and appeals



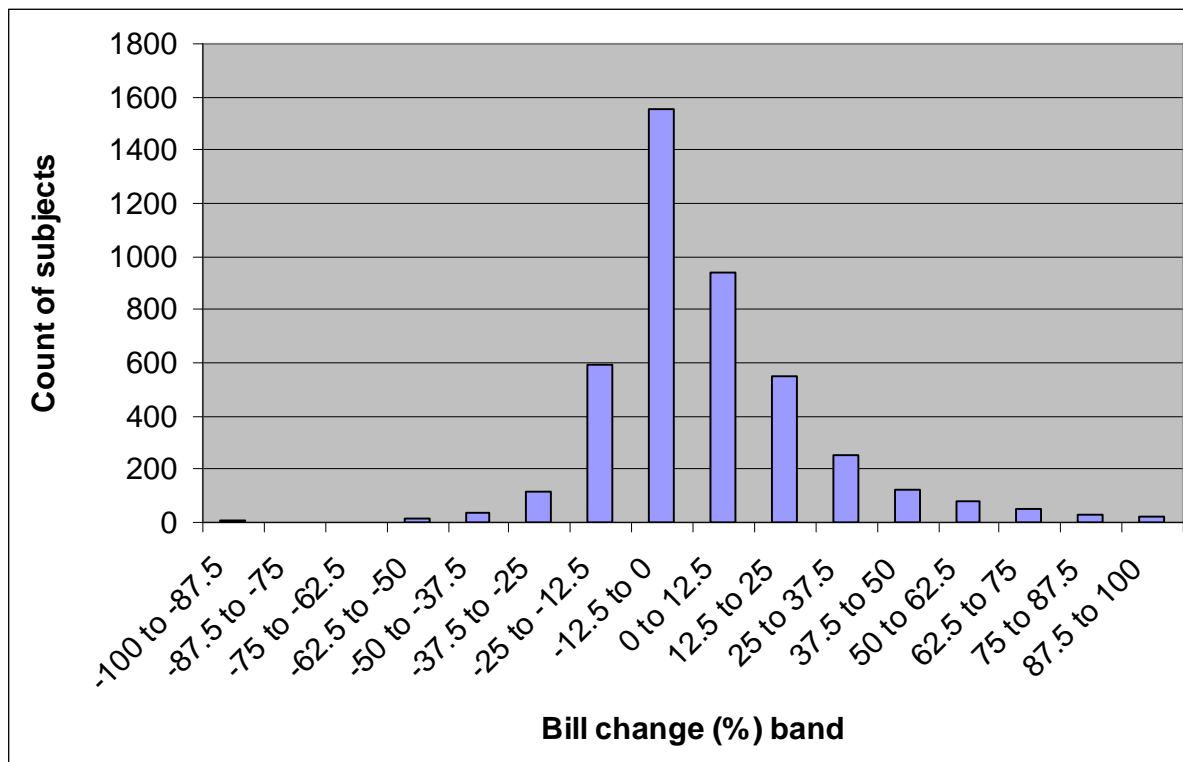
Overall 36% of ratepayers in this category saw bills fall or stay the same on 1 April 2010. This is before appeals and reliefs reduce bills even further. Latest figures show that 52% of this category were in receipt of relief and received a discount on their bill. The additional effect of TR if it had been introduced at the same cap as the English rate, then 63% of the total would have been worse or no better off.

Graph 9: Industrial - bill change (%) distribution
(before reliefs and appeals)



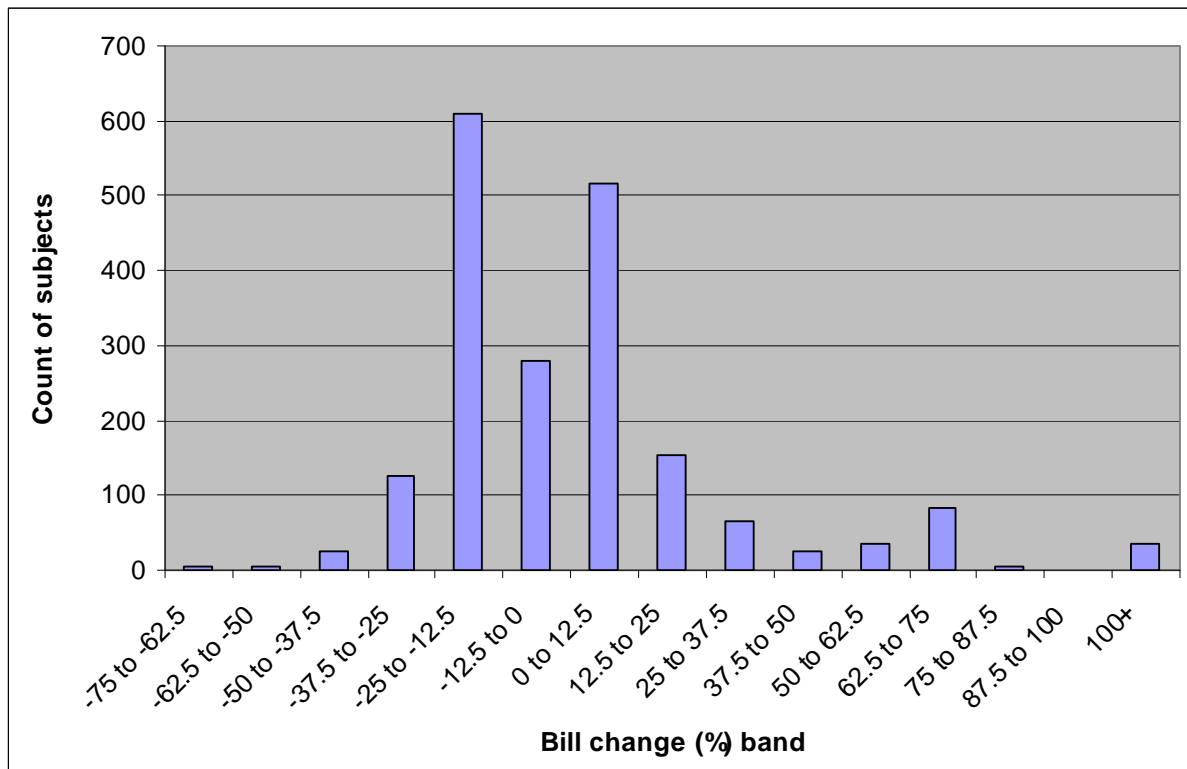
Overall 71% of ratepayers in this category saw bills fall or stay the same on 1 April 2010. This is before appeals and reliefs reduce bills even further. Latest figures show that 56% of this category were in receipt of relief and received a discount on their bill. The additional effect of TR if it had been introduced at the same cap as the English rate, then 88% of the total would have been worse or no better off.

Graph 10: Garages and Petrol Stations - bill change (%) distribution
 (before reliefs and appeals)



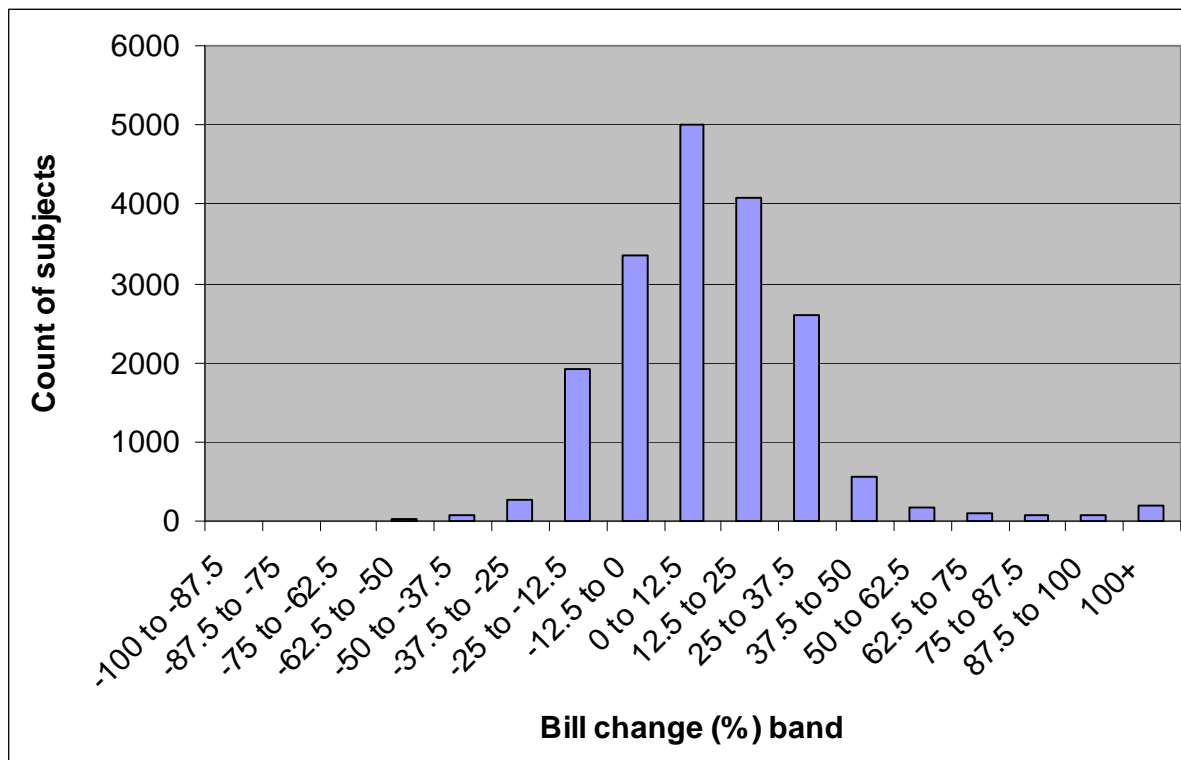
Overall 52% of ratepayers in this category saw bills fall or stay the same on 1 April 2010. This is before appeals and reliefs reduce bills even further. Latest figures show that 60% of this category were in receipt of relief and received a discount on their bill. The additional effect of TR if it had been introduced at the same cap as the English rate, then 73% of the total would have been worse or no better off.

Graph 11: Advertising- bill change (%) distribution – before appeals and reliefs



Overall 53% of ratepayers in this category saw bills fall or stay the same on 1 April 2010. This is before appeals and reliefs reduce bills even further. Latest figures show that 4% of this category were in receipt of relief and received a discount on their bill. The additional effect of TR if it had been introduced at the same cap as the English rate, then 79% of the total would have been worse or no better off.

Graph 12: Leisure - bill change (%) distribution – before appeals and reliefs

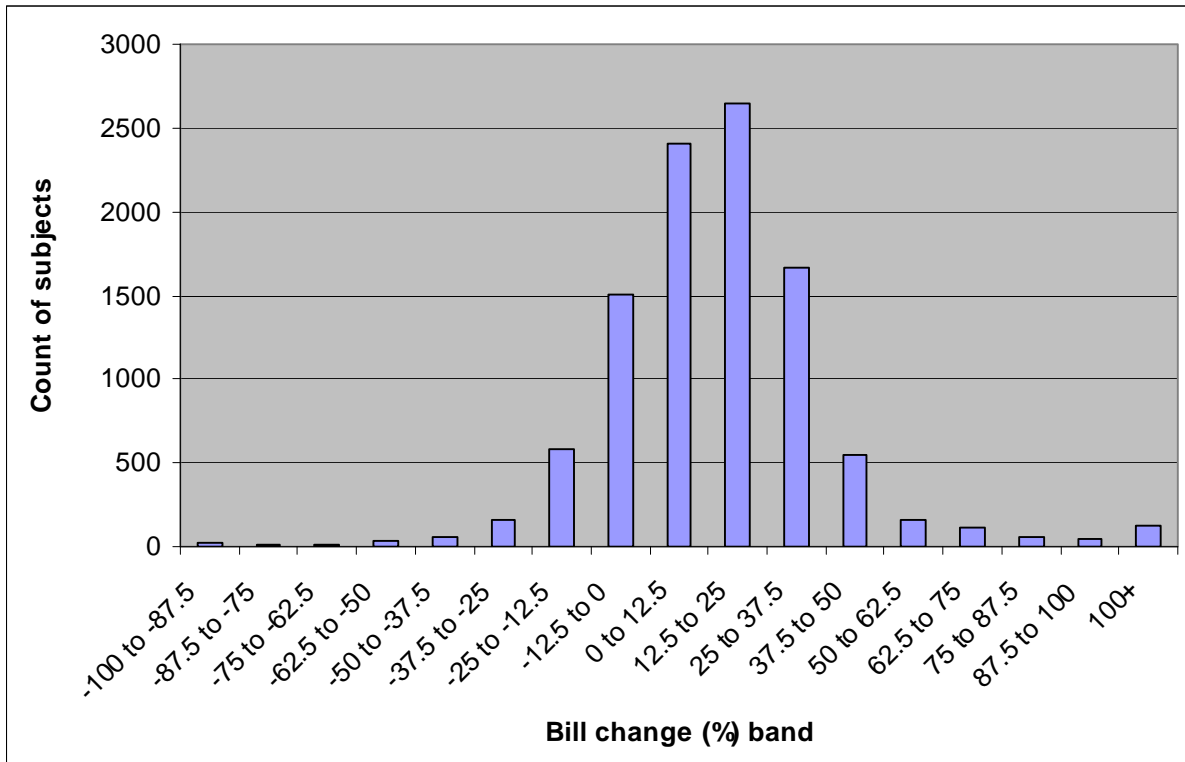


Overall 31% of ratepayers in this category saw bills fall or stay the same on 1 April 2010. This is before appeals and reliefs reduce bills even further. Latest figures show that 70% of this category were in receipt of relief and received a discount on their bill. The additional effect of TR if it had been introduced at the same cap as the English rate, then 58% of the total would have been worse or no better off.

Public Sector

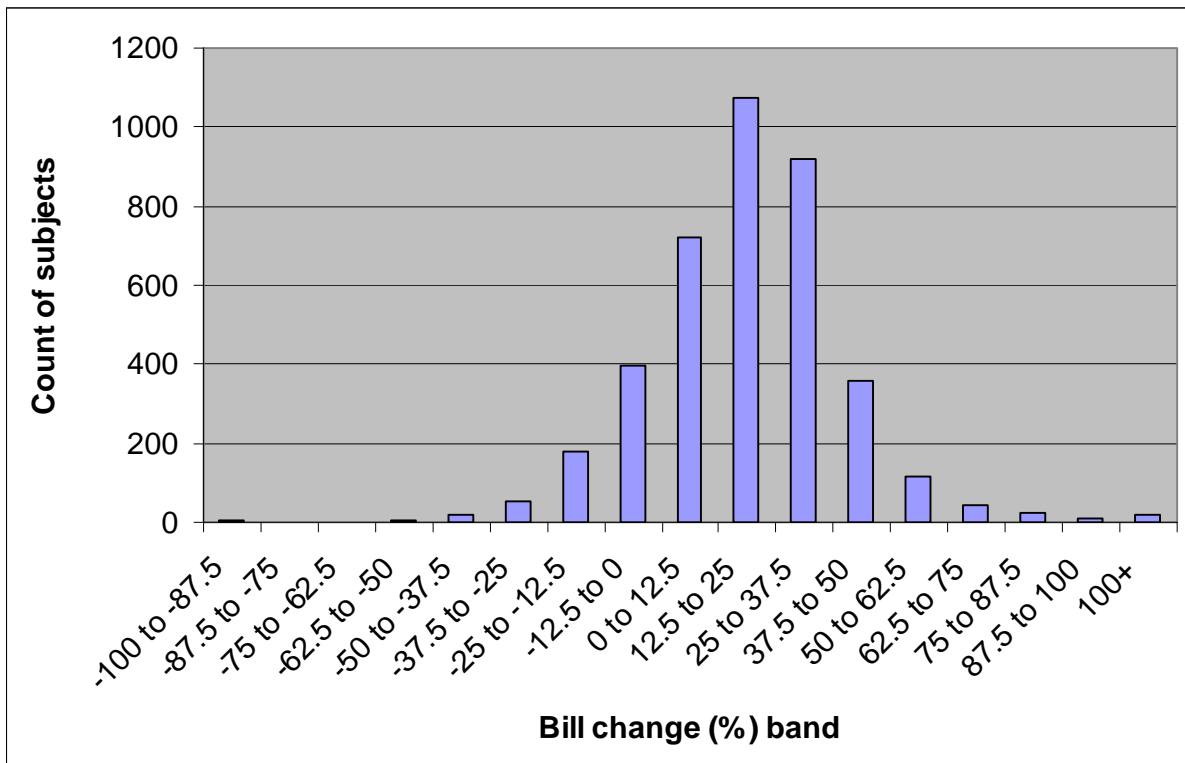
This is comprised of 3 Assessor defined categories- Public Service, Health and Education.

Graph 13: Public Service - bill change (%) distribution – before appeals and reliefs



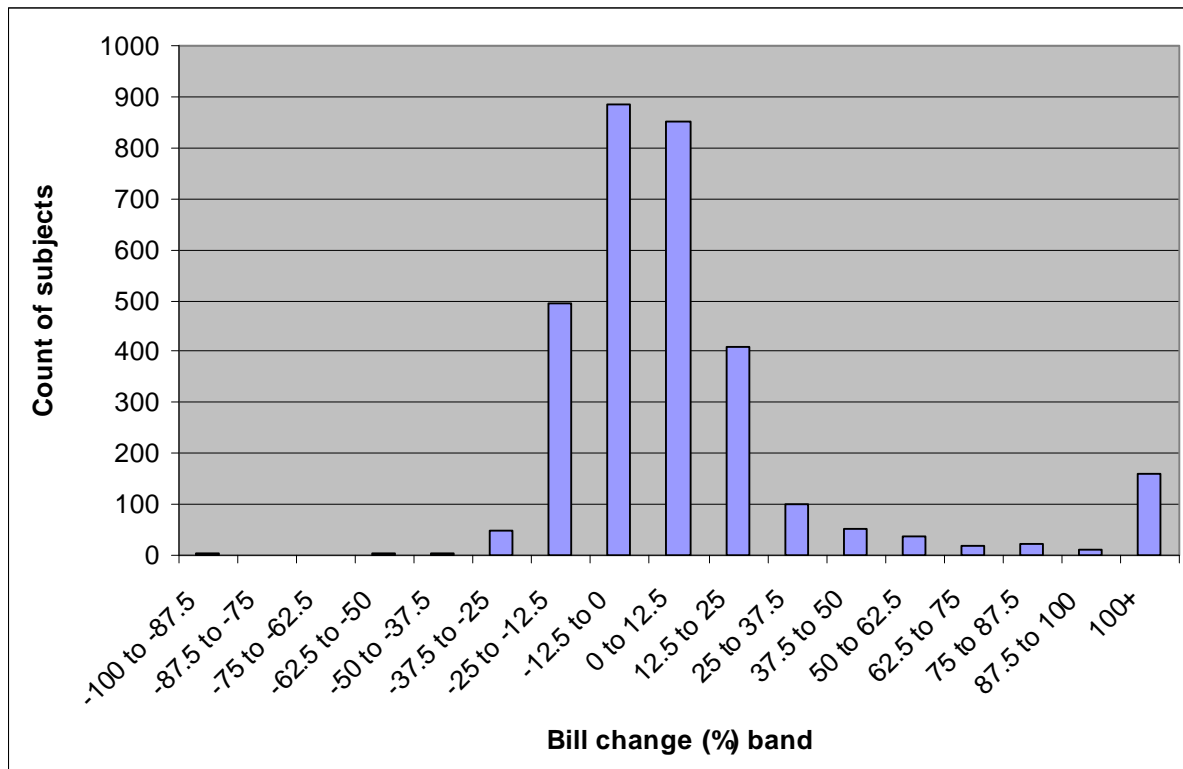
Overall 23% of ratepayers in this category saw bills fall or stay the same on 1 April 2010. This is before appeals and reliefs reduce bills even further. Latest figures show that 50% of this category were in receipt of relief and received a discount on their bill. The additional effect of TR if it had been introduced at the same cap as the English rate, then 47% of the total would have been worse or no better off.

Graph 14: Education and Training- bill change (%) distribution – before appeals and reliefs



Overall 17% of ratepayers in this category saw bills fall or stay the same on 1 April 2010. This is before appeals and reliefs reduce bills even further. Latest figures show that 33% of this category were in receipt of relief and received a discount on their bill. The additional effect of TR if it had been introduced at the same cap as the English rate, then 35% of the total would have been worse or no better off.

Graph 15: Health and **Medical-** bill change (%) distribution – before appeals and reliefs

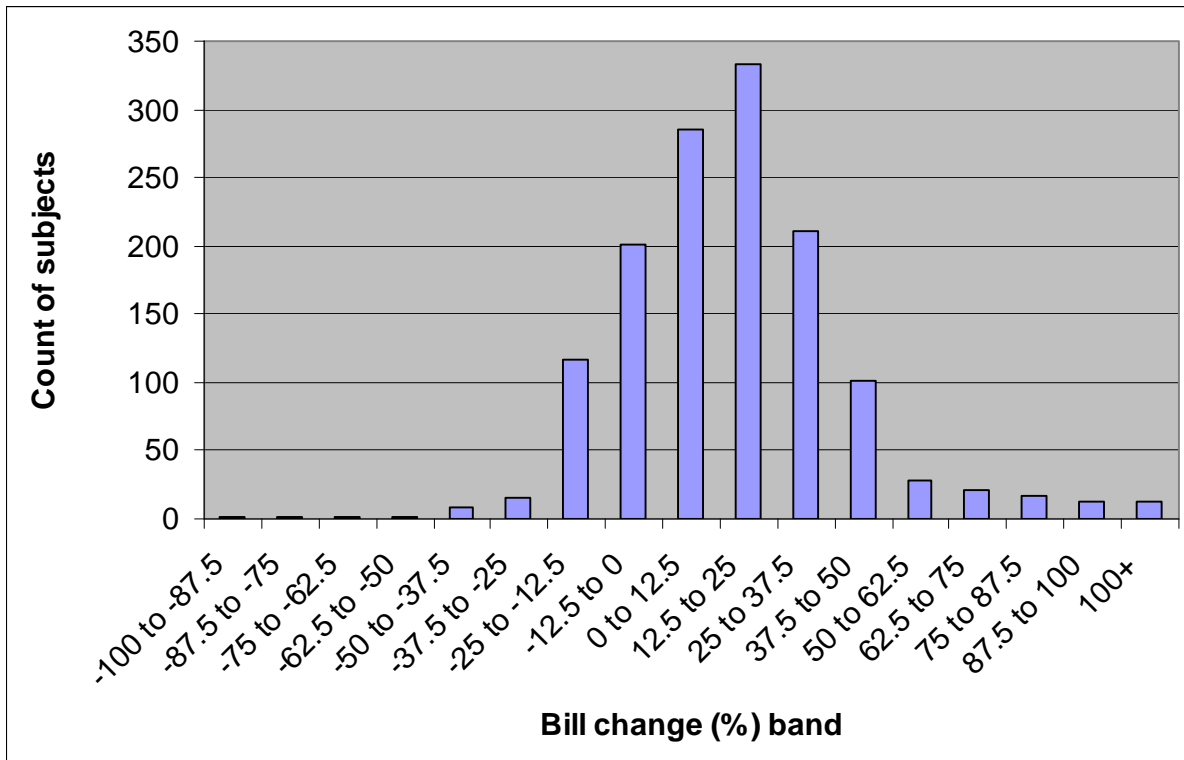


Overall 46% of ratepayers in this category saw bills fall or stay the same on 1 April 2010. This is before appeals and reliefs reduce bills even further. Latest figures show that 47% of this category were in receipt of relief and received a discount on their bill. The additional effect of TR if it had been introduced at the same cap as the English rate, then 74% of the total would have been worse or no better off.

Other Sector

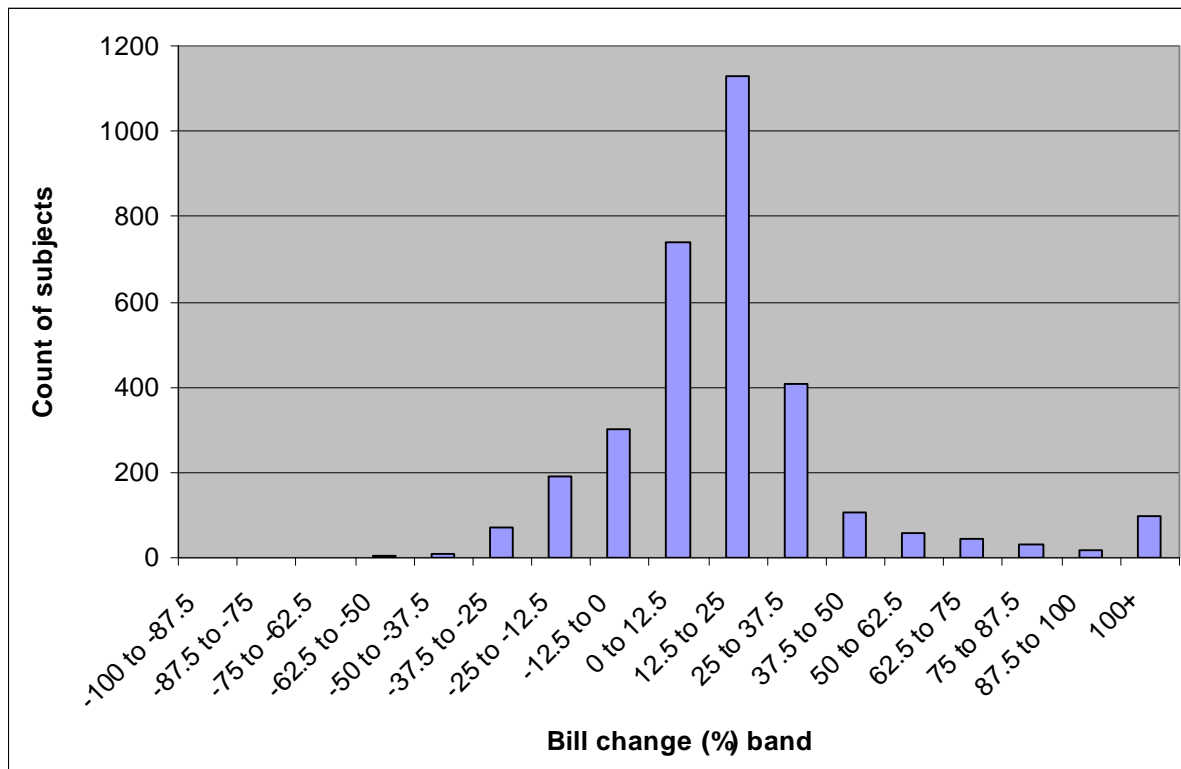
This sector includes categories where the ratepayers are a mix of public / private sector- for example cultural, sporting and care properties and larger industries which cannot be classed as small or medium sized enterprises or high street businesses, such as quarries and mining, petrochemicals, communications and statutory undertakings

Graph 16: Cultural- bill change (%) distribution – before appeals and reliefs



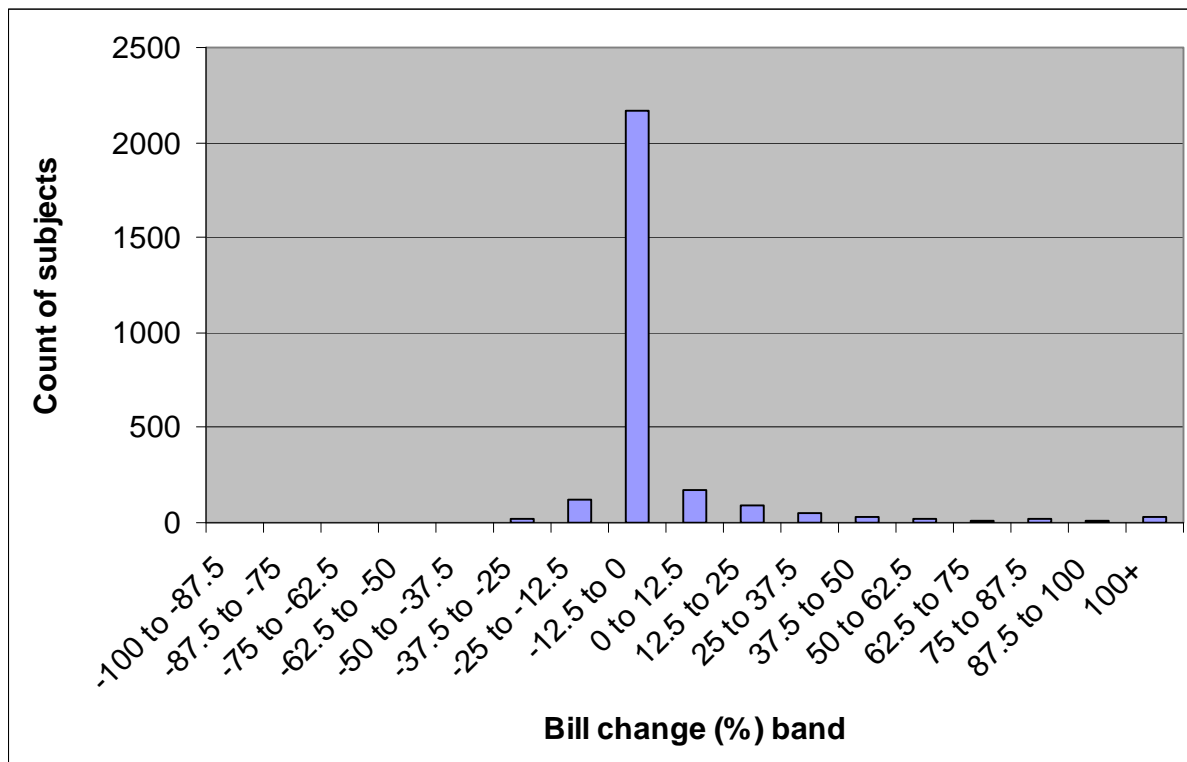
Overall 25% of ratepayers in this category saw bills fall or stay the same on 1 April 2010. This is before appeals and reliefs reduce bills even further. Latest figures show that 56% of this category were in receipt of relief and received a discount on their bill. The additional effect of TR if it had been introduced at the same cap as the English rate, then 46% of the total would have been worse or no better off.

Graph 17: Care - bill change (%) distribution – before appeals and reliefs



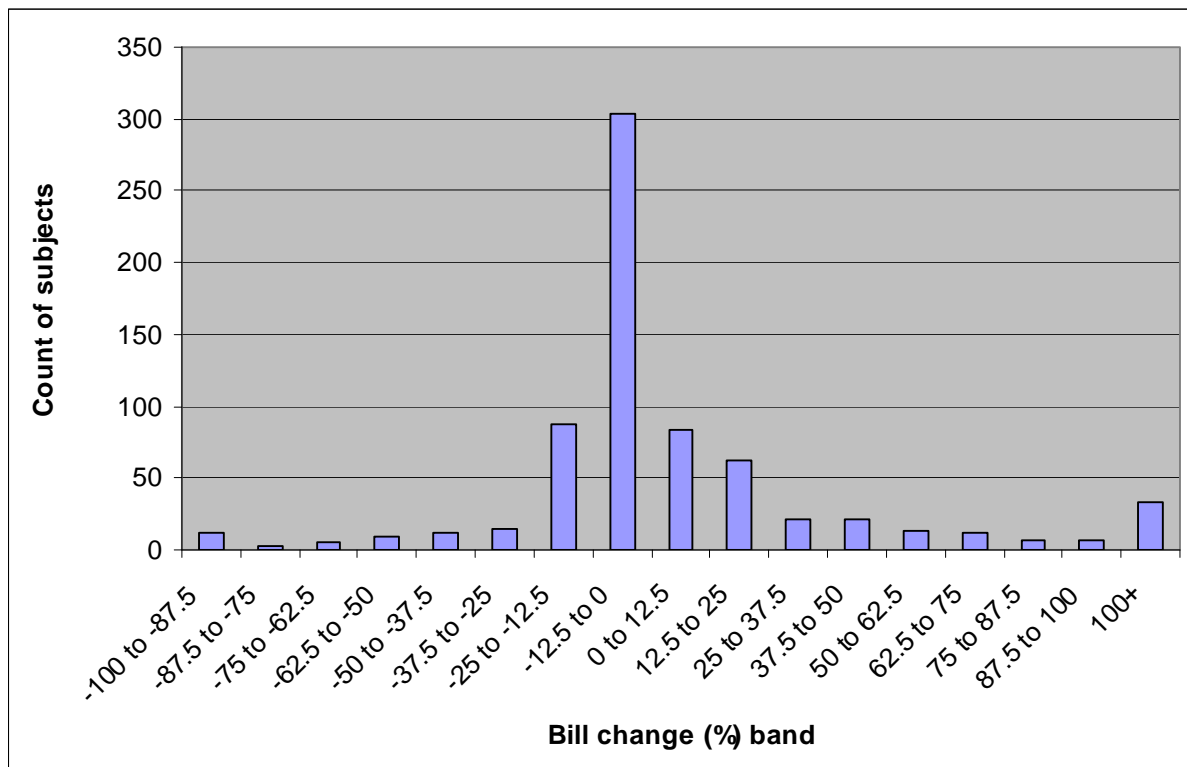
Overall 18% of ratepayers in this category saw bills fall or stay the same on 1 April 2010. This is before appeals and reliefs reduce bills even further. Latest figures show that 76% of this category were in receipt of relief and received a discount on their bill. The additional effect of TR if it had been introduced at the same cap as the English rate, then 41% of the total would have been worse or no better off.

Graph 18: Sporting - bill change (%) distribution – before appeals and reliefs



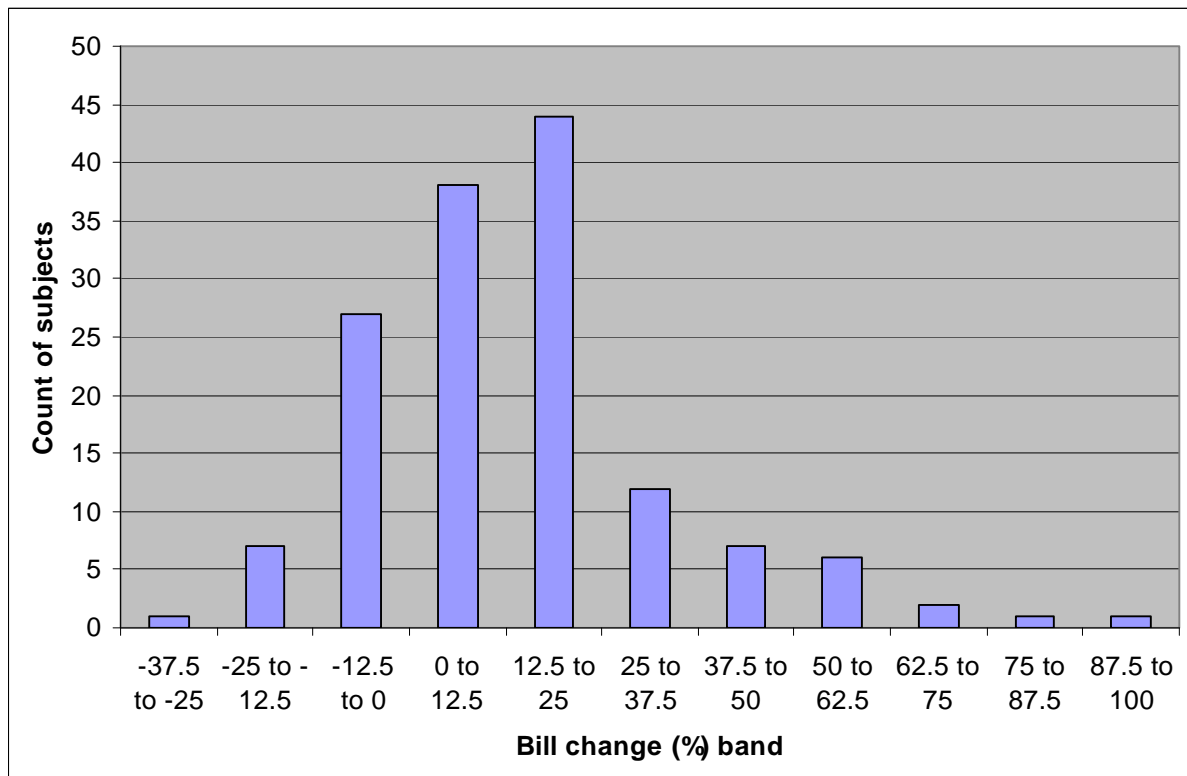
Overall 84% of ratepayers in this category saw bills fall or stay the same on 1 April 2010. This is before appeals and reliefs reduce bills even further. Latest figures show that 29% of this category were in receipt of relief and received a discount on their bill. The additional effect of TR if it had been introduced at the same cap as the English rate, then 91% of the total would have been worse or no better off.

Graph 19: Quarries and Mines - bill change (%) distribution – before appeals and reliefs



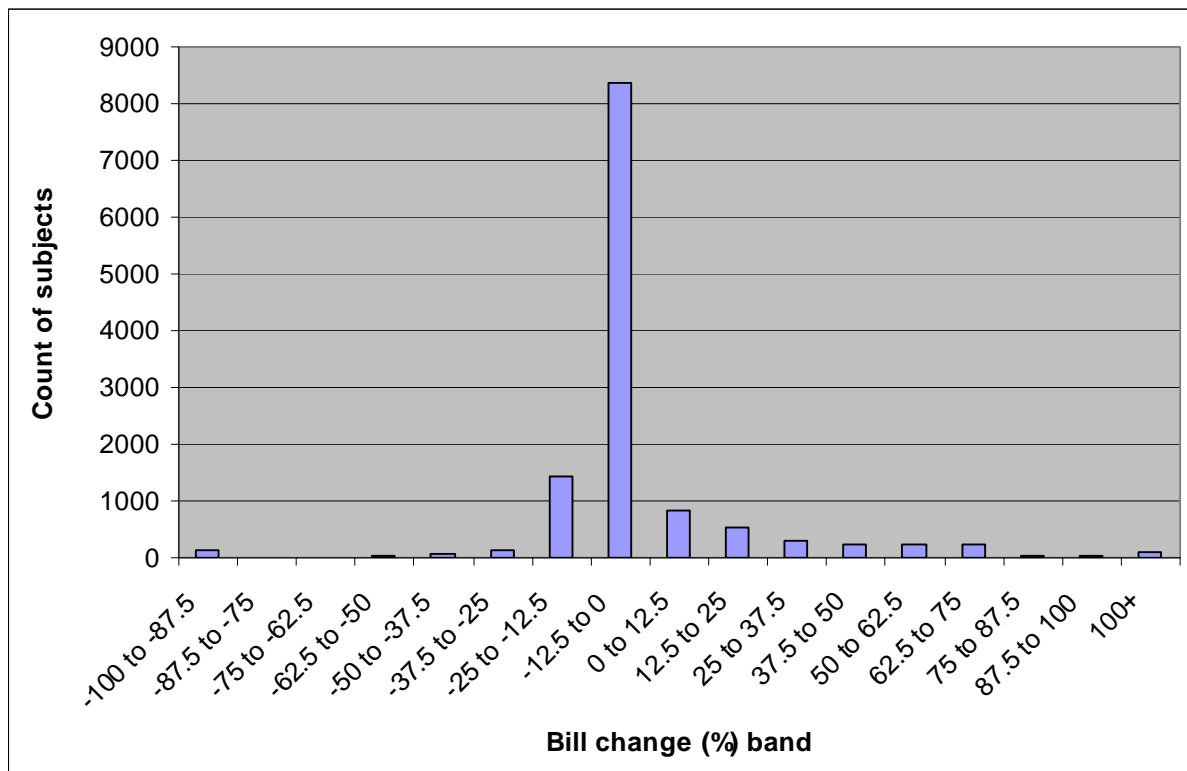
Overall 63% of ratepayers in this category saw bills fall or stay the same on 1 April 2010. This is before appeals and reliefs reduce bills even further. Latest figures show that 19% of this category were in receipt of relief and received a discount on their bill. The additional effect of TR if it had been introduced at the same cap as the English rate, then 75% of the total would have been worse or no better off.

Graph 20: Petrochemicals - bill change (%) distribution – before appeals and reliefs



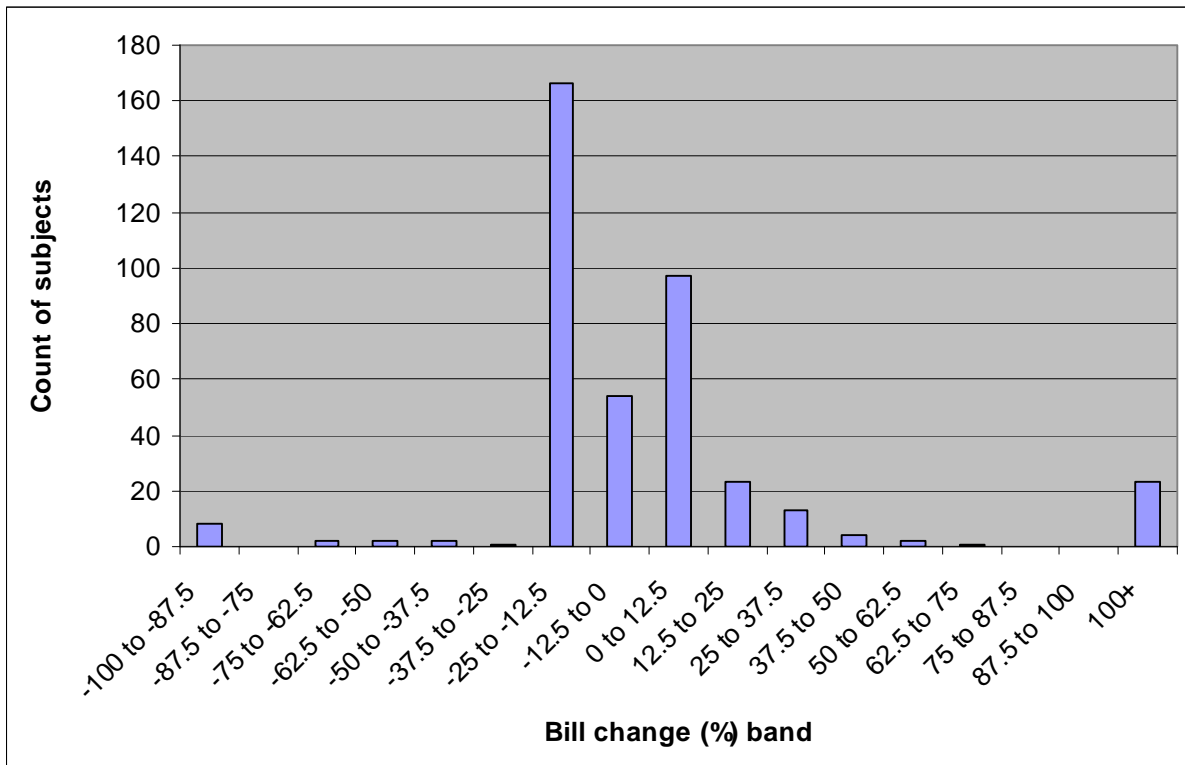
Overall 24% of ratepayers in this category saw bills fall or stay the same on 1 April 2010. This is before appeals and reliefs reduce bills even further. Latest figures show that 13% of this category were in receipt of relief and received a discount on their bill. The additional effect of TR if it had been introduced at the same cap as the English rate, then 50% of the total would have been worse or no better off.

Graph 21: Other not elsewhere included - bill change (%) distribution – before appeals and reliefs



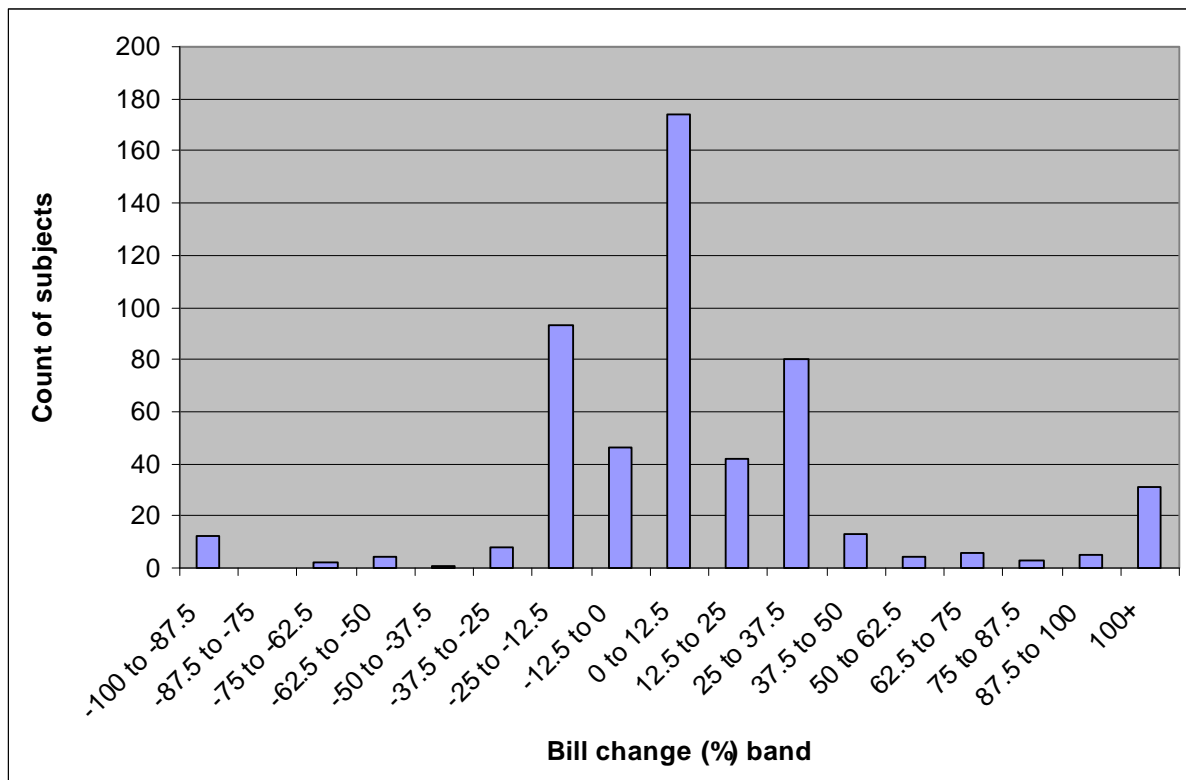
This category will include a wide range of business types, which do not readily fit into one of the other nineteen categories. This includes miscellaneous other properties such as kennels and pigeon lofts. Overall 80% of ratepayers in this category saw bills fall or stay the same on 1 April 2010. This is before appeals and reliefs reduce bills even further. Latest figures show that 25% of this category were in receipt of relief and received a discount on their bill. The additional effect of TR if it had been introduced at the same cap as the English rate, then 87% of the total would have been worse or no better off.

Graph 22: Communications- bill change (%) distribution – before appeals and reliefs



Overall 59% of ratepayers in this category saw bills fall or stay the same on 1 April 2010. This is before appeals and reliefs reduce bills even further. Latest figures show that 15% of this category were in receipt of relief and received a discount on their bill. The additional effect of TR if it had been introduced at the same cap as the English rate, then 83% of the total would have been worse or no better off.

Graph 23: Statutory Undertaking - bill change (%) distribution – before appeals and reliefs



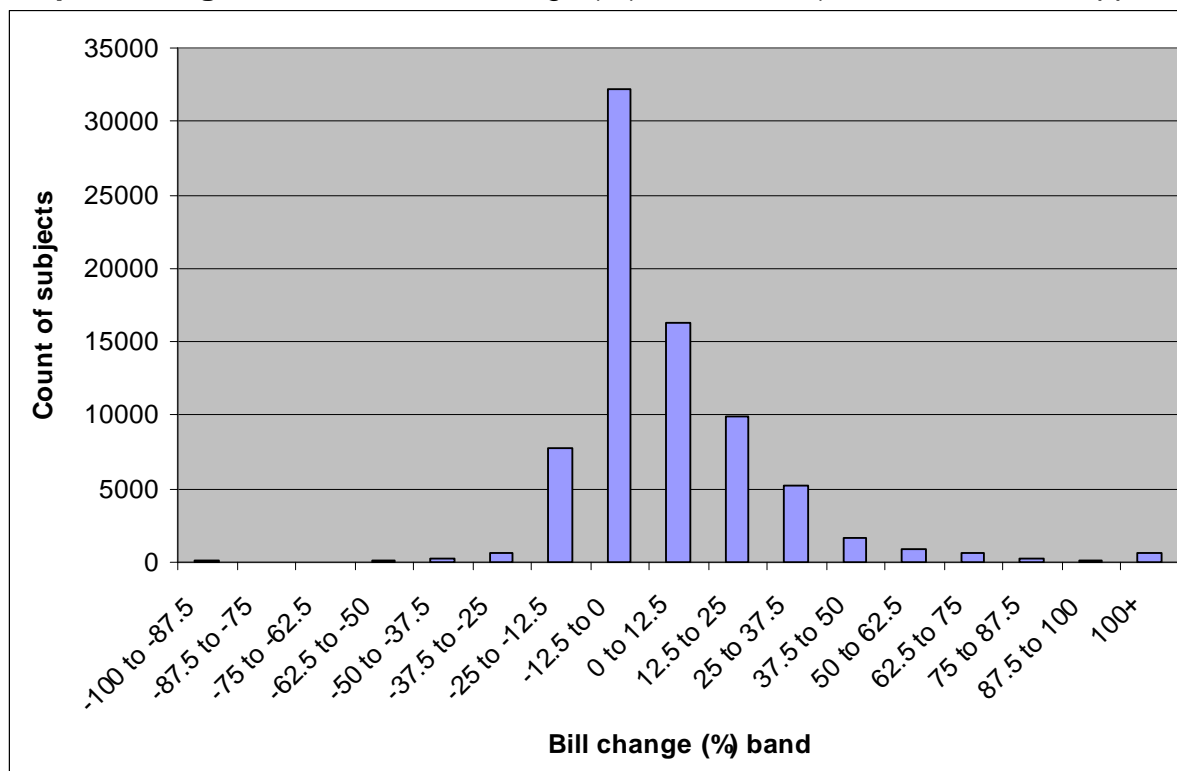
Statutory undertakings are generally valued by designated (or specialist) Assessors for particular industries, this includes energy properties (electricity and gas), the railway network, and ports and harbours.

Overall 32% of the ratepayers in this category saw bills fall or stay the same on 1 April 2010. This is before appeals and reliefs reduce bills even further. Latest figures show that 7% of this category were in receipt of relief and received a discount on their bill.

However, it is expected that this number will increase with the introduction of the new renewable energy relief in 2010-11.

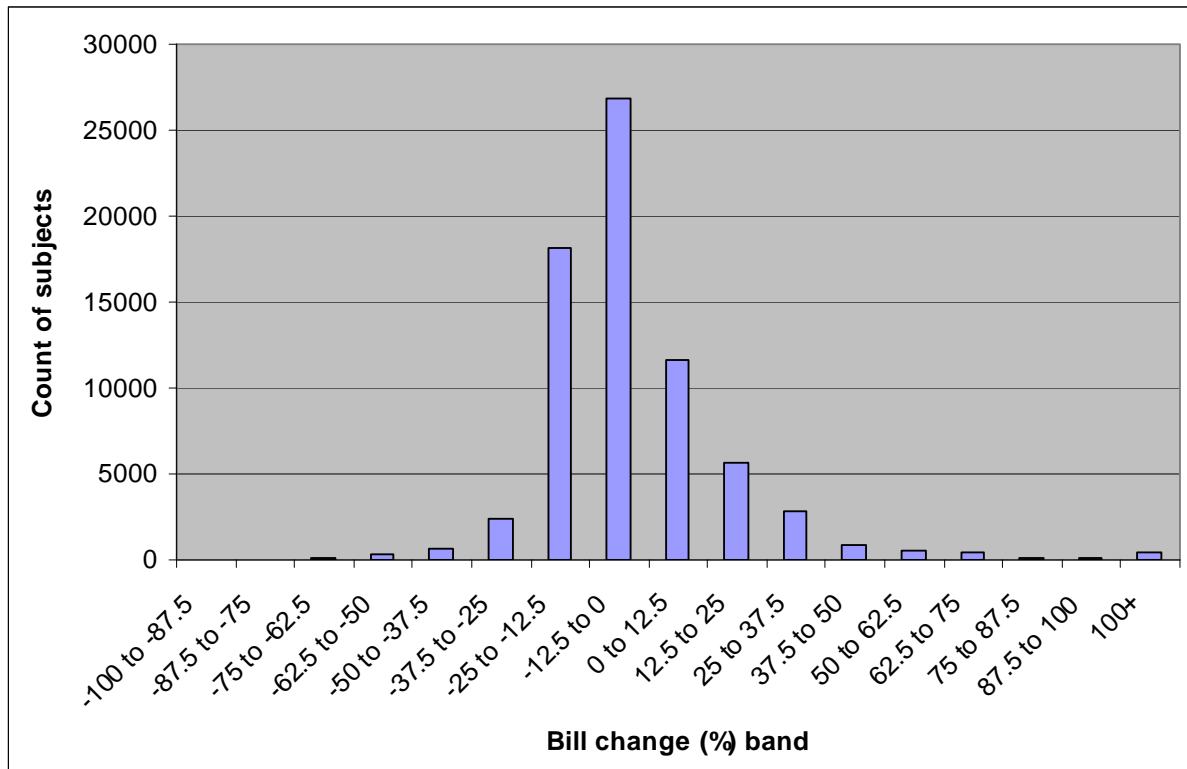
The additional effect of TR if it had been introduced at the same cap as the English rate, then 65% of the total would have been worse or no better off.

Analysis at regional level

Graph 24: Region – North* - bill change (%) distribution (before reliefs and appeals)

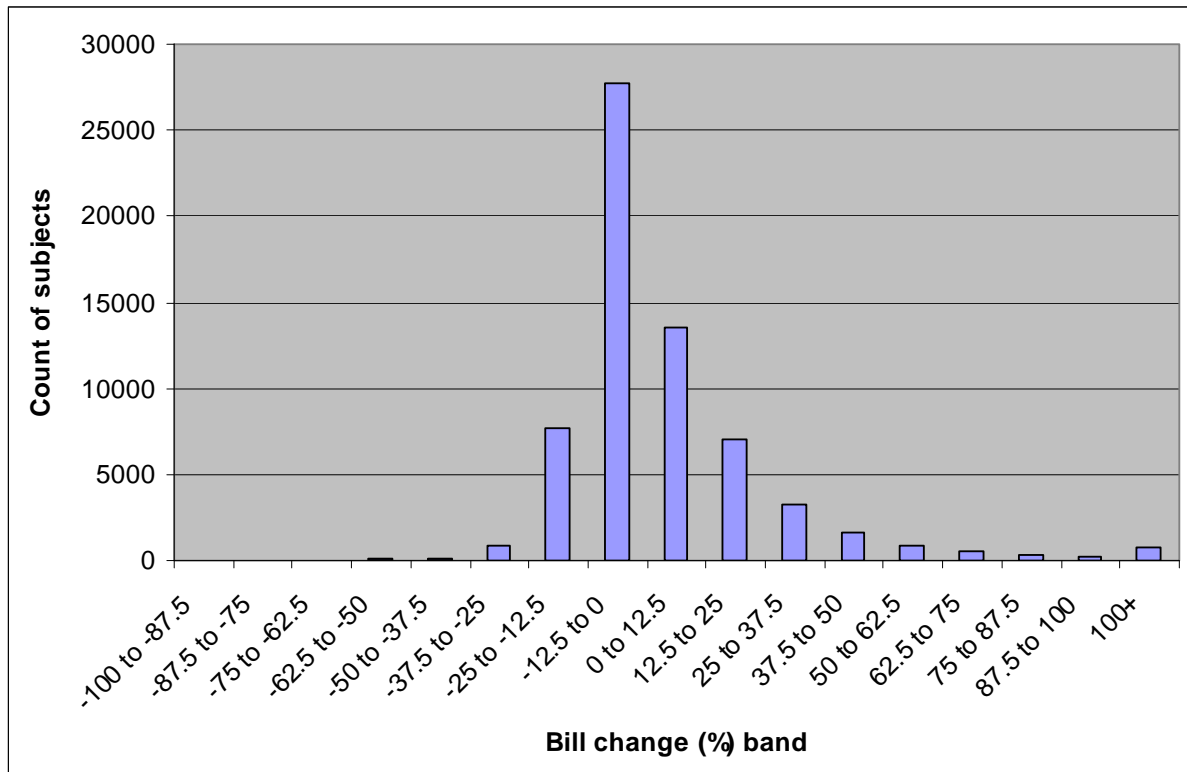
* The North region includes Aberdeen City, Aberdeenshire, Angus, Argyll & Bute, Dundee City, Eilean Siar, Highland, Moray, Orkney Islands, Perth & Kinross, Shetland Islands and Stirling.

Graph 25: Region – South West* - bill change (%) distribution (before reliefs and appeals)



* The South West region includes East Ayrshire, East Dunbartonshire, East Renfrewshire, Glasgow City, Inverclyde, North Ayrshire, North Lanarkshire, Renfrewshire, and South Ayrshire, South Lanarkshire and West Dunbartonshire.

Graph 26: Region - South and East* - bill change (%) distribution (before reliefs and appeals)



* The South & East region includes Clackmannanshire, Dumfries & Galloway, East Lothian, City of Edinburgh, Falkirk, Fife, Midlothian, Scottish Borders, and West Lothian.

Distribution of Non-Domestic Rates Properties by Rateable Value Band as at 31 March 2010 and 1 April 2010

In 2009-10, 29,598 properties had a rateable value above £29,000 and paid the large business poundage supplement. In 2010-11 28,886 properties paid the supplement- a reduction of 712 properties.

As at 31 March 2010			As at 1 April 2010		
Rateable Value Thresholds	Number of properties	Total Rateable Value (£)	Rateable Value Thresholds	Number of properties	Total Rateable Value (£)
All Scotland	214,245	5,345,289,524	All Scotland	213,311	6,612,484,645
Zero rated	7,702	0	Zero rated	7,886	0
Up to £8,000	127,524	387,412,732	Up to £10,000	129,959	493,857,889
£8,001 to £10,000	11,733	105,917,991	£10,001 to £12,000	9,291	102,981,466
£10,001 to £15,000	17,627	217,932,246	£12,001 to £18,000	17,378	256,781,292
£15,001 to £28,999	20,061	415,864,708	£18,001 to £34,999	19,911	494,696,641
Greater than £29,000	29,598	4,218,161,847	Greater than £35,000	28,886	5,264,167,357