

An update of the 2017-18 worked examples, published here  
[Local+government+finance+circular+3-2017.pdf \(www.gov.scot\)](http://www.gov.scot/Local+government+finance+circular+3-2017.pdf)

### **Example 1**

RV in 2022-23 of **£19,000**; the property was not in receipt of any relief.  
Gross bill for 2022-23 of £9,462 (£19,000 x 49.8p).

RV in 2023-24 of **£22,000**.  
Gross bill for 2023-24 of £10,956 (£22,000 x 49.8p).  
The bill increase is £1,494 (£10,956 - £9,462).

The Revaluation Transitional relief cap to be applied is **25.0%** (Medium property, with an RV in 2023-24 between £20,001 and £100,000), which is greater than the 15.8% increase in gross bill (£1,494 / £9,462 = 15.8%), and therefore does not apply in this case.

### **No Revaluation Transitional Relief.**

### **Example 2**

RV in 2022-23 of **£20,000**; the property was not in receipt of any relief.  
Gross bill for 2022-23 of £9,960 (£20,000 x 49.8p).

RV in 2023-24 of **£30,000**.  
Gross bill for 2023-24 of £14,940 (£30,000 x 49.8p).  
The bill increase is £4,980 (£14,940 - £9,960).

The Revaluation Transitional relief cap to be applied is **25.0%** (Medium property, with an RV in 2023-24 between £20,001 and £100,000), which is lower than the 50.0% increase in gross bill (£4,980 / £9,960 = 50.0%), and therefore applies in this case.

**Revaluation Transitional relief reduces the bill from £14,940 to £12,450** (£9,960 + £2,490; 25.0% x £9,960 = £2,490)

### **Example 3**

RV in 2022-23 of **£45,000**; the property was not in receipt of any relief.  
Gross bill for 2022-23 of £22,410 (£45,000 x 49.8p).

RV in 2023-24 of **£55,000**; the property is liable to pay the intermediate property rate.  
Gross bill for 2023-24 of £28,105 (£55,000 x (49.8p + 1.3p) ).  
The bill increase is £5,695 (£28,105 - £22,410).

The Revaluation Transitional relief cap to be applied is **25.0%** (Medium property, with an RV in 2023-24 between £20,001 and £100,000), which is lower than the 25.4% increase in gross bill ( $\pounds 5,695 / \pounds 22,410 = 25.4\%$ ), and therefore applies in this case.

**Revaluation Transitional relief reduces the bill from £28,105 to £28,013**  
( $\pounds 22,410 + \pounds 5,603$ ;  $25.0\% \times \pounds 22,410 = \pounds 5,603$ )

#### **Example 4**

RV in 2022-23 of **£10,000**; the property was not in receipt of any relief.  
Gross bill for 2022-23 of £4,980 ( $\pounds 10,000 \times 49.8\text{p}$ ).

RV in 2023-24 of **£20,000**.  
Gross bill for 2023-24 of £9,960 ( $\pounds 20,000 \times 49.8\text{p}$ ).  
The bill increase is £4,980 ( $\pounds 9,960 - \pounds 4,980$ ).

The Revaluation Transitional relief cap to be applied is **12.5%** (Small property, with an RV in 2023-24 up to £20,000), which is lower than the 100.0% increase in gross bill ( $\pounds 4,980 / \pounds 4,980 = 100.0\%$ ), and therefore applies in this case.

**Revaluation Transitional relief reduces the new bill from £9,960 to £5,603**  
( $\pounds 4,980 + \pounds 623$ ;  
 $12.5\% \times \pounds 4,980 = \pounds 623$ )

#### **Example 5**

RV in 2022-23 of **£10,000**; the property received 100% mandatory relief other than SBBS or Mandatory Rural Rates relief<sup>1</sup> on the 31<sup>st</sup> March 2023.  
Gross bill for 2022-23 of £4,980 ( $\pounds 10,000 \times 49.8\text{p}$ ). Net bill is £0.

RV in 2023-24 of **£20,000**.  
Gross bill for 2023-24 of £9,960 ( $\pounds 20,000 \times 49.8\text{p}$ ).  
The increase in gross bills is £4,980 ( $\pounds 9,960 - \pounds 4,980$ ).

The Revaluation Transitional relief cap to be applied to the gross bill is **12.5%** (Small property, with an RV in 2023-24 up to £20,000), which is lower than the 100.0% increase in gross bills ( $\pounds 4,980 / \pounds 4,980 = 100.0\%$ ), and therefore applies in this case.

**Revaluation Transitional relief reduces the gross bill from £9,960 to £5,603**  
( $\pounds 4,980 + \pounds 623$ ;  $12.5\% \times \pounds 4,980 = \pounds 623$ );  
If the property is still eligible for the 100% mandatory relief, the new net bill is £0.

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<sup>1</sup> Note the treatment of properties in receipt of Fresh Start Relief, Business Growth Accelerator Relief or Empty Property Relief may differ and the calculation of the new bill will depend on the particular circumstances of the property.

### **Example 6**

RV in 2022-23 of **£10,000**; the property received 100% SBBS relief on the 31<sup>st</sup> of March 2023.

Gross bill for 2022-23 of £4,980 (£10,000 x 49.8p). Net bill for 2022-23 of £0.

RV in 2023-24 of **£18,000**; the property is eligible for 10% SBBS.

Gross bill for 2023-24 of £8,964 (£18,000 x 49.8p).

The increase in gross bills is £3,984 (£8,964 - £4,980).

The Revaluation Transitional relief cap to be applied is **12.5%** (Small property, with an RV in 2023-24 up to £20,000), which is lower than the 80% increase in gross bills (£3,984 / £4,980 = 80.0%), and therefore applies in this case.

**Revaluation Transitional relief (TR) reduces the gross bill from £8,964 to £5,603** (£4,980 + £623; 12.5% x £4,980 = £623).

The new RV results SBBS relief to be reduced from 100% in 2022-23 to 10% in 2023-24 (due to the operation of the taper). The 10% SBBS relief reduces the gross bill after TR down to £5,043 (£5,603 x 90% = £5,043).

As the property previously received 100% SBBS on the 31<sup>st</sup> of March 2023, the Small Business Transitional Relief Bill Cap is to be applied. The net bill (or deemed amount) on the 31<sup>st</sup> March 2023 was £0, and the bill cap to be applied for properties that were in receipt of SBBS is £600 (£0 + £600). This is lower than the £5,043 new net bill, and therefore applies in this case. **The Small Business Transitional Relief Bill Cap reduces the new net bill from £5,043 to £600.**

**The general Transitional Relief reduces the gross bill from £8,964 to £5,603. The new SBBS design reduces the new net bill to £5,043. And, lastly, Small Business Transitional Relief Bill Cap reduces the new net bill to £600.**

### **Example 7**

RV in 2022-23 of **£10,000**; the property received 100% SBBS relief on the 31<sup>st</sup> of March 2023.

Gross bill for 2022-23 of £4,980 (£10,000 x 49.8p). Net bill for 2022-23 of £0.

RV in 2023-24 of **£16,000**; the property is eligible for 20% SBBS relief.

Gross bill for 2023-24 of £7,968 (£16,000 x 49.8p);

The gross bill increase is £2,988 (£7,968 - £4,980).

The Transitional Relief cap to be applied is **12.5%** (Small property, with an RV in 2023-24 up to £20,000), which is lower than the 60.0% increase in gross bills (£2,988 / £4,980 = 60.0%), and therefore applies in this case.

**Transitional relief (TR) reduces the gross bill from £7,968 to £5,603** (£4,980 + £623; 12.5% x £4,980 = £623).

The new RV results SBBS relief to be reduced from 100% in 2022-23 to 20% in 2023-24 (due to the operation of the taper). The 20% SBBS relief reduces the gross bill after TR from £5,603 to £4,482 ( $£5,603 \times 80\% = £4,482$ ).

As the property previously received 100% SBBS on the 31<sup>st</sup> of March 2023, the Small Business Transitional Relief Bill Cap is to be applied. The net bill (or deemed amount) on the 31<sup>st</sup> March 2023 was £0 and the bill cap to be applied for properties that were in receipt of SBBS is £600 (£0 + £600). This is lower than the £5,043 new net bill, and therefore applies in this case. The **Small Business Transitional Relief Bill Cap reduces the new net bill from £4,482 to £600.**

**The general Transitional Relief reduces the gross bill from £7,968 to £5,603. The new SBBS design reduces the new net bill to £4,482. And, lastly, the Small Business Transitional Relief Bill Cap reduces the new net bill to £600.**

### **Example 8**

RV in 2022-23 of **£7,500**; the property received 100% SBBS relief on the 31<sup>st</sup> of March 2023.

Gross bill for 2022-23 of £3,735 ( $£7,500 \times 49.8p$ ). Net bill for 2022-23 is £0.

RV in 2023-24 of **£12,500**; the property is eligible for 87.5% SBBS relief.

Gross bill for 2023-24 of £6,225 ( $£12,500 \times 49.8p$ );

The gross bill increase is £2,490 ( $£6,225 - £3,735$ ).

The Revaluation Transitional Relief cap to be applied is **12.5%** (Small property, with an RV in 2023-24 up to £20,000), which is lower than the 66.7% increase in gross bills ( $£2,490 / £3,735 = 66.7\%$ ), and therefore applies in this case.

**Revaluation Transitional relief (TR) reduces the bill from £6,225 to £4,202** ( $£3,735 + £467$ ;  $12.5\% \times £3,735 = £467$ ).

The 87.5% SBBS relief reduces the gross bill from £4,202 to £525 ( $£4,202 \times 12.5\% = £525$ ). Although, the property previously received 100% SBBS on the 31<sup>st</sup> of March 2023, the Small Business Transitional Relief Bill Cap does not apply in this case.

This is because the new net bill (or deemed amount) plus the £600 cap (£0 + £600) is greater than the new net bill before the cap is applied (£525). The new net bill remains at £525.

**Transitional Relief reduces the gross bill from £6,225 to £4,202. SBBS relief reduces the net bill from £4,202 to £525. £525 is lower than the Small Business Transitional Relief Bill Cap (£600), therefore the new net bill is £525.**

### **Example 9**

The property is a merger of two old entries.

RV in 2022-23 of **£30,000** and **£40,000**; total gross bill for 2022-23 of £34,860 ( $(£30,000 \times 49.8p) + (£40,000 \times 49.8p)$ ). Neither property is in receipt of a relief.

RV in 2023-24 of **£90,000**.

Gross bill for 2023-24 of £45,990 ( $£90,000 \times (49.8p + 1.3p)$ ).  
The gross bill increase is £11,130 ( $£45,990 - £34,860$ ).

The Revaluation Transitional Relief cap to be applied is **25.0%** (Medium property, with an RV in 2023-24 between £20,001 and £100,000), which is lower than the 31.9% increase in gross bills ( $£11,130 / £34,860 = 31.9\%$ ), and therefore applies in this case.

**Revaluation Transitional relief reduces the bill from £45,990 to £43,575**  
( $£34,860 + £8,715$ ;  $25.0\% \times £34,860 = £8,715$ ).

### **Example 10**

The property is a split or re-organisation, taking effect on 1<sup>st</sup> April 2023.

RV in 2023-24 of **£16,000**.

Gross bill for 2023-24 is £7,968 ( $£16,000 \times 49.8p$ ); the property is eligible for 20% SBBS relief for 2023-24.

In order to calculate Revaluation Transitional Relief in the case of a split property, the gross bill in 2023-24 is adjusted by a relevant factor to arrive at a 'base liability' (1.2 for a small property with an RV of £20,000 or less, 1.25 for a medium property with an RV between £20,001 and £100,000 or 1.4 for a property with an RV of over £100,000). In this case the factor is 1.2, so the base liability is £6,640 ( $£7,968 \div 1.2$ ). The Revaluation Transitional Relief cap to be applied is **12.5%** (Small property, with a 2023-24 RV up to £20,000).

The cap is applied to the base liability ( $£6,640 \times 1.125 = £7,470$ ). As this amount is lower than the £7,968 gross bill, transitional relief has an effect and the new gross bill is £7,470.

A 20% SBBS relief is applied to the new gross bill. **This reduces the new bill from £7,470 to £5,976** (a relief of £1,494 is awarded).

### **Example 11**

The property is a new entry on the valuation roll. The property was previously exempt as it was located in a public park. The property is not eligible for a relief (other than Parks Transitional Relief), e.g. due to the ratepayer cumulative RV being over £35,000.

The RV in 2023-24 is £15,000.

Gross bill for 2023-24 is £7,470 ( $£15,000 \times 49.8p$ ).

In order to calculate Parks Transitional Relief in the case of a new property, a relief of 67% is applied to the gross bill in 2023-24. In this case, the Parks Transitional Relief reduces the new bill from £7,470 to £2,465 (a relief of £5,005 is awarded).

## **Example 12**

A property similar to that in example 7 receives Revaluation Transitional Relief from 1<sup>st</sup> of April 2023. An extension to the property is made with effect from 1<sup>st</sup> September 2023.

RV in 2022-23 of **£10,000**; the property received 100% SBBS relief on the 31<sup>st</sup> of March 2023.

RV in 2023-24 on the 1<sup>st</sup> of April is **£16,000**; the property is eligible for 20% SBBS relief.

After an extension/improvement, the RV of the property in 2023-24 on the 1<sup>st</sup> of September is **£24,000**; the property is not eligible for SBBS relief

### **Net Bill from the 1st of April to 31<sup>st</sup> of August**

See example 7 for detail

The general Transitional Relief reduces the gross bill from £7,968 to £5,603. The new SBBS design reduces the new net bill to £4,482. And, lastly, the Small Business Transitional Relief Bill Cap reduces the new net bill to £600. This is apportioned for the 153 days between 1 April and 31 August, with the resulting net bill  $£600 * (153/366) = £250.82$ .

### **Net Bill from the 1st September 2023 to the 31<sup>st</sup> March 2024**

From the 1<sup>st</sup> of September 2023, the RV of the property increases from £16,000 to £24,000.

The Revaluation Transitional Relief cap to be applied remains 12.5% (Small property, with an RV in 2023-24 up to £20,000) because the relevant RV for the calculation is the RV on 1<sup>st</sup> April 2023. This is lower than the 60.0% increase in the annual gross bill on the 1<sup>st</sup> of April ( $£2,988 / £4,980 = 60.0\%$ ), and therefore applies in this case.

Transitional relief (TR) reduces the annual gross bill from £7,968 to £5,603 ( $£4,980 + £623$ ;  $12.5\% \times £4,980 = £623$ ). Added to this, is the Gross Bill resulting from the additional RV from 1<sup>st</sup> September ( $£8,000 \times 0.498 = £3,984$ ). Therefore the total annual Gross Bill from 1<sup>st</sup> September 2023 is £9,587.

No SBBS relief is awarded from 1<sup>st</sup> September 2023, because RV is over £24,000. The additional RV of £8,000 is an eligible increase for 100% Business Growth Accelerator (BGA) relief. The annual amount of BGA relief (A) is therefore  $£8,000 \times 0.498 = £3,984$  and applies from 1<sup>st</sup> September 2023.

As the property previously received 100% SBBS on the 31<sup>st</sup> of March 2023, the Small Business Transitional Relief Bill Cap is still to be applied. The net bill (or deemed amount) on the 31<sup>st</sup> March 2023 was £0 and the bill cap to be applied for properties that were in receipt of SBBS is £600 ( $£0 + £600$ ). This is lower than the

£5,043 new net bill, and therefore applies in this case. The **Small Business Transitional Relief Bill Cap reduces the new net bill from £4,482 to £600.**

The formula for the net bill for the period from 1<sup>st</sup> September is given by the following:

Where DA is the 'deemed amount'. This is the net bill of the property in 2022-23 In which in this case is £0 as the property previously received full relief, £600 is added to this figure to reflect the small business transitional relief cap. <sup>2</sup>

CRV is the current RV of £24,000

RV is the RV on the 1<sup>st</sup> of April of £16,000

PF is the relevant poundage rate (0.498 as neither of the supplements apply)

Z is another relief the property is eligible for on the £8,000 increase in RV excluding BGA. In this case, no relief is awarded because BGA is awarded at 100%.

The net bill for each day is calculated by the formula:

$$\frac{DA + 600 + \left( ((CRV - RV) * PF) - A \right) * (100\% - Z)}{366}$$

Given the above figures, the net bill for each day between 1 September 2023 and 31 March 2024 is:

$$\frac{0 + 600 + \left( ((24,000 - 16,000) * 0.498) - 3,984 \right) * (100\% - 0\%)}{366} = \frac{600}{366}$$

There are 213 days in this period, therefore the total net bill between 1 September 2023 and 31 March 2024 is:

$$\frac{600}{366} * 213 = £349.18$$

This is added to the figure calculated above for the period between 1 April 2023 and 31 August 2023 of £250.82, for a total of £250.82 + £349.18 = £600.

### **Example 13**

A property with an RV of **£10,000** on the 30<sup>th</sup> September 2022 completes an extension or improvement, increasing RV to **£12,000** effective from the 1<sup>st</sup> of October 2022. This increase in RV of £2,000 is eligible for 100% Business Growth Accelerator Relief (£2,000\*0.498=£996) worth 16.66% of the Gross Bill of the

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<sup>2</sup> Note if the new net bill is less than £600 higher than the net bill on the 31<sup>st</sup> of March, then DA + 600 is discarded and the new net bill is used instead.

property for 6 months of 2022-23 and a further 6 months, after the revelation, in 2023-24. The property is also in receipt of 80% Mandatory Charity Relief on the £10,000 RV that is not subject to 100% BGA relief.

RV in 2023-24 on the 1<sup>st</sup> of April is increased to **£16,000**; the property remains eligible for Mandatory Charity Relief and Business Growth Accelerator Relief (for a period of 6 months).

On the 31<sup>st</sup> of March, the property has a Gross Bill of £5,976 and received BGA relief of £996 ( $£2,000 \times 0.498$ ) and Mandatory Charity Relief of £3,984 ( $£10,000 \times 0.498 \times 80\%$ ). The property therefore had a Net Bill of £996.

On the 1<sup>st</sup> of April 2023-24, the new RV is £16,000 and the Gross Bill is £7,968. The Revaluation Transitional Relief cap to be applied is **12.5%** (Small property, with an RV in 2023-24 up to £20,000), which is lower than the 33% increase in gross bills ( $£7,968 / £5,976 = 33\%$ ), and therefore applies in this case.

**Revaluation Transitional relief** reduces the bill from £7,968 to £6,723 ( $£5,976 + £747$ ;  $12.5\% \times £5,976 = £6,723$ ).

The property is eligible for 16.66% BGA relief on the new gross bill ( $£6,723 \times 16.66\% = £1,120.5$ ) and 80% Mandatory Charity Relief ( $£6,723 \times 80\% = £5,378.4$ ). Therefore, the total net Bill on the 1<sup>st</sup> of April is £224.10. This annual net bill is relevant for the period 1<sup>st</sup> April to 30<sup>th</sup> of September (183 days).

From 1st October 2023, the property is no longer eligible for BGA relief and this relief therefore expires. The Net Bill increases to £1,344.6 for the remaining 183 days of the 2023-24 financial year.

**For 2023-24 the Final Net Bill is therefore given by:**

$$£224.1 \times (183/366) + 1,344.6 \times (183/366) = £784.35$$

Please note that these are illustrative examples only. The administration of non-domestic rates reliefs is a matter for local authorities, and this will include the order in which they apply different reliefs which may affect the calculations in this or similar scenarios.