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14 November 2018

I am writing to inform you that on 26 October, I confirmed the Scottish Government's intention to extend transitional relief until the next revaluation in 2022, whilst visiting the Ness Walk Hotel development site in Inverness.

This will mean annual rates increases will be capped at 12.5% in real terms for the full five-year period between the 2017 and the 2022 revaluations for all but the largest properties in the hospitality sector in Scotland, and for offices in Aberdeen City and Shire.

Transitional relief will continue to be delivered through annual subordinate legislation and the inflation measure used to calculate the cash terms increase will be set out therein each year.

This decision was taken following extensive consultation as part of our Barclay Review implementation plans and I hope this announcement and the certainty it provides will be welcomed by all stakeholders.

I value the important contribution of businesses to the Scottish economy. The Scottish Government will continue to support business as part of our commitment to inclusive economic growth.

Regards



**KATE FORBES**