Kilpatrick & Co

Commercial Property Consultants

NEWS RELEASE

BUSINESS RATES CHANGES!

In the Autumn Statement the Government announced new measures for Business Rates affecting all ratepayers from 1 April 2023, the date when the next national Rating Revaluation takes effect. The main changes are:-

1. From 1/4/2023 new rateable values will come into effect based on rents as at 1/4/2021, instead of the current rateable values based on rents at 1/4/2015.
2. The 2023 Rating Revaluation is due to last for 3 years, with the next revaluation due in 2026.
3. Instead of increasing by inflation, the business rates multiplier will remain at 49.9 pence (small properties) and 51.2 pence in the pound, (large properties).
4. For the 2023 Revaluation, there will be no downwards transition, keeping bills artificially high(great news!) and upwards transition will remain, but at new levels, phasing in rates increases resulting from the Revaluation at 5%, 15% and 30%, for small, medium, and large properties in 2023-24.
5. Retail, Hospitality and Leisure Relief - Support for eligible retail, hospitality, and leisure businesses is being extended and increased from 50% to 75% business rates relief up to £110,000 per business in 2023-24.
6. Business Rates - Improvement Relief – In the 2021 Autumn Budget the Government announced a new improvement relief to ensure ratepayers do not see an increase in their rates for 12 months as a result of making qualifying improvements to a property they occupy. This will now be introduced from April 2024. This relief will be available until 2028, at which point the Government will review the measure.
7. Business Rates - Supporting Small Business Scheme (SSBS) - Bill increases for the smallest businesses losing eligibility or seeing reductions in SBRR or Rural Rate Relief (RRR) will be capped at £600 per year from 1 April 2023. This means no small business losing eligibility for SBRR or RRR will see a bill increase of more than £50 per month in 2023-24.

Andrew Kilpatrick of Kilpatrick & Co said: “ Whilst a freeze in the rates multiplier is welcome, a tax rate of 50% remains unacceptable and in my view it is somewhat disingenuous of the Government to suggest the freezing of an already excessive tax rate amounts to “a tax cut worth £9.3 billion over the next five years”, which is clearly inaccurate when the Revaluation has a 3 year lifespan and since when does not increasing a tax amount to a tax cut?

The abolition of downwards transition is good news and may help retailers struggling to survive in todays High Streets and encourage them to keep shops open. However, the upwards transition, whilst looking good in principle, will have significant impact on large warehouses and industrials, where rents have increased significantly since 2015 and who will be facing rates increases of 30% from next April."

Draft rateable values are available for inspection on the Rating List.

Kilpatrick & Co offer specialist advice on Business Rates and may be contacted at Delta 602, Delta Business Park, Welton Road, Swindon SN5 7XF. Tel: 01793 643101 E: post@kilpatrick-cpc.co.uk. Or via their website: www.kilpatrick-cpc.co.uk.