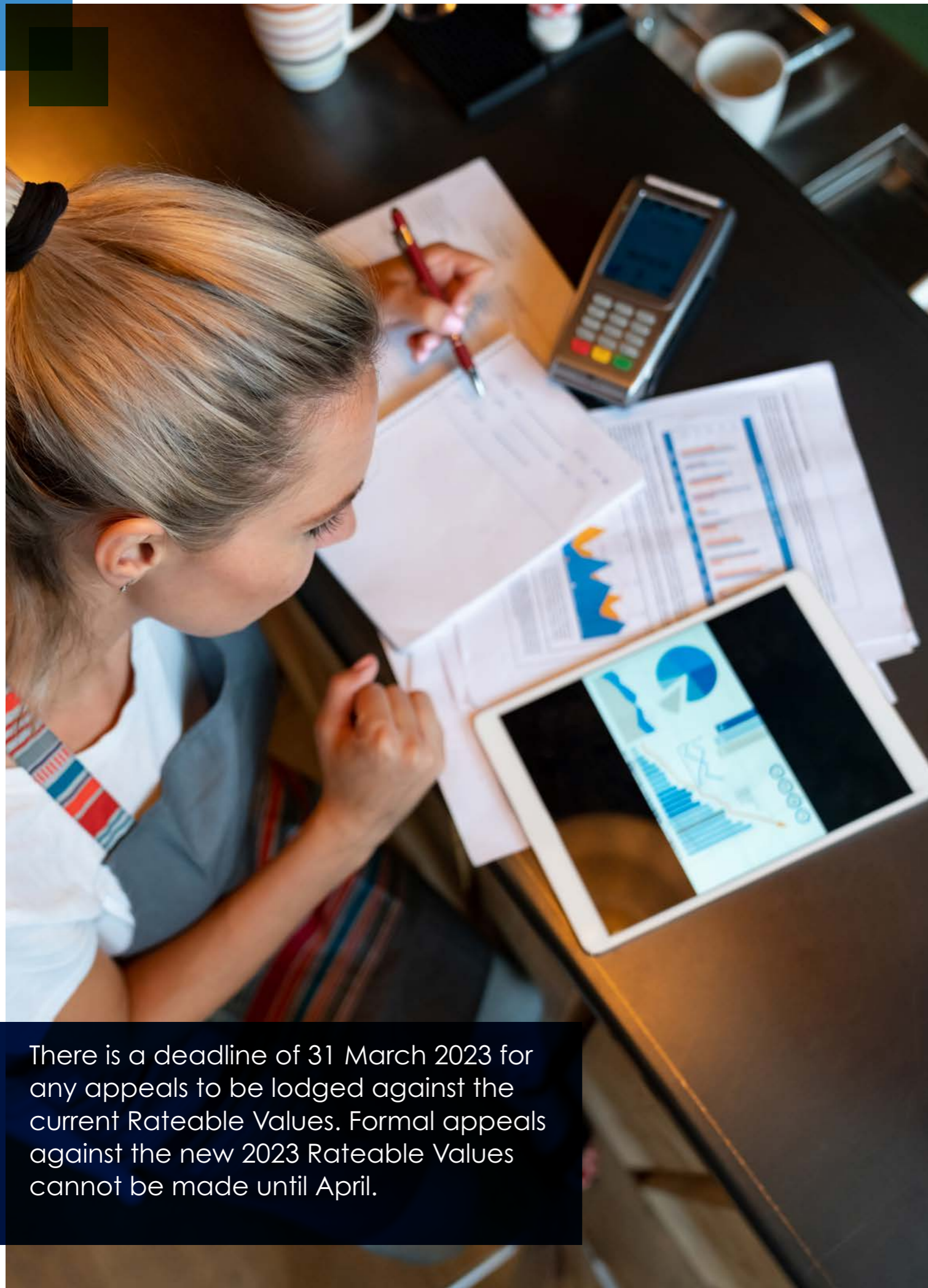




Business Rates

MARKET UPDATE

February 2023



There is a deadline of 31 March 2023 for any appeals to be lodged against the current Rateable Values. Formal appeals against the new 2023 Rateable Values cannot be made until April.

Business Rates

2023 Rating Revaluation – draft figures published

The Government has now published the draft 2023 Rateable Value List which will come into effect on 1 April 2023. The new rateable values represent the Government's view as to the rental value of each property in April 2021. The revaluation has been undertaken to ensure rates bills reflect changes in market conditions since 2015.

The impact varies significantly by both sector and region:

2023 REVALUATION IMPACT – Change in Rateable Value by sector and region					
	All Sectors	Retail	Industrial	Office	Other
England	8%	-17%	37%	12%	6%
- North East	2%	-21%	26%	11%	2%
- North West	8%	-17%	29%	24%	7%
- Yorkshire and the Humber	5%	-24%	25%	11%	9%
- East Midlands	10%	-20%	28%	4%	9%
- West Midlands	9%	-22%	33%	21%	5%
- East	18%	-18%	49%	37%	14%
- London	3%	-15%	46%	7%	-2%
- South East	13%	-17%	46%	26%	8%
- South West	11%	-11%	35%	17%	10%
Wales	0%	-16%	15%	8%	3%

- data relates to properties with RV >£51,000

The clear beneficiary of the revaluation is the retail sector which in every region will see significant reductions in rates bills. The largest increases are being seen in the industrial and logistics sector reflecting the rental growth seen since 2015.

Appeal deadline – 31 March 2023

There is a deadline of 31 March 2023 for any appeals to be lodged against the current Rateable Values. Formal appeals against the new 2023 Rateable Values cannot be made until April.

Uniform Business Rate Frozen – 2023/24

The Government is freezing the business rates multiplier in 2023-24. It was previously feared that the UBR would incorporate a 10.1% increase based on the September CPI inflation figure. As a result the 2023-24 UBR will remain at 51.2p with a lower figure of 49.9p for properties with Rateable Values below £51,000.

Transitional Relief 2023/24 onwards

The caps on rates reductions are to be abolished. This will mean that a ratepayer with a declining business rates bill as a result of the 2023 Revaluation will benefit from the full decrease immediately.

A 3 year transitional relief scheme will be implemented for those properties facing rates increases as a result of

the 2023 Revaluation. The 'upward caps' will be 5%, 15% and 30%, respectively, for small, medium, and large properties in 2023-24.

Retail, Hospitality & Leisure Relief – 2023/24

The Government is extending and increasing the Retail, Hospitality and Leisure relief scheme in England for eligible retail, hospitality and leisure properties. For eligible properties the relief will increase from 50% to 75% - this relief however will be subject to a cap of "£110,000 per business".

Online Sales Tax consultation outcome

Following the recent consultation on an Online Sales Tax (OST), the Government has decided not to introduce such a tax. The government advised that their decision reflects concerns raised about an OST's complexity and the risk of creating unintended distortion or unfair outcomes between different business models.

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