



MONTAGU EVANS TALKS...

BUSINESS RATES SET TO INCREASE FROM APRIL 2024

BY JOSH MYERSON

In his Autumn Statement of 22nd November the Chancellor announced 110 measures for economic growth, whilst delivering on aims to reduce debt and cut taxes.

As expected, these measures included important changes to business rates.

Overall, whilst there is a continued commitment to support small businesses and those operating in the retail, hospitality and leisure sectors, other businesses will likely see a significant rise in their bills from April next year.

The key headlines include:

- The Small Business multiplier has been frozen for the 4th year in a row at 49.9p. This applies to occupied premises with a Rateable Value of £51,000 and below.
- The Standard multiplier will increase in line with September's CPI inflation figure (6.7%) from 51.2p to 54.6p.
- The existing relief on properties used for Retail Hospitality and Leisure will continue for another year at 75% relief subject to a cap of £110k per business.

The Chancellor was keen to highlight a commitment to cutting taxes, however the decision to increase the standard multiplier will nevertheless result in increases on c. 200,000 bills.

Having frozen the multiplier for the preceding 3 years there was some expectation that any increase would be subject to a cap, to protect businesses from a significant hike in liability. This has not been the case and instead, many ratepayers will now have to weather a full inflationary rise.

Not since 1991, when the multiplier increased from the previous year by 11% have we seen a higher year to year increase. Those operating in the Retail Hospitality and Leisure sectors nevertheless ought to continue to benefit from relief, which will no doubt lessen the impact of this change in the multiplier.

Following passing of The Non Domestic Rating Act 2023 ratepayers were not anticipating significant changes to be announced in the Autumn Statement. Nevertheless the increases now being faced by many serves to underline the importance of a review of the accuracy of the assessments against which they pay.

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JOSH MYERSON

IS A PARTNER AND HEAD OF RATING

M 07818 012 511
E josh.myerson@montagu-evans.co.uk