

Business Rates Explanatory notes 2025/26



Non-Domestic Rates

Non-Domestic Rates, or business rates, collected by local authorities are the way that those who occupy non-domestic property contribute towards the cost of local services. Under the business rates retention arrangements introduced from 1st April 2013, authorities keep a proportion of the business rates paid locally. The money, together with revenue from council taxpayers, locally generated income and grants from central government, is used to pay for the services provided by local authorities in your area. Further information about the business rates system, may be obtained at: www.gov.uk/introduction-to-business-rates and at the website of your local council which is normally shown on your rate bill.

Business Rates Instalments

Payment of business rate bills is automatically set on a 10-monthly cycle. However, the Government has put in place regulations that allow ratepayers to require their local authority to enable payments to be made through 12 monthly instalments. If you wish to take up this offer, you should contact your local authority as soon as possible.

National Non-Domestic Rating Multiplier

The local authority works out the business rates bill for a property by multiplying the rateable value of the property by the appropriate non-domestic multiplier. There are two multipliers: the national non-domestic rating multiplier and the small business non-domestic rating multiplier. The Government sets the multipliers for each financial year, except in the City of London where special arrangements apply.

Ratepayers who occupy a property with a rateable value which does not exceed £50,999, will have their bills calculated using the lower small business non-domestic rating multiplier, rather than the national non-domestic rating multiplier.

The multiplier for a financial year is usually based on the previous year's multiplier adjusted to reflect the Consumer Price Index (CPI) inflation figure for the September prior to the billing year unless a lower multiplier is set by the Government. For 2025/26 Government have again frozen the Small Business Multiplier but have increased the Standard Multiplier. Both multipliers will be shown on the front of your bill

Rateable Value

Apart from properties that are exempt from business rates, each non-domestic property has a rateable value which is set by the Valuation Office Agency (VOA), an agency of Her Majesty's Revenue and Customs. They compile and maintain a full list of all rateable values, available at www.gov.uk/voa The rateable value of your property is shown on the front of your bill. This broadly represents the yearly rent the property could have been let for on the open market on a particular date specified in legislation. For the current rating list, this date was set as 1st April 2021.

The Valuation Office Agency may alter the valuation if circumstances change. The ratepayer (and certain others who have an interest in the property) can also check and challenge the valuation shown in the list if they believe it is wrong. Further information about the grounds on which challenges may be made and the process for doing so can be found on the VOA website: www.gov.uk/guidance/how-to-check-your-rateable-value-is-correct

Revaluations

All non-domestic property rateable values are reassessed at revaluations. The most recent revaluation has taken effect from the 1st April 2023 and therefore the Rateable Value will have most likely have changed. Revaluations ensure that business rates bills are up-to-date, more accurately reflect current rental values and relative changes in rents. Frequent revaluations ensure the system continues to be responsive to changing economic conditions.

Transitional Relief Schemes

Transitional relief schemes are introduced at each revaluation to help those facing increases. Transitional relief is applied automatically to bills. Further information about transitional arrangements may be obtained from the local authority or at www.gov.uk/introduction-to-business-rates

Business Rate Reliefs

Depending on individual circumstances, a ratepayer may be eligible for a rate relief (i.e. a reduction in your business rates bill). There are a range of available reliefs. Some of the permanent reliefs are set out below but temporary reliefs are often introduced by the Government as part of the national budget. Please find further details on the latest availability of business rates reliefs and advice on whether you may qualify at www.gov.uk/introduction-to-business-rates or on our website www.westberks.gov.uk

Small Business Rates Relief

If a ratepayer's sole or main property has a rateable value which does not exceed an amount set out in regulations, the ratepayer may receive a percentage reduction in their rates bill for this property of up to a maximum of 100%. Eligible properties above the lower threshold and below a specified upper threshold will receive partial relief. The relevant thresholds for relief are set out in regulations and can be obtained from your local authority or at www.gov.uk/introduction-to-business-rates

Generally, this percentage reduction (relief) is only available to ratepayers who occupy either:

- (a) one property, or
- (b) one main property and other additional properties providing those additional properties each have a rateable value which does not exceed the limit set in regulations.

The aggregate rateable value of all the properties mentioned in (b), must also not exceed an amount set in regulations. For those businesses that take on an additional property which would normally have meant the loss of small business rate relief, they will be allowed to keep that relief for a fixed additional period. Full details on the relevant limits in relation to second properties and the current period for which a ratepayer may continue to receive relief after taking on an additional property can be obtained from your local authority or at www.gov.uk/introduction-to-business-rates

Certain changes in circumstances will need to be notified to the local authority by the ratepayer who is in receipt of relief (other changes will be picked up by the local authority). The changes which should be notified are:

- (a) the property falls vacant,
- (b) the ratepayer taking up occupation of an additional property, and
- (c) an increase in the rateable value of a property occupied by the ratepayer in an area other than the area of the local authority which granted the relief.

Charity and Community Amateur Sports Club Relief

Charities and registered Community Amateur Sports Clubs are entitled to 80% relief where the property is occupied by the charity or the club and is wholly or mainly used for the charitable purposes of the charity (or of that and other charities), or for the purposes of the club (or of that and other clubs).

The local authority has discretion to give further relief on the remaining bill. Full details can be obtained from the local authority.

Unoccupied Property Rate Relief

Business rates are generally payable in respect of unoccupied non-domestic property. However, they are generally not payable for the first three months that a property is empty. This is extended to six months in the case of certain other properties (for example industrial premises). Full details on exemptions can be obtained from your local authority

www.gov.uk/apply-for-business-rate-relief

Rate Relief for Businesses in Rural Areas

Certain types of properties in a rural settlement with a population below 3,000 may be entitled to relief. The property must be the only general store, the only post office or a food shop and have a rateable value of less than £8,500, or the only public house or the only petrol station and have a rateable value of less than £12,500. The property has to be occupied. An eligible ratepayer is entitled to relief at 100% of the full charge (50% being mandatory relief and 50% centrally funded discretionary relief).

2025/26 Retail, Hospitality and Leisure (RHL) relief scheme guidance

The 2025/26 Retail, Hospitality and Leisure (RHL) relief scheme will provide eligible, occupied, retail, hospitality, and leisure properties with 40% relief, up to a cash cap of £110,000 per business.

Under the cash cap, no ratepayer can in any circumstances exceed the £110,000 cash cap across all of their hereditaments in England. Where a ratepayer has a qualifying connection with another ratepayer then those ratepayers should be considered as one ratepayer for the purposes of the cash caps.

The RHL relief scheme guidance provides local authorities with information about the intended operation and delivery of the policy.

The Government anticipates that local authorities will include details of the relief to be provided to eligible ratepayers for 2025/26 in their bills. The Government has published guidance setting out the eligibility criteria for the scheme. This guidance can be found at:

<https://www.gov.uk/guidance/business-rates-relief-202526-retail-hospitality-and-leisure-scheme>

2025/26 Supporting Small Business (SSB) relief scheme guidance

At Autumn Statement 2022 the Chancellor also announced that a new Supporting Small Business (SSB) relief scheme which will cap bill increases at £600 per year for any business losing eligibility for Small Business Rate Relief or Rural Rate Relief at the 2023 revaluation.

Further information about the scheme can be found here:

<https://www.gov.uk/apply-for-business-rate-relief>

State Aid or Subsidy Control

The new UK subsidy control regime commenced from the 4 January 2023. The new regime enables public authorities, including devolved administrators and local authorities, to deliver subsidies that are tailored for local needs. Public authorities giving subsidies must comply with the UK's international subsidy control commitments.

The subsidy control legislation provides a framework for a new UK wide subsidy control regime. Further information about subsidy control can be found at the website

www.gov.uk/government/collections/subsidy-control-regime

Local Discounts & Hardship Relief

Local authorities have a general power to grant discretionary local discounts and to give hardship relief in specific circumstances. Full details can be obtained from the local authority.

Rating Advisers

Ratepayers do not have to be represented in discussions about their rateable value or their rates bill. However, ratepayers who do wish to be represented should be aware that members of the Royal Institution of Chartered Surveyors (RICS - website www.rics.org) and the Institute of Revenues, Rating and Valuation (IRRV - website www.irrv.org.uk) are qualified and are regulated by rules of professional conduct designed to protect the public from misconduct. Before you employ a rating adviser or company you should check that they have the necessary knowledge and expertise, as well as appropriate indemnity insurance. Take great care and, if necessary, seek further advice before entering into any contract.

Information Supplied with Demand Notices

Information relating to the relevant and previous financial years in regard to the gross expenditure of the local authority is available at **www.westberks.gov.uk**

A hard copy is available on request by writing to the council at:

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Revenues & Benefits
Market Street
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