



# AUTUMN 2025 NEWSLETTER

## TRANSFORMING BUSINESS RATES

Business Rates at the fore as Autumn Statement confirms modernisation and expanded relief for the fortunate but funded by additional charges for the largest ratepayers.

Business Rates & Investment - Call for Evidence released

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## Foreword

I can't remember a budget where we have been waiting for so long, and for which there has been such a general feeling of trepidation. Rachel Reeves pledged not to raise the main rates of Income Tax, National Insurance, or VAT but that means that the black hole of public finances needs to be filled elsewhere.

Reeves has said that those with the 'broadest shoulders' will bear the brunt. Whilst Corporation Tax and Tax Thresholds remain unchanged there have been raids across pensions, savings, employee ownership trusts... the list goes on.

We have been expecting significant changes to business rates following the publication of Transforming Business Rates;- Interim Report, back in September, which have now been confirmed.

There have been widespread changes and expected receipts from business rates will increase from £34bn in 2025/26 to £37bn in 2026/27.

I seem to say it a lot these days, business rates is going through the most radical transformation of the last 30+ years which makes it

even more important than ever to make sure that you have proper, proactive advice from people who understand the subject inside out.

The budget announcement obviously just relates to England and devolved powers mean that we will have to wait until Wales make an announcement.

If you have any questions, pick up the phone. We're here to help.

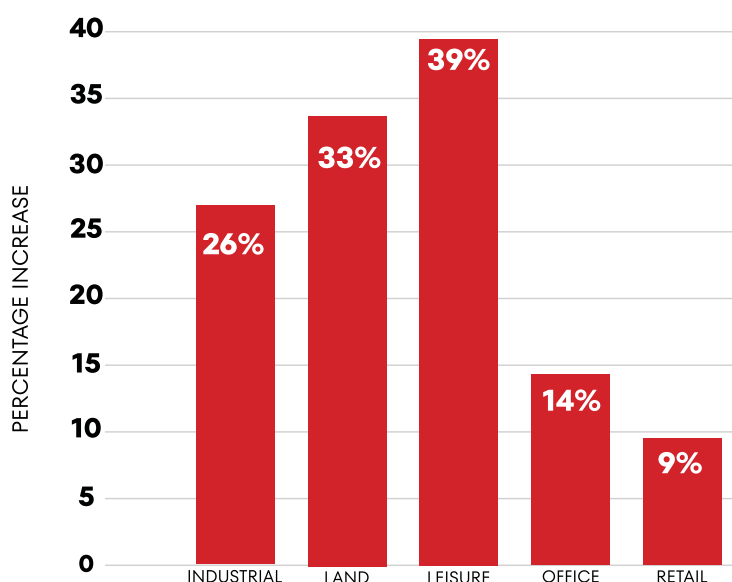
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# Revaluation 2026

The next rating list will come into effect on 01/4/26 but the draft figures were released on 26/11/25. The total pool of rateable value has increased from £70.78bn to £84.4bn equating to 19.2% overall. There are sector increases across the board – the table below shows the main bulk class properties.

Type	2023 RV Total £	2026 RV Total £
Industrial	19,017,116,170	24,032,790,079
Land	613,639,383	800,206,360
Leisure	5,000,401,148	6,967,313,798
Office	16,588,205,007	18,905,741,303
Retail	14,271,686,624	15,563,110,966



There are increases across almost every region and property type but these headline figures mask significant local and regional variations. It's not enough to consider your property against the regional numbers as there are significant variations and anomalies within regions and as we drill down further into local areas, we're sure that more anomalies will show up.

We're contacting all of our clients with their new RV's and will start the review process as soon as possible. Whilst we can't formally take action against the Draft 2026 RV until it goes live on 01/04/26, there is a way to start the ball rolling sooner. The Check part of the Check Challenge Appeal process is 'rating list agnostic', meaning we can start a Check now if appropriate, and when the VO respond, we can then submit a 2026 Challenge. There is only a single right of Challenge for each set of circumstances and we can tactically decide the right time to take action. Speak to us if you have specific concerns about any of your assessments so that we can prioritise action.

If you haven't received your portfolio update, setting out your new RV's then please get in touch immediately.

**Up to date rental evidence is an essential part of reviewing your 2026 rateable value. The 2026 RV is based on the hypothetical rental value of a property on a fixed valuation date of 01/04/24. If you have agreed a new rent, review or renewal since January 2023 onwards then it could be an important part of supporting a lower assessment. Please send details ASAP**

# Retail Hospitality & Leisure Relief

**“The Winners will still pay significantly more than in recent years but the removal of the £110,000 cap favours large multi-site occupiers”**

The new scheme in England reduces relief from 40%, capped at £110,000 per business, to an uncapped 10.4% to 11% relief depending on RV size. Without doubt this favours the larger multi-site occupiers and heaps more pressure on smaller occupiers.

The scheme was originally introduced in 2019 after the government ruled out an Online Sales Tax, and was designed to level the playing field between those with physical properties and online sales.

Over the intervening years it increased from 33% to 100% as a response to Covid, before dropping down to 75% for a few years before finally settling at 40% relief for 2025/26. The £110k cap per business was added along the way, which seemed completely contradictory to its original purpose of supporting the high street. In its current form it supports a vast array of businesses, but not the chains that make up large parts of our high street. RHL has lost its way.

It has also been subject to both widescale abuse and massive anomalies as discretionary relief from councils has produced wildly varying application rates for the same type of property and business type.

From 01/04/26 a new scheme will apply to an estimated 750,000 properties in England, providing relief of £900m a year. This new scheme will change from relief awarded at the discretion of the Local Authority, to a statutory scheme where recipients will receive a consistently lower RHL multiplier of up to 20p below the standard rate.

For 2026/27 the RHL Multiplier has been set at very modest 5p below the standard multipliers. This equates to between 10.4% and 11% relief depending on property RV, more of which is explained later in this newsletter.

There will also be no cash cap and going forward, all properties that meet the legislative definition and have RVs below £500,000 will be within scope of the reduced RHL multipliers.

There will be winners and losers – some occupiers won't fit the new criteria and won't benefit from the new scheme, whilst others who don't currently receive relief will now qualify i.e. where the majority of sales occur online rather than from a physical premises then the lower multipliers could apply if some customers still visit the site.

Those companies that lose RHL will benefit from an extended Supporting Small Businesses scheme – the mechanics of which will become clear in due course.

This new scheme is to be paid for by probably the most controversial move in recent memory – the Surtax is a supplement on all properties with an RV over £500k, regardless of their use, which would be subject to an additional charge of up to 10p. The budget sets this at a much more modest 2.8p. Large retail occupiers such as supermarkets will not only lose the relief, but they will also face an additional burden on top to pay for RHL elsewhere.

We are already seeing local authorities beginning preparations for implementing the new scheme, with many sending out questionnaires and surveys to establish whether occupiers still meet the RHL criteria.

The responses to these questions could have pivotal implications to the ongoing award of relief so great care is required. Whilst the new scheme is set out in legislation, there is no formal right of appeal - if the council withdraw or fail to award ongoing relief then there is limited chance to rectify the position.

We expect Wales to follow suit with a similar scheme in due course.

How can we help? We can guide you through the process, make appropriately worded responses to enquiries and ensure that the relief is as broadly applied as possible. Where your relief has historically been capped at £110,000 maximum, we can also ensure that it will now extend to cover portfolio wide where appropriate.

We expect there to be battles ahead, but we're confident that our knowledge of the system and unique ability to provide evidence to support where RHL has been awarded elsewhere, will continue to ensure that our clients get the best results.

Our fees are cost effective and using an expert in the field ensures that you're getting the maximum amount of relief that you're entitled to.

# Business Rates Multipliers

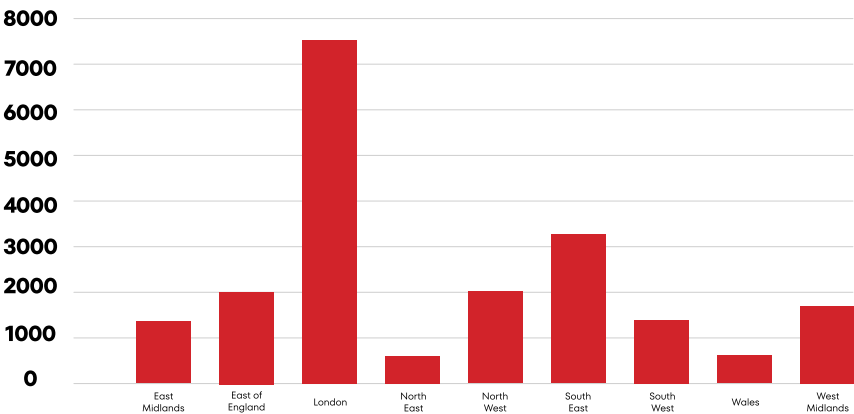
The current 2023 Rating List has only two multipliers. The Small Multiplier applies to all properties with a rateable Value of £50,999 and under, with a Large Multiplier applying to rateable values of £51,000 and over.

The new 2026 list introduces a High Value Multiplier for all properties, regardless of type, over £500k RV. The Small Multiplier and Large Multiplier retain the same RV thresholds but with a separate permanently lower multiplier for RHL recipients.

2023 MULTIPLIERS		
RV	STANDARD MULTIPLIER	SMALL MULTIPLIER
2023 to 2024	51.2 pence	49.9 pence
2024 to 2025	54.6 pence	49.9 pence
2025 to 2026	55.5 pence	49.9 pence

2026 MULTIPLIERS					
YEAR	HIGH VALUE MULTIPLIER	STANDARD MULTIPLIER	STANDARD MULTIPLIER WITH RHL	SMALL BUSINESS MULTIPLIER	SMALL BUSINESS MULTIPLIER WITH RHL
2026 to 2027	50.8 pence	48 pence	43 pence	43.2 pence	38.2 pence
2027 to 2028	51.6 pence	48.8 pence	43.7 pence	43.9 pence	38.8 pence
2028 to 2029	54.4 pence	49.6 pence	44.4 pence	44.6 pence	39.42 pence

Total number of properties over £500k -additional surtax revenue



RV Liable to  
**Surtax £29bn**

Additional  
Surtax revenue  
**£815M\***

\*Subject to transitional relief.

Number of properties  
over £500k RV

## Proposed Multiplier Structure for Wales from April 2026

The Welsh Government has consulted on introducing a new system with multiple multipliers, moving away from the current single-rate of 56.8 pence. The proposed structure includes:

**Lower Multiplier:** For specified small-to-medium sized retail shops, kiosks, pharmacies and post offices with a rateable value (RV) below £51,000.

**Standard Multiplier:** A rebased multiplier for most other properties.

**Higher Multiplier:** For all premises with a rateable value above £100,000, with some exemptions for specific public sector properties. The exact value of these new multipliers will be confirmed when the Welsh Government sets its budget for 2026-27, taking into account the impact of the draft 2026 Revaluation figures.





# Transitional Relief

Transitional relief phases in significant changes to a business's rates bill following a revaluation, to help ratepayers adjust gradually to their new charges. If a property's rates bill increases significantly as a result of the revaluation, transitional relief limits how much the bill can go up each year. This prevents businesses from facing sudden, large increases in their payments.

The current 2023 transitional scheme vs the new 2026 scheme is shown below, the biggest changes relating to properties with over £100k RV, softening the blow for a longer period. Transitional relief will be partially funded by a 1 pence surcharge in 2026/27 only on all properties that dont benefit from Transitional Relief or Supporting Small Business scheme.

2023 LIST				2026 LIST		
Rateable Value	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029
Up to £20,000 (£28,000 in London)	5%	10% plus inflation	25% plus inflation	5%	10% plus inflation	25% plus inflation
Up to £20,001 (£28,001 in London)	15%	25% plus inflation	40% plus inflation	15%	25% plus inflation	40% plus inflation
Over £100,000	30%	40% plus inflation	55% plus inflation	30%	25% plus inflation	25% plus inflation

There has been much speculation as to whether the approach to Transitional Relief will change entirely from a slab to slice approach, where the first layer of an RV would be subject to one multiplier and additional slices of RV subject to additional multipliers. This new approach has escaped this budget but is tabled for future discussion.

# Transforming Business Rates

In September 2025 the government published an update on the progress made since the Autumn Budget 2024 discussion paper on the reform of the business rates system.

RVW joined other key stakeholders in providing feedback on the original documents which saw consistent themes being raised across wide user groups of agents, ratepayers and local authorities. There has been an additional document published alongside the budget "Business Rates and Investment - Call for Evidence", seeking further engagement on various measures that remain under consideration.

We will continue to engage with the VO and wider profession to represent your best interests.

1. Tax structure: Calls for moving from a "slab" system (single rate on full value) to a "slice" system (marginal rates by band). Effectively meaning you would pay a lower multiplier on the first part of any bill.

2. Small Business Rates Relief (SBRR): Requests to raise thresholds and remove single-property condition.

3. Improvement Relief (IR): 12-month window seen as too short; calls for broader eligibility and alignment with green goals.

4. Empty Property Relief (EPR): Mixed views—real estate wants more generous terms; local authorities want stricter rules to prevent avoidance.

5. Uncertainty: Concerns over revaluation frequency, valuation transparency, and appeal delays. Mixed views on more frequent revaluations; strong support for shortening the Antecedent Valuation Date (AVD).

One thing that has remained clear is that there are no plans to increase the frequency of revaluations at this stage but they may shorten the window between the Antecedent Valuation Date and the start of the rating list which currently stands at 2 years.

## VOA merging with HMRC

The VO have been an executive agency of the Inland Revenue and subsequently HMRC since 1991 but will merge to be HMRC in 2026. The talk is of improved efficiencies and performance gains but this could signal significant additional bureaucracy.

## Empty Property Relief

Further engagement on Empty Property Relief. EPR was last overhauled in 2008 when full 100% liability after an initial statutory void was introduced. The intervening period has seen a massive rise in the "rates mitigation scheme", with many and varying solutions that really do fall into the good, the bad and the ugly. The entire profession remains surprised that certain types of schemes go unchallenged, whilst others are ferociously attacked.

The much threatened GAAR – General Anti Avoidance Rules have escaped another budget and these schemes run unabated.

## Duty to Notify

The "duty to notify" is a legal obligation for ratepayers to proactively inform the Valuation Office Agency (VOA) of any changes to their property that could affect its rateable value. This includes changes to structural elements, property usage, or tenancy, which must be reported within 60 days of the change, plus an annual confirmation statement, via a new online service that has yet to be released. This new system, part of the Non-Domestic Rating Act 2023, is being phased in from April 2026, with full implementation by April 2029 although any reference to it was conspicuously absent from the budget statement or any related documentation. Unfortunately we think it highly unlikely that its been quietly dropped! The duty is part of a package of reforms under Making Tax Digital and to support more frequent revaluations. It shifts the responsibility from the VOA having to find changes to the ratepayer being expected to proactively provide it. The stated goal is to create a more accurate and up-to-date database for property valuations. The reality is that it's all about generating more tax revenue that more closely tracks property alterations.

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# Property Strategy Review

The contents of this latest newsletter have been almost entirely business rates centric so it's perhaps easy to forget that we provide a full range of commercial property advice.

Whether you need some help with a rent review or lease renewal, relocating or dilapidations we're here to help you navigate the complex world of commercial property.

We help clients with long term property strategies including site acquisitions, lease regears and new build projects, with associated business rates advice to support each action.



We're happy to discuss any of the topics raised in this newsletter or your Draft 2026 list RV's.

Please get in touch with Lisa to arrange an informal discussion without cost or obligation.

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