

Business Rates Guide 23/24

England



From **April 2022 to March 2023**, Business Rates for Hospitality premises are discounted by 50% via the Retail, Hospitality & Leisure Relief scheme *



50%

From **April 2023 to March 2024**, Business Rates for Hospitality premises will be discounted by 75% for the year *



75%

* For businesses with a rateable value of more than £15,000

Revaluation for 2023 onwards

How can I find my updated rateable value?



The rateable value of your premises is set by the Valuation Office Agency (VOA) and used by the local council to calculate the business rates for the property.

The most recent revaluation from the VOA has now been released, and will be applied from **April 2023**



**Check your
new rateable
value here**



As the revaluation is based around data from April 21, many premises have been rated at a lower value. This is not the case across the board however, as a number of factors are taken into account.



**Read more about
the revaluation here**

Calculating your rates bill from April 2023

For businesses with a rateable value of more than £15,000



eg.



eg.



Calculating your rates bill from April 2023

continued...



Small Business Rate Relief

If you only have one property, and your rateable value is under £15k (under £20k in London) then you will be eligible for this instead of the Retail, Hospitality and Leisure Relief Scheme. Instead, you will receive a tapered discount depending on your actual rateable value, so speak to your local council to find out your exact calculation.

Rateable values of £12k and below will pay zero rates.

eg.



eg.



Calculating your rates bill from April 2023

continued...



Small Business Rate Relief

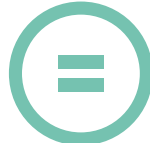
The intent of the Small Business Rate Relief is to reduce rates for those smaller businesses who would be unfairly burdened otherwise.

Rateable values of £12k and below will pay zero rates.

£1,060.38



75%

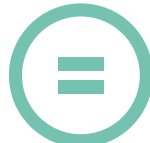


£265.10

£3,368.25



75%



£842.06

We strongly believe that you will also be able to claim the 75% discount offered through the Retail, Hospitality and Leisure Relief in addition to the SBRR, but please check with your local council in 2023.

With this in mind, this is what your rates could look like for 23/24, based on the examples from the previous page.

Calculating your rates bill from April 2023

continued...



Rural Rate Relief

You could get rural rate relief if your business is in a rural area with a population below 3,000.

You will not pay business rates if your business is in an eligible area and either:



the only village shop or post office, with a rateable value of up to £8,500



the only pub or petrol station, with a rateable value of up to £12,500

Contact your local council to check you're eligible and to apply for rural rate relief.



Valuation Office Agency Q&As

Pubs were badly hit due to the pandemic. Will 2023 valuations reflect this?

Yes. The rateable value of pubs is worked out using a combination of rent and turnover. The VOA has agreed an adjustment for COVID-19 with representatives of the pub industry that has been reflected in each valuation. The valuation date for the 2023 revaluation is 1 April 2021, and rateable values will reflect the impact that the COVID-19 pandemic had on the market at that time.

Why have the rateable values for some pubs increased, despite the impact of the pandemic? How can that be right?

The VOA has agreed an adjustment for COVID-19 with representatives of the pub industry that has been applied to each pub valuation.

A pub's new rateable value will reflect growth in rent and turnover from 2015-2021. If that growth has been higher than the adjustment made for COVID-19, then the pub will see an increase in their rateable value.

How do you value pubs and why is this different to other types of commercial properties?

The VOA's approach to valuing public houses has been agreed with the Pubs Rating Forum, comprising representatives from a number of industry bodies. This approach is detailed in the 2023 Approved Guide: Valuation of Public Houses and is an industry-wide, recognised way of valuing pubs.

We use a rental comparison basis using the open market rents available. There is a direct correlation between the trading potential of the pub and the rent paid. Rents are therefore analysed as a percentage of the FMT rather than on the floor space of the pub. Generally, the higher the trade, the higher the rent and therefore the rateable value.

The individual physical characteristics and location of the public house are all contributory factors reflected in the underlying trading potential of the property. A modern public house in a good location providing a range of facilities will trade better than an older poorly located public house. This is reflected in the FMT achieved and in the rent and the rateable value.

Why do you look at turnover as well as rent? Why is the weight of the business rates bill relative to turnover higher than any other sector?

The valuation approach for public houses is discussed and agreed with representatives from the pub industry. It is a rental comparison basis using the open market rents available.

The market shows us that there is a direct correlation between the trading potential of the pub and the rent, which is why we take account of FMT. Generally, the higher the trade, the higher the rent and therefore the rateable value. This is why the FMT is such a significant element of the valuation.



Find out more on
the VOA website





Am I eligible?

The eligibility criteria for accessing the Retail, Hospitality & Leisure Relief Scheme can be found here



The new rateable value and the discount of 75% should be applied automatically, but if you are new to the venue or unsure about any details, get in touch with your local council to check.



We have a Business Rates Helpline for members, helping you to challenge your rateable value or answer any of your queries.

harrislamb

0330 058 3878



If you have any questions, or need help with anything else, please get in touch with the BII Team

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