

# Annual Business Rates Review 2024/25

## A Benchmark Report

England and Wales

# Table of Contents

About Ryan	3
Foreword	4
Non-Domestic Rates in England	5
UK Property Taxes	12
UK Business Rates Revenue	14
Labour and Business Rates	15
Legislative Changes	18
Check, Challenge, Appeal	19
Focus on Pubs	31
Focus on City of London Shops	32
Focus on Empty Property Relief	33
2026 Revaluation	34
Focus on Private Schools	36
Focus on Wales	38
Appendix A - 2024/25 Biggest Sectoral Ratepayers	40

# About Ryan

Ryan is the largest global tax firm exclusively focused on business taxes with the ability to exceed clients' needs through industry expertise and tax.com™ powered technology. The Firm provides comprehensive tax services, backed by leading-edge SaaS technology, and unmatched customized solutions to deliver billions in annual tax savings collectively for its clients. Ryan's global reach with localized experts ensures nuanced jurisdictional knowledge to deliver exceptional client service and end-to-end capabilities, including advocacy and legal services. With more than three decades of proven results, Ryan is a trusted partner for delivering exceptional client value that goes beyond competitor offerings.

Ryan's UK Property Tax Services include business rates challenges, mitigation, audits, estate management, and relief applications. Ryan employs more than 550 team members in the UK across 13 offices, managing more than 140,000 properties with a total rateable value of £10.60 billion. Through our scale and expertise, Ryan is the agent of choice, leading the industry for registered checks and challenges along with representing 4 in every 10 appeals. Our proactive approach has resulted in £1.6 billion in total client savings against the 2017 and 2023 local rating lists.

## UK Tax Services

Ryan clients have access to a single-source solution for varied tax specialties, including:

- Property Tax
- Tax Technology
- Tax Transformation and Automation
- Value Added Tax
- Innovation Funding

## Ryan Benefits

- Technology-Enabled Tax Optimization
- End-To-End, Customized Solutions
- Global Reach with Localized Expertise
- Increased Profitability and Efficiency
- Enhanced Business Performance



# 77,000

clients supported  
in more than 80  
countries



# 5,900+

team members  
worldwide



# \$5 Billion

in annual corporate  
tax savings



# 81

Ryan's Net Promoter  
Score® ranks among  
the world's most  
respected brands

# Foreword



**Alex Probyn**

Practice Leader of EAP  
Property Tax at Ryan

I am delighted to present our 2024/25 Annual Business Rates Review, the first under the stewardship of Ryan, a leading global tax services and software provider, following its acquisition of Altus Group's property tax services and business rates business in January 2025.

As part of Ryan, the largest Firm in the world dedicated exclusively to business taxes, we deliver greater value to our clients through our end-to-end services, global resources, and local expertise. This integration expands Ryan's leadership in property tax services worldwide and particularly in the United Kingdom, along with its itamlink property tax management software. My colleagues and I are excited to be part of Ryan, bringing to our clients the value of Ryan's commitment to deliver best-in-class client service.

Ahead of diving into the specifics of this Annual Business Review, it is important to note that while the Labour government's commitment to a "fairer system" is warmly welcomed, its self-imposed commitment to revenue-neutral changes has created financial constraints and, to a certain extent, tied its hands to meaningful change.

Overarchingly, the primary point of contention for our clients isn't necessarily the system itself—it's the increasing amount of tax caused by annual uprating for inflation of tax rates. Property taxes in the United Kingdom are the highest in the developed world, with business rates receipts now £7.4 billion a year more than in 2010. An effective standard tax rate of 55.5% in England, through the compound

effect of inflation, from 1 April 2025, is just too high and stifles investment. Whilst lower tax rates for high-street properties from 1 April 2026 will ease the burden for those types of properties, ultimately, it will increase the burden for thousands of others.

Having supported the previous government in introducing more stringent business rates compliance requirements, these should lead to more accurate business rates bills. These changes will enable the faster resolution of challenges and provide far more stable budgeting for ratepayers—all key asks. But to do that, the Valuation Office Agency must have the processes, technology, data governance, and sufficient resources to make that work.

The landscape of business rates in the United Kingdom remains complex and challenging, with rising tax burdens placing increasing pressure on businesses across various sectors. While the government's commitment to reform is encouraging, true progress requires a more balanced approach—one that considers the broader economic impact of business rates rather than viewing them solely as a guaranteed revenue source.

At Ryan, we remain dedicated to supporting our clients through these evolving challenges, leveraging our global expertise and cutting-edge technological solutions to navigate the complexities of the system. As we look ahead, we will continue to advocate for fairer, more sustainable policies that foster investment, growth, and long-term economic resilience.



# Non-Domestic Rates in England

## £70.87 billion

Total Rateable Value

## 2.19 million

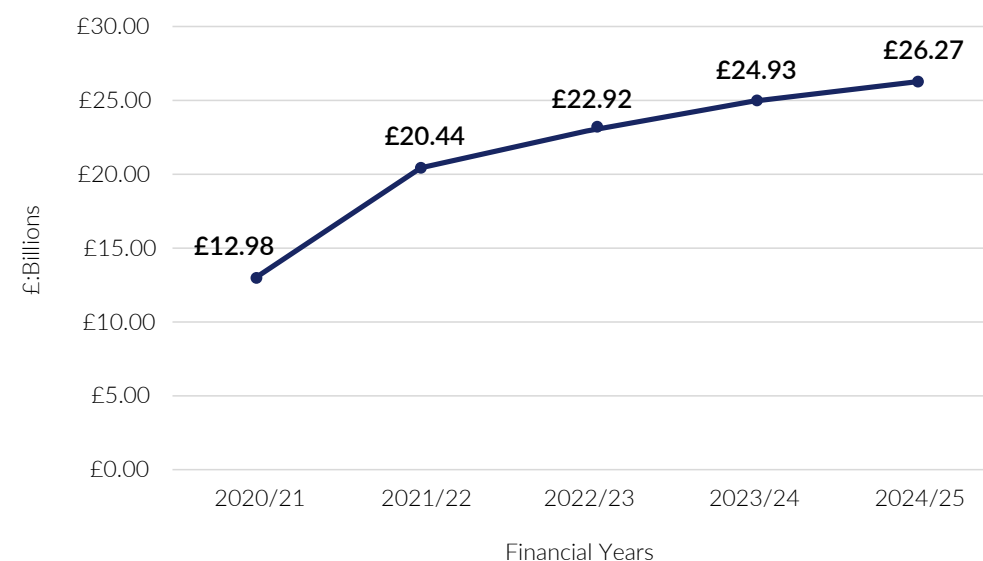
Total Number of Hereditaments

Local authorities estimate that the non-domestic rating income for 2024/25 will be £26.3 billion. This is the estimated amount local authorities will collect after considering all reliefs, accounting adjustments, and sums retained outside the rates retention scheme. Non-domestic rates (business rates) revenue makes up a quarter of local authority core spending power supporting critical local services, including child and adult social care.

Local authorities also estimate they will grant a total of £8.2 billion of relief from business rates during 2024/25. Of this, £5.5 billion is the estimated cost of mandatory relief, and £2.7 billion is the cost of discretionary relief. Within the mandatory relief, £2 billion is expected to be given in small business rate relief, £2.3 billion in relief given as charitable occupation relief, and £1 billion in empty property relief. Within discretionary relief, £2.4 billion represents the cost of the retail, hospitality, and leisure relief. This alone accounts for 29% of the total relief to be granted.

Figure 1 shows the steady increase in net business rates income in England, rising from £12.98 billion in 2020/21 to £26.27 billion in 2024/25.

Figure 1: Net business rates income in England.



Source: Ministry of Housing, Communities and Local Government

Table 1 shows the distribution of mandatory and discretionary reliefs for 2024/25.

Since 2013-14, a number of measures have been announced by the Chancellor in Autumn Statements and Budgets, which have made changes to the national non-domestic rates scheme. Central government compensates local authorities for these changes, and this compensation is made outside of the rate retention scheme by means of a Section 31 (S31) grant.

Since the introduction of the 2023 Local Rating Lists during the first 18 months of the 2023 revaluation cycle, the number of non-domestic properties liable for business rates has increased by 46,150, producing a further £471.15 million in rateable value (RV), even when allowing for losses on appeal (Table 2).

It should be noted that the Valuation Office Agency (VOA) is struggling to process outstanding business rates. Challenges go back to the 2017 Rating List following an influx at the end of the list. They have yet to get started on the 2023 Local Rating Lists in any meaningful way, and those cases will require significant correction.

**Table 1: Number of hereditaments in receipt of mandatory and discretionary relief for 2024/25.**

<b>Total receiving Mandatory Reliefs (excluding small business rates relief)</b>	<b>276,201</b>
Charity	91,323
Community amateur sports clubs	3,962
Rural village shops	2,482
Public lavatories	2,490
Partly occupied	74
Empty premises	175,870
<b>Total receiving Mandatory Small Business Rate Relief</b>	<b>1,989,106</b>
Paying additional supplement	421,420
Paying lower multiplier and receiving a discount	762,821
of which:	
100% discount	700,768
0% to 100% discount on sliding scale	62,053
Paying lower multiplier and not receiving a discount	804,865
<b>Total receiving Discretionary Reliefs</b>	<b>369,217</b>
Charity	28,441
Non-profit making bodies	3,840
Community amateur sports clubs	1,398
Rural village shop	377
Other small rural business	158
Enterprise Zone discounts	380
S47 local discounts	396
S31 funded rural rate relief	1,643
S31 funded local newspaper relief	64
S31 funded supporting small businesses relief and transitional relief in lieu	80,089
S31 funded retail hospitality and leisure relief	252,414
S31 funded low carbon heat networks relief	17

Source: Ministry of Housing, Communities and Local Government

**Table 2: Change in total property numbers and rateable value by sectors.**

Sector	Number of properties 1st Apr 23	Number of properties 30th Sept 24	Number of properties difference	2023 rateable value 1st Apr 23	2023 rateable value 30th Sept 24	Rateable value difference
Car Parking	79,836	82,554	2,718	£704,337,896	£699,521,195	-£4,816,701
Education	47,727	48,370	643	£4,843,195,794	£4,906,506,698	£63,310,904
Healthcare	27,443	27,842	399	£1,624,301,130	£1,663,068,769	£38,767,639
Hospitality	168,760	167,311	-1,449	£3,578,398,494	£3,537,993,680	-£40,404,814
Industrial (General)	498,473	512,755	14,282	£12,381,860,650	£12,470,984,185	£89,123,535
Industrial (Specialist)	37,573	38,711	1,138	£5,958,446,260	£6,231,129,297	£272,683,037
Land	28,194	29,690	1,496	£534,963,668	£542,608,186	£7,644,518
Leisure	96,386	98,013	1,627	£2,178,843,448	£2,182,497,588	£3,654,140
Offices	437,123	449,947	12,824	£16,654,882,803	£16,639,276,630	-£15,606,173
Other Commercial	118,184	122,993	4,809	£4,410,483,916	£4,518,098,582	£107,614,666
Retail	564,881	571,209	6,328	£16,467,838,023	£16,405,158,751	-£62,679,272
Utilities	40,588	41,923	1,335	£1,059,379,159	£1,071,236,213	£11,857,054
	<b>2,145,168</b>	<b>2,191,318</b>	<b>46,150</b>	<b>£70,396,931,241</b>	<b>£70,868,079,774</b>	<b>£471,148,533</b>

Source: Ryan

Multipliers used to calculate business rates are subject to an upward adjustment at the time of a revaluation to ensure that sufficient additional revenue is raised to cover losses, ensuring revenue neutrality.

## Current Multipliers

The Non-Domestic Rating (NDR) Act 2023 changed the way business rate multipliers are calculated and applied, including decoupling the small business rating and standard rating multipliers. Previously, the standard multiplier was equal to the small business rating multiplier plus a supplement figure (originally designed to recover the cost of small business rate relief), set at 1.3 pence (p) above the small multiplier in recent years. Therefore, the two multipliers only changed when the small business rating multiplier changed, and in recent years, it has either been frozen or capped below the Consumer Prices Index (CPI) for September in the preceding year (Table 3).

The Act has allowed the government to treat the multipliers differently from 2024/25, and the supplement concept has been removed. Both are now independently linked to CPI as default.

At Autumn Statement 2023, the Chancellor announced that the small business rates multiplier would be frozen at 49.9p for 2024-25, while the standard business rates multiplier will have its rate increased in line with September CPI, from 51.2p to 54.6p. A total of 219,410 non-domestic properties in England—those with a rateable value of more than £51,000—saw their business rates bills for the 2024/25 financial year increase by 6.7%, costing offices, factories, workshops, warehouses, large shops, and even hospitals an extra £1.66 billion. Firms in England are now paying £7.4 billion a year more in business rates than in 2010. The 6.7% increase, at an effective tax rate of 54.6%, means that firms paying the higher rate saw the largest year-on-year increase to the standard multiplier since 1991. By comparison, freezing the small business rates multiplier on properties with a rateable value of less than £51,000 saved just £330 million. From 1 April 2024, the small business multiplier's eligibility was extended to vacant properties below the £51,000 threshold for properties on the central list or occupied by charities.

**Table 3: Business rates multipliers in England.**

	<b>Small business rate multiplier (pence)</b>	<b>Standard business rate multiplier (pence)</b>
2020/2021	49.9	51.2
2021/2022	49.9	51.2
2022/2023	49.9	51.2
2023/2024	49.9	51.2
2024/2025	49.9	54.6
2025/2026	49.9	55.5

Source: Ministry of Housing, Communities and Local Government



## Reliefs

### *Retail, Hospitality, and Leisure*

This relief originally provided a discount of one-third off business rates bills for eligible retail hereditaments with a rateable value under £51,000. It was introduced 1 April 2019 and intended to run for two years.

In late January 2020, the government announced that this relief would be continued for another year, with the discount raised to 50%. However, in March 2020, in response to the COVID-19 pandemic, the relief was expanded to a 100% discount to hereditaments occupied by businesses classified as retail, leisure, and hospitality, regardless of rateable value, and which were subject to business rates in the year 2020/21.

In the year 2021/22, the expanded retail discount was applied at 100%, with no cash cap for the first three months (1 April 2021 to 30 June 2021) and at 66% for the remainder of the period. In the remainder of the period, it was capped at £105,000 per business or £2 million per business for those required to close based on the law and guidance on 5 January 2021.

In 2022/23, this provided 50% relief for eligible businesses, with a £110,000 cash cap per business. In 2023/24, the relief was continued again to support businesses with significant inflationary pressures, giving 75% relief for eligible businesses with the same cash cap. This relief was unchanged for 2024/25.

### *Film Studios*

At the 2024 Spring Budget, the former Chancellor announced that the government would continue to support the creative industries and set out to introduce business rates relief for eligible film studios in England,

amounting to around £470 million in savings over the next 10 years. Eligible film studios in England will receive a 40% reduction on gross business rates bills until 2034, backdated to 1 April 2024. The 40% reduction includes transitional relief. The value of any transitional relief a studio receives will be deducted from the value of the film studio relief. This means eligible film studios' final bills will be no more than 60% of their gross bill.

Around 40 existing film studios are expected to be eligible for support, plus any additional new studios that have been built may be eligible. The relief will be available on properties valued by the VOA as film studios, and the VOA will notify authorities of which studios are eligible for support.

### *Freeports and Investment Zones*

At the 2024 Spring Budget, the government confirmed that the extension to Freeport tax reliefs to September 2031—something originally announced at Autumn Statement 2023—would apply across English Freeport tax sites. The tax reliefs available in Freeport tax sites were extended from 5 to 10 years in England.



## **Improvement Relief**

Section 1 of the Non-Domestic Rating Act 2023 created a new mandatory relief to support businesses making improvements to properties they occupy as part of a broader strategy of the former government to encourage investment and foster economic growth.

From 1 April 2024, businesses that have made qualifying improvements and remained in occupation will benefit from 100% relief from higher bills for a duration of 12 months. The scheme will run until 1 April 2029.

To qualify for this relief, the following conditions must be met for the relief to apply:

- The works should increase the area of any building in or on the hereditament, otherwise improve the physical state of the hereditament or add to it rateable plant and machinery.
- The same ratepayer must be in occupation of the hereditament on each day since the qualifying works commenced.

Illustrative examples of improvements resulting in an increase in rateable value that may meet the qualifying works condition include:

- The addition of insulation or new lining to a previously uninsulated industrial property.
- A physical extension to a property.
- The removal of a structural wall within a shop so that the area previously behind the wall is then used for retail instead of storage.
- The addition of a structural mezzanine retail area in a retail warehouse.

Neither a newly constructed hereditament nor a refurbished hereditament (having left the rating list during the works) will qualify. A change of use alone or the addition of land will also not qualify.

The VOA will determine whether the qualifying works condition is met and the effect of any improvements to a property on its rateable value. Once the VOA is satisfied that the improvements meet the definition of qualifying works, it will issue a certificate confirming the increase in rateable value that is attributable to the works. Billing authorities are then responsible for checking whether the conditions to apply for relief are met. Those conditions are as follows:

- The VOA has issued a certificate and that it has not been withdrawn or ceased to have effect, and
- The same person has been the occupier on each day since the day the qualifying improvement works commenced.

The regulations also provide that continuous occupation by the same person applies to predecessor hereditaments in a case where there has been a split or merger since the works commenced. This means that a hereditament that falls vacant will lose any entitlement to improvement relief. That entitlement cannot be restored in respect of the same works if subsequently reoccupied—even if by the same person.





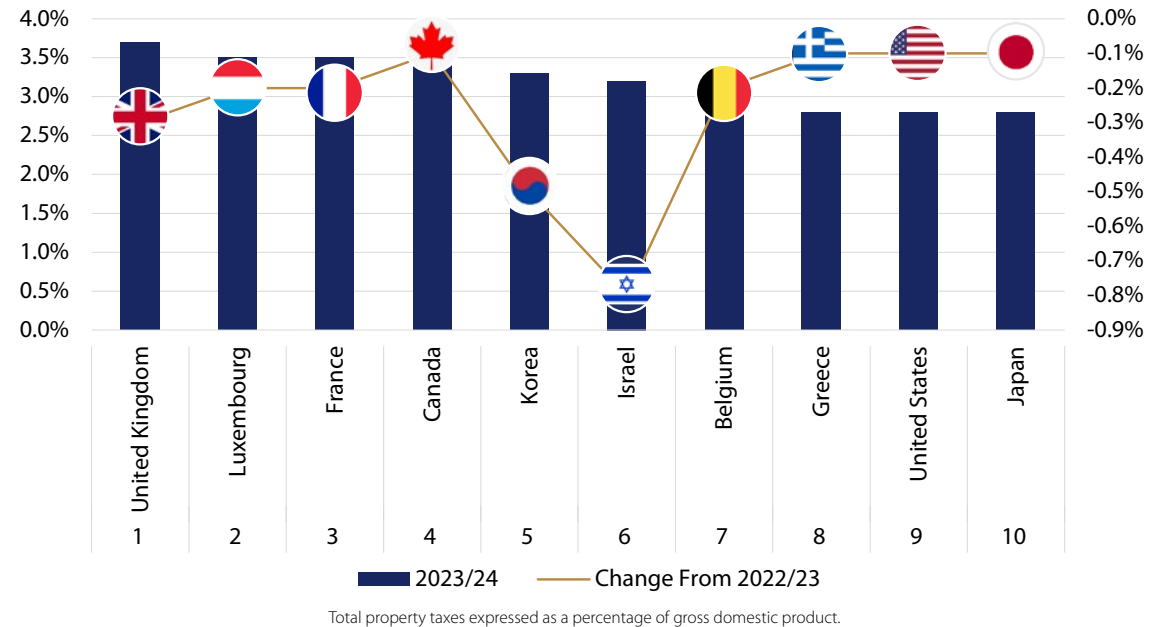
# UK Property Taxes

The UK continues to hold the unenviable accolade of having the highest property tax ranking across the developed world, the equivalent of 3.7% of property taxes to gross domestic product (GDP) during 2023/24, albeit down 0.3% during 2022/23. The UK's property tax-to-GDP ratio continues to remain much higher than the 1.7% average across the developed world and the 2.7% average for the group of seven (G7), the informal grouping of seven of the world's advanced economies. While across economic and political union of the European Union (EU), based upon the data currently available for 23 member states, the comparable average was just 1.4%. Taxes on property, for both individuals and businesses, are broadly speaking recurrent and nonrecurrent taxes on the use, ownership, or transfer of property and are based upon taxation revenues in the preceding calendar year or the 2023/24 fiscal year, depending upon how governments show their data.

The UK is characterised across the developed world as having high levels of revenue from taxes on property (Figure 2). The 2024 global property tax rankings, compiled by Ryan, relate to government as a whole (at all government levels) and are measured as a percentage of GDP. In the UK, property taxes include all tax receipts from council tax (domestic), business rates (non-domestic), stamp duty land tax (SDLT), and land and building transaction tax (LBTT) in Scotland.

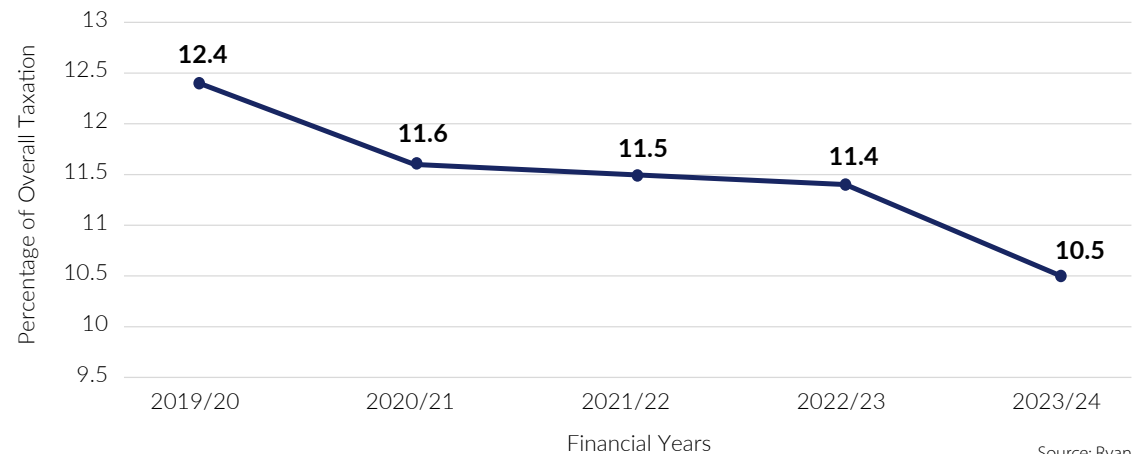
Total overall tax revenues for 2023/24 was £950 billion in the UK, with £100 billion coming from property taxes accounting for 10.5% of overall taxation, which is significantly less than the 12.4% of property taxes-to-overall taxation pre-pandemic (Figure 3).

Figure 2: 2024 global property tax rankings.



Source: Organisation for Economic Co-operation and Development

Figure 3: UK property taxes as a percentage of overall taxation.



Source: Ryan

# UK Business Rates Revenue

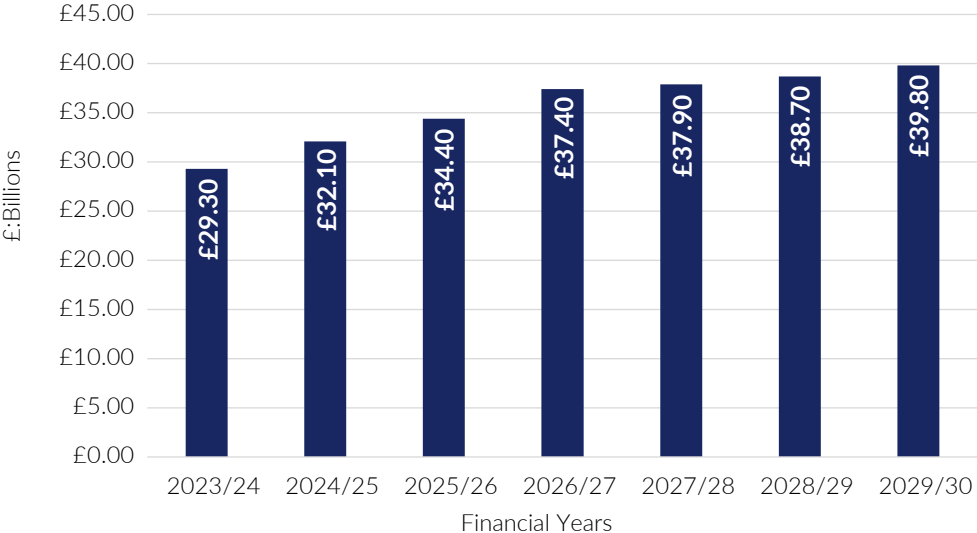
Revenue from business rates is expected to rise £32.1 billion, up £2.8 billion, during 2024/25, growing by 9.6% on the previous year. The 6.7% rise in the standard multiplier for 2024/25 is a key driver of that growth together with a less generous transitional relief scheme implemented for the 2023 revaluation. Business rates revenue is projected to rise consistently from £29.3 billion in 2023/24 to £39.8 billion in 2029/30, as demonstrated in Figure 4.

The 2024 Autumn Budget announced, for the fifth consecutive year, a further extension of relief for the retail, hospitality, and leisure sectors for 2025/26, funded centrally on a less generous basis than previously and the freezing of the small business multiplier. This is partly offset by ending the eligibility of private schools to claim charitable relief, although receipts from business rates are still forecasted to rise by £2.3 billion to £34.4 billion during 2025/26, growing by a further 7.2%, on the current financial year. Business rates are devolved to Scotland, Wales, and Northern Ireland.

**“Our clients already tell us that the level of the business rates tax acts as a disincentive to invest, and the current effective tax rate of 54.6%, which rose to 55.5% in April 2025 for commercial property, does nothing to dispel that.”**

Alex Probyn, Practice Leader  
of EAP Property Tax, Ryan

Figure 4: UK-wide forecasted business rates revenue.



Source: Office for Budget Responsibility

# Labour and Business Rates

Chancellor Rachel Reeves delivered the Labour government's first budget since 2010, after the party's return to power in July's general election. The government announced its first steps to reform the business rates system and deliver upon its manifesto commitment.

**“The current business rates system disincentivises investment, creates uncertainty and places an undue burden on our high streets. In England, Labour will replace the business rates system, so we can raise the same revenue but in a fairer way. This new system will level the playing field between the high street and online giants, better incentivise investment, tackle empty properties and support entrepreneurship.”**

Labour Party  
Manifesto Summer 2024

## The reforms include:

1. An intention to introduce permanently lower multipliers for retail, hospitality, and leisure (RHL) properties with a rateable value (RV) under £500,000 from April 2026/27.
2. An intention to fund this sustainably via a higher multiplier on properties with RV of £500,000 and above, which includes the majority of large distribution warehouses, including those used by online giants.

Whilst the new high-street “levy” will apply to 1,589 large distribution warehouses, it will also lead to higher business rates bills for an additional 15,278 non-domestic properties.

**“It is right for the government to try and level the playing field, but the consequences of this plan haven't been properly thought through, with the vast majority of the revenue that will be raised not even coming from the online giants.”**

Dean Bosley  
Vice President  
Head of National Rating

Large manufacturing sites, especially automotive manufacturers, who have long complained that business rates at their current levels hinder international competitiveness will also be hit by the new “levy.”

**“The plan just does not support long-term capital investment and productivity. England will be a less attractive and competitive location for manufacturing.”**

Dean Bosley  
Vice President  
Head of National Rating

Now subject to the new high-street “levy” are 16,867 non-domestic properties in England with a rateable value of £500,000 or more. Whilst they account for just 1% of all non-domestic properties liable for business rates, collectively, they already pay £12.61 billion, 48% of the £26.27 billion that local authorities expect to collect during 2024/25. The rates for these new multipliers will be set at the Autumn Budget in 2025.



Providing 40% business rate relief to retail, hospitality, and leisure properties in 2025/26—capped at £110,000 per business—will support these sectors until the new permanent multiplier is introduced, costing the exchequer £1.73 billion. The reduction of the business rates discount for retail, hospitality, and leisure businesses from 75 to 40% from 1 April for the 2025/26 financial year will mean an average 140% rise in business rates bills for more than 250,000 high-street premises (Table 4). The average shop will see its business rates bill increase from £3,589 to £8,613 for 2025/26, whilst the average business rates bill for pubs will increase from £3,938 to £9,451. Restaurants will see their average bill rise from £5,051 to £12,122.

The 75% discount was only a one-year commitment to be applied for 12 months from 1 April 2024 and expires with a cost to the exchequer of £2.41 billion.

Freezing the small business multiplier in 2025, thereby protecting more than one million properties from inflationary bill increases at a cost of £135 million to the exchequer. For the 2025/26 financial year, the small business multiplier in England will remain at 49.9p. The government will lay secondary legislation to freeze the small business multiplier, whilst the standard multiplier will be updated by the September 2024 CPI rate of 1.7% to 55.5p.

**Table 4: Effects on 2024 Autumn Budget through reduced RHL relief.**

Premises Type	Average 2024/25 Bill*	Average 2025/26 Bill*	Increase for 2025/26	Increase for 2025/26
Average retail premises	£3,588.68	£8,612.84	£5,024.16	140%
Average restaurant premises	£5,051.00	£12,122.32	£7,071.32	140%
Average pub premises	£3,937.98	£9,451.16	£5,513.18	140%

\*Includes 75% discount for 2024/25 and 40% for 2025/26 (with UBR frozen).

Source: Ryan

## A Fairer System

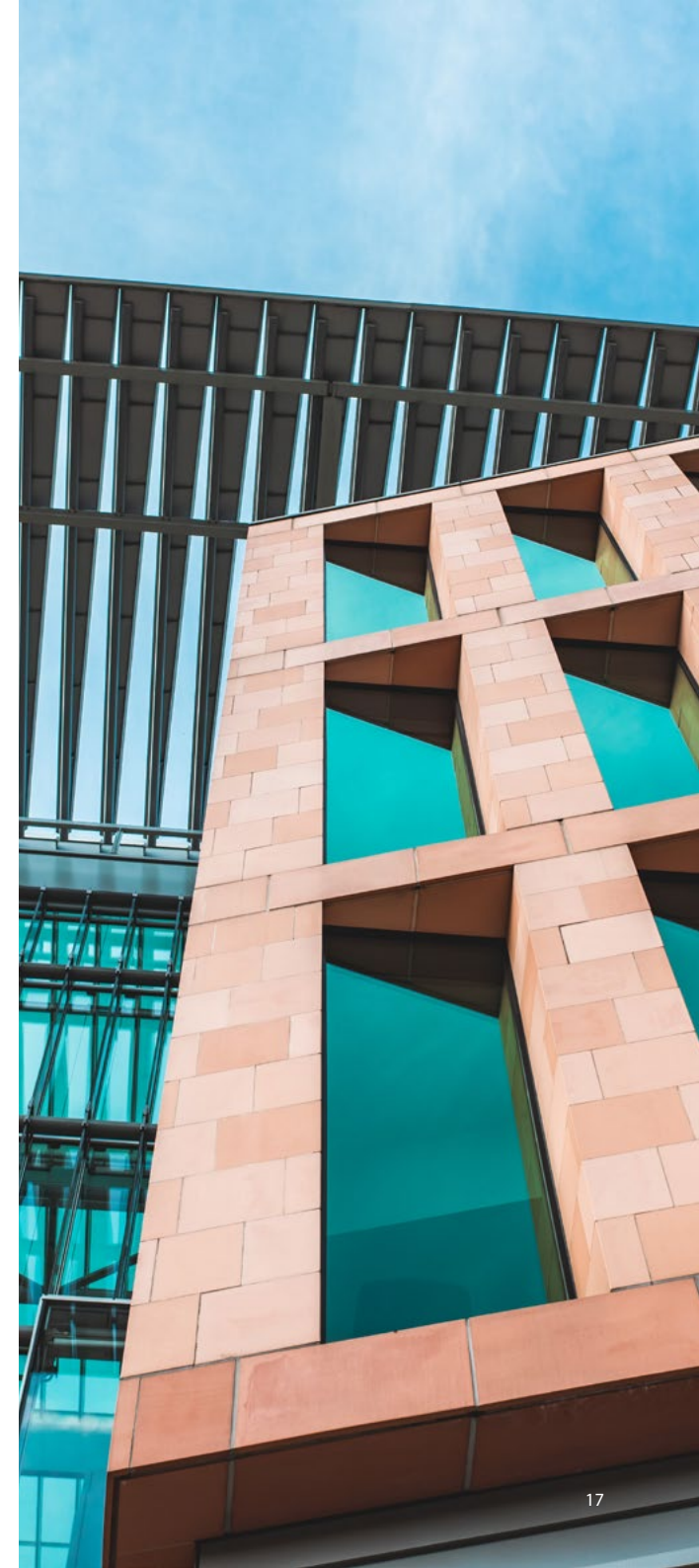
In furtherance of the Labour manifesto, the government says that the business rates system cannot be transformed overnight and believes that the best outcomes will be achieved by developing reforms in partnership with businesses and other stakeholders through a process of co-design. Accordingly, at the 2024 Autumn Budget, the government invited conversation about how it can best deliver a transformed system through conducting engagement between November 2024 and March 2025, with announcements expected in both the summer and autumn. Beyond protecting the high street through a lower permanent multiplier for retail, leisure, and hospitality, from 2026 the government says it is committed to delivering a fairer business rates system that supports investment and is fit for the 21st century.

Priority areas for further reform include incentivising investment and growth as well as making the system more responsive, delivering Check Challenge reforms, albeit to a revised delayed timetable, as well as proceeding with the delivery of digitalising business rates. The government will also consider whether resetting the multipliers at the time of revaluation creates suboptimal economic and fiscal outcomes and whether bills for business should move with changes in the value of the property occupied.

## Delay in Legislative Changes

The 2020 business rates review set out reforms to the Check, Challenge, and Appeal process being implemented from the 2026/27 financial year onwards. Because of the system-wide complexity of implementing those reforms, and following consultation with ratepayers, the timelines were revised at the 2024 Autumn Budget:

- Implementation of annual returns and notification duties set for 1 April 2026 has been postponed, with phased rollout and full activation by 2029.
- The information duty will begin a phased rollout from 1 April 2026 and then will be formally activated and mandated for all by 1 April 2029.
- The removal of Check and a shortened Challenge timeline will not be implemented until the 2029 rating list.
- New transparency requirements will begin in 2026, with more detailed information on comparable properties and rental evidence by 2029.



# Legislative Changes

The Non-Domestic Rating (Multipliers and Private Schools) Act 2025 provides for 20p multiplier reduction for retail, hospitality, and leisure. The intention for the 2026/27 financial year is for two lower multipliers to be applied to retail, hospitality, and leisure properties with a rateable value of less than £500,000—one for properties with a rateable value of less than £51,000 (paying the small multiplier) and another for those with a rateable value between £51,000 and £499,999 (paying the standard multiplier).

The reduction in multipliers for retail, leisure, and hospitality premises can be no more than 20p. For comparative purposes, based on the 2025/26 small business multiplier of 49.9p, the maximum 20p discount would be equivalent to a 40% discount on current levels (i.e., the budget for the 2025/26 financial year), effectively transferring the financial burden from the exchequer to the 1% of ratepayers of those properties with a rateable value of £500,000 or more.

## 10p Multiplier Increase for RVs £500,000+

Conversely, the bill also provides for higher multipliers for those properties with a rateable value of £500,000 or more, which may be no more than 10p higher than the standard non-domestic rating multiplier for the year in question. Again, for comparative purposes, based on the standard multiplier of 55.5p for the 2025/26 financial year, a 10p supplement would equate to an 18% levy.

## The Law

Clause 1(3) introduced the new Chapter 3A into Part A1 of Schedule 7, which contains powers for the Treasury to set higher and lower multipliers. Under the three charging schedules to the 1988 Act, the chargeable amount is found by multiplying the rateable value for the hereditament (or in relation to the central list the ratepayer) by the relevant multiplier. Multipliers are therefore expressed as numbers—for example, the small business non-domestic rating multiplier for 2024/25 is 0.499.

The new paragraph A6A(1)(a) of Schedule 7 contains a power for the Treasury, by regulation, to introduce multipliers that are higher than the non-domestic rating multiplier for that year but not more than 0.1 higher. There is no limit on the number of higher multipliers. The new paragraph A6A(1)(b) contains a power for the Treasury to make provision for additional multipliers, which are lower than the non-domestic rating multiplier for that year but not more than 0.2 lower than the small business non-domestic rating multiplier for that year. The new paragraph A6A(2)(a) provides that there cannot be more than two lower multipliers. However, the new paragraph A6A(2)(b) provides that these multipliers may be adjusted to vary in level for properties that are occupied (and therefore whose bills are determined under Schedule 4ZA of the 1988 Act), unoccupied (Schedule 4ZB of the 1988 Act) or on the central rating list (Schedule 5A).





Check, Challenge,  
Appeal

Apart from properties exempt from business rates, each non-domestic property has a rateable value set by the VOA, an agency of His Majesty's Revenue and Customs (HMRC). A new system for challenging business rates bills was introduced on 1 April 2017 for the 2017 Local Rating Lists. Check, Challenge, Appeal significantly changed the way business rates appeals were handled under a three-stage process:

**Check** - The first stage. Ratepayers (or their representatives) check the information that the VOA holds about their property.

**Challenge** - The proposal stage. A proposal must be made within four months of the date the check was completed. If the VOA does not agree with the proposal and the ratepayer does not withdraw it, the VOA will serve a notice of decision setting out why they are not making the alteration or are making a different alteration from the one proposed.

**Appeal** - The final stage. If the ratepayer is not happy with the VOA notice of decision, an appeal can be made to the independent tribunal (VTS). This must be done within four months of the date of the VOA decision notice.

### 2017 Local Rating Lists

The 2017 Local Rating Lists closed on 31 March 2023; however, there are still cases progressing through the Check, Challenge, Appeal process where ratepayers submitted checks before that list closed.

### 2023 Local Rating Lists Highlights

Between 1 April 2023 and 30 June 2024 under the Check, Challenge, Appeal process against the 2023 Local Rating Lists, following the 2023 Revaluation of all non-domestic properties, Ryan accounted for most number of checks registered, with

**43.9%**

more than the next largest agent by volume, and more challenges registered than the next 10 largest agents by volume combined, with

**more than four  
in every 10 appeals.**

A total of 81,370 checks and 12,620 challenges were registered with the agency by ratepayers in England as of 30 June 2024. More than seven in every 10 checks, around 71.2%, came from ratepayers represented by an agent. Whilst agents' checks accounted for nearly 80% of all challenge volume.

Table 5 presents data on the number of business rates cases submitted under the Check and Challenge process.

**Table 5: Cases submitted by ratepayers in person and agents representing ratepayers.**

#### Ratepayer

**23,459**

Checks

**2,535**

Challenges

#### Agent

**57,911**

Checks

**10,085**

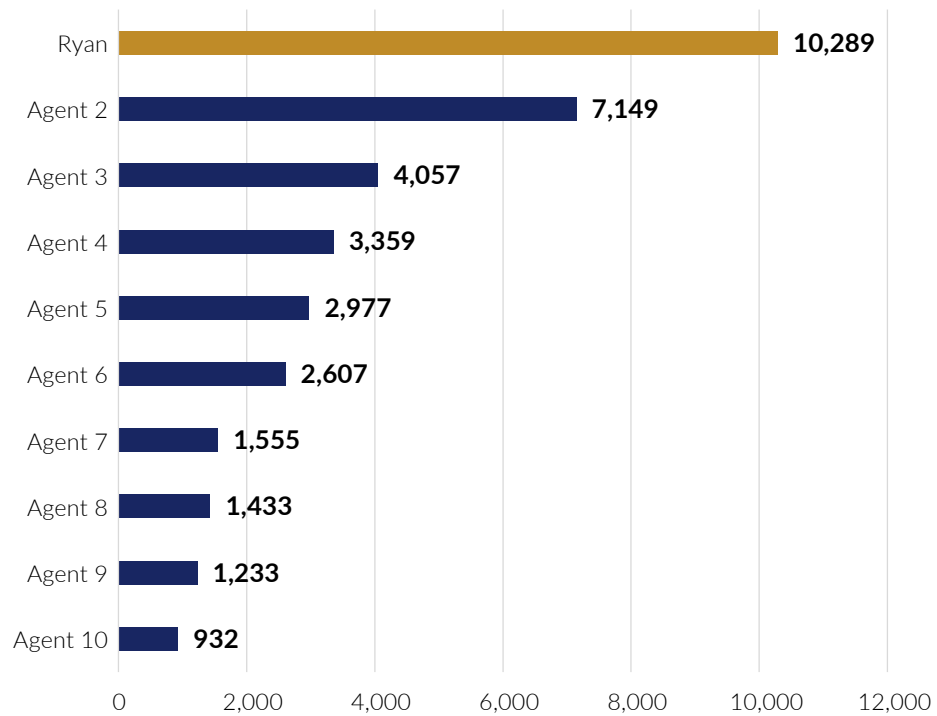
Challenges

Source: Valuation Office Agency

## 2023 Local Rating List - Checks

Ryan accounted for more than one in six of all agent checks and 12.6% of all checks overall between 1 April 2023 and 30 June 2024 against the 2023 Local Rating Lists. Ryan registered the most checks of any agent after the first 15 months of the implementation of the 2023 Revaluation, 43.9% more than the next largest agent by volume (Figure 5).

Figure 5: Ryan vs. next 10 largest agents by check volume.



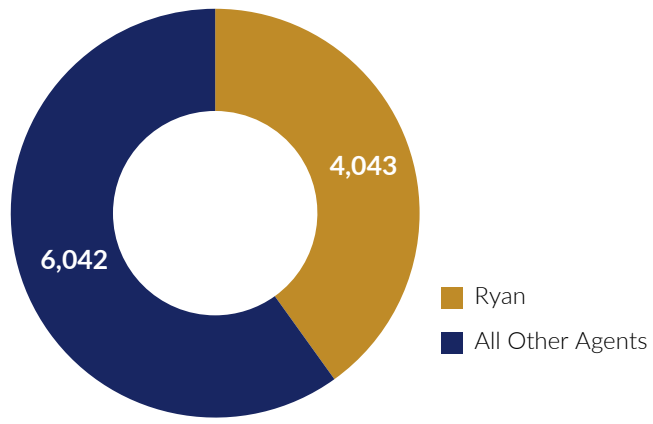
Source: Valuation Office Agency



## 2023 Local Rating List - Challenges

Ryan accounted for 40.1% of all agent challenges and nearly one-third of all challenges overall between 1 April 2023 and 30 June 2024 against the 2023 Local Rating Lists (Figure 6).

Figure 6: Challenges registered after 15 months.



Source: Valuation Office Agency

Ryan recorded the highest number of challenges registered by any agent and recorded 424% more challenges than its nearest competitor in that same 15-month period (Figure 7).

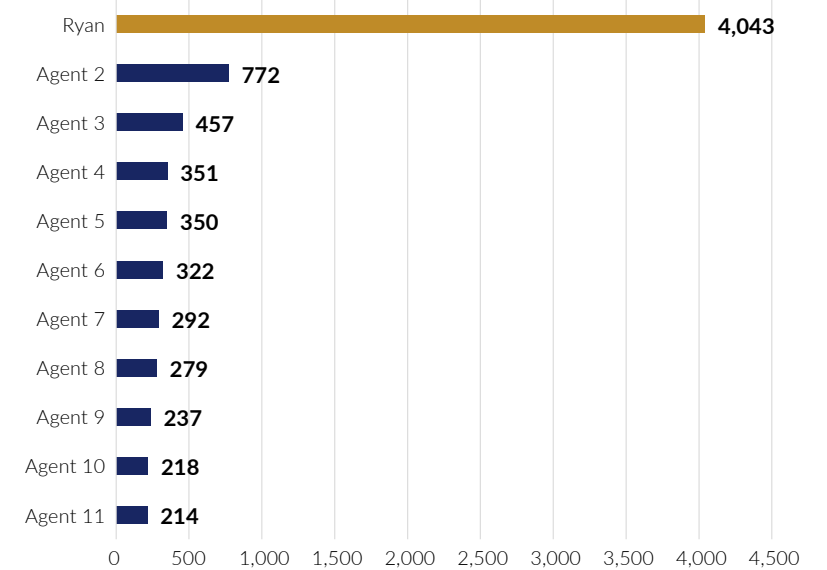
In addition, Ryan also registered more challenges than its next 10 largest competitors by volume combined (Figure 8).

Figure 7: Ryan vs. next largest agent by challenge volume.



Source: Valuation Office Agency

Figure 8: Ryan vs. 10 next largest agents by challenge volume.



Source: Valuation Office Agency

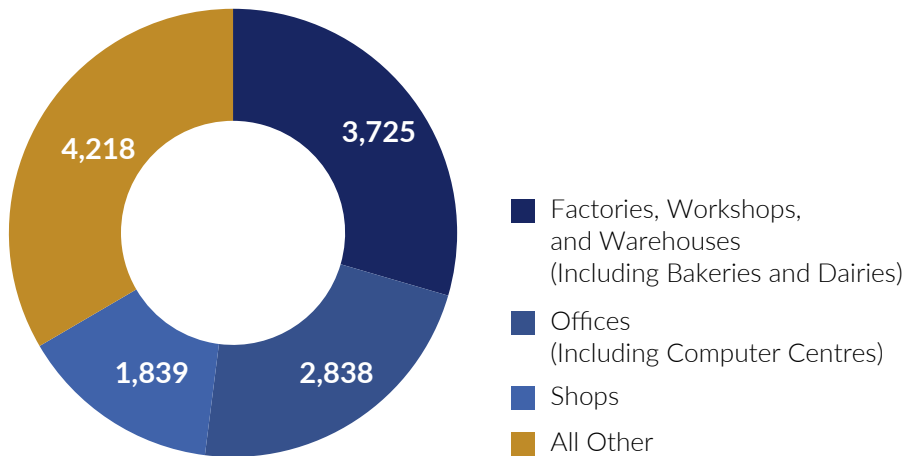
As part of the valuation process, each rateable property is assigned a Special Category (SCat) code. Around two-thirds of all challenges, 8,402 in total, were made against three separate distinct SCat codes:

- 1) Factories, workshops, and warehouses, including bakeries and dairies;
- 2) Offices, including computer centres; and
- 3) Shops.

Figure 9 shows the proportion of challenges made against these SCat codes.

Over time, the SCat code has become one of the key variables for classifying properties, and it forms the basis of the category assignments.

**Figure 9: Challenges by special category (SCat) code after 15 months.**



Source: Valuation Office Agency



Table 6 provides the number of registered challenges, by SCat code, made against the 2023 local rating list for England between 1 April 2023 and 30 June 2024.

Note: A challenge can be raised against multiple properties with different SCat codes. When viewing the data, please be aware that where the data produced fewer than 10 properties in a specific SCat code, the classification was excluded.

**Table 6: Challenges made by SCat code.**

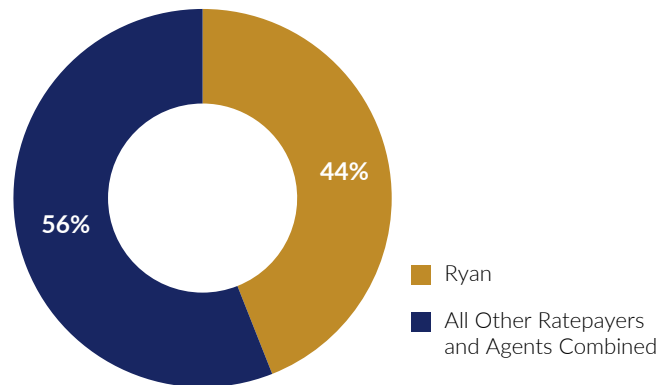
Scat Code	Description	Challenges
96	Factories, workshops, and warehouses (includes bakeries and dairies)	3,725
203	Offices (includes computer centres)	2,838
249	Shops	1,839
209	Petrol filling stations	420
268	Stores	211
235	Retail warehouses and food stores	207
234	Restaurants	205
152	Large food stores (750-2500 m2)	199
148	Land used for storage	192
85	Day nurseries/play schools	167
66	Communication stations	139
97	Factory shops	135
151	Large distribution warehouses	130
226	Public houses/pub restaurants	124
43	Car spaces	120
42	Car showrooms	111
21	Banks/insurance/building, society offices, and other A2 uses	100
251	Showrooms	86
289	Vehicle repair workshops and garages	85
40	Car parks (surfaced open)	79
95	Exhaust and tyre centres	76
437	Surgeries/clinics/health centres (rental valuation)	66
409	Cafes	64
155	Large shops (over 1850 m2)	63
3	Advertising right	58
92	Drive-thru restaurants	57
48	Caravan and camping sites (RVU)	54

738	Builders merchants	52
106	Convenience stores	48
416	Gymnasia/fitness suites	40
61	Licensed sports and social and private members clubs	33
417	Hairdressing/beauty salons	30
408	Business units	29
153	Large industrials (over 20,000 m2)	26
131	Holiday homes self-catering	26
243	Sales kiosks	25
46	Car/caravan sales/display/hiring sites	24
39	Car parks (multistorey)	23
117	Golf courses	20
250	Showhouses	20
67	Community day centres	19
292	Veterinary clinics/animal clinics	17
113	Garages (transport and commercial)	16
47	Chain-operated and large caravan parks	15
91	Drive-to restaurants	15
122	Guest and boarding houses	15
45	Car washes (standalone)	15
425	Pharmacies within/adjacent to surgery/health centre	14
710	Residual malls	14
508	Shops within/part of specialist property	13
303	Bars (valued on floor space)	13
259	Sports and leisure centres (private) (dry only)	13
223	Public and independent schools	13
137	Hotels (three star and under)	13
24	Betting offices	12
154	Large shops (750-1850 m2)	12
246	Sewage works	12
267	Storage depots	11
84	Dance schools and centres	10
993	Leisure miscellaneous	10
284	Tourist attractions (dark rides)	10
992	Commercial miscellaneous	10
5	Airports (minor)	10

## 2023 Local Rating List - Appeals

The number of appeals registered against the 2023 Local Rating Lists between 1 April 2023 and 30 June 2024 was just 50, given the steps required under the Check, Challenge, Appeal process with no appeals being cleared, whether settled between the parties or determined by a tribunal panel. Figure 10 shows that of those appeals, 22 were registered by Ryan, accounting for more than 4 in 10 of all appeals overall.

Figure 10: Appeals registered after 15 months.



Source: Valuation Tribunal Service



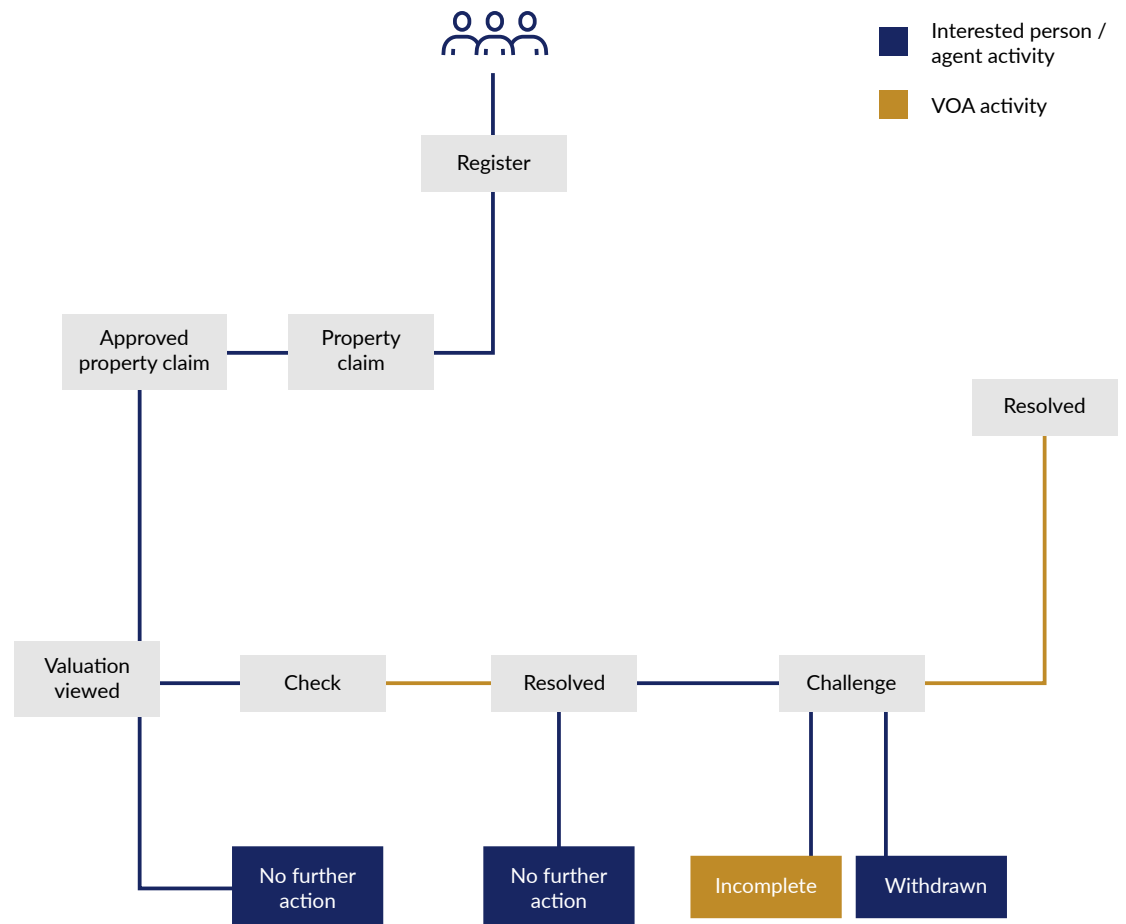
## Check, Challenge, Appeal in Numbers

In 2017, new regulations were introduced for England only regarding the procedure for challenging the assessments of properties for all rating lists compiled on or after 1 April 2017.

That system in England is referred to as Check, Challenge, Appeal. Figure 11 illustrates the Check, Challenge, Appeal process at Ryan.

There are separate rules for Wales that came into force from 1 April 2023—the legislation is very similar, but there are some minor differences.

Figure 11: Overview of the Check, Challenge, Appeal process.



Figures shown are between 1 April and 30 September 2025,  
18 months since the start of the 2023 Local Rating Lists.

## England

---

**100,540**

Checks were registered in England.

**85,840**

Checks were resolved (85%), whilst  
14,700 remained outstanding (15%).

**18,020**

Challenges have been registered since  
the start of the 2023 Local Rating  
Lists in England.

**2,760**

Challenges were resolved with 2,590  
being marked as incomplete (i.e., not  
containing all the detail required in  
legislation), and 12,670 remained  
outstanding.

## Wales

---

**3,050**

Checks were registered in Wales.

**2,720**

Checks were resolved (89%), whilst  
330 remained outstanding (11%).

**550**

Challenges were registered in Wales.

**80**

Challenges were resolved, 370  
remained outstanding,  
with the rest being deemed  
incomplete.

70% of all challenges in England and 67% in Wales remain outstanding.



As Table 7 reveals, the number of checks continues to rise in both England and Wales, and we expect this trend to continue and numbers to rapidly rise. Conversely, through the trend of increasing volume, the number of outstanding checks continues to rise.

**Table 7: Checks outstanding in England.**

<b>Quarter</b>	<b>Checks Outstanding</b>
April to June 2023	6,880
July to September 2023	12,160
October to December 2023	10,430
January to March 2024	10,740
April to June 2024	11,440
July to September 2024	14,700

Source: Valuation Office Agency

Once a check has been completed, the interested person (IP) can challenge any valuation related to the same property within four months of the check decision, or within 16 months of the IP's check submission if the challenge is about a change in the surrounding area. IPs can also challenge the VOA if it has not decided on its check after 12 months.

Given the three-stage Check, Challenge, Appeal process and the focus on clearing down cases from the previous 2017 Local Rating Lists, the number of challenges registered continues to rise sharply each quarter, and this is a trend we expect to continue (Table 8).

**Table 8: Challenges registered in England.**

<b>Quarter</b>	<b>Challenges</b>
April to June 2023	680
July to September 2023	1,700
October to December 2023	1,830
January to March 2024	3,350
April to June 2024	4,840
July to September 2024	5,620

Source: Valuation Office Agency



As a result, the number of outstanding challenges in England continues to rise to the detriment of ratepayers, which isn't helped by staff seconded from the VOA tasked with preparing valuations for the 2026 revaluation. Those staff aren't expected to fully return until the summer of 2025. Whilst 5,620 new challenges were received in the quarter ending 30 September 2024, just 890 were resolved with 1,040 being deemed incomplete, maintaining the upward trajectory of outstanding challenges.

Whilst the 2017 Local Rating Lists closed on 31 March 2023, there are still many thousands of cases still progressing through the Check, Challenge, Appeal process, where ratepayers submitted checks before the list closed. The number of challenges registered in total was 195,300. Of those, 155,080 were resolved, 22,910 were marked incomplete, but 17,310 still remain outstanding as of 30 September 2024 (11% or more than 1 in 10 of all cases). As of 30 September 2024, 29,980 challenges remain outstanding across both the 2017 and 2023 Local Rating Lists in England.

There were 5,030 new challenges registered in 2017 between 1 July and 30 September ahead of the final cutoff, whilst 5,620 new 2023 challenges were also registered in the same quarter—a total of 10,650 challenges. In the same quarter, combined across both lists, just 6,720 challenges were resolved, and 1,240 were deemed incomplete, causing total outstanding volume to continue to rise.

We are strong supporters of the VOA, which we believe performs a great service under exceedingly difficult circumstances. The structure and framework of the existing Check, Challenge, Appeal system is both logical and fair. It is capable of success, but currently, the appeal process is just far too slow.



**“A large and increasing proportion of our clients tell me they are deeply concerned about the time it takes to resolve their business rates appeals. They tell me about the adverse effect it has on their cash flow and inability to invest and grow their businesses. Often, it leads to insolvencies and the loss of jobs. We have many examples of this, including businesses that have sadly failed before a successful appeal is resolved.”**

Tom Slimming  
Senior Director, South East

The VOA says that, on average, it is clearing check cases in just under two months and challenge cases in just over nine months. The Valuation Tribunal Service is a statutory and independent organisation that provides administrative services to Valuation Tribunal for England (VTE). The VTE is a legal body known as the Valuation Tribunal. The Tribunal hears and adjudicates disputes that are made by business rates ratepayers and/or council taxpayers because they are challenging decisions taken by either their local council or the VOA on their council tax or business rates. The Tribunal hears and determines disputes that are made by ratepayers and/or council taxpayers because they are challenging decisions taken by the local council or the VOA on their council tax or business rates. As of 30 September 2024, the VTE has 2,910 business rates appeals outstanding from both the 2017 and 2023 Local Rating Lists.

In the quarter ending 30 September 2024, across both lists, the VTE received 550 new appeals whilst clearing just 350.

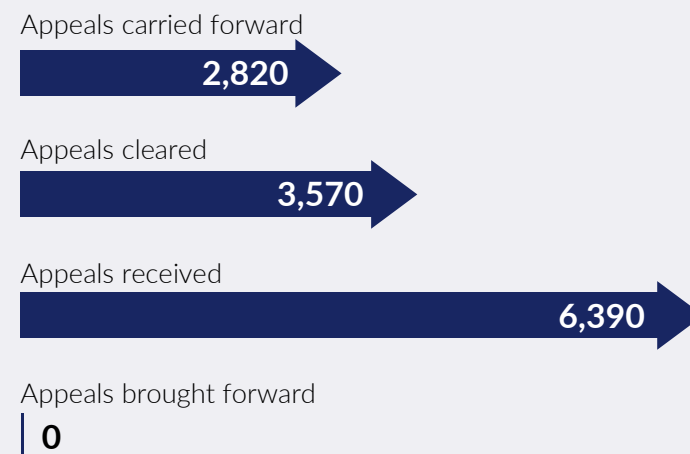
The Labour government says that it has provided appropriate levels of funding so that the VOA can deliver its major functions, including maintaining its statutory requirements to revalue properties, moving to a three-year revaluation cycle, delivering on its Check, Challenge, Appeal processes, and upgrading its technology to improve the efficiency and accuracy of its revaluations as well as providing a suitable customer experience. Ryan continues to make representations to His Majesty's Treasury, the Chancellor of the Exchequer, and the Exchequer Secretary to the Treasury about the speed of the process.

Figures 12 and 13 provide data on business rates appeals in England under the 2017 and 2023 rating lists, respectively.

**“Too many cases are being pushed down the track to appeal, causing a bottleneck to then only be settled on the doors on the Tribunal before the hearing. Such cases are capable of settlement and should be settled earlier in the process at challenge.”**

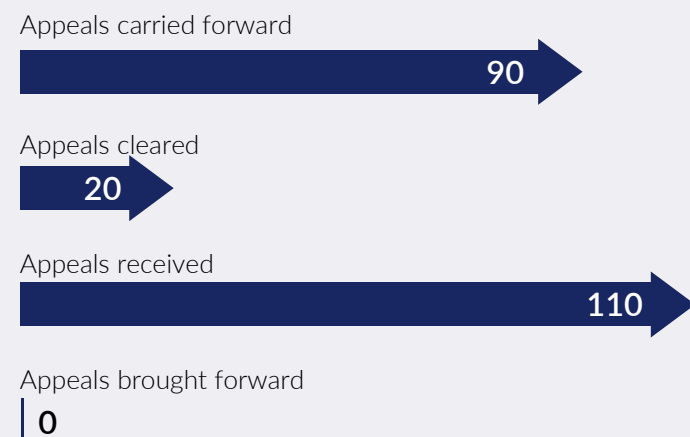
Tom Slimming  
Senior Director, South East

**Figure 12: Non-domestic rating appeals, 2017 rating list (England).**



Source: Valuation Tribunal Service

**Figure 13: Non-domestic rating appeals, 2023 rating list (England).**



Source: Valuation Tribunal Service

## Focus on Pubs

Thirty-four pubs a month “vanished” for good from the English and Welsh communities they once served, calling last orders for the final time during the 2024 calendar year. Table 9 demonstrates the decline.

The overall number of pubs in England and Wales, including those vacant and being offered to let, fell to 38,989 at the end of December 2024, down 412 compared with 39,401 at the end of 2023 (Table 10).

Pubs that have “vanished” from the communities they once served have either been demolished and/or converted into other types of use, such as homes, offices, or even day nurseries, with a total of 2,074 being lost for good in just the last five years. The city and 32 boroughs of London lost the greatest number of pubs in 2024, with their numbers down 55 to 3,470 in 2024. The reduction in the level of the business rates discount is forecasted to cost pubs an extra £215 million during 2025/26.

The number of pubs is based upon a detailed analysis of the 2017 and 2023 Local Rating Lists in England and Wales maintained by the VOA, an executive agency of HMRC. The 2017 and 2023 Local Rating Lists itemise all pubs with a rateable value liable for business rates through a specific SCat code and includes those currently vacant and being offered to let.

**Table 9: Pubs in decline.**

<b>England and Wales</b>	<b>Pub Numbers</b>	<b>Pubs Lost</b>
End of 2020	40,617	446
End of 2021	40,173	444
End of 2022	39,787	386
End of 2023	39,401	386
End of 2024	38,989	412

Source: Ryan

**Table 10: Pub totals by region.**

<b>Pub Numbers in England and Wales</b>	<b>End of December 2023</b>	<b>End of December 2024</b>	<b>Difference</b>
Region			
East	3,696	3,650	-46
East Midlands	3,543	3,496	-47
London	3,525	3,470	-55
North East	1,932	1,920	-12
North West	5,265	5,228	-37
South East	5,678	5,633	-45
South West	4,635	4,599	-36
Wales	2,943	2,905	-38
West Midlands	3,904	3,851	-53
Yorkshire/Humberside	4,280	4,237	-43
<b>TOTAL</b>	<b>39,401</b>	<b>38,989</b>	<b>-412</b>

Source: Ryan

# Focus on City of London Shops

More than 1,500 retail shops within the City of London could see their business rates bills slashed by up to £33 million a year following a ruling from the VTE. A contentious dispute arose around the value applied to the main space of a City of London shop by the VOA, following the 2023 revaluation of business rates.

The subject property, Basement-Ground Floors, 56–58 Cheapside, London, EC2V 6AR, is referenced in the case *Sarah Nudd v. Andrew Ricketts* (Valuation Officer) [Appeal No. CHG101050102].

The dispute culminated in an independent panel, which hears business rates appeals, ruling that the rateable value of a shop in the City of London should be reduced from £287,500 to £179,000, representing a 38% reduction.

The shop is located on the south side of Cheapside, the city's main retail street. It is at the corner of Bow Lane, a busy pedestrian thoroughfare within easy walking distance of Bank and St. Paul's Underground Stations. This shop is one of more than 1,500 similar retail properties within the City of London, making it relevant for relative value comparisons.

The disputed issue was the Zone A rate applied of £2,725 to the property to determine the 2023 rateable value, which was reduced by the Valuation Tribunal to £1,700, seeing the property's rateable value slashed. Zoning is used to determine the price per square metre of a property, which is then used to calculate the rateable value for business rates bills. Zone A refers to the front of a shop, including any window display area, and is considered the most valuable space.

The City of London has a total of 1,540 retail premises, with a combined rateable value of £157.3 million. This value will be used to calculate business rates bills until 31 March 2026, which could now be impacted by the tribunal ruling. The most recent revaluation came into effect in England and Wales on 1 April 2023, based on rateable values from 1 April 2021, when the country was still gripped by the pandemic and at a time when there had been a collapse in demand for new leases.

**“The agency had an unenviable task in producing more than two million non-domestic property valuations against that backdrop. It was always going to be the most subjective revaluation yet, and there was always going to be significant sectoral and regional corrections needed.”**

Robert Shepherd, Senior Director, London



# Focus on Empty Property Relief

The government legislated to extend the Empty Property Relief (EPR) “reset period” from six weeks to three months, effective from 1 April 2024. A specific example of EPR that was under consultation applies to the reset period for further relief. In essence, if granted EPR, you do not have to pay business rates on your empty property for three months. This relief starts when the property becomes empty. After this time, most businesses must then pay full business rates. However, industrial premises (for example warehouses) can get extended EPR for three additional months. Previously, the law provided that the properties could not then benefit from a further period of EPR until it is occupied for a minimum six-week reset period before becoming vacant again.

The government said that one area of concern is that the current six-week reset period could be satisfied through repeated periods of minimal or superficial occupation and that some ratepayers may unduly benefit from repeated long periods of relief. Consequently, the government modified the reset period so that a ratepayer must wait before they can again claim EPR. This adjustment extended the reset period from six weeks to three months, effective 1 April 2024. The government argued that this would reduce the financial incentive for a ratepayer to engage in avoidance activity by requiring a longer period of occupation. Some local authorities have suggested this would make contrived avoidance arrangements less attractive and dissuade ratepayers from avoiding rates.

**“Parliament introduced the 2008 regulations for a number of reasons, one of which was to force landlords to let their properties in a more flexible manner, including short-term lettings. Therefore, there was a compelling reason for the reset period to remain at six weeks.**

**It was not the time to disincentivise short-term lettings, given the post-pandemic shift in how commercial property is now used. Vacancy rates for certain asset classes remain above pre-pandemic levels, and there has been a general downturn in values brought about by higher interest rates.”**

Allan Phillips, VP, Investor and Developer Services

The government is now considering whether this change has effectively reduced what it says was a financial incentive to avoid business rates.





# 2026 Revaluation

## Timeline

Antecedent valuation date: 1 April 2024

Last publication date for draft 2026 local rating lists:  
31 December 2025

## Fair Maintainable Turnover Valuations

Pubs, hotels, petrol stations, cinemas, bingo halls, stadiums, theatres, and tourist attractions are predominantly valued for the purpose of the business rates tax using “fair maintainable turnover” unlike shops and offices for example, which are based upon an estimate of rent. This type of valuation is used when there is little information about rents paid. The rateable value is based on the rent a tenant would be willing to pay to achieve a certain amount of trade considering the annual level of trade (excluding VAT) expected to achieve if operated in a reasonably efficient way. The antecedent date for the 2023 Revaluation was 1 April 2021 and is the basis of business rates bills from 1 April 2023 until 31 March 2026.

The pandemic had a major impact on both the volume and the complexity of the evidence that the VOA received when setting current rateable values. The agency’s surveyors worked closely with the licensed trade to investigate local and national markets, assessing how the pandemic impacted trade and profitability.

The antecedent date represents the economic situation as of that date. On 1 April 2021, we were still in a very uncertain world, with the UK formally having left the European Union. A third wave of the pandemic was

sweeping across Europe, with additional lockdowns in place. UK scientists were warning about these developments.

Industry is deeply concerned about the current level of business rates being paid. The Labour Manifesto accepts that, conceding that an undue burden is already being placed upon our high streets.

The longer-term pain is set to come. The 2026 revaluation, the very first under a shorter three-year cycle, will have an antecedent valuation date of 1 April 2024. Just consider the factors that determine fair maintainable turnover and how they will have dramatically changed from 2021 to 2024.

The licensed trade is going to see huge increases in rateable value at the next revaluation in 2026, which will impact bills between 1 April 2026 and 31 March 2029. The next revaluation is now mandated in law, and the VOA is now channeling its resources into preparing new draft valuations at a cost expected to be in the region of £80 million.

Whilst Labour has promised to reform the current business rates system saying an improved system would still raise the same revenue but in a “fairer way,” given the scope of the reforms under discussion, the licensed trade will still be valued in exactly the same way using fair maintainable turnover. New valuations are being prepared on that basis, and ratepayers must prepare accordingly.



# Focus on Private Schools

There are currently 2,787 non-domestic properties in both England and Wales classified by the VOA as public and independent schools (SCat code 223), educating in the region of 7% of all children, with properties at a combined rateable value of £555.42 million as of 30 September 2024. Such schools are defined by the VOA, an executive agency of His Majesty's Customs and Excise as independent of public funds and also those which, while receiving grants from such funds, remain independent of local education authorities or other official bodies in their direction and control. They include:

- Private schools providing primary education above the age of five, including "preparatory schools."
- Independent schools providing secondary education, for example, above the age of 12. These schools may also cater for pupils in a lower age group. Some independent schools are "public schools."
- Free schools created under the provisions of the 2010 Academies Act. Although publicly funded directly by central government, free schools, unlike schools under the control of local education authorities, are exempt from teaching the national curriculum and have increased control over teachers' pay and conditions and the length of school terms and days.

To clarify, this SCat code does not apply to state-funded academies other than free schools or to university technical colleges.

Whilst total rateable value on the local lists for England and Wales increased by 7.2% overall under the 2023 revaluation, across this asset class rateable values rose

more sharply by 10.6%. The current average rateable value for either a public or independent school is £199,290, with 41 properties having a rateable value more than £1 million, with the highest being £2.09 million for Warwick School, a registered charity. 2023 rateable values determine business rates liabilities from 1 April 2023 until 31 March 2026 and can be subject to Check, Challenge, Appeal.

## Basis of Valuation

Rateable value is determined in accordance with paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988, which states that "[t]he rateable value of a non-domestic hereditament ... shall be taken to be an amount equal to the rent at which it is estimated the hereditament might reasonably be expected to let from year to year."

It is well-established that, where possible, the method known as the Rentals Basis should be used, by examining the evidence of rents obtained from the property itself if possible, and otherwise from similar properties. The rental market for private and independent schools is both small and niche, and often there is insufficient evidence from that market to enable rateable values to be determined on the Rentals Basis. In those circumstances, the Contractor's Method of valuation should be used, which tends to produce a lower value. But the rental market, if it exists, cannot be ignored if there is sufficient evidence for it to be applied. If it can be demonstrated that no discernible rental market exists for this class, then a switch to the Contractor's Method may result in a lower rateable value and lower business rates liabilities. All evidence needs to be professionally considered, adjusted, and weighted before determining the appropriate approach.



## Legislative Change

On 29 July 2024, the government announced that as of 1 January 2025, all education, boarding, and vocational training provided for a charge by a private school in the UK would be subject to VAT at the standard rate of 20%. Any fees paid from 29 July 2024 relating to the term starting in January 2025 onwards would also be subject to VAT. The government also announced that such schools in England holding charitable status would lose their eligibility for business rates charitable rate relief (mandatory 80%) from 1 April 2025.

## Impact of Charitable Status

Under the Freedom of Information Act, Ryan asked all local authorities to provide details of tax relief given to private schools. Replies were analysed by 132 local authorities, who provided the necessary information. This revealed that 586 out of 1,038 private schools, around 56%, held charitable status and were, in turn, afforded mandatory business rates relief. Full details of government policy were set out in a technical consultation that was published on 29 July 2024 with a response to that consultation then being published by the government on 30 October 2024 alongside the Autumn Budget.

The Non-Domestic Rating (Multipliers and Private Schools) Act 2025, which has received Royal Assent, implements the government policy to end the charitable rate relief for eligible private schools (i.e., those that are charities). The government forecasts that, during the 2025/26 financial year, the loss of charitable relief from private schools will raise an additional £70 million, rising to £85 million for the three subsequent financial years. From the 2025/26 financial year onwards, the average private and independent school with charitable status will lose £87,050 in previously mandatory charitable relief.

## Exemptions

In the technical consultation, the government recognised that some pupils have special educational needs that could only be met in a private school and that they would consider how to address the potential impact of the removal of charitable rate relief on such schools. The government responded to the technical consultation, confirming that private schools wholly or mainly concerned with providing education to children with an Education, Health, and Care Plan will retain their charitable rate relief if they are registered as charities.

## Additional Liabilities in 2026

Further, despite the loss of charitable relief from April 2025, there are also 295 public and independent schools (SCat code 223) with a rateable value of £500,000 or more. The government also announced at the Autumn Budget a proposal to address the tax burden imbalance between online retailers and bricks-and-mortar high-street firms. From 2026, the government intends to introduce permanently lower business rate multipliers for high-street retail, hospitality, and leisure business premises, with a rateable value of less than £500,000.

The Non-Domestic Rating (Multipliers and Private Schools) Act 2025 seeks to implement a tax cut while ensuring it is fiscally sustainable and revenue-neutral for the public purse. This initiative will, in turn, be funded through a new higher multiplier for the most valuable properties, those with a rateable value of £500,000 or more—starting in April 2026, affecting 295 public and independent schools. Those schools face a double whammy of not only losing their charitable relief for the 2025/26 financial year but also a supplement to the standard multiplier from the 2026/27 financial year onwards.

## Devolution

As business rates are devolved, the provisions in the bill concern England only. The eligibility of private and independent schools for charitable rates relief in Wales was first discussed in 2020. Following that consultation, it was confirmed that any proposed policy change in this area would be subject to further consultation on a specific proposal.

The Welsh government, however, now proposes to withdraw charitable rates relief from private and independent schools, seeking to bring them in line with those that do not have charitable status for the purposes of non-domestic rates. There are currently 83 private and independent schools registered in Wales. Of those 17, around a fifth currently, receive charitable rates relief.

Following a consultation exercise which closed on 16 December 2024, the Welsh government laid before the Senedd the Non-Domestic Rating (Withdrawal of Charitable Relief for Independent Schools) (Wales) Regulations 2025 to give effect to the proposal and bring them into force on 1 April 2025 in line with England. In Scotland, charitable rates relief was withdrawn from private and independent schools on 1 April 2022.



## Focus on Wales

The Welsh government will be providing a further package of business rates support for businesses throughout Wales during the 2025/26 fiscal year. The Welsh government will be investing an additional £78 million to provide a sixth successive year of support for the retail, leisure, and hospitality sectors with their business rates bills.

Eligible ratepayers will continue to receive 40% rates relief for the duration of 2025/26. As in previous years, and as with England, the relief will be capped at £110,000 per business. This is a temporary relief, which the Welsh government says will not continue indefinitely.

There will also be a 1% cap in the increase to the non-domestic rates multiplier for 2025/26, at a recurring annual cost of £7 million. This is lower than the increase that would otherwise apply from the default inflation of the multiplier in line with CPI and will benefit all ratepayers that do not already receive 100% relief. The multiplier for 2025/26 is confirmed at 56.8p through the Non-Domestic Rating (Multiplier) (Wales) Regulations 2025. All of the consequential funding for Wales, arising from decisions relating to the multiplier announced in the UK government's Autumn Budget for England, is being used for this purpose.

Almost half of ratepayers, including thousands of small businesses across Wales, will not be affected by the increase in the multiplier, as they do not pay business rates at all through reliefs. This is an £85 million package of support in total for 2025/26 in addition to the permanent reliefs, which are worth £250 million to businesses and other ratepayers each year. Taken together, £335 million will be spent on business rates support in 2025/26 in Wales.

In addition to the Retail, Leisure, and Hospitality Rates Relief and capping the multiplier, Wales has also confirmed that the 100% relief for registered childcare premises has now been made permanent, saving such providers £3.4 million each year. The Welsh government also says it is on track to deliver its programme of non-domestic rates reforms set out for this Senedd term through the Local Government Finance (Wales) Act 2024.





# Appendix A - 2024/25 Biggest Sectoral Ratepayers

## Appendix A - 2024/25 Biggest Sectoral Ratepayers

Business Rateable Value 2024/25 Liabilities\*

<b>Car Parking</b>	<b>Rateable Value</b>	<b>2024/25 Liabilities</b>
Car Park Levels 10, 20, and 30, Westfield Shopping Centre, Ariel Way, London, W12 7GB	£3,430,000	£1,941,380
Q-Park Underground Car Park 35, Strand Street, Liverpool, L1 8LT	£2,300,000	£1,255,800
National Carparks 2 and 3, Airport Way, Birmingham Airport, Birmingham, B26 3QW	£2,130,000	£1,162,980
Car Park, The Oracle, Reading, RG1 2AG	£2,010,000	£1,097,460
British Airways Multistorey Car Park, North Side, Heathrow Airport, Hounslow, TW6 1ZZ	£1,720,000	£973,520

<b>Education</b>	<b>Rateable Value</b>	<b>2024/25 Liabilities</b>
The British Museum 78-88, Great Russell Street, London, WC1B 3DG	£17,320,000	£9,803,120
Natural History Museum, Cromwell Road, London, SW7 5BD	£17,260,000	£9,769,160
The University Of Manchester, Oxford Road East Upper Site, Manchester, M13 9PL	£15,360,000	£8,386,560
Tate Modern Bankside, Sumner Street, London, SE1 9TG	£12,100,000	£6,848,600
Victoria and Albert Museum (including Exhibition Road), Cromwell Road, London, SW7 2RL	£11,860,000	£6,712,760

<b>Healthcare</b>	<b>Rateable Value</b>	<b>2024/25 Liabilities</b>
Royal London Hospital, Whitechapel Road, London, E1 1BB	£18,330,000	£10,374,780
University Hospital Bham NHS Trust, Metchley Park Road, Birmingham, B15 2QT	£12,960,000	£7,076,160
University College Hospital 235, Euston Road, London, NW1 2BU	£11,850,000	£6,707,100
Southmead Hospital, Southmead Road, Bristol, BS10 5NB	£12,120,000	£6,617,520
Manchester Royal Infirmary, Oxford Road, Manchester, M13 9WL	£9,830,000	£5,367,180

<b>Hospitality</b>	<b>Rateable Value</b>	<b>2024/25 Liabilities</b>
Elveden Forest Holiday Village, Elveden, Thetford, Norfolk, IP24 3TY	£9,500,000	£5,187,000
Center Parcs, Edwinstowe Road, Rufford, Newark, Notts, NG22 9DD	£9,000,000	£4,914,000
Center Parcs at Woburn Forest Holiday Village, Fordfield Road, Millbrook, Bedford, MK45 2GZ	£8,600,000	£4,695,600
Center Parcs, Longleat, Warminster, Wilts, BA12 7PU	£8,000,000	£4,368,000
Center Parcs, Whinell Forest, Penrith, Cumbria, CA10 2DW	£7,740,000	£4,226,040

<b>Industrial (General)</b>	<b>Rateable Value</b>	<b>2024/25 Liabilities</b>
Bard Pharmaceuticals Limited, Unit 191, Science Park, Milton Road, Cambridge, CB4 0GW	£3,560,000	£1,943,760
Micromass UK Limited, Waters Corporation, Stamford Avenue, Altrincham Road, Wilmslow, Cheshire, SK9 4AX	£2,430,000	£1,326,780
Skechers USA Ltd, Unit 11a, Fortress Way, Rougham, Bury St Edmunds, Suffolk, IP32 7FQ	£2,250,000	£1,228,500
Swissport GB Limited, Building 558, Cargo Terminal, Heathrow Airport, Hounslow, TW6 3LN	£1,990,000	£1,126,340
Bleckmann Logistics UK Limited, Unit 11b, Fortress Way, Rougham, Bury St Edmunds, Suffolk, IP32 7FQ	£1,910,000	£1,042,860

<b>Industrial (Specialist)</b>	<b>Rateable Value</b>	<b>2024/25 Liabilities</b>
Esso Refinery, Marsh Lane, Fawley, Southampton, SO45 1TX	£25,550,000	£13,950,300
Slb 2020 Limited (British Steel), Brigg Road, Scunthorpe, Lincs, DN16 1BP	£21,940,000	£11,979,240
National Grid Grain LNG Limited GrainIng, Isle Of Grain, Rochester, Kent, ME3 0AB	£21,600,000	£11,793,600
Thames Water Utilities Limited Beckton Sewage Treatment Works, Jenkins Lane, Barking, Essex, IG11 0AD	£20,200,000	£11,433,200
Land Rover Ltd, Lode Lane, Solihull, West Midlands, B92 8NW	£17,380,000	£9,489,480

\*Excludes all reliefs (mandatory and discretionary) and subsidies.

## Appendix A - 2024/25 Biggest Sectoral Ratepayers

Business Rateable Value 2024/25 Liabilities\*

Land	Rateable Value	2024/25 Liabilities	Other Commercial	Rateable Value	2024/25 Liabilities
Car Storage Terminal (south), Lappel Bank, Sheerness Docks, Sheerness, Kent, ME12 1RS	£2,240,000	£1,223,040	Heathrow Airport Ltd, Heathrow Airport, Hounslow, TW6 1JH	£210,000,000	£118,860,000
BCA Vehicle Services Ltd, Kiln Lane, Stallingborough, Grimsby, Lincs, DN41 8DQ	£2,070,000	£1,130,220	Gatwick Airport Ltd, Gatwick Airport, Gatwick, West Sussex, RH6 0NN	£71,460,000	£39,017,160
BMW Pdi Facility, Chase Hill Road, North Killingholme, Immingham, Lincs, DN40 3LU	£1,990,000	£1,086,540	British Airways PLC, Engineering Base, No 1 Maintenance Area, Heathrow Airport, Hounslow, TW6 1JH	£40,670,000	£23,019,220
Car Storage Terminal (north), Lappel Bank, Sheerness Docks, Sheerness, Kent, ME12 1RS	£1,990,000	£1,086,540	The Channel Tunnel (within The UK), Shakespeare Cliff, Dover, Kent, CT17 9HB	£40,000,000	£21,840,000
BCA, Geddington Road, Corby, Northants, NN18 8ET	£1,970,000	£1,075,620	Baa Stansted Airport, Stansted Airport, Stansted, Essex, CM24 1QW	£32,230,000	£17,597,580
Tattersalls Limited, Park Paddocks, Queensberry Road, Newmarket, Suffolk, CB8 9AU	£1,865,000	£1,018,290			
Leisure	Rateable Value	2024/25 Liabilities	Retail	Rateable Value	2024/25 Liabilities
AnSCO Arena Limited, O2 Arena, Peninsula Square, London, SE10 0DX	£11,100,000	£6,282,600	Harrods Limited, 87-135, Brompton Road, London, SW1X 7XL	£18,000,000	£10,188,000
Tottenham Hotspur Football Club, Lilywhite House 782, High Road, Tottenham, London, N17 0BX	£10,280,000	£5,818,480	Selfridges 398-454, Oxford Street, London, W1C 1JS	£16,820,000	£9,520,120
Emirates (Arsenal) Stadium, Queensland Road, London, N7 7AJ	£8,650,000	£4,895,900	Louis Vuitton UK Limited, Bst-2nd Floors 17-20, New Bond Street, London, W1S 2RB	£8,490,000	£4,805,340
Manchester United Football Club Ltd, Sir Matt Busby Way, Manchester, M16 0RD	£8,680,000	£4,739,280	Ralph Lauren UK Limited (Burlington Gardens and 15/16 Cork Street) 1-5, New Bond Street, London, W1S 3LU	£7,900,000	£4,471,400
Alton Towers Ltd, Farley Lane, Alton, Stoke-On-Trent, ST10 4BZ	£7,000,000	£3,822,000	John Lewis Partnership PLC (including 22a Cavendish Square and 11-12 Old Cavendish Street) 278-306, Oxford Street, London, W1C 1DX	£6,570,000	£3,718,620
Offices	Rateable Value	2024/25 Liabilities	Utilities	Rateable Value	2024/25 Liabilities
Goldman Sachs International, 25 Shoe Lane, London, EC4A 4AU	£32,410,000	£18,797,800	Sellafield Limited, Sellafield Works, Sellafield, Seascale, Cumbria, CA20 1PG	£51,130,000	£27,916,980
UBS Ag, 5 Broadgate, London, EC2M 2QS	£26,290,000	£15,248,200	EDF Energy Nuclear Generation Limited, Heysham 2 Power Station, Heysham Power Station, Morecambe, Lancs, LA3 2XN	£39,400,000	£21,512,400
BBC Studios Limited, Broadcasting House 2-22, Portland Place, London, W1A 1AA	£26,250,000	£14,857,500	Cavendish Fluor Partnership Limited, Sizewell B Power Station, Sizewell B Power Station, Sizewell, Leiston, Suffolk, IP16 4UR	£36,000,000	£19,656,000
The Leasehold Advisory Service, 2 Marsham Street, London, SW1P 4DF	£24,970,000	£14,133,020	Drax Power Station, Selby, North Yorkshire, YO8 8PH	£21,800,000	£11,902,800
Bloomberg, 3 and Pt 25, Queen Victoria Street, London, EC4N 4TQ	£23,910,000	£13,867,800	EDF Energy Nuclear Generation Limited, Heysham 1 Power Station, Heysham Power Station, Morecambe, Lancs, LA3 2XQ	£17,250,000	£9,418,500

\*Excludes all reliefs (mandatory and discretionary) and subsidies.

# About Ryan

Ryan, an award-winning global tax services and software provider, is the largest Firm in the world dedicated exclusively to business taxes. The Firm provides an integrated suite of international tax services on a multijurisdictional basis, including cost management, compliance, consulting, technology and transformation, and innovation funding. Ryan's global Property Tax practice combines local expertise and advanced technology to deliver strategic property tax and business rate management, reporting, forecasting, and litigation support, as well as agency and lease consulting. We combine industry-leading technology with unmatched market insights, leveraging the expertise of our team across North America and the United Kingdom to streamline processes like assessments, management, appeals, and forecasting while providing clients with the clarity needed to make informed decisions. Ryan's multidisciplinary team of more than 5,900 professionals and associates serves over 77,000 clients in more than 80 countries, including many of the world's most prominent Global 5000 companies. More information about Ryan can be found at [ryan.com](https://ryan.com).



## Award-Winning Tax Services

For additional information

+44 (0) 161 609 0630  
[property.uk@ryan.com](mailto:property.uk@ryan.com)  
[ryan.com/europe](https://ryan.com/europe)

© 2025 Ryan, LLC