

## Reducing the burden of Business Rates – Autumn budget 2021



The Autumn Budget was delivered on Wednesday 27 October 2021 under the tagline “[A Stronger Economy for the British People](#)”.

Headline-grabbing announcements included an increase in the national living wage, the cancellation of the expected rise in fuel duty and a cut to the universal credit taper rate.

In terms of real estate taxes, one of the measures that the Government announced was a reform in business rates with the aim of reducing the burden of business rates in England and making the system fairer, more responsive and more supportive of investment.

The Chancellor’s announcement covered the following key reforms, reported to amount to a significant £7bn in relief over the next 5 years:

- **Freeze in the business rates multiplier:** The Government has announced that it will freeze the business rates multiplier (rather than increasing it in line with CPI) for the second year in a row, from 1 April 2022 to 31 March 2023.
- **Rates relief for eligible retail, hospitality and leisure properties:** [Further temporary business rates relief](#) will be made available for eligible retail, hospitality and leisure properties for 2022-23. Eligible properties will receive 50% relief up to a cap of £110,000 per business. This continues in the vein of the Covid relief and notably (apart from reliefs in response to COVID-19) is the biggest single-year cut to business rates in 30 years. This relief will apply on top of the multiplier freeze
- **New improvement relief:** The Government plans to introduce a new business rates relief worth £750m

giving 12 months' business rates relief to support investment in property improvement so that no business will face higher business rates bills for 12 months after making qualifying improvements to a property they occupy.

- **New investment relief:** From 1 April 2023 until 31 March 2035, the Government intends to introduce targeted business rates exemptions to support businesses [investing in Green Technology](#) by exempting eligible plant and machinery used in onsite renewable energy generation and storage. A 100% relief will also be provided for eligible low-carbon heat networks, to support the decarbonisation of non-domestic buildings.
- **Three-year revaluation cycle:** From 2023, business rates revaluations will take place every three years instead of every five.

In summary, these are welcome reliefs that go some way to helping all ratepayers however as is always the case more detail is needed to understand exactly how reliefs will be administered.



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