



Business Rates (NNDR) Explanatory Notes 25/26

Non-domestic rates

Non-Domestic Rates, or business rates, collected by local councils are the way that those who occupy non-domestic property contribute towards the cost of local services. Under the business rates retention arrangements introduced from 1st April 2013, councils keep a proportion of the business rates paid locally. The money, together with revenue from council taxpayers, locally generated income and grants from central government, is used to pay for the services provided by local councils in your area.

Further information about the business rates system, may be obtained at: gov.uk/introduction-to-business-rates and on the Council's website lewisham.gov.uk

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

At the Autumn Budget on 30 October 2024 the Chancellor announced the extension of the business rates relief scheme for retail, hospitality, and leisure (RHL) properties, worth over £1.5 billion in 2025/26. This will support the businesses that make our high streets and town centres a success and help them to evolve and adapt to changing consumer demands.

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

The total value of relief available per business, whether occupying one or more properties, is capped at £110,000. Any ratepayer who would be eligible for the sum of relief above £110,000 if there were no cap in place, should be awarded relief up to the value of £110,000 (as has been the policy in previous years).

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

Business Rates Instalments

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

National Non-Domestic Rating Multiplier

The local council works out the business rates bill for a property by multiplying the rateable value of the property by the appropriate non-domestic multiplier. There are two multipliers: the national non-domestic rating multiplier and the small business non-domestic rating multiplier.

The Government sets the multipliers for each financial year, except in the City of London where special arrangements apply.

Ratepayers who occupy a property with a rateable value which does not exceed £50,999 (and who are not entitled to certain other mandatory relief[s] or are liable for unoccupied property rates) will have their bills calculated using the lower small business non-domestic rating multiplier, rather than the national non-domestic rating multiplier.

The multiplier for a financial year is based on the previous year's multiplier adjusted to reflect the Consumer Price Index (CPI) inflation figure for the September prior to the billing year. The current multipliers are shown on the reverse of your bill.

Rateable Value

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

To understand why your property has a certain rateable value you can read the VOA's guidance on how business rates are calculated at: Business rates: [gov.uk/introduction-to-business-rates/how-your-rates-are-calculated](https://www.gov.uk/introduction-to-business-rates/how-your-rates-are-calculated)

The VOA may alter the valuation if circumstances change. The ratepayer (and certain others who have an interest in the property) can also check and challenge the valuation shown in the list if they believe it is wrong. If you are concerned that your business rates may be incorrect, you can check and update your information using the VOA's Check and Challenge your business rates service at: [gov.uk/guidance/check-and-challenge-your-business-rates-valuation-step-by-step](https://www.gov.uk/guidance/check-and-challenge-your-business-rates-valuation-step-by-step)

Revaluations

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

Business Rate Reliefs

Depending on individual circumstances, a ratepayer may be eligible for a rate relief (i.e. a reduction in their business rates bill). There are a range of available reliefs.

Further details are provided below and at [gov.uk/introduction-to-business-rates](https://www.gov.uk/introduction-to-business-rates), at [lewisham.gov.uk](https://www.lewisham.gov.uk), on your rates bill, or by contacting the council.

Temporary Reliefs

Some of the permanent reliefs are set out below but other temporary reliefs may be introduced by the Government at a fiscal event.

Further detail on current temporary reliefs is available at [gov.uk/apply-for-business-rate-relief](https://www.gov.uk/apply-for-business-rate-relief). You should contact the council for details on the latest availability of business rates reliefs and advice on whether you may qualify.

Small Business Rates Relief

If a ratepayer's sole or main property has a rateable value which does not exceed an amount set out in regulations, the ratepayer may receive a percentage reduction in their rates bill for this property of up to a maximum of 100%. The level of reduction will depend on the rateable value of the property – for example eligible properties below a specified lower threshold will receive 100% relief, and you may receive partial tapered relief up to a specified upper threshold. The relevant thresholds for relief are set out in regulations and can be obtained from your local council or at [gov.uk/introduction-to-business-rates](https://www.gov.uk/introduction-to-business-rates).

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

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

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

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

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

Charity and Community Amateur Sports Club Relief

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

The local Council has discretion to give further relief on the remaining bill. Full details can be obtained from the council's business rates team. Unoccupied Property Rate Relief

Business rates are generally payable in respect of unoccupied non- domestic property. However, they are generally not payable for the first three months that a property is empty. This is extended to six months in the case of certain other properties (for example industrial premises). Full details on exemptions can be obtained the Council's website; lewisham.gov.uk/businessrates or gov.uk/apply-for-business-rate-relief

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Transitional Rate Relief

At a revaluation, some ratepayers will see reductions or no change in their bill, whereas some ratepayers will see increases.

Transitional relief schemes are introduced at each revaluation to help those facing increases. This relief has been funded by limiting the reduction in bills for those who have benefitted from the revaluation. Transitional relief is applied automatically to bills.

Further information about transitional arrangements and other reliefs may be obtained from lewisham.gov.uk/businessrates or gov.uk/introduction-to-business-rates.

Film studios – business rates relief

At the Budget on 6 March, the Chancellor announced that eligible film studios in England will receive a 40% reduction on gross business rates bills until 2034. The relief once implemented will be backdated to 1 April 2024. This is a tax cut worth around £470 million over 10 years.

Film studio rate relief is available for a chargeable day in the financial years 2024/25 to 2033/34 for a hereditament which for the chargeable day is:

(a) Used (or if unused appears that when next in use would be used) for the production of films or television programmes and in whole or in part comprises sound stages or film sets, and

(b) Valued by the Valuation Office Agency (VOA) as a studio falling within one of the following VOA's valuation categories for film studios:

i. temporary or semi-permanent filming studios ii. older filming studios, whether converted or purpose built iii. modern industrial conversion filming studios (typically converted to film studios post 2010)

iv. modern purpose-built filming studios (typically built post 2010) v. campus sites

Further information about Film studio relief may be obtained from the gov.uk website at: [gov.uk/guidance/business-rates-film-studio-relief-local-authority-guidance](https://www.gov.uk/guidance/business-rates-film-studio-relief-local-authority-guidance)

Business Improvement Relief

Following a government consultation, the Business Improvement Relief is to become available from 1 April 2024, to support businesses who wish to invest in their properties.

The qualifying conditions are.

- i. you have increased the size of or improved the physical state of an existing property.
- ii. you have occupied the property every day since the improvement works started.

The relief will ensure that no ratepayer will face higher business rates bills for 12 months, as a result of qualifying improvements to a property they occupy.

Please visit the Councils website for more information on how to apply;
[lewisham.gov.uk](https://www.lewisham.gov.uk)

Local Discounts and Hardship Relief

Local councils have a general power to grant discretionary local discounts and to give hardship relief in specific circumstances. Full details can be obtained from [lewisham.gov.uk](https://www.lewisham.gov.uk).

Subsidy Control

The new UK subsidy control regime commenced from 4 January 2023. The new regime enables public authorities, including devolved administrations and local authorities, to deliver subsidies that are tailored for local needs. Public authorities giving subsidies must comply with the UK's international subsidy control commitments. The subsidy control legislation provides the framework for a new, UK-wide subsidy control regime. Further information about subsidy control can be found on the gov.uk website at: [gov.uk/government/collections/subsidy-control-regime](https://www.gov.uk/government/collections/subsidy-control-regime).

Rating Advisers

Ratepayers do not have to be represented in discussions about their rateable value or their rates bill. However, ratepayers who do wish to be represented should be aware that members of the Royal Institution of Chartered Surveyors (RICS – website [rics.org](https://www.rics.org)) and the Institute of Revenues, Rating and Valuation (IRRV – website [irrv.net](https://www.irrv.net)) are qualified and are regulated by rules of professional conduct designed to protect the public from misconduct.

Before you employ a rating adviser or company you should check that they have the necessary knowledge and expertise, as well as appropriate indemnity insurance. Take great care and, if necessary, seek further advice before entering into any contract.

Information Supplied with Demand Notices

Information relating to the relevant and previous financial years in regard to the gross expenditure of the local Council is available at [lewisham.gov.uk](https://www.lewisham.gov.uk) [where information is published].

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