GOODMAN NASH
PROPERTY AUDIT

Tel: 01380 739112
Web: www.goodmannash.co.uk
Email: contactgn@goodmannash.co.uk
LinkedIn: /company/goodmannash

2021 Autumn Budget Review

Autumn Budget Announcements

Call 01380 739112

Like it or not the Conservative Government is wedded to the business rates system. The Labour Government wishes to abolish it but has provided no ideas how it would balance the books – at this stage in the political scrimmaging it doesn't need to! Listening to the Budget statement from the Chancellor Rishi Sunak it gave little detail to some of the sweeping changes ahead for businesses looking to budget for the their future business rates liabilities. The detail is contained in the Business Rates Review Publication October 2021 (click here to read)

What are the headlines:

What we know today:

For most businesses pre-budget the tax was to rise by 3.1% from 1 April 2022. Great News - this increase has been scrapped. We would comment that with high street retailing on its knees, this political intervention was anticipated.

Undoubtedly the biggest gainers from this Budget are those businesses that are in the Retail, Leisure and Hospitality Sectors who are set to see their bills halved (50% relief) during 2022/23, having received a huge amount of support during rate years 2020/21 and 2021/22. However the real sting in the tail is that the relief is limited to a maximum of £110,000 per business, across that period. A great headline, but is targeted at small businesses only and has an element of smoke and mirrors to the headline statements made, as it will have little impact on those who trade from multiple locations.

In the meantime the Government will continue to explore the possibilities of an Online Sales Tax where any revenue received could be used to provide some offsets on business rates (those bricks and mortar businesses). However, it has flagged a number of issues, so we would advise not holding out too much hope on that front.

The Government will also shortly be launching a consultation of transitional relief. We will keep you updated when it comes along.

Set to come into force in April 2023:

The 2023 Revaluation goes ahead as planned with a valuation date of 1 April 2021. This means that the rateable values set in the 2023 Revaluation, will reflect the continuance of the pandemic. Just how this is implemented in practice is unknown. The Valuation Office Agency is responsible for fixing those rateable values, but it is yet to give any detail as to how it will approach its valuations in the heart of the pandemic. High Street shopping will see some of the biggest falls in rateable value, but the valuation of those trade based properties, such as pubs, leisure and theme parks etc are a bit of an unknown at this stage.

There are some major row backs on some of the Government's earlier proposals and it is welcoming to see some sense of fairness being re-applied. Dropped for the next Revaluation due in 2023 are the proposals to restrict the timing in which you can make an appeal, as well as additional planned costs in making an appeal in the first instance.

To be welcomed is the fact that this Government will follow the Scottish example of giving 12 months relief from charging on improvements made to properties – details yet to be provided and will be subject to consultations. It's a measure of comfort, but there would be more incentive if the relief was granted across a much longer period. Perhaps better news is that if I spend the money on green investment and the de-carbonisation of commercial property such as solar panels, wind turbines and battery storage used with renewables and electric vehicle charging points, these will be exempt from rateable value increases.

The duty to inform the valuation office of changes made to properties will also be introduced with penalties for non-compliance or providing false information. This will come into play sometime after 2023.

Set to come in April 2026

This further Revaluation will introduce a new time period of challenges being required to be made in the first 3 months of the list coming into force, except where rateable values are altered or new properties brought into the list for the first time, the 3 month window will be re-opened. This will also be the case for new occupiers. All this is to be welcomed but the Government has signalled on the horizon that it may see things differently in 2026 (the following Revaluation), when The Check stage of the appeal process in England will be removed, but challenges will then need to be made within the first 3 months of the list coming into being or the first 3 months for any new occupiers.

Alan Weston BSc, MRICS
Board Director

Call Goodman Nash on 01380 739 112

Receive your free consultation

Start the process of reducing your expenses

Get in touch today to start saving

Meet the team

Andrew Wheeler
Board Director
andrewwheeler@goodmannash.co.uk

Jason Delaney
Business Development Manager
jasondelaney@goodmannash.co.uk

RICS Regulated by RICS

Best Practice Representative
2019 PARLIAMENTARY REVIEW

irrv ORGANISATIONAL MEMBER