Alarm bells for the horseracing industry as government's new business rates policy removes 40% relief from racing yards whilst excluding betting shops from the lower multiplier.

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The horse racing industry could be yet another victim of the government's new business rates policies, coming into play next April, say business rates experts at Colliers - unless the government backtracks fast.

The government published detailed guidance about which properties will qualify for the new retail, hospitality and leisure (RHL) lower business rates multipliers, due to take effect from 1 April 2026 to coincide with the 2026 revaluation. Business Rates Multipliers: Qualifying Retail, Hospitality or Leisure - GOV.UK. Such lower multipliers are designed to compensate the sector for the loss of the RHL business rates relief, upon which it has depended since pre-covid, (a product of the rates liability being unsustainable). This relief has since been reduced from 100% during Lockdown to 75% in subsequent years and down to 40% in April 2025. It will completely disappear in April 2026.

Under the new system, the government will introduce two lower business rates multipliers for RHL properties in England with rateable values (RVs) below £500,000. They include the small business multiplier for RHL properties with a RV under £51,000 and a standard multiplier for RHL properties between £51,000 and £499,999. The government has said the new small RHL business multiplier will be up to 10p in the £ lower than the standard multiplier it announces at the Budget.

In its guidance the government has listed the categories of RHL that will benefit from the new multipliers and those that will be excluded. One key exception to this new relief is the **horse racing industry**.

Up to now racing yards have been able to claim RHL relief, currently 40%. However, the government has now been explicit that they will not qualify for the new lower multiplier, and the relief is scheduled for complete removal in April of next year. This is because the new multipliers will be restricted to those properties or venues "wholly or mainly" used for in-person retail, hospitality, or leisure activity provided to "visiting members of the public".

The government says racehorse trainers' yards do not fall within this definition and they will therefore not benefit from the new RHL lower multipliers.

According to John Webber, Head of Business Rates at Colliers, such a conclusion could have some devastating consequences. As Webber he explains, "The actual impact will depend on each property's rateable value, but for most yards this change will represent a return to full business rates liability. Trainers work on small margins- they employ many people on low wages so the recent hike in employers' NI contributions and the NMW have already impacted them hard. To add on increased business rates costs could put many over the edge."

According to Colliers, rates bills for the sector look therefore to rise by at least 40%, giving an average increase to over **£7000 per yard** and over **£10 million in total next year**. This will be considerably damaging for the industry.

Another government category excluded from the list, and one which will indirectly impact the horseracing industry, is the exclusion of **betting shops** from eligibility for the lower multiplier, even though they are used for in-person activities and help footfall into the high street.

There are over 6000 bookmakers in the country. When the new multipliers are applied in April 2026, Colliers estimate they could be paying in excess of **£10 million per annum in business rates,** over and above what other similar shops could be.

According to Webber, "Taxing the betting industry will certainly not help the high street, and only lead to more empty shops. And the knock-on effects are further reaching - for example for the horseracing industry. Less money for British bookmakers means less money for British horseracing - an industry already under attack from the Chancellor's business rates strategy."

This knock to the betting industry comes on top of a further threat from the Chancellor- to hike the tax on

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gambling firms in the forthcoming Budget. Last month Fred Done from Betfred warned that such a further tax hike could result in the closing of all 1287 Betfred shops in the UK, putting 7,500 jobs at risk. Other book makers have echoed the sentiment, citing such taxes are unsustainable coming on top of the hike to employers' national insurance last April.

Commenting on the new multipliers policy generally, Webber said," The list of who will be eligible for the new lower multipliers appears quite arbitrary. We are not sure why there is a distinction between casinos, gambling halls and bingo halls (who will be eligible for the lower multiplier) and the betting shops who will not."

"Also, we have health spas, wellness centres, and massage parlours eligible for relief, but small businesses offering physiotherapy, osteopathy or chiropractic services are not. Opticians will be, but those businesses offering hearing services are not."

"Nor is it clear why the government was prepared to support and give RHL relief to the training yards, previously but is now taking this away, despite their importance to the horseracing industry, a very publically enjoyed leisure event."

He added, "Because the government has now declared that eligibility for the lower multiplier will be determined in accordance with its new statutory definitions, it has removed the discretion from the local authority to decide what its local business community will need. This means the local authority will be less able to support local industries outside the list as it did previously."

Webber concludes, "The government's cack-handed business rates policy, far from simplifying the system has made it more complicated. And yet again we have had no consultation or means to put forward a case for why some of these categories might not be fair or to point out the consequences of these decisions.

The government is high-handedly announcing piecemeal changes rather than looking at what the system needs as a whole- which is fundamental reform- **a lower multiplier for everyone at a rate businesses can afford**. Instead, we will see increase costs for UK PLC overall, through the higher multipliers imposed on the bigger businesses to pay for this relief and through the unthought of consequences for industries such as the horseracing industry. There will be others"

The Government must think again. If they consulted with industry in a grown-up manner these constant wrong turns would be avoided!"

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