# Are business rates causing too much apathy in property owners?

**Tuesday 18 July, 2023**

Business rates have been an increasing cause of concern for property owners over the past year. Why are so many not doing anything about it?

In April, the 2023 rating list came into effect. This meant that many businesses rateable values (RV) saw a significant increase. However, to counter the rise of panic around this property tax, the government brought in new or extended support packages containing everything from help with energy bills, to expanded or interim business reliefs.

Over the last few years, commercial property owners and tenants have seen a huge shift in the reliefs offered, and their function. This has created a false sense of security. Retail, Hospitality, and Leisure (RHL) relief for example, was increased to 50% for 2022/23 but has been increased again to cover 75% of a properties business rates liability for 2023/24. However, that generosity has an expiration date. The 75% RHL relief will end on the 31st of March 2024 as it stands.

Rates reliefs often have a host of eligibility criteria, and the length of time that reliefs are available differs dramatically. Although the Valuation Office Agency (VOA) calculate the general criteria and the RV for each individual commercial property, further criteria and the decision to grant reliefs – as well as their distribution – are dependent on the local authority that also collects the business rates payable (RP).

## Are extended reliefs causing apathy about business rates liabilities?

“Changes in reliefs for the 2023 rating list have been welcomed by the majority,” David Waldron, lead surveyor at RVA Surveyors, has said.

“But there are tens of thousands – if not hundreds of thousands, of businesses missing out on the support available. These reliefs could increase, decrease, or disappear altogether.”

Hundreds of thousands of rates payers who receive these interim reliefs, are not aware of the ever-looming end dates and could be met with a very nasty surprise when they are removed.” Anthony Hughes, Managing Director of RVA Surveyors, weighed in.

As part of the 2022 Autumn Budget (delivered in November), these extensions, or transformations, to reliefs and other support for businesses came just as anxiety of an unsustainable rates hike was hitting its peak. However, these measures seem to have caused a wave of increased apathy in business rates payers.

“The uncertainty around several of these reliefs makes its very difficult for business rates payers to budget for 2024/2025, and beyond.” David added, “It’s becoming an issue for clients, the respite of the current reliefs has created a kind of apathy where few appear to be looking further than the here and now.”

RHL is due to end on the 31st of March 2024. So far, there has been no announcement of a replacement relief to mitigate business rates payers having to pay one hundred percent of their liability from April 2024. RVs rose astronomically across all sectors this year. Yet the overwhelming majority (of those benefiting from reliefs) have been propped up by different support packages and interim reliefs and are simply not aware of just how short term they are.

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