



Ministry of Housing,
Communities &
Local Government

Correspondence

01/2025: Publication of Business Rates Relief Information

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Applies to England

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To: Chief Finance Officers of English Billing Authorities

From: Non-Domestic Rates Team , Local Government Finance, SE Quarter - 2nd Floor , Fry Building , 2 Marsham Street, London, SW1P 4DF ndr@communities.gov.uk

Date: 19 February 2025

For the attention of the business rates section

Dear Chief Finance Officer

Business Rates Information Letter (01/2025): Publication of Business Rates Relief Information

This is the first business rates information letter to be issued by the Ministry of Housing, Communities and Local Government in 2025. Previous letters are available on the internet at:

<https://www.gov.uk/government/collections/business-rates-information-letters> (<https://www.gov.uk/government/collections/business-rates-information-letters>)

or for archived letters:

<http://webarchive.nationalarchives.gov.uk/20120919132719/http://www.communities.gov.uk/localgovernment/localgovernmentfinance/businessrates/businessratesinformationletters/>
(<http://webarchive.nationalarchives.gov.uk/20120919132719/http://www.communities.gov.uk/localgovernment/localgovernmentfinance/businessrates/businessratesinformationletters/>).

This letter covers:

- Confirmation of the Non-Domestic Rating Multipliers for 2025/2026
- Publication of guidance for the Retail, Hospitality and Leisure relief 2025/26
- Update on the Non-Domestic Rating (Multipliers and Private Schools) Bill
- Publication of guidance for the Film Studios relief scheme
- Business rates reform, timeline and engagement

1. Confirmation of the Non-Domestic Rating Multipliers for 2025/2026

The Chancellor announced at Autumn Budget 2024 that the government would freeze the small business multiplier at 49.9p while uprating the standard multiplier by CPI inflation. [The Local Government Finance Act 1988 \(Calculation of Small Business Non-Domestic Rating Multiplier\) \(England\) Regulations 2024](https://www.legislation.gov.uk/ukxi/2024/1321/contents/made) (<https://www.legislation.gov.uk/ukxi/2024/1321/contents/made>) gives effect to this policy.

In accordance with Schedule 7, Part A1, paragraph A7 of the Local Government Finance Act 1988 (the 1988 Act), the Secretary of State has calculated the non-domestic rating multipliers for England for 2025/2026. In line with the requirements of paragraph A7, this business rates information letter provides details on the non-domestic rating multiplier and the small business non-domestic rating multiplier for England for 2025/2026:

- a. Non-domestic rating multiplier 55.5p (0.555)
- b. Small business non-domestic rating multiplier 49.9p (0.499)

2. Publication of guidance for the Retail, Hospitality and Leisure relief 2025/26

At the Autumn Budget on 30 October 2024, the Chancellor extended the business rates relief scheme for retail, hospitality, and leisure properties, worth over £1.5 billion in 2025/26.

The government has published guidance setting out the eligibility criteria for the scheme. The RHL relief scheme guidance provides local authorities with information about the intended operation and delivery of the policy. The government expects local authorities to include details of the relief to be provided to eligible ratepayers for 2025/26 in their bills for the 2025/26 billing cycle. This guidance can be found at the link at the end of this section.

The 2025/26 Retail, Hospitality and Leisure Business Rates Relief scheme will provide eligible occupied retail, hospitality, and leisure properties with a 40% relief. 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 a sum of relief above £110,000 if there were no cap in place, should be awarded relief up to the full value of £110,000 (as has been the policy for previous years).

For more information, please see: [Business Rates Relief: 2025/26 Retail, Hospitality and Leisure Scheme - GOV.UK](#)

<https://www.gov.uk/guidance/business-rates-relief-202526-retail-hospitality-and-leisure-scheme>

3. Update on the Non-Domestic Rating (Multipliers and Private Schools) Bill

The Non-Domestic Rating (Multipliers and Private Schools) Bill passed the final stages in the House of Commons on 15 January and is now proceeding through the House of Lords.

You can track the progress of the Bill and read further information about the Bill measures on the Bill page: <https://bills.parliament.uk/bills/3887>
(<https://bills.parliament.uk/bills/3887>)

As per our update shortly after the Autumn Budget, billing authorities should work on the basis that precise sector definitions will be confirmed before the Autumn with the intention that these will broadly follow the definitions in RHL relief. The multiplier rates will be confirmed at the Budget. Local authorities should discuss with their software suppliers any operational, procedural and software changes that may be needed to implement the multiplier reforms. MHCLG will continue to engage with authorities to support the transition of their billing systems ahead of 2026/27 billing cycle.

The measure to remove charitable rate relief from those private schools which are charities, is expected to commence from 1 April 2025. However, this is subject to the enactment of the legislation, we will therefore alert billing authorities once the parliamentary process has concluded and confirm the effective date that relief will need to be removed from. In advance of that, billing authorities should identify any private schools in their area, which are charities that are currently in receipt of this relief which will lose eligibility. Bills should not be issued with the relief removed in advance of the enactment of the legislation.

4. Publication of guidance for 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 apply to hereditaments assessed by the VOA as film studios, and will be backdated to 1 April 2024.

The government has published guidance setting out the eligibility criteria for the scheme. The Film Studios relief scheme guidance provides local authorities with information about the operation and delivery of the policy. The government encourages local authorities to quickly implement the scheme and apply the relief to eligible ratepayers.

For more information, please see: [Business rates: Film studio relief - local authority guidance - GOV.UK \(https://www.gov.uk/guidance/business-rates-film-studio-relief-local-authority-guidance\)](https://www.gov.uk/guidance/business-rates-film-studio-relief-local-authority-guidance)

5. Business rates reform, timeline and engagement

On the 17 February, the government published a forward look of the expected timeline for engagement and reforms to the business rates system. More details can be found at: [Business rates: forward look - GOV.UK \(https://www.gov.uk/government/publications/business-rates-forward-look/business-rates-forward-look\)](https://www.gov.uk/government/publications/business-rates-forward-look/business-rates-forward-look)

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