



Ministry of Housing,  
Communities &  
Local Government

Correspondence

# **2/2026: Notification of Non-Domestic Rating Multipliers for 2026/27**

Published 10 February 2026

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**Applies to England**

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To: Chief Finance Officers of English Billing Authorities - For the attention of the Business Rates section

From: Non-Domestic Rates Team, LGF - Local Taxation, Ministry of Housing, Communities and Local Government  
([ndr@communities.gov.uk](mailto:ndr@communities.gov.uk))

Date: 10 February 2026

For the attention of the business rates section

Dear Chief Finance Officer

This is the second business rates information letter to be issued by the Ministry of Housing, Communities and Local Government in 2026. 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/busratesinformationletters/>  
(<http://webarchive.nationalarchives.gov.uk/20120919132719/http://www.communities.gov.uk/localgovernment/localgovernmentfinance/businessrates/busratesinformationletters/>).

This letter covers:

- Notification of Non-Domestic Rating Multipliers for 2026/27
- Explanatory Notes: Non-Domestic Rating Demand Notice

## Notification of the Non-Domestic Rating Multipliers for 2026/27

1. In accordance with the requirements of paragraph A7 and A10 of Schedule 7 to the Local Government Finance Act 1988 (“the 1988 Act”), the Secretary of State has calculated the non-domestic rating multipliers for England for 2026/27 as follows:

- Standard non-domestic rating multiplier: 48.0p (0.48) as found by calculation of the formula in paragraph A3 of Schedule 7 to the 1988 Act,
- Small business non-domestic rating multiplier: 43.2p (0.432) as found by calculation of the formula in paragraph A5 of Schedule 7 to the 1988 Act
- Standard RHL multiplier: 43.0p (0.43) as found in accordance with the rule in regulation 3(b) of The Local Government Finance Act 1988 (Calculation of Non-Domestic Rating Multipliers for Retail, Hospitality or Leisure) (England) Regulations 2026, SI 2026 No. 4
- Small business RHL multiplier: 38.2p (0.382) as found in accordance with the rule in regulation 3(a) of The Local Government Finance Act 1988 (Calculation of Non-Domestic Rating Multipliers for Retail, Hospitality or Leisure) (England) Regulations 2026, SI 2026 No. 4
- High-value multiplier: 50.8p (0.508) as found in accordance with the rule in regulation 3 of The Local Government Finance Act 1988 (Calculation of Non-Domestic Rating High-Value Multiplier) (England) Regulations 2026, SI 2026 No. 108

2. In accordance with paragraph A10 of Schedule 7 to the 1988 Act (based upon data available to the Secretary of State on 12 November 2025) the relevant values adopted in the formula referred to above are:

“A” is the non-domestic rating multiplier for the financial year 2025/26 = 0.555

“B” is the small business non-domestic rating multiplier for 2025/26 = 0.499

“C” is the consumer prices index for September 2025 = 139.3

“D” is the consumer prices index for September 2024 = 134.2

“E” (as explained below) = £69,624,376,757

“F” (as explained below) = £83,502,181,825

3. E is the number of whole pounds in the Secretary of State’s estimate of the total of the appropriate rateable values of all appropriate hereditaments, where—

(a) “appropriate rateable values” are those which will be shown in lists for the last day of the financial year preceding the year concerned (i.e. 31 March 2026) once all alterations to those lists have been made;

(b) “appropriate hereditaments” are those which will be shown in lists for that day once all alterations to those lists have been made.

4. “F” is the number of whole pounds in the Secretary of State’s estimate of the total of the appropriate rateable values of all appropriate hereditaments,

where—

(a) “appropriate rateable values” are those which will be shown in lists for the first day of the financial year concerned (i.e. 1 April 2026) once all alterations to those lists have been made;

(b) “appropriate hereditaments” are those which will be shown in lists for that day once all alterations to those lists have been made.

## Explanatory Notes: Council Tax and Non-Domestic Rating Demand Notice

5. [The Council Tax and Non-Domestic Rating \(Demand Notices\) \(England\) Regulations 2003](https://www.legislation.gov.uk/ukxi/2003/2613/contents/made) (<https://www.legislation.gov.uk/ukxi/2003/2613/contents/made>) require billing authorities to publish explanatory notes in the same or substantially similar terms to those contained in the regulations.

6. MHCLG intends to amend and lay the explanatory notes to the demand notice regulations in March 2026 to reflect the changes in the business rates system. In the interim, and ahead of annual billing, we have attached a draft at Annex A. This includes suggested text which local authorities may wish to use to update their own explanatory notes. These changes reflect, amongst other areas, the introduction of new multipliers and the 2026 revaluation. Once the regulations have been laid, we will advise billing authorities accordingly.

## Annex A: General explanatory notes

### Business Rates explanatory notes 2026-27

#### Non-Domestic Rates

Non-Domestic Rates, or business rates, collected by local authorities 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, authorities keep a proportion of the business rates paid locally. The money, together with revenue from council tax payers, locally generated income and grants from central government, is used to pay for the services provided by local authorities in your area.

Further information about the business rates system may be obtained at: [www.gov.uk/introduction-to-business-rates](http://www.gov.uk/introduction-to-business-rates) (<http://www.gov.uk/introduction-to-business-rates>), at the website of your local authority which is normally shown on your rates bill, or by contacting your local authority.

### **Business Rates Instalments**

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

### **National Non-Domestic Rating Multipliers**

The local authority 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 five multipliers: the standard non-domestic rating multiplier, the small business non-domestic rating multiplier, the small retail, hospitality & leisure multiplier, the standard retail, hospitality & leisure multiplier and the high value 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 will have their bills calculated using the lower small business non-domestic rating multiplier, rather than the standard non-domestic rating multiplier. Those ratepayers who occupy qualifying retail, hospitality & leisure properties will have their bills calculated using the relevant retail, hospitality & leisure multiplier dependent on the rateable value, and a high-value multiplier for properties with rateable values of £500k and above. The current multipliers are shown on 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 [www.gov.uk/voa](http://www.gov.uk/voa) (<http://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 2024.

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. Further information about the grounds on which challenges may be made and the process for doing so can be obtained by contacting the VOA, or by consulting the VOA website: [How to challenge your business rates](#)

[valuation - GOV.UK \(https://www.gov.uk/government/collections/how-to-challenge-your-business-rates-valuation\)](https://www.gov.uk/government/collections/how-to-challenge-your-business-rates-valuation)

## Revaluations

All non-domestic property rateable values are reassessed at revaluations. The most recent revaluation took effect from 1 April 2026. 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 [www.gov.uk/introduction-to-business-rates \(http://www.gov.uk/introduction-to-business-rates\)](http://www.gov.uk/introduction-to-business-rates), at the website of your local authority which is normally shown on your rates bill, or by contacting your local authority.

## 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 [www.gov.uk/apply-for-business-rate-relief \(http://www.gov.uk/apply-for-business-rate-relief\)](http://www.gov.uk/apply-for-business-rate-relief). You should contact your local authority 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 a set threshold, the ratepayer may receive a percentage reduction in their rates bill for the 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 with a rateable value below a specified lower threshold will receive 100% relief while eligible properties above the lower threshold and below a specified upper threshold may receive partial relief. The relevant thresholds for relief are set by the government by order and can be obtained from your local authority or at [www.gov.uk/introduction-to-business-rates \(http://www.gov.uk/introduction-to-business-rates\)](http://www.gov.uk/introduction-to-business-rates).

Generally, these percentage reductions (reliefs) are only available to ratepayers who occupy either—

1. one property, or
2. one main property and other additional properties providing those additional properties each have a rateable value which does not exceed the limit set by order.

The aggregate rateable value of all the properties mentioned in 2, must also not exceed an amount set by order. 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 your local authority or at [www.gov.uk/introduction-to-business-rates](http://www.gov.uk/introduction-to-business-rates) (<http://www.gov.uk/introduction-to-business-rates>).

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

1. the property falling vacant,
2. the ratepayer taking up occupation of an additional property, or
3. an increase in the rateable value of a property occupied by the ratepayer in an area other than the area of the local authority which granted the relief.

### **Charity and Community Amateur Sports Club Relief**

Eligible 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 authority has discretion to give further relief on the remaining bill. Full details can be obtained from the local authority.

### **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.

Transitional relief is applied automatically to bills. Further information about transitional arrangements may be obtained from the local authority or at [www.gov.uk/business-rates-relief](http://www.gov.uk/business-rates-relief) (<http://www.gov.uk/business-rates-relief>)

### **Local Discounts and Hardship Relief**

Local authorities have a general power to grant discretionary local discounts and to give hardship relief in specific circumstances. Full details can be obtained from the local authority.

### **Unoccupied Property Rating**

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 industrial premises, whilst certain other properties such as vacant listed buildings are not liable for business rates until they are

reoccupied. Full details on exemptions can be obtained from your local authority or from gov.uk at <https://www.gov.uk/apply-for-business-rate-relief> (<https://www.gov.uk/apply-for-business-rate-relief>).

### **Subsidy Control**

The UK subsidy control regime commenced from 4 January 2023. The subsidy control 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. Further information about subsidy control can be found on the gov.uk website at: <https://www.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 the rateable value of their property 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 [www.rics.org](http://www.rics.org/) (<http://www.rics.org/>)) and the Institute of Revenues, Rating and Valuation (IRRV—website [www.irrv.org.uk](http://www.irrv.org.uk/) (<http://www.irrv.org.uk/>)) 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.

### **Rate Relief for Businesses in Rural Areas**

Certain types of properties in a rural settlement with a population below 3,000 may be entitled to full relief. The property must be the only general store, the only post office or a food shop and have a rateable value of less than £8,500, or the only public house or the only petrol station and have a rateable value of less than £12,500. The property must be occupied. Full details can be obtained from the local authority.

### **Information Supplied with Demand Notices**

Information relating to the relevant and previous financial years in regard to the gross expenditure of the local authority is available at [website address of local authority where information is published]. A hard copy is available on request by writing to the local authority or at [telephone number].

## **Part 3 Special Authorities**

[...]

## Explanatory notes

### Non-Domestic Rates

Non-Domestic Rates, or business rates, collected by local authorities 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 1 April 2013, authorities keep a proportion of the business rates paid locally. The money, together with revenue from council tax payers, locally generated income and grants from central government, is used to pay for the services provided by local authorities in your area.

Further information about the business rates system may be obtained at: [www.gov.uk/introduction-to-business-rates](https://www.gov.uk/introduction-to-business-rates) (<https://www.gov.uk/introduction-to-business-rates>), at the website of your local authority which is normally shown on your rates bill, or by contacting your local authority.

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

### The City of London Rating Multiplier

The local authority 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 five multipliers: the standard non-domestic rating multiplier, the small business non-domestic rating multiplier, the small retail, hospitality & leisure multiplier, the standard retail, hospitality & leisure multiplier and the high value multiplier. Because of its special circumstances, notably its very small resident population, the Common Council of the City of London can set its own rate, or multiplier, and retain part of the proceeds to help pay for the services it provides. It may set this rate, subject to certain constraints, at a higher or lower level than the rate which applies outside the City of London. The City sets the multipliers for each financial year according to formulae set by legislation.

Ratepayers who occupy a property with a rateable value which does not exceed £50,999 (and who are neither entitled to certain other mandatory relief[s] nor liable for unoccupied property rates) will have their bills calculated using the lower small business non-domestic rating multiplier, rather than the standard non-domestic rating multiplier. Those ratepayers who occupy qualifying retail, hospitality & leisure properties will have their bills calculated using the relevant retail, hospitality and leisure multiplier dependent on the rateable value, and a high-value multiplier for properties

with rateable values of £500,000 and above. The current multipliers are shown on your bill.

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## Information Supplied with Demand Notices

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of local authority where information is published]. A hard copy is available on request by writing to the local authority or at [telephone number].



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