



## THE 2018 AUTUMN BUDGET: ANNOUNCEMENTS RELATING TO BUSINESS RATES

Phillip Hammond, Chancellor of the Exchequer, announced during his Autumn Budget on 29<sup>th</sup> October that all retail properties with a Rateable Value of £51,000 or below will see their business rates bill cut by a third over the next two years.

2018 has been a damaging year for the retail industry in Britain and it has been blamed on changing consumer behaviours and the sharp increases in business rates following the revaluation in 2017. It is therefore not surprising that taking action to help the high street to recover was a recurring theme in Phillip Hammond's Autumn Statement. To provide immediate support, the Chancellor has offered some business rates relief to the smaller High Street retailers, which is welcome news.

Phillip Hammond announced that business rates bills for all retail properties with a rateable value of £51,000 and under will be cut by a third for the 2019/20 and 2020/21 financial years, prior to the Revaluation in April 2021.

The £900 million relief will apply to independent and national retailers in England only and will not be limited by a single property occupation test such as with Small Business Rate Relief. The relief will, however, be subject to State Aid limits. The Treasury have estimated that 496,000 small retailers will benefit from this immediate business rates relief. Further information on the operation of the relief scheme is to be published shortly.

Despite this welcome news, there was some disappointment that the relief has not been extended to the larger struggling retail chains who have often cited high business rates as a contributory factor. The temporary support being given to smaller businesses, as outlined by Phillip Hammond, is not sufficient to revitalise the High Street and as such, the British Retail Consortium have warned that a wholesale reform of the tax system is needed.

It was also announced in the Autumn Budget that owners of public toilets will no longer pay business rates. Public toilets have previously been liable for business rates in the same way as other non-domestic premises such as shops, offices and warehouse. The 100% relief will apply to any standalone facilities available for public use, whether publicly or privately owned.

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If you would like further information on the above, or if you would like to investigate whether the Business Rates Team could help you, please contact Mairead Gethings on 0115 950 7577 or [mairead@fhp.co.uk](mailto:mairead@fhp.co.uk)

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