Government announces yet another review of business rates
and recycles pledges ahead of the Budget –
“It’s so underwhelming”
- Small businesses likely to be disappointed, again.

The announcement by Danny Alexander MP, chief secretary to the Treasury, regarding the Government’s plans for “most wide-ranging review of national business rates in a generation” has left experts underwhelmed according to BNP Paribas Real Estate.

Ian Allison, a director in the business rates team at BNP Paribas Real Estate, said: “This review appears to be no more than a series recycled questions from discussion papers which we responded to on behalf of clients during 2014 and early 2015.

“This announcement hints of pledges that will be contained in Wednesday’s budget, that is likely to include an increase in Retail Rate Relief from £1,000 to £1,500 for shops with a rateable value of £50,000 or below, along with an extension to transitional relief to support small business who, without such relief, would endure a disproportionate increase in liability.

“We expect that Retail Rate Relief and the revised transitional relief schemes will be introduced under Discretionary Relief provisions and therefore subject to EC state aid rules. In view of this we doubt that many councils will introduce these pledges, resulting in disappointment for many small businesses.

“Business occupiers are now receiving rate demands for the year starting on 1 April 2015 confirming the inflationary increase. Should the Chancellor include this measure in his budget speech then he will not be citing anything new and the ‘doubling’ of small business rate relief is likely to be a continuation of the existing scheme that was doubled in 2011/12.

“However, although ‘old’ news these are broadly speaking positive measures and we look forward to further detail and hope that we are surprised. The one point of interest is that as part of the consultation the government has said it will look at how property taxes are levied in other countries, whereas previously they have not.”

“The general feeling towards this announcement is underwhelming”.

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