

Business rates revaluation postponed

A revaluation of business rates will no longer take place in 2021 to help reduce uncertainty for firms affected by the impacts of coronavirus, Communities Secretary Rt Hon Robert Jenrick MP has announced.

Legislation had been introduced to bring the next revaluation forward by one year from 2022 to 2021, but following the recent economic impacts of the coronavirus pandemic ministers want to ensure businesses have more certainty during this difficult time.

Communities Secretary Rt Hon Robert Jenrick MP said:

We have listened to businesses and their concerns about the timing of the 2021 business rates revaluation and have acted to end that uncertainty by postponing the change.

Now is the time for us to continue to focus on supporting businesses affected by the pandemic, including through our unprecedented package of almost £10 billion in business rates relief.

The government is continuing work on the fundamental review of business rates, with the key aims of reducing the overall burden on businesses, improving the current business rates system, and considering more fundamental changes in the medium-to-long term. The call for evidence for the review will be published in the coming months.

The postponement comes on top of the government's support package for business and workers during the economic emergency including:

- businesses are set to receive a [discount of almost £10 billion](#) on their rates bills this financial year in response to coronavirus, after the business rates retail discount was increased to 100% from 50% for 2020 to 2021
- over £12 billion for local authorities to deliver grants of up to £25,000 to eligible businesses. As of 3 May, over £8.6 billion has been paid out to over 697,000 business properties
- [protections for UK high street shops and other companies](#) under strain will be protected from aggressive rent collection and asked to pay what they can during the coronavirus pandemic
- the [Coronavirus Job Retention Scheme](#) where small and large employers will be eligible to apply for a government grant of 80% of workers' salaries up to £2,500 a month, backdated to March 1 and available for at least 3 months. The first grants have been paid.
- a deferral of the next quarter of VAT payments for firms, until the end of June – representing a £30 billion injection into the economy
- a total of £330 billion worth of government backed and guaranteed loans to support businesses

The Non-Domestic Ratings (List) Bill 2019-20 was introduced to bring the date of the next revaluation forward from 2022 to 2021.

The government remains committed to frequent revaluations to ensure that business rates receive bills that more accurately reflect up-to-date property rental values.

A revaluation is the review of the rateable values of all business and other nondomestic property in England at a particular point in time.

Revaluations are done to maintain fairness in the system by redistributing the total amount payable in business rates, reflecting changes in the property market.

A property's business rates bill is based on a precise estimate of the premises' rental value. Business rate bills are calculated using specific valuation methods. It is important for rateable values to be regularly updated through revaluations to ensure bills stay accurate. With changing circumstances as a result of the coronavirus pandemic, the next revaluation will not go ahead in 2021.