Business rate changes 2026

PASC webinar

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Download our guide from www.pascuk.co.uk/reports

Headline summary

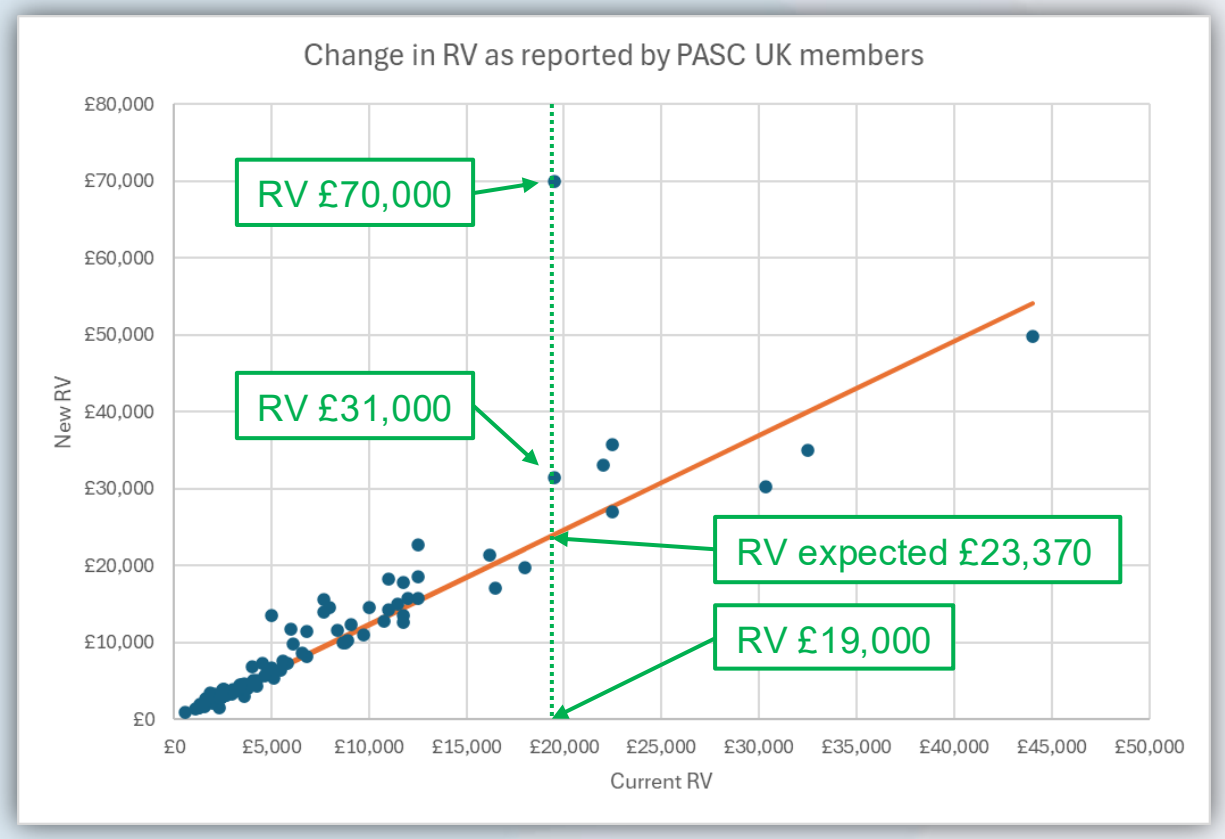
- From 1 April 2026 business rates will change:
  - 40% relief for ‘retail, hospitality and leisure’ (RHL) businesses removed
  - Business rate ‘multiplier’ changed
  - All business rates revalued (increased)
  - Thresholds for small business rates relief (SBRR) are unchanged
- Transitional Relief will phase some increases over 3 years
  - Less effective for properties in Wales
- Average increases by 2028-29 over current 2025-26 payments for businesses without SBRR:
  - England: 57%
  - Wales: 83%

Background: How business rates are calculated

- Each property has a ‘Rateable Value’ (RV)
  - Find yours online: https://www.gov.uk/find-business-rates
  - **RVs have been revalued from April 2026**
- Amount to pay is RV x ‘multiplier’
  - **Multipliers will change from April 2026**
- If your property is eligible for small businesses rates relief your payment is adjusted if the RV is below certain thresholds
  - **Thresholds differ between England and Wales, and are unchanged**
- Certain reliefs might apply
  - **Currently, 40% hospitality relief applies but will be removed from April 2026**

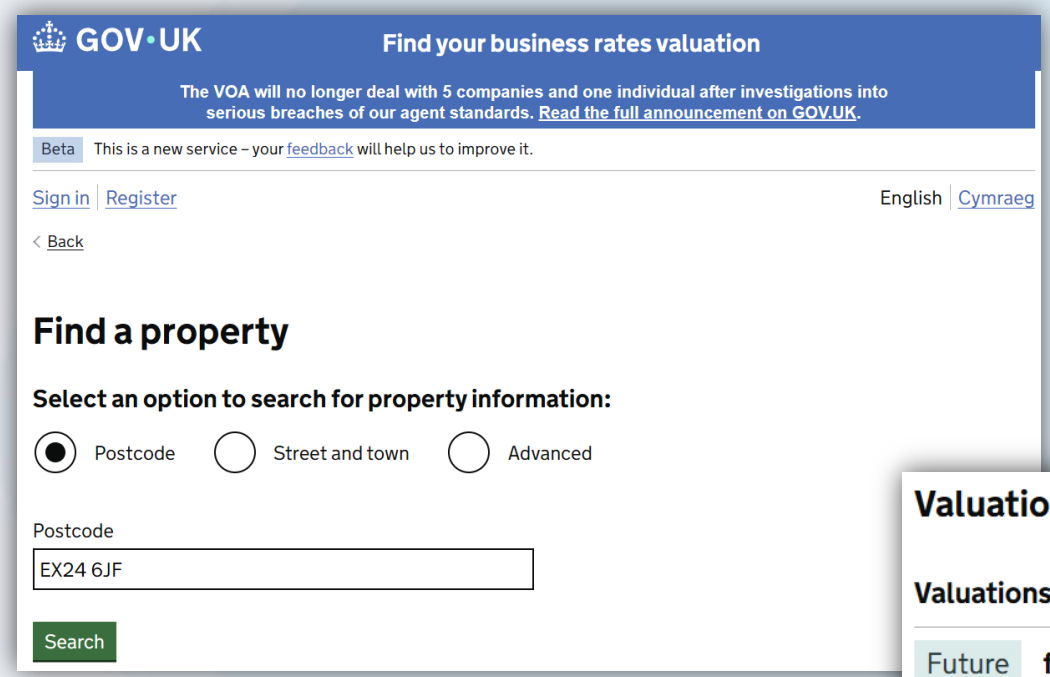
Revaluation of Business Rates

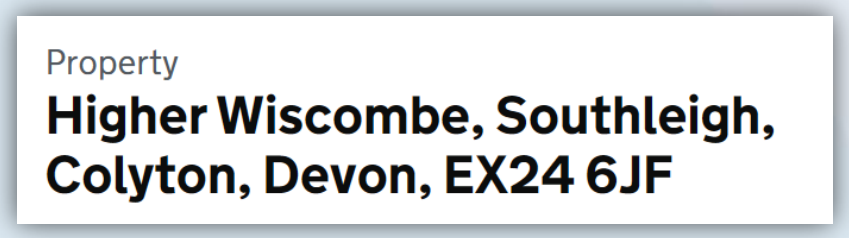
- You can now go online and check your own new rateable value
  - https://www.gov.uk/find-business-rates
- On average, rateable values for self-catering have increased
  - 24% Wales, 23% England
- Individual properties can show far greater changes

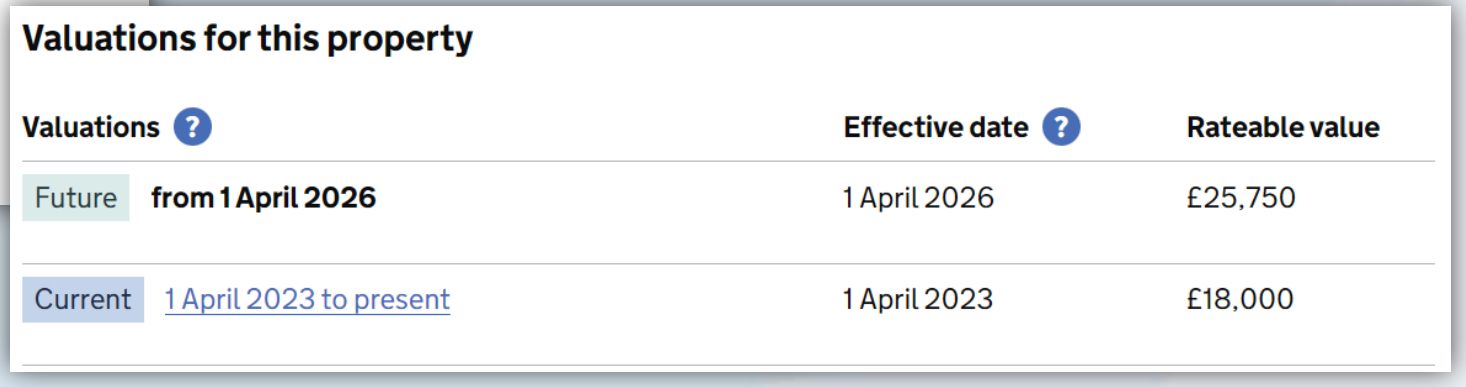


Changes in Rateable Values reported by PASC UK members. Red line is the average increase of 23%

Finding your RV online







In this example, the RV has increased 43%

Changes to the multiplier – England

Businesses in England	Current (2025-2026)	From 1 April 2026 – 31 Mar 2027	RV band
Small business (hospitality)	0.499	0.382	RV less than £51,000
Standard (hospitality)	0.555	0.432	RV £51,000 - £499,000
High-value	0.555	0.508	RV £500,000 and above

The multiplier has been significantly reduced for hospitality. This is welcome news!

Changes to the multiplier – Wales

Businesses in Wales	Current (2025-2026)	From 1 April 2026 – 31 Mar 2027	RV band
~~Small business (retail) – this does NOT apply to self-catering~~	~~0.568~~	~~0.350~~	~~RV less than £100,000~~
Standard business (non-retail) – this DOES apply to self-catering	0.568	0.502	RV less than £100,000
High-value	0.568	0.515	RV £100,000 and above

The multiplier has been slightly reduced for hospitality. However, unlike England there is no still lower multiplier for hospitality, the lower value only applies to retail.

Small business rates relief (SBRR)

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Rules for England

- Single property
  - Full relief for RV < £12,000
  - No relief for RV > £15,000
  - Partial relief between these thresholds
- If more than one property
  - Applies on main property, if:
    - No secondary property has RV > £2,899
    - AND your total RV is < £20,000 (or £28,000 if in London).

Rules for Wales

- 1 or 2 properties per local authority
  - Full relief for RV < £6,000
  - No relief for RV > £12,000
  - Partial relief between these thresholds

Rules unchanged for 2026. After revaluation this will bring more properties into paying rates.

Removal of hospitality relief (RHL relief) – post Covid reliefs

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Year	England relief	Wales relief
1 April 2020 – 31 March 2021	100%	100%
1 April 2021 – 31 March 2022	100% (3 months), 66% rest	100%
1 April 2022 – 31 March 2023	50%	50%
1 April 2023 – 31 March 2024	75%	75%
1 April 2024 – 31 March 2025	75%	40%
1 April 2025 – 31 March 2026	40%	40%
1 April 2026 – 31 March 2027	0%	0%

In both England and Wales, the current 40% relief is being removed from 1 April 2026. However, there are significant differences in how this is being phased in.

If you pay business rates and have NOT YET claimed your current 40% relief then do so before 1 April 2026

Transitional Relief (TR, England)

- Transitional Relief will be phased over roughly 3 years
- This will be between
  - What you pay now, **INCLUDING the 40% RHL relief**, and
  - What you will pay after the increase

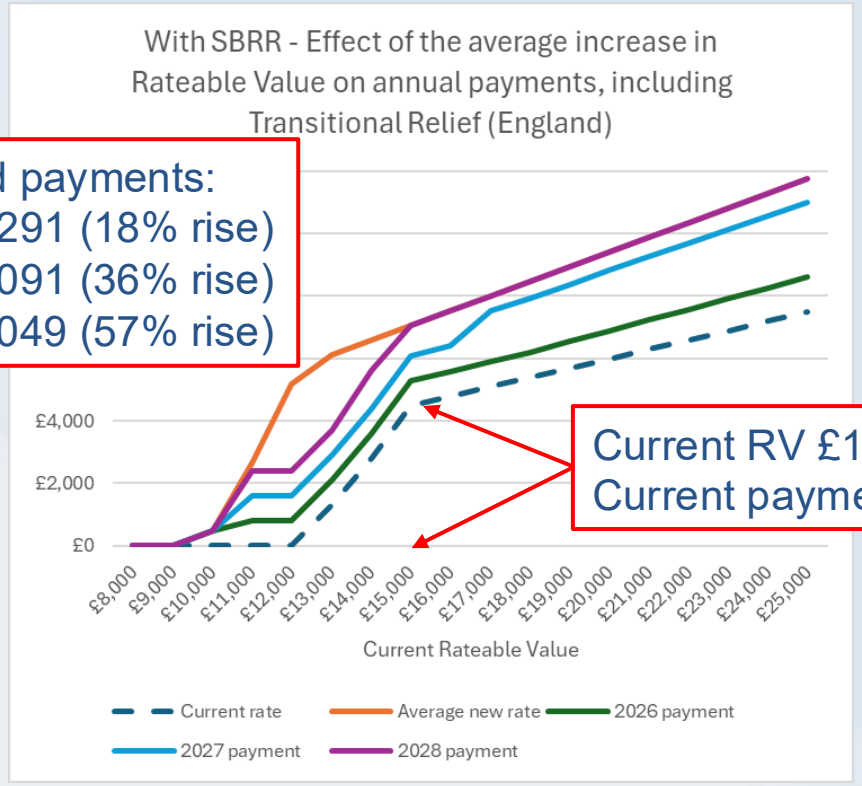
	Cap on Yearly Increase		
Rateable Value	**2026-27**	**2027-28**	**2028-29**
Up to £20k (£28k in London)	5%	10% (plus inflation)	25% (plus inflation)
£20,001 (£28,001 in London) to £100k	15%	25% (plus inflation)	40% (plus inflation)
Over £100k	30%	25% (plus inflation)	25% (plus inflation)

For any business no longer eligible for SBRR or losing the 40% RHL relief, the increase in each year will be capped at the **higher** of £800 or the relevant Transitional Relief cap in the table above.

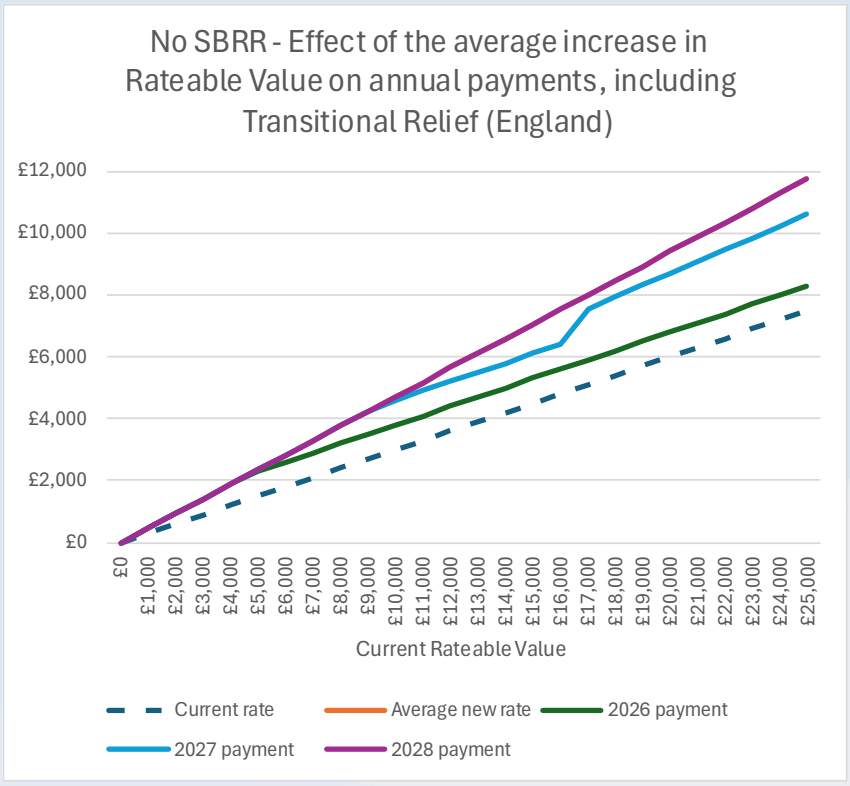
What does this look like for the average property? (England)

- Graphs show the payment for the current RV, and the expected new payment given the average increase in RV of 23%

Expected payments:
2026 £5,291 (18% rise)
2027 £6,091 (36% rise)
2028 £7,049 (57% rise)



Current RV £15,000
Current payment £4,491



Transitional Relief (TR, Wales)

- Transitional Relief will be phased over 3 years
- This will be between
  - What you **would have paid now, EXCLUDING 40% RHL relief**, and
  - What you will pay after the increase

Year	Payment
2026-27	That of the 2025 value, once the 40% relief is removed, plus 33% of any increase
2027-28	That of the 2025 value, once the 40% relief is removed, plus 66% of any increase
2028-29	The full revalued amount

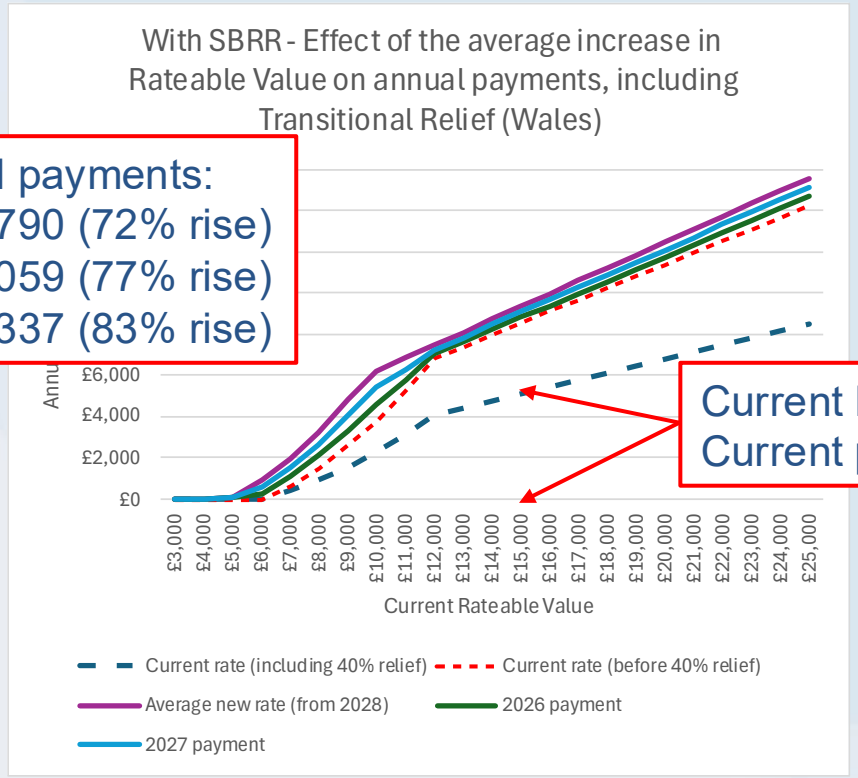
If the increase after removing the 40% relief is £300 or less then the full amount is payable from 2026.

This is significantly different from the way Transitional Relief is being applied in England and results in far larger increases from April 2026

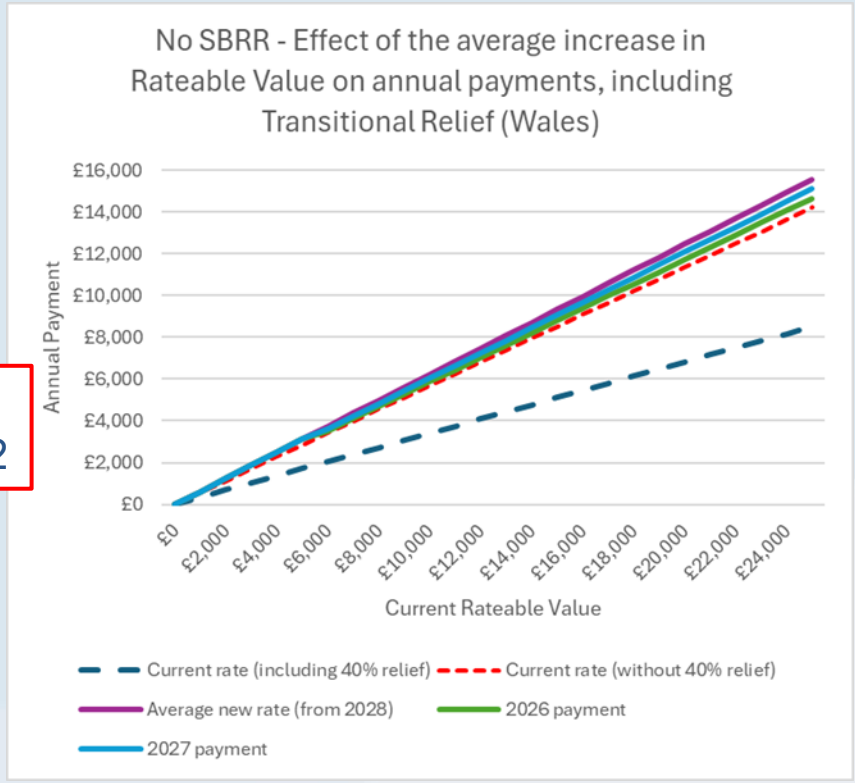
What does this look like for the average property? (Wales)

- Graphs show the payment for the current RV, and the expected new payment given the average increase in RV of 24%

Expected payments:
2026 £8,790 (72% rise)
2027 £9,059 (77% rise)
2028 £9,337 (83% rise)

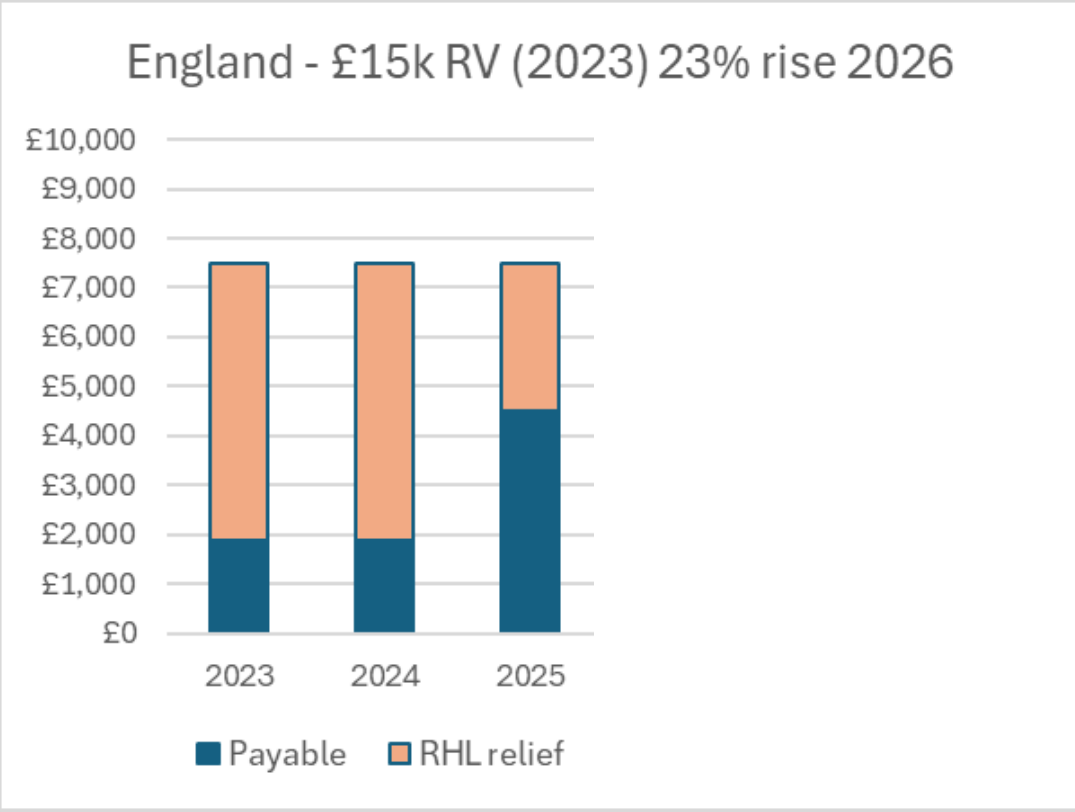


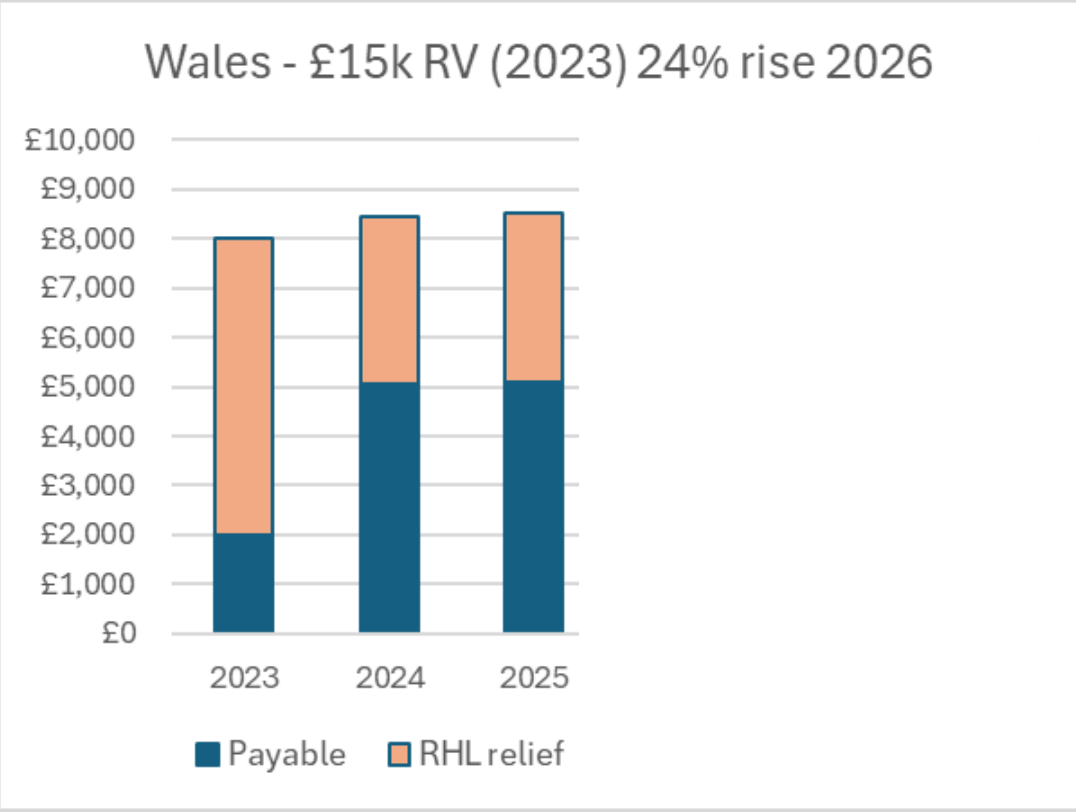
Current RV £15,000
Current payment £5,112



How do payments change?

- Example: RV of £15,000 currently, average increase for 2026





Working out your new payments

- Download our PASC UK business rate calculator
  - www.pascuk.co.uk/reports
- This has two pages, one for England and one for Wales
  - Use the correct page for your business
- Enter your data into the orange cells

#	Property name	Eligible for SBRR? ('x' if yes)	Current RV	SBRR factor	Rate without current relief	Current payment (with relief)	Average predicted new RV	Actual increase in RV	Eligible for SBRR? ('x' if yes)	Actual New RV	SBRR factor	Effective SBRR	New rates (Full)
1	Higher Wiscombe		£18,000	100%	£8,982	£5,389	£22,140	43.1%		£25,750	100%	£25,750	£9,837
2													
3													
4													
5													
6													
7													
8													
9													
10													
Total			£18,000		£8,982	£5,389	£22,140	43.1%		£25,750			£9,837

April 2026 payment	April 2027 payment	April 2028 payment	2029 payment (Full)	Increase above 2025-26 payment (after relief) (£ and % relative to current payments)							
				2026		2027		2028		Full (2029 onwards)	
£6,198	£7,933	£9,837	£9,837	£808	15%	£2,544	47%	£4,447	83%	£4,447	83%
£6,198	£7,933	£9,837	£9,837	£808	15%	£2,544	47%	£4,447	83%	£4,447	83%

Next Steps

- Check your new rateable value
  - This might result in your RV being above the threshold for full SBRR
- If change is far greater than the average 23-24%, it might be possible to have this reassessed
  - Before April 2026:
    - “Draft list enquires” are possible
    - PASC UK will soon publish our guide to help you
  - After April 2026:
    - PASC UK is making available our guide to the process of “Check and Challenge”

Download our guide from www.pascuk.co.uk/reports

Don’t forget that you only have until 1 April 2026 to claim your 40% hospitality relief for 2025-26

What is PASC UK doing about these changes?

- Helping the community
  - Guidance notes and calculators are being made available to members and non-members
- Support for members
  - Direct help and assistance to support ‘Draft list enquires’ and/or ‘Check’ and ‘Challenge’ of the new rates
- Behind the scenes
  - Lobbying MPs and MSs to re-consider the impact this will have on self-catering specifically, and hospitality in general

Download our guides from www.pascuk.co.uk/reports

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Questions