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England lowers 2027 business rates for qualifying hospitality, retail and leisure properties

The revised multipliers fall by 0.2 pence per pound of rateable value, slightly reducing tax bills for eligible premises below £500,000

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England has lowered the business rates multipliers that will apply to qualifying hospitality, retail and leisure properties from April 1, 2027, cutting them by 0.2 pence per pound of rateable value from the levels previously announced in the budget.

The change was set out by the Ministry of Housing, Communities and Local Government in Circular 8/2026, dated October 28 and updated on October 30, in guidance sent to English local authorities for the 2027-2028 tax year. Business rates are the main tax on non-residential property in England, and the multiplier is the figure used to calculate the charge against a property’s rateable value.

Under the correction, the reduced multiplier for eligible properties will be 39.5 pence, down from 39.7 pence. The standard sector multiplier for eligible properties will be 44.5 pence, down from 44.7 pence. That means the gap between the sector-specific rates and the general multipliers will widen from 5 pence to 5.2 pence.

The revised figures apply to eligible properties in England used for hospitality, retail and leisure, provided the property has a rateable value below £500,000. For businesses in those sectors, the change means a slightly lower tax bill than had been expected under the earlier budget figures.

The effect on any individual business will depend on the rateable value of its premises and on any other reliefs or exemptions that apply. A property with a higher rateable value within the eligible range would see a larger cash saving from the lower multiplier than a smaller property, but the government notice does not set out savings by business type or by property band.

Consultancy Ryan has estimated that the correction will provide about £33 million a year in additional relief across the combined group of eligible hospitality, retail and leisure properties. That estimate, reported by The Hospitality Tribune on November 13, does not break out how much of the total would go specifically to hospitality businesses.

The November 13 report drew attention to a change that had already been documented in the official circular. For operators in pubs, restaurants, hotels, cafes and other customer-facing businesses, the adjustment is modest at the level of each pound of rateable value, but it matters because business rates remain a major fixed cost for many premises-based companies.

The update also gives councils firmer numbers to use as they prepare billing for the new financial year. Because business rates are administered locally but set within a national framework, even small revisions to the multiplier affect how authorities calculate liabilities across large numbers of properties.

The correction comes at a time when businesses in hospitality and other high-street sectors continue to watch property taxes closely. In practice, the lower multipliers will not change the structure of the tax, but they will slightly reduce the charge for eligible properties across England from the start of the 2027-2028 rating year.