

Non-Domestic Rating (Multipliers and Private Schools) Act 2025

CHAPTER 12

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CHAPTER 12

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Non-Domestic Rating (Multipliers and Private Schools) Act 2025

2025 CHAPTER 12

An Act to make provision for, and in connection with, the introduction of higher non-domestic rating multipliers as regards large business hereditaments, and lower non-domestic rating multipliers as regards retail, hospitality and leisure hereditaments, in England and for the removal of charitable relief from non-domestic rates for private schools in England.

[3rd April 2025]

BE IT ENACTED by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Additional multipliers for England

1 Determination of additional multipliers

(1) Part A1 of Schedule 7 to the Local Government Finance Act 1988 (non-domestic rating multipliers for England) is amended as follows.

(2) In Chapter 1—

(a) in paragraph A1—

(i) omit "and" at the end of paragraph (a);

(ii) at the end of paragraph (b) insert, ", and

(c) together with regulations under this Part, other non-domestic rating multipliers.";

(b) in paragraph A2, after paragraph (b) insert—

"(ba) Chapter 3A makes provision about the making of regulations which provide for the calculation of other non-domestic rating multipliers;".

(3) After Chapter 3 insert—

"CHAPTER 3A

OTHER NON-DOMESTIC RATING MULTIPLIERS

A6A(1) The Treasury may by regulations make provision for the calculation of multipliers applicable in relation to England that produce multipliers for a given financial year that are—

(a) higher, but not more than 0.1 higher, than the non-domestic rating multiplier for that year, or

(b) lower than the non-domestic rating multiplier for that year, but not more than 0.2 lower than the small business non-domestic rating multiplier for that year.

(2) Regulations under sub-paragraph (1)(b)—

(a) may not provide for the calculation of more than two multipliers;

(b) may provide for adjustments to a calculation so that it produces a different multiplier for a given financial year for the purposes of Schedule 4ZB or 5A (or both) to the multiplier for that year for the purposes of Schedule 4ZA."

(4) In Chapter 4 (making and giving notice of calculations etc), in paragraph A7(1)(a), for "the non-domestic rating multiplier and the small business non-domestic rating multiplier" substitute "each multiplier about which provision is made by or under this Part of this Schedule".

(5) In Chapter 6 (regulations), in paragraph A12—

(a) in sub-paragraph (1) for "paragraph A10(4)(b)" substitute "this Part of this Schedule";

(b) for sub-paragraph (2) substitute—

"(2) A statutory instrument containing (whether alone or with other provision) regulations under paragraph A6A(1)(a) may not be made unless a draft of the instrument has been laid before and approved by a resolution of the House of Commons.

(3) A statutory instrument to which sub-paragraph (2) or paragraph 9B(3) does not apply containing regulations under paragraph A6A or A10(4)(b) is subject to annulment in pursuance of a resolution of the House of Commons."

2 Special authority multipliers

(1) Part 2 of Schedule 7 to the Local Government Finance Act 1988 (special authority multipliers) is amended as follows.

(2) After paragraph 9A insert—

"9B (1) The Treasury may by regulations make provision in accordance with which a special authority is to set multipliers for a given financial year—

(a) that are—

(i) higher, but not more than 0.1 higher, than the authority's non-domestic rating multiplier for that year, or

(ii) lower than the authority's non-domestic rating multiplier for that year, but not more than 0.2 lower than the authority's small business non-domestic rating multiplier for that year, and

(b) which are for other billing authorities calculated in accordance with regulations under paragraph A6A.

(2) Regulations under this paragraph are to be made by statutory instrument.

(3) A statutory instrument containing (whether alone or with other provision) regulations under sub-paragraph (1)(a)(i) may not be made unless a draft of the instrument has been laid before and approved by a resolution of the House of Commons.

(4) A statutory instrument to which paragraph A12(2) or sub-paragraph (3) of this paragraph does not apply containing regulations under this paragraph is subject to annulment in pursuance of a resolution of the House of Commons."

(3) In paragraphs 10(2) and 11(1), after "or 9A" insert ", or regulations under paragraph 9B,".

3 Application of multipliers

(1) The Local Government Finance Act 1988 is amended as follows.

(2) In Schedule 4ZA (chargeable amount for occupied hereditaments), in paragraph 10 (interpretation)—

(a) in sub-paragraph (9)(a), for "whichever of B or D is" substitute "the multiplier";

(b) after sub-paragraph (9A) insert—

"(9B) Regulations under sub-paragraph (9) may prescribe—

(a) B or D,

(b) in relation to a hereditament for a chargeable day for which the value of A is £500,000 or more, a higher multiplier for the financial year calculated in accordance with regulations under paragraph A6A(1)(a) or 9B(1)(a)(i) of Schedule 7, or

(c) in relation to a qualifying retail, hospitality or leisure hereditament, a lower multiplier for the financial year

calculated in accordance with regulations under paragraph A6A(1)(b) or 9B(1)(a)(ii) of that Schedule.

(9C) In sub-paragraph (9B), "qualifying retail, hospitality or leisure hereditament" has such meaning as may be prescribed by the Treasury in regulations.";

(c) in sub-paragraph (10) after paragraph (e) insert—

"(ea) the description of hereditaments in the local non-domestic rating list in which they are shown;".

(3) In Schedule 4ZB (chargeable amount for unoccupied hereditaments), in paragraph 3 (interpretation)—

(a) in sub-paragraph (6)(a), for "whichever of B or D is" substitute "the multiplier";

(b) after sub-paragraph (6) insert—

"(6A) Regulations under sub-paragraph (6) may prescribe—

(a) B or D,

(b) in relation to a hereditament for a chargeable day for which the value of A is £500,000 or more, a higher multiplier for the financial year calculated in accordance with regulations under paragraph A6A(1)(a) or 9B(1)(a)(i) of Schedule 7, or

(c) in relation to a qualifying retail, hospitality or leisure hereditament, a lower multiplier for the financial year calculated in accordance with regulations under paragraph A6A(1)(b) or 9B(1)(a)(ii) of that Schedule.

(6B) In sub-paragraph (6A), "qualifying retail, hospitality or leisure hereditament" has such meaning as may be prescribed by the Treasury in regulations.";

(c) in sub-paragraph (7) after paragraph (e) insert—

"(ea) the description of hereditaments in the local non-domestic rating list in which they are shown;".

(4) In Schedule 5A (chargeable amount for central rating), in paragraph 6 (interpretation)—

(a) in sub-paragraph (8)(a), for "whichever of B or D is" substitute "the multiplier";

(b) after sub-paragraph (8) insert—

"(8A) Regulations under sub-paragraph (8) may prescribe—

(a) B or D,

(b) in relation to a hereditament for a chargeable day for which the value of A is £500,000 or more, a higher multiplier for the financial year calculated in accordance with regulations under paragraph A6A(1)(a) of Schedule 7, or

(c) in relation to a qualifying retail, hospitality or leisure hereditament, a lower multiplier for the financial year

calculated in accordance with regulations under paragraph A6A(1)(b) of that Schedule.

(8B) In sub-paragraph (8A), "qualifying retail, hospitality or leisure hereditament" has such meaning as may be prescribed by the Treasury in regulations.";

(c) in sub-paragraph (9) after paragraph (e) insert—

"(ea) the description of hereditaments in the local non-domestic rating list in which they are shown;".

4 Consequential amendments

(1) The Local Government Finance Act 1988 is amended as follows.

(2) In section 138 (judicial review), in paragraph (2)(j), for "a non-domestic rating multiplier or small business non-domestic rating multiplier" substitute "any multiplier".

(3) In section 143 (orders and regulations), in subsection (9)—

(a) after "under paragraph" insert "A6A,";

(b) for "or 5(13A)" substitute ", 5(13A) or 9B".

Removal of relief for private schools in England

5 Removal of relief

(1) The Local Government Finance Act 1988 is amended as follows.

(2) In Schedule 4ZA (occupied hereditaments: chargeable amount), in paragraph 2 (charitable rate relief), after sub-paragraph (2) insert—

"(3) But this paragraph does not apply where the hereditament is situated in England and, on the day concerned, the hereditament is wholly or mainly used for the purposes of carrying on a private school.

(4) A "private school" means an institution which is either—

(a) a school—

(i) at which full-time education is provided for pupils of compulsory school age (whether or not such education is also provided for pupils under or over that age),

(ii) where fees or other consideration are payable for that provision of full-time education, and

(iii) which is not a nursery school, or

(b) an institution—

(i) which is wholly or mainly concerned with providing education suitable to the requirements of persons over compulsory school age but under 19,

(ii) at which full-time education is provided for such persons,

(iii) where the provision of full-time education falling within sub-paragraph (ii) is wholly or mainly provision in respect of which fees or other consideration are payable, and

(iv) which is not an independent training or learning provider.

(5) But an institution is not a private school if it is wholly or mainly concerned with providing full-time education to persons for whom an EHC plan is maintained.

(6) In sub-paragraph (4)(b)(iv) an "independent training or learning provider" means an institution—

(a) at which education or training is provided for persons over compulsory school age but under 19 under a contract with the Secretary of State, and

(b) where the consideration for the provision falling within paragraph (a) is payable by the Secretary of State under that contract.

(7) For the purposes of sub-paragraphs (4) to (6), "compulsory school age", "EHC plan", "nursery school", "pupil" and "school" have the same meanings as in the Education Act 1996."

(3) In Schedule 4ZB (unoccupied hereditaments: chargeable amount), in paragraph 2 (charitable rate relief), after sub-paragraph (2) insert—

"(2A) But sub-paragraph (2) does not apply if it appears that when next in use the hereditament will be wholly or mainly used for the purposes of carrying on a private school.

(2B) A "private school" means the same as in paragraph 2 of Schedule 4ZA."

Final provisions

6 Commencement

(1) The amendments made by sections 1 to 4 have effect in respect of financial years beginning on or after 1 April 2026.

(2) The amendments made by section 5 have effect in respect of financial years beginning on or after 1 April 2025.

7 Short title

This Act may be cited as the Non-Domestic Rating (Multipliers and Private Schools) Act 2025.

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