

Businesses in England set to pay additional £1.1bn in business tax this year

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The latest research from [The Global Payroll Association \(GPA\)](#) reveals that England's businesses are forecast to pay an additional £1.1 billion in business rates by the end of this financial year, and that's before things start to get even more difficult from April onwards, when the Labour Chancellor's barrage of cost increases for businesses kicks in – including changes to business rates, employer NIC contributions, and the National Living Wage.

GPA has analysed England's expected business rates bill for the current financial year (2024/25)* and how it compares to the previous year's bill* on a national and local authority level basis.

When the current financial year closes at the end of March, England's businesses are forecast to have paid a total of £26.3 billion in business rates.

This marks an annual increase of +4.5%, or +£1.1 billion, compared to the total for 2023/24.

GPA's analysis goes on to reveal which local authority districts are expected to see the largest increases this year.

Tower Hamlets in London is forecast to see England's biggest increase with an expected 2024/25 business rates bill of £433.2m marking an annual uptick of +28.9%.

Watford is set to see the second-largest increase of +27.6%, followed by Worcester (+26.7%), Runnymede (+25.4%), Mole Valley (+25.2%), Bracknell Forest (+23.8%), Spelthorne (+22.1%), Broxbourne (+21%), Three Rivers (+20.7%), and Stoke-on-Trent (+20.1%).

Worse is yet to come

This increase in the national business rates bill is only the start of what's likely to be a difficult period for England's businesses.

During October's Autumn Budget, the Chancellor of the Exchequer, Rachel Reeves, announced that the existing [75% discount on retail, hospitality and leisure business rates will be replaced by a 40% relief from April 2025](#), up to a cash cap of £110,000 per business. The likely impact of this is that many businesses will see their rates almost double.

Add this to the increases in both Employer National Insurance Contributions and the National Living Wage, and the 2025-26 financial year is going to be a brutal challenge for many of England's businesses.

Melanie Pizzey, CEO and Founder of the Global Payroll Association, says: "The soaring costs that England's businesses are going to be hit with over the next financial year will have a direct and detrimental impact on a lot of working people. We're going to have scheduled pay rises put on ice, annual bonuses slashed or eliminated, a reduced number of new opportunities and, most concerning of all, a substantial number of job cuts.

All of this will be done in the name of reducing costs to mitigate the financial impact of the government's incoming policies. But, of course, it still won't be enough for many businesses who could be forced to cease trading once and for all..

It's hard to see how the government is, as it says it is, protecting working people, and even harder to see how it will achieve economic growth if the nation's businesses are struggling to turn a profit and, therefore, dwindling in number.

We are told that any short-term pain will eventually result in long-term gain, but that does little to comfort the working people who are already wrestling to afford the most basic costs of living, and whose sole focus is on keeping their head above water for the next week or month.

Data tables and sources

- [*2023/24 business rates data sourced from the UK government.](#)
- [*Forecast data for 2024/25 business rates data sourced from the UK government.](#)
- [Full data tables can be viewed online, here.](#)