HOUSE OF COMMONS

Ed Humpherson
Head of the Office for Statistics Regulation
Office for Statistics Regulation
By email: regulation@statistics.gov.uk

8 January 2026

Dear Mr Humpherson,

GOVERNMENT MISUSE OF STATISTICS – BUSINESS RATES

We are raising our concern with you over the misuse of statistics by HM Government in relation to business rates following the Budget 2025. This follows wider controversy over the presentation and handling of the Budget by the Chancellor.

HM Government's statistical assertions

During and following the Budget 2025, the Government has repeatedly issued official statements asserting that the "tax rates" for business rates at their lowest since 1991, and ratepayers will pay "lower taxes".

> **Chancellor of the Exchequer**: "For business rates, I will introduce permanently lower tax rates for over 750,000 retail, hospitality and leisure properties – the lowest rates since 1991."[1]
>
> **HM Treasury**: "The tax rate for small RHL [Retail, Hospitality and Leisure] properties will be the lowest since 1990/91, falling by nearly 12p next year. The tax rate for all other RHL properties below £500k will be the lowest since 2010/11, representing a 12.5p tax rate cut next year."[2]
>
> **Exchequer Secretary**: "All ratepayers will pay a lower tax rate than they do now."[3]
>
> **MHCLG**: "The Budget also took the next steps in rebalancing the business rates system to support high streets, with the lowest tax rates since 1991 and new lower rates for retail hospitality and leisure."[4]. This page has subsequently been edited to say: "The Budget also took the next steps in rebalancing the business rates system to support high streets, with new lower rates for retail, hospitality and leisure properties." This correction is notable, as it casts doubt on the other statements.

[1] Rachel Reeves, *Hansard*, 26 November 2025, Col. 393, (link).

[2] HMT, *Budget 2025: Retail, Hospitality and Leisure Factsheet*, 28 November 2025, (link).

[3] Dan Tomlinson, *Hansard*, 5 December 2025, PQ95329, (link).

[4] MHCLG press release, *Budget 2025 - MHCLG*, 27 November 2025, link via Government Web Archive). Current version (link).

Why these statements are statistically misleading

It is the case that one of the new tax multipliers is lower than those previously set under the modern system of national non-domestic rates.[5] The standard multiplier was 34.8p in 1990-91 and 38.6p in 1991-92. The small business RHL multiplier is now 38.2p in 2026-27.[6] The other new multipliers range from 43.0p to 50.8p, which are historically higher than those from the 1990s.

But the multiplier is not the tax rate (contrary, to say, the different rates of taxation for income tax or corporation tax). The multiplier is just one part of the calculation of the business rates bill, and must be considered alongside the Rateable Value. Rateable Values are now at their highest ever aggregate level. Akin to watching a seesaw, it would be misleading to point only to the rider sitting on the ground, and ignore the rider propelled into the air.

So it is statistically misleading to assert – on the basis of the citation of the multiplier values alone – that "tax rates" are at their "lowest" since 1991, or that there has been a "tax rate cut".

The tax take is at the highest ever. For 2026-27**,** the OBR have estimated that business rate receipts are rising by 10 per cent on the year, even with transitional relief. The OBR forecast that business rate receipts are rising every year, from £32.1 billion in 2024-25 to £42.0 billion in 2030-31.[7] HMT Ministers have reluctantly confirmed the OBR's analysis.[8]

The level of business rates is soaring because:

- In the Autumn Budget 2024, the Labour Government cut back Retail, Hospitality and Leisure rate relief (originally introduced by the last Conservative Government) from 75 per cent to 40 per cent. This was a tax rise of £1.1 billion a year from 2024-25 to 2025-26.[9]

- The previous Retail, Hospitality and Leisure (RHL) Rate Relief has been scrapped, and replaced with new RHL multipliers that, taken together with Rateable Values, are less generous.[10]

- Central government is no longer funding the RHL relief itself. This is a tax hike of £1.4 billion a year[11], on top of last year's additional £1.1 billion hike.

- A new surcharge is being applied to higher value premises with Rateable Values above £500,000. This is hitting larger shops, supermarkets, hotels and sports clubs. Twice as many retail premises are being hit than the online warehouses this was supposedly meant for.[12]

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[5] As evident by the list published by Ealing Council, (link).

[6] MHCLG business rate information letter, 5/2025: *Confirmation of Budget package and the Non-Domestic Rating Multipliers for 2026/2027*, 26 November 2025, (link).

[7] OBR, *Economic and Fiscal Outlook*, 26 November 2025, p. 90, and Table A.5, (link).

[8] *Hansard*, 9 December 2025, PQ95890, (link).

[9] *Hansard*, 21 February 2025, PQ 32156, (link).

[10] *Morning Advertiser*, 27 November 2025, (link).

[11] MHCLG, *4/2024: Autumn Budget 2024 - business rates measures*, 19 November 2024, link. £1.4 billion is the 2025-26 cost of the RHL relief, which is no longer centrally funded. MHCLG, *National non-domestic rates collected by councils in England: forecast for 2025 to 2026*, March 2025, (link).

[12] The category 'Industry - Storage & Distribution Sub-sector' accounts for just 10 per cent of the number of properties affected by the new high-value surcharge; the retail sector is 20 per cent, data from *Hansard*, 19 March 2025, PQ37568, (link).

- Pubs and hotels are further hit in particular as a result of the revaluation. The average Rateable Value of the hotels sector is up 78 per cent from the last revaluation; pubs are up 30 per cent. [13] Such soaring Rateable Values more than offset the RHL multipliers.

- On top of this is a CPI uprating in business rates, buried in the changes.

This is a cocktail of stealth taxation.

How this engages the Code of Practice for Statistics

In this light, I believe such business rates analysis, statistics and presentation is misleading. The Code of Practice[14] states:

> "Statistics should inform rather than mislead, and producers must uphold high standards of transparency and quality assurance" (p.7).
>
> "Present statistics impartially and objectively, ensuring statistical communication is balanced and does not mislead" (p.17).
>
> "Do not use statistics, data or wider analysis in a misleading way. This includes not cherry-picking figures, taking figures out of context or placing undue certainty on them" (p.28).
>
> "[Definition] Misleading – When statistics are used to communicate a descriptive statement that the wider relevant statistical evidence would not support, despite otherwise being an accurate statement" (p.35).

Role of the Office for Statistics Regulation

As you will be aware, the OSR may intervene if:

> *"Official statistics or data used in a document or statement are presented in such a way that, in the Authority's opinion, they are likely to mislead the public or undermine the integrity of official statistic."*
>
> *"In considering whether documents or statements are liable to mislead, we are concerned when, on a question of significant public interest, statistics are used to communicate a descriptive statement that the wider relevant statistical evidence would not support, despite otherwise being an accurate statement."*
>
> *"We take into account: ...*
> *- the context in which the statement is made (for example, distinguishing speeches and publications from off-the-cuff remarks in interviews or debate)*
> *- the standing of the person responsible for the misleading statement (for example, whether that person, by virtue of holding a public office would be expected to make authoritative statistical statements)*
> *- the extent to which the statement might be misleading – for example, if we think the average member of the public is likely to believe something that the statistical evidence does not support.*
> *- the extent to which the statement might undermine public confidence in the integrity of official statistics."*

[13] Data from VOA, *Non-domestic rating: change in rateable value of rating lists, England and Wales, 2026 Revaluation (draft list),* 26 November 2025, link. Figures for Special Categories 226 and the 'Hotels, Guest & Boarding, Self Catering etc Sub-sector'.

[14] UKSA/ OSR, *The Code of Practice for Statistics*, October 2025, (link).

> *"While our statutory remit covers 'official statistics', we take a broad view of what falls within our scope. For many who see the publication of numerical information, the distinction between 'official statistics' and other data may not always be clear. As a result, we may consider issues that could be perceived as official statistics, whether or not they are formally classified as official statistics. Our aim in these cases is to support public understanding, and to provide guidance that will benefit that statistical system as whole. Such interventions could include the use of numbers based on evaluation or modelling exercises; commitments to spending or levels of resources allocated to a policy area; or forecasts of future outturns of fiscal or economic statistics."*[15]

Conclusion

We request that you review this matter, with a view to ensuring there is clear guidance to Government departments and Ministers on not repeating such misleading claims.

Many hard-pressed local businesses are shocked by the amount that their business rates bill will go up. It will undermine confidence in statistics, and is statistical 'gaslighting', if the Government is allowed to repeat such false claims.

Please consider this letter to be in the public domain.

Yours sincerely,

Rt Hon Sir James Cleverly TD VR MP
Shadow Secretary of State for Housing, Communities and Local Government

Andrew Griffith MP
Shadow Secretary of State for Business and Trade

James Wild MP
Shadow Exchequer Secretary to the Treasury

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[15] OSR, *Our Interventions Policy*, (link).