

Transforming Business Rates: NFSP Submission

About the NFSP

This submission is made on behalf of the National Federation of SubPostmasters (NFSP);, a professional not-for-profit trade association representing post office operators, responsible for approximately 8,300 post office branches throughout the UK.

Business Rates for Post Offices

Business rates for post offices are currently zero for those with a rateable value of less than £12,000, a rateable value of £12,001 and £15,000 receives a reduced amount of relief in England under the SBRR. For post offices within retail locations with a rateable value of more than £15,000, the RHL relief previously at 75%, is to be cut temporarily to 40%. This will impact approximately more than two thirds of our membership.

In addition to the SBRR, post offices can qualify for relief under the RHL, Rural Rate, and the Small Business Bonus schemes.

Business Rates Reform

The case for business rate reform is supported by the NFSP, especially the aim of protecting high streets. We also welcome a fair, transparent, and permanent business rates system to give Postmasters certainty about their future. However, the NFSP believes post offices with a rateable value of over £15,000 will struggle with any increase in business rates, alongside a decrease in rates relief. Operational costs are far outweighing income, leaving many post offices economically vulnerable.

A 2021 survey conducted by the NFSP¹, found that more than 70% of Postmasters were earning less than the minimum wage equivalent. By 2022, 71% of Postmasters believed the general cost of living alongside increased energy and National Insurance costs, etc would lead to post office closures².

Closures have occurred at a rate of around six per week throughout the UK, however it is those Postmasters who have managed to stay open who will be further impacted.

¹ <https://nfsp.org.uk/document/download?publicId=9f729a7f-a4ee-4cce-8831-65a8a93abaa5>

² NFSP research 2022

As of 2023, 89% of Postmasters employed at least one member of staff, mostly over the age of 21³, however, the majority of Postmasters did not take even one day of holiday that year. Last year's minimum wage increase saw around 38% of postmasters having to let a staff member go⁴. A recent NFSP survey⁵ found that Postmasters expect any decrease to business rates relief will lead to staff being let go, and to the Postmasters having to increase their own working hours.

External research⁶ shows how valuable having a post office is to a high street, as they generate more footfall to the local area, and help small and medium businesses with their banking needs. Therefore at the heart of protecting high streets, is the protection of post offices. In terms of business rates, it is those on the high street and with a rateable value of over £15,000 that are most at risk, and who receive fewer options of rates relief.

Post offices also offer essential services that are valuable to their local community, and also provide a hub for local business due to the banking and postal services offered. Providing access to these services is also invaluable to vulnerable groups, which aligns to the government's goals on social inclusion, alongside a working USO.

The 'Transforming Business Rates' plan states that business rates help cover child and adult social care costs. Similarly, post offices are seen as an essential service for lonely or vulnerable people⁷. When surveyed,⁸ Postmasters stated they helped vulnerable groups on a daily basis, with the majority being elderly, and/or with a physical or mental disability. This community support is a key unpaid service, which provides a crucial role in adult social care, yet despite this, post offices are still required to pay business rates. It is unfair to view post offices as solely profit-driven businesses, therefore the NFSP requests that:

- that post offices with a rateable value below £15,000 are exempt from all business rates, and that
- those above £15,000 should have the area of the post office removed from the rateable value of the whole business.

³ NFSP research 2023

⁴ NFSP Research 2024

⁵ NFSP Research 2025

⁶ [part-and-parcel-the-economic-and-social-value-of-post-office.pdf](#)

⁷ [The Impact of the Post Office – The Economic and Social Impact of the Post Office](#)

⁸ NFSP Research 2025