

# What does the new rating list mean for your business rates?

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In November 2022, the Valuation Office Agency (VOA) published the [Business rates revaluation 2023](#). Within it, it outlines how UK business rates are calculated, and what business owners and leaders can expect from the 1<sup>st</sup> of April 2023. On the same day, the government also summarised its plans going forward for business rates in the UK in the Autumn Statement.

While many business owners and leaders were sceptical of any help being forthcoming, the Chancellor seemed very open in discussing the challenges that UK business rates pose. Especially, as it was predicted that they would rise by up to 12% in the next revaluation. That the Chancellor went on to state that the total increase in Rateable Value's (RV – what business rates are determined by) would be no more than [1%](#), was astounding.

Astounding, and – quite frankly – unbelievable.

“Business rates consist of too large a part of taxes, for the government to have ever considered capping the [RV](#) increase at 1%.” Anthony Hughes, Managing Director of RVA Surveyors, the business rates reduction specialists, said.

Commercial properties will see their RV increase by different amounts; with properties in the East of England seeing the largest increase in their RV's – [by over 14% alone](#).

Yes, the government have committed to providing a business rates package of almost £14 billion to help ease the burden of UK business rates. Yes, this has been put in place for the upcoming revaluation (1<sup>st</sup> April 2023). Yes, it all appears very substantial, a fact that the government have thrown about quite eagerly since.

## But will this help ease the burden of business rates in the coming revaluation?

Freezing the business rates multiplier consists of most of this £14 billion support package. Over £9 billion, to be exact. However, it is only worth that much over the next five years. That is not all either. While freezing the multiplier seems like decisive action to mitigate the damage soaring costs could do to businesses, there is a hidden [increase](#) lurking here.

While the VOA's website shows some startling figures, it is merely the tip of the iceberg. While they have cherry-picked some facts and statistics and blown them up in bright colours to show that – yes, it won't be great but the government have done everything they could to keep it as low as possible, the full table paints a much grimmer picture.

The RV of Large Industrial properties will increase by as much as 17.2% in the next revaluation. This is a staggering amount for a section of the Industrial sector, which will in turn see an average overall increase of over 27%. The office sector will also see an average overall increase of 10.2%.

It's not just the private sector which will see momentous increases either. Local authority schools will see an increase in their RV of almost 18% from April. While day nurseries and play schools will see an increase of 15%.

“It's quite incredible actually,” Anthony Hughes said. “What was announced at the Autumn Statement is not at all what we are seeing in reality. There is less than one month now until revaluation, and the shock of this increase will push commercial property tenants and owners into taking drastic measures.”

### RVA Surveyors

are not the only ones sceptical at the support offered to businesses though. Martin McTague of the Federation of Small Businesses (FSB) was in fact very scathing of what the statement seemed to gloss over rather quickly – accusing the government of [“stealth-creation”](#). Essentially, slipping in rather devastating tax cuts, that will affect small and medium-sized businesses (SME's) the most, between the generous-sounding business rates support package.

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So, while the total average increase in RV for all sectors in England and Wales might be 7.1%, commercial property owners and tenants will see individual property's RV's potentially skyrocket. Already this is a far cry from the 1% that the Chancellor gave in the Autumn Statement.

In real terms however, individual industries and local authority areas are more likely to see jumps in RV of around 14%. Some [industries](#) are even predicted to see increases of up to 30%. What commercial property owners and tenants know about their business rates has changed from month to month. With the multipliers frozen at their highest level since their introduction in 1990, business rates payers will be seeing yet another increase in their rates bills for the 2023 rating list.

With rates bills now arriving, is there enough time for business rate payers to mitigate some of the damage caused by the government's stealth tax increase?

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<https://www.rvasurveyors.com/>

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<https://www.rvasurveyors.com/faq/>

<https://www.businessleader.co.uk/business-rates-rise-and-unprepared-businesses-fall/>

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