

# Freezing the multipliers – how does this affect my business rates?

The government have promised a lot of things to help businesses with their rising costs. In the UK, business rates are generally one of the highest outgoing costs for any business. As the 2023 revaluation creeps ever closer, concerns over the unquantified rates hike have been growing.

One of the biggest ways the government have promised to help UK businesses with rates is by freezing the [multipliers](#) for the next revaluation (1<sup>st</sup> April 2023). This would have come as a relief to many commercial property owners and tenants as multipliers tend to increase throughout a rating list – thereby raising the Rateable Value's (RV) and therefore the business rates. UK businesses would have breathed a sigh of relief – but far too soon.

UK business rates are calculated by multiplying the RV of a commercial property by the relevant multiplier. While freezing the multipliers certainly appears as a proactive solution, they have been frozen at their highest level since they were introduced in 1990.

## The secret increase hiding behind your business rates

At the Autumn Statement, the Chancellor announced that the average overall RV for England and Wales would rise by no more than 1%. Less than two months later, the Valuation Office Agency (VOA) have upped that to over 7%.

“This increase is not reflective of individual industries or local authority areas at all.” Anthony Hughes, Managing

Director of [RVA Surveyors](#), commented. “Taking into account the artificially inflated multipliers, commercial property owners and tenants are looking at increases of roughly 14% – and not the advertised 7.1%, with many industries and areas seeing an average RV increase of around 30%. This will have a devastating effect on businesses that are unprepared.”

Freezing the multipliers was just one of the policies announced to help businesses. Another ‘proactive’ action the government have parade around is the business support package – worth £13.6 billion. Freezing the multipliers but keeping them at the highest level, along with the inflated RVs, only serves the government with higher tax revenues from April 1st.

In fact, roughly two-thirds of the support package announced at the Autumn Statement was already in place and was merely extended. Meaning that from November 2022, businesses will only receive roughly £4.5 billion in additional support. For context, the [VOA](#) have worked out that the total RV’s of commercial properties in England and Wales is worth £70.3 billion.