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| September 2013 RPI announcement - Impact on Business Rates liability |  | Briefing paper  15 October 2013 |
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| Uniform Business Rate for 2013/14  The Retail Prices Index (RPI) figure for September 2013 was announced today.  The Index shows a 3.2% increase over the preceding September. The significance of the September RPI figure is that it is the figure that is normally used to set the Uniform Business Rate (UBR) for the following year. If the UBR were to increase in line with the September RPI, then UBR’s would alter as follows:   |  |  |  | | --- | --- | --- | | **Country** | **Small Business UBR 2013/14** | **Small Business UBR 2014/15** | | England | 46.2 p | 47.7 p (est.) | | Scotland | 46.2 p | 47.7 p (est.) | | Wales | 46.4 p | 47.9 p (est.) |   The Small Business Rate Relief Supplement (0.9 p in England and Scotland) is not linked to RPI and, for the time being, we assume that there will be no change to this.  The Crossrail Supplement (2 p in Greater London) is already at its maximum figure so this cannot increase. The City of London Special Authority Supplement (0.4 p in the City of London only) is not linked to RPI and, for the time being, we assume that there will be no change to this.  There are special rates levies in Scotland and Northern Ireland.  The Public Health Supplement in Scotland that applies to retail properties with Rateable Value over £300,000 which sell both cigarettes and alcohol increased from 9.3 p in 2012/13 to 13.0 p in 2013/14 but we await confirmation as to whether there will be a further change in 2014/15.  The Large Retail Levy in Northern Ireland applies to retail properties with Rateable Value over £500,000. At the time of the September 2012 RPI we did not expect an increase from the figure of 8.52 p. Subsequently however the Levy increased by 2.7% to 8.7 p. We must recommend therefore that we assume that a further increase may be applied for 2014/15 at the current RPI which would give a figure of 9.03 p, but this is unlikely to be confirmed until early in the calendar year 2014.  Business Rates in Northern Ireland, Eire, the Channel Islands and the Isle of Man are still locally set and not linked to RPI.  In past years the Pre-Budget Report has followed the RPI announcement and we have had immediate confirmation of the new UBR’s for the following year. The Autumn Statement this year is not due until 5 December so we are unlikely to see an immediate confirmation of next year’s UBR’s.  Following that there is |  | **If you have any queries please contact:**  Andrew Hetherton  Director - Business Rates  andrew.hetherton@glhearn.com  T +44 (0)238 021 0680  M +44(0)781 714 5603  Blake Penfold  Business Rates Director  blake.penfold@glhearn.com  T +44 (0)207 851 4958  M +44(0)778 538 1556  Alistair Ferrier  Business Rates Director  alistair.ferrier@glhearn.com  T +44 (0)141 226 8211  M +44(0)788 782 3502  Hugh Bower  Business Rates Director  hugh.bower@glhearn.com  T +44 (0)122 582 2412  M +44(0)779 876 5834  Len Newton  Business Rates Director  len.newton@glhearn.com  T +44 (0)191 566 4702  M +44(0)776 838 1819  Paul Coope  Business Rates Associate Director  paul.coope@glhearn.com  T +44 (0)161 829 7813  M +44(0)788 763 3513 |

In past years the Autumn Statement has followed the RPI announcement we have had confirmation of the new UBR’s for the following year. The Autumn Statement this year is due on the 4th December 2013 so we are unlikely to see an immediate confirmation of next year’s UBR’s. After the Autumn Statement we have the local government finance settlement to come in December or January, and it may be possible that we do not get final confirmation of next year’s UBR’s until then.

This year’s RPI is above that from last September and there has been considerable comment and lobbying from business and trade bodies for there to be a freeze or capping of the UBR. There have also been calls for the Minster to consider either linking the increase to an average of RPI or some other measure such as the Consumer Prices Index (CPI). We and others have been lobbying the Minister on this issue and it will certainly be a matter to highlight to Ministers between now and when the UBR is confirmed.

As explained, it could be a little while before we get any confirmation of next year’s UBR’s. In the meantime, it would plainly not be prudent to do anything other than budget for the full amount of RPI increase and we are amending our systems accordingly. Our estimates for subsequent years are based on 3%.

We will of course notify you as soon as we get final confirmation of next year’s UBR’s.

If you have any queries please feel free to contact your GL Hearn client account manager or any of the contacts given overleaf.