



NORWICH
City Council

Norwich City Council

Business Rates

New Build Empty Property Relief Policy

Version 1.0 26 March 2014

Norwich City Council New Build Empty Property Relief Policy

Introduction

The Chancellor announced in his Autumn Statement on 5 December 2012 that, subject to consultation, the Government will exempt all newly built commercial property completed between 1 October 2013 and 30 September 2016 from empty property rates for the first 18 months, up to the state aids limits

The purpose of the measure is to help stimulate construction. Construction decisions take into account the risk of paying empty property rates on newly built commercial property if the property does not become fully occupied straight away. Reducing this risk may incentivise some commercial property projects to go ahead that wouldn't otherwise, helping to stimulate the construction industry.

As this is a temporary relief the Government is not changing the legislation however Norwich City Councils power to award will fall under the use of their discretionary relief powers, introduced by the Localism Act 2011 (under section 47 of the Local Government Finance Act 1988, as amended).

Norwich City Council will adopt the scheme as set out in this document.

The policy

1. Which properties will benefit from the relief?

Properties which will benefit from the relief will be

- Unoccupied
- Business premises
- Be wholly or mainly comprised of new structures

Definitions

Norwich City Council shall adopt the guidance from the Department for Communities and Local Government (DCLG) and will consider that :

I. 'Structure' means:

- Foundations and/or
- Permanent walls and/or
- Permanent roofs

II. 'new' means:

- Completed less than 18 months previously
- Completed after 1 October 2013 and before 30 September 2016

III. 'completed' means:

- When the building or part of building of which they form is ready for occupation or
- A completion notice has been served, in which case would be from the date specified in the notice

Splits and mergers

The same test will apply to splits and mergers.

Also if a S44A of the local Government Finance Act 1988 (partly occupied hereditaments) has been applied the same principles may be applied to the unoccupied portion. This shall be considered in each individual circumstance.

Change of ownership

The relief will run with the property rather than the owner, subject to the ratepayers 'de minimis' limits for State Aid.

2. How much relief will be available?

The relief shall be 100% in the prescribed circumstances, up to State Aid 'de minimis' limits.

3. Applications

The Council shall publicise this relief on literature it sends to ratepayers and on the Council's website.

Ratepayers shall be required to make a claim for the relief, in respect of each property, by completing a claim form and a 'de minimis' declaration.

State Aid

European Union competition rules prohibit government subsidies to businesses. This means that where an organisation (regardless of type) is engaged in commercial activities which put them in direct competition with other organisations, they cannot be given the advantage of favourable treatment by being selected for financial aid by a local authority. Discretionary rate relief is included in this definition, as are grants and loans.

There are a limited number of exceptions, the most relevant in respect of this relief will be the 'de minimis' rules, which is up to €200,000 over a period of three years.

4. Decisions and reviews

Each application will be decided on its individual merits however in determining relief Norwich will take into consideration

- This policy,
- The guidance document provided by the DCLG
- Relevant legislation.
- The impact of granting a relief if it was to go against the authority's wider objectives for the local area
- Other reliefs / grants awarded to the ratepayer
- How the activities of the business contribute to the corporate plan priorities
 - Safe and clean city
 - Prosperous city
 - Decent housing for all
 - City of character and culture
 - Value for money services

Claims will be determined by the executive head of business relationship management.

The Council will aim to make a decision within 4 weeks of receiving the application with all supporting evidence.

Asking for a review

Any ratepayer may make a request for a review only where there is

- additional information not available at the time of the original decision or
- there are good grounds to believe the application or supporting information was not interpreted correctly at the time the decision was taken

A request for a review should be made in writing to the council within 4 weeks of notification of the original decision supplying the additional supporting information.

Reviews will be considered by the Councils s151 officer

5. Requirements to make payment of amounts falling due

Ratepayers must continue to pay any amount of rates that fall due whilst an application is pending. In the event that payments are not received as due the Council may continue with its normal enforcement procedures.

6. Length of award

The new build empty property exemption will apply to unoccupied non domestic properties for the first 18 months following completion, if completed after 1 October 2013 and before 30 September 2016.

The Non-Domestic Rating (Unoccupied Property) (England) Regulations 2008 provide that empty property rates are not payable until a non-industrial property has been empty for 3 months or an industrial property has been empty for 6 months so in practice, an unoccupied new build property would benefit from the relief for periods that rates are payable – i.e once the initial 3 or 6 month rate free period has expired, subject to the State Aid limit.

It is anticipated that properties may switch between being occupied and unoccupied. As the Government does not wish to discourage property owners from trying to find an occupier for their property, even if it is only on a short term basis, the policy intends that the ratepayer would be able to benefit from the relief for any relevant period in the 18 months.

At the date of determination, the relief will be back dated to the date when the qualifying circumstances were in existence from.

The length of award shall be to the end of the 18 month period. However the relief shall be removed when the Council has reason to believe that the qualifying circumstances have ended or the ratepayer advises the same. There is a duty on the ratepayer to advise the Council of any changes of circumstances that they consider will affect their entitlement to relief. Removal of the relief will be backdated to the date of the relevant change in circumstances.