

5. continued.....

will apply to the whole property. This will ensure that occupiers can benefit from any occupied business rate relief to which they are eligible - such as small business rate relief - on the whole of the property, not just the occupied part. However, if the property would qualify for the new zero rate or for an exemption from rates when empty, the apportionment will continue to have effect and the owner will not be liable for rates on the empty part.

Appeal against the change in the rates liability.

6. The changes in the rates liability arising from the reforms to empty property relief are not in themselves grounds for appeal. However, if you disagree with the rateable value that appears in the current rating list entry for your property, under the existing arrangements you may challenge it by making a 'proposal' against it to the valuation office (**contact details are given in point 4**). Your rights of appeal are not affected by the reforms to empty property relief and you can contact the valuation office for further information about the arrangements for making proposals.

Further information will be made available once the Government's consultation exercise (i.e. relating to exemptions and anti-avoidance measures) referred to in point 3 and 4 above, has been concluded and the particular changes confirmed.

LEICESTER CITY COUNCIL

National Non-Domestic Rates (Business Rates)

General information - changes to the rates liability of empty and partly occupied properties to take effect from 1st April 2008



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CONTACT BUSINESS RATES AT:
Wellington House, 22-32 Wellington Street,
Leicester LE1 6HL
PHONE: 0116 299 3900 FAX: 0116 254 7322
E-MAIL: business.rates@leicester.gov.uk

This leaflet makes you aware of the recent changes announced by the Government, which will affect empty and partly occupied non - domestic properties.

1. According to the Government, it has reformed empty property relief in order to provide a strong incentive to bring empty property back into use. This will help to increase the supply of premises to let, and so reduce business rents and improve the competitiveness of the UK, as well as bringing forward brownfield sites for re-development and so reduce the need for new development on environmentally valuable greenfield land. The reforms to empty property relief have consequential impacts for the rates liability of partly occupied properties that have been apportioned.

So what will this mean in terms of rates liability?

2. As of 1st April 2008, most property that has been empty for more than three months - or, in the case of industrial property, for more than six months - will no longer receive relief from rates.

3. After the initial three or six month rate-free period expires, empty property will be liable for 100% of the basic occupied business rate, unless it:

- Qualifies for the new zero rate provided by the Rating (Empty Properties) Act 2007. From 1st April 2008, the rates liability of empty property that is held by a charity and appears likely to be next used for charitable purposes, or that is held by a community amateur sports club and appears likely to be next used for the purposes of that club, will be reduced from 10% of the basic occupied rate to zero.

- Qualifies for an exemption from rates under the NNDR (Unoccupied Property) Regulations. While the current permanent exemption for industrial property will be reduced to six months, the Government proposes to preserve the majority of the other existing exemptions unchanged - details of which can be found in our Business Rates leaflet or our website, www.leicester.gov.uk (follow the links to Business Rates). However, the Government has consulted on possible reforms to the exemption for empty property that is listed or subject to a

building preservation notice; and on the possibility of extending the exemption from rates for empty property held by companies in liquidation to that held by companies in administration.

Can a property be taken out of the rating list altogether?

4. If your property is not capable of beneficial occupation - for instance, if it is in poor condition and cannot be economically repaired - the valuation officer may judge that it should be taken out of rating altogether. However, please be aware that if the state of your property is damaged for the purposes of avoiding rates, under the new anti-avoidance legislation introduced by the Government the valuation officer will be required to disregard the change in the property's state when assessing its rateable value. So for instance, if the roof is removed from an empty property for the purpose of avoiding rates, it may be valued as if the roof had not been removed. The Government has consulted on the detailed operation of these anti-avoidance measures. The contact details for the valuation office are:

**The Valuation Office, Enkalon House,
92 Regent Road, Leicester, LE1 7DD;
Telephone 0116 280 0200;
Fax 0116 280 0299;
Website www.voa.gov.uk.**

Please note that the valuation office is independent of the Council.

How will the rates liability be affected if a property is only partly occupied?

5. If a property is only partly occupied, the Council has discretion to request that the valuation officer apportions the property's rateable value between its occupied and unoccupied parts. At present, broadly speaking, the empty property rate applies to the empty part of an apportioned building and the occupied business rate applies to the occupied part. From the 1st April 2008, as a consequence of the reforms to empty rate relief, the empty part will receive a complete exemption from rates for the first 3 months it is empty (or, if it is an industrial property, for the first 6 months). After the initial rate free period expires, in most cases the apportionment will cease to have effect and the occupied business rate