

## **New Build Property Exemption**

### **1. Background**

1.1 This is a temporary measure and as such the rules on empty property liability are not changing; instead the relief is being dealt with under **s47 of the Local Government Finance Act 1988** (the section that deals with discretionary relief). It should be noted that under this section relief cannot be granted in respect of a property all or part of which is occupied (otherwise than as a trustee) by a billing authority, or by a precepting authority other than charter trustees. This means that the relief cannot be granted to Epping Forest District Council, Essex County Council nor to any of the parish councils (nor indeed to any other local authority).

1.2 Because this is treated as a state aid the ratepayer needs to sign and return a state aid de minimus declaration form

1.3 Because this is a discretionary relief i.e. only given to some and not all properties, it is treated as a form of State Aid and as such is subject to EU limitations. Currently this limitation is set at €200,000 (at the time of writing equivalent to approximately £168,000) over a 3 year period.

### **2. Which properties will get the relief?**

2.1 Properties that will benefit from the relief will all be unoccupied non domestic hereditaments that are wholly or mainly comprised of “qualifying new structures”

2.2

A “structure” means:

Foundations and/or

a) Permanent walls and/or

b) Permanent roofs

2.3 “New” means

a) Completed less than 18 months previously, and

b) Completed after 1 October 2013 and before 30 September 2016

2.4 New Structures are to be considered “completed” when the building or part of the building of which they form part is ready for occupation for the purposes it was constructed unless a completion notice has been served in respect of such a building or part of a building; in which case it would be the date specified in that notice.

2.5 In terms of considering whether a hereditament is wholly or mainly comprised of qualifying new structures, we intend that “mainly” means more than half. As the test is made in regards to the composition of the structure, it will not be relevant to consider matters such as rateable value or use parts of the property; however factors such as area or volume of the property will be relevant. The relief is not intended for properties that have been refurbished; instead it is intended for those that have been the subject of substantial structural construction, so for example those properties that are built on existing foundations or built around a retained façade are likely to benefit from the relief

2.6 Where a property is created as a result of a split or merger of other properties, or where the existing hereditament is altered for example with an extension, the same test will apply i.e. the hereditament must be wholly or mainly comprised of new structures completed within the necessary time scale to benefit from the exemption. The relief goes with the property rather than the owner so if the property goes in and out of occupation over the 18 month life of the exemption, the respective owners will be entitled to appropriate remaining exemption

### **3. How long is the relief for?**

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

3.2 The example given by DCLG is of a new build property initially unoccupied for 8 months which then becomes occupied for 4 months but becomes unoccupied again for 6 months:  
3 months – no rates payable

5 months - new build empty property relief

4 months – property occupied

3 months no rates payable

3 months – new build empty property relief

So, basically, the clock starts ticking on the 18 months exemption from the time the property is complete; and strictly speaking the new build exemption only covers the periods outside of those covered by occupied periods and the existing 3/6 month exemptions.

For further details please see the Government's guidance at:

<https://www.gov.uk/government/consultations/business-rates-new-build-empty-property-technical-consultation>

## NEW BUILD EXEMPTION RELIEF 'DE MINIMUS' DECLARATION

Your business is being considered for **New Build Exemption Relief. This relief is for a fixed period of 18 months (whilst the property is empty)**. This is classed as State Aid and, as such, is covered by EU State Aid de minimus rules. In this case, this means returning a declaration about De Minimus State Aid, confirming that the Council awarding you retail relief does not exceed the total €200,000 an undertaking can receive under the De Minimus Regulations EC 1407/2013; this includes retail relief you are receiving for premises other than the one to which this bill refers. In terms of the declaration the Council is only interested in public support which is de minimus state aid; State Aid received under other exemptions or public support which is not State Aid does not need to be declared.

1. Business Rates account reference number \_\_\_\_\_
2. Please list all previously received De Minimus aid in the boxes below; including the total amount of any other retail relief you are being granted. (Please continue on a separate sheet if necessary). **If the retail relief for this account is the only State Aid you are receiving please go straight to the declaration below**

Amount of De Minimus aid	Date of aid	Organisation providing aid	Nature of aid

### 3. DECLARATION

This award shall comply with the EU law on State aid on the basis that, including this award, my business shall not receive more than 200,000 euros in total of De Minimus aid within the current financial year or the previous two financial years. The De Minimus Regulations 1407/2013 (as published in the Official Journal of the European Union L352 24.12.2013) can be downloaded at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>

I confirm that:

- a) I am authorised to sign on behalf of my business ; and
- b) My business shall not exceed its De Minimus threshold by accepting the relief

**SIGNATURE:**

**NAME:**

**POSITION:**

**BUSINESS:**

**DATE:**

**Once completed please return this declaration to: Business Rates, Epping Forest District Council, Civic Offices, High Street, Epping, Essex, CM16**