



# **Business Rates Improvement Relief Policy 2024 - 28**

## **2. Improvement Relief**

### **2.1 Overview**

From 1<sup>st</sup> April 2024 the Non-Domestic Rating (NDR) Bill 2023 provides a 12 month relief for ratepayers facing higher bills where eligible improvements to an existing property have increased their rateable value.

The objective of the Improvement Relief policy is to assist occupiers make improvements to their existing premises, rather than subsidising general commercial property development. The Non-Domestic Rating (Improvement Relief) (England) Regulations 2023 provides the details on the process, criteria and award of relief.

### **2.2 Qualifying Criteria**

To qualify for the relief, two criteria need to be met:

#### ***i. Works condition***

The work undertaken should increase the area of any building in or on the hereditament, otherwise improve the physical state of the hereditament, or add to it rateable plant and machinery.

A newly constructed hereditament or a refurbished hereditament (which had left the rating list during the works) will qualify.

A change of use alone or the addition of land will also not qualify.

#### ***ii. Occupation condition***

The same ratepayer needs to have been in occupation of the hereditament on each day since the qualifying works commenced. This ensures the support is not diverted to landlords, developers or businesses which have merely inherited the improvement from a previous occupier.

Changes in occupation between subsidiary companies will not count as a change in occupation.

Conditions for the relief can still be met where a hereditament splits or merges providing the same person has been in occupation throughout the relevant period.

### **2.3 Applications**

It is not possible for Individuals or organisations to apply for Improvement Relief as the decision on entitlement lies solely with the Valuation Officer. The Valuation Officer will consider qualification for Improvement Relief when reviewing the RV following notification of improvements to an existing property.

### **2.4 Calculation of relief**

The legislation provides for a Valuation Officer to certify the value of the amount to be deducted from the rateable value. The certificate will specify:

- I. When the certificate will take effect from;
- II. When the qualifying improvement works were completed, and;
- III. When the qualifying period ends.

If the qualifying improvement works lead to the split or merger of the hereditament, the Valuation Officer will ensure that the certificate is only concerned with the change in the rateable value from the improvement works and not the change in rateable value from any increase the hereditament being larger due to a merger.

In cases where the hereditament has more than one set of qualifying works, the certificate will show the amounts certified for the works, when the qualifying works were completed and when the period ends.

The Valuation Officer may also withdraw a certificate if it has been issued in error.

Upon making a determination of a certificate, the Valuation Office Agency will notify the Local Authority that Improvement Relief may apply by means of an indicator on the update schedule via the BATrans system. The VOA will issue the Local Authority with a copy of the certificate detailing the RV amount for the qualifying works. It is only then that it is the responsibility of the Local Authority to confirm that the individual or organisation fulfil the 'Occupation Condition' of the Relief before applying to the account.

## **2.5 Period of Relief**

The relief will commence from 1<sup>st</sup> April 2024 and apply to works completed by 2028. Qualifying works completed by that date will then benefit from 12 months of relief.

## **2.6 Appeals**

Any appeal against a decision made under the '*Business Rates Improvement Relief*' policy must be made in writing and reach the Council within 28 days of an organisation receiving notification of an award decision.

- The Council will acknowledge the appeal within 5 working days of receipt.
- The Strategic Director of Finance and Governance will consider the appeal.
- The applicant will be informed of the final decision as soon as practicable thereafter.

## **2.7 General**

The Council will consider each case in accordance with the criteria set out above and the legislation. The criteria is not restrictive and does not restrict the Councils ability to depart from its general policy as to the granting of relief if it sees fit to do so bearing in mind the facts of each case.