

Annex 1 – Changes to the previous policy are struck out or underlined.

## **3.0 Business Rates - Relief for properties that are partially unoccupied for a temporary period (Section 44a)**

### **3.1 Legal Requirements**

- 3.1.1 Under section 44a of the Local Government Finance Act 1988 a Local Authority has the discretion to allow rate relief where a property is partly occupied for a temporary period.
- 3.1.2 The definition of a 'temporary period' is not prescribed with the law and therefore EK Services, using delegated authority, have discretion to decide the period relief should be awarded. This will not normally be for a period exceeding 12 months.
- 3.1.3 Partially occupied rate relief (also referred to as Section 44a Relief) is not intended to be used where part of a property is temporarily not used. The intention is aimed at situations where there are practical difficulties in occupying or vacating part of the property.

### **3.2 Financial Impact**

- 3.2.1 ~~There is no cost to each Local Authority, as the relief is fully funded by Central Government.~~ There is a cost to the authority as the relief affects business rate retention.
- 3.2.2 ~~EK Services recognises that awarding this relief is beneficial to local businesses, therefore Section 44a Relief will be awarded in all cases that meet the statutory requirements.~~ EK Services recognises that awarding this relief is beneficial to small local businesses, therefore Section 44a Relief will be awarded in all cases that meet the statutory requirements and where the gross rateable value before any adjustment is less than £10,000.

### **3.3 Persons who can make application**

- 3.3.1 Applications must be made by the ratepayer.
- 3.3.2 EK Services will require a written application and the ratepayer must supply a plan of the property, with the unoccupied portions clearly identified.

### **3.4 The decision making process**

- 3.4.1 There are no restrictions in the provisions of a Section 44a Relief, regarding the type of property or circumstances in which relief can be awarded.
- 3.4.2 Once EK Services has received an application, providing the application meets the qualifying criteria, relief will be awarded. However any application where the gross rateable value of £10,000 is exceeded will be referred to TDC with full supporting information.
- 3.4.3 EK Services will require accompanied access to the property during normal working hours to verify the application. Further access will be required on at least one occasion each month, during normal office hours, during the period for which relief is being awarded.

- 3.4.4 Relief will not be awarded under any circumstance where it is not possible to verify the application.
- 3.4.5 EK Services will consider applications within 21 days of the application and all supporting information being received and will notify the customer should there be a delay in processing the application.
- 3.4.6 EK Services will notify the applicant of the decision in writing and where the relief is refused, an explanation of the reasons why will be given.
- 3.4.7 EK Services will not consider applications where the customer has failed to provide information within the timescales provided to them and will notify the customer in writing that the application has been refused.
- 3.4.8 To ensure there is a fair and consistent approach to the award of Section 44a Relief, all applications will be considered within the guidelines of this policy and a written record will be kept on file of the decisions and factors considered in the process. The decision will be available free of charge to the applicant on request.

### **3.5 Period of Section 44a Relief**

- 3.5.1 Section 44a Relief will only be applied to a property that is partly occupied for a temporary period.
- 3.5.2 Section 44a Relief will end under the following circumstances;
- At the end of a financial year, regardless of the date relief was applied;
  - Where all or part of the unoccupied area becomes occupied;
  - The person liable for Business Rates changes.
- 3.5.3 A new application may be submitted immediately by the customer if relief ends for any of the reasons outlined in 3.5.1.

### **3.6 Calculation of Section 44a Relief**

- 3.6.1 Where EK Services agrees to award a Section 44a Relief, we will notify the Valuation Officer to seek a reduction in the rateable value.
- 3.6.2 The amount of relief is calculated on a statutory basis based on the rateable value of the empty portion of the property. The appropriate rateable value is provided to EK Services by the Valuation Office Agency.

### **3.7 Authority to Award Section 44a Relief**

- 3.7.1 In the interests of efficiency, the authority to consider applications is delegated to EK Services' Business Rates Officers unless the gross rateable value exceeds £10,000.

### **3.8 Backdating Section 44a Applications**

- 3.8.1 Where a backdated application is received, the customer will be required to produce evidence to prove the area was unoccupied for the period the relief relates to. Acceptance of such evidence is at the discretion of EK Services.