

**POLICY AND RESOURCES CABINET BOARD**  
**27<sup>th</sup> MARCH 2008**

**DIRECTORATE OF FINANCE & CORPORATE SERVICES**

**REPORT OF THE HEAD OF REVENUES & CUSTOMER SERVICES**  
**- M. JONES**

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**Part 1 - Doc.Code: PRB-270308-REP-FS-MJ**

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## **ITEM 1**

### **EMPTY PROPERTY RATING**

#### **Purpose of Report**

1. To give information on changes in the legislation regarding the rating of empty properties.

#### **Background**

2. At present, no rates are charged on empty properties for the first 3 months that they are empty.
3. Therefore, the owner of the empty property is liable to pay an empty property rate (50% of the full charge) unless the property falls into one of a number of defined categories of which the main ones are:
  - it has a rateable value of less than £1,500
  - it is an industrial hereditament (including factories and warehouses).
4. If an empty property is re-occupied for a period of less than 6 weeks before becoming unoccupied again, the 3 months free period will not be granted again.
5. The Assembly has introduced regulations which change the position with effect from 1<sup>st</sup> April 2008, as discussed below.

#### **Position From 1<sup>st</sup> April 2008**

6. No rates will be charged on empty industrial properties for the first 6 months that they are empty and on other empty properties for the first 3 months that they are empty.
7. Thereafter, the owner of the empty property is liable to pay an empty property rate (100% of the full charge) unless the property falls into one of a number of defined categories, of which the main one is that a property has a rateable value of less than £2,200.
8. There is, therefore, no longer an exemption for industrial properties.
9. If an empty property is re-occupied for a period of less than 6 weeks before becoming unoccupied again, the 3 months free period will not be granted again.

10. The changes can be summarised, as follows:
- industrial properties will only be exempt for 6 months and will then pay 100% rates;
  - the “small business” exemption has been raised from under £1,500 to under £2,200;
  - other empty properties businesses will pay 100% (apart from those which fall into a defined category).
11. If a property receiving Small Business Rate Relief becomes unoccupied, the position from 1<sup>st</sup> April 2008 will be that it loses that relief as it is only granted to occupied properties, and following the 3 (or 6) month rate-free period will have to pay full rates – so will face an increased rates bill when empty.
12. The change will also mean that the partly-occupied properties with a rateable value of £2,200 and over (apart from the exemptions) will only be able to receive relief for the partly occupied areas for a 3 month (6 month for industrial properties) period. However, properties with a rateable value of less than £2,200 and properties which are covered by one of the other exemptions will continue to be eligible for relief for longer periods.

### **Implications for Neath Port Talbot**

13. As a result of the changes, rates bills will be issued in respect of 230 empty properties with a total amount of payable of £1.4m.
14. It is likely that this will prove difficult to collect and it is anticipated that a number of applications for hardship relief will be received.

### **List of Background Papers**

15. Rating (Empty Properties Act 2007)  
The Non-Domestic Rating (Unoccupied Property) (Amendment) Regulations 2007  
The Non-Domestic (Unoccupied Property) Regulations 1989

### **Wards Affected**

16. All.

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