

Telecoms Infrastructure Relief

Non-Domestic Rating (Telecommunications Infrastructure Relief) (England)

Regulations 2018: SI 2018/425

Background:

- The Government introduced an 100 percent business rate relief for new full-fibre infrastructure over a five year period, beginning in April 2017.
- The value of the relief will be the rateable value certified by the Valuation Officer (VO) as a proportion of the rateable value of the hereditament as a whole (i.e. in effect a percentage relief).

Condition for relief

3.(1) The condition prescribed for the purposes of sections 43(4F)(b), 45(4C)(b) and 54ZA(1)(d) of the Act, is that new fibre is part of the hereditament.

(2) In these Regulations “new fibre” means fibre that was not laid, flown, blown, affixed or attached before 1st April 2017.

Amount of Relief: Calculation of the amount

The amount prescribed is the amount calculated in accordance with the formula—

$$1 - (\text{CRV} / \text{RV})$$

where —

CRV is the proportion of the rateable value shown for the hereditament that is certified by the appropriate valuation officer in accordance with paragraph (3); and

RV is the rateable value shown for the hereditament for the day.

Where in relation to a hereditament the condition in 3(1) is satisfied, the appropriate valuation officer must certify the proportion of the rateable value shown for the hereditament which appears to that officer to be attributable to—

- (a) new fibre;
- (b) any plant and machinery used in connection with new fibre; and
- (c) the proportion of the hereditament which is exclusively occupied by (a) or (b).

“plant and machinery” means poles, posts, towers, masts, mast radiators, pipes, ducts and conduits and any associated supports and foundations.

1. What is the Valuation Office Agency (VOA)?

The VOA provides valuations and property advice to support taxation and benefits to the government and local authorities in England, Scotland and Wales. Our role includes compiling and maintaining lists in England & Wales detailing the rateable value of 1.9 million commercial properties for business rates.

2. What is the Role of the VO?

The appropriate VO must certify the proportion of rateable values which fall to be certified under these Regulations as soon as practicable after the circumstances calling for the certification come to the appropriate valuation officer's attention.

It should be anticipated that the VO will need to review the rateable value to ensure the existing rateable value is correct and reflect any changes in physical circumstances to the hereditament, known as a material change in circumstances (MCC). Having checked the factual details and considered any MCC, the VO will also consider certification of the proportion of rateable value which falls to be certified under these regulations.

3. What is the Role of the Occupier?

The role of the occupier is to bring to the attention of the VO the relevant information that would allow the VO to form a view that part of the hereditament is new fibre. The VO will require from the occupier all necessary information to;

- a. check the factual details against the existing details
- b. consider the appropriate rateable value following a material change of circumstances,
- c. consider the proportion of the rateable value attributable to new fibre.

The onus is on the occupier to provide the VO with all the information that the VO requests.

4. Can I provide you with a suggested apportionment?

Yes. The VO welcomes the provision of a reasoned suggested apportionment from occupiers. It is preferred if occupiers provide a reasoned suggested apportionment at the time of first bringing relevant information to the attention of the VO. The suggested apportionment must be supported by factual details as outlined above along with the reasoning for the suggested apportionment.

5. Will I get an acknowledgement?

No. The VOA process does not include sending an acknowledgement.

6. How do I supply you with the evidence?

The VO prefers to exchange information by secure email.

Emails should be clearly headed 'Telecommunications Infrastructure Relief' and contain the name of the Ratepayer, address of the hereditament/s, RV's and BA reference numbers and contact details (email, tel no, address to send the cert).

A case will be registered and allocated to a valuer within the Telecoms Team. Ongoing correspondence can be made by email directly to the case owner.

7. What is the 'relevant hereditament'?

"Hereditament" means property which is or may become liable to a non-domestic rate, being a unit of such property which is, or would fall to be, shown as a separate item on a local or central non-domestic rating list.

The Telecommunications Infrastructure (Relief from Non-Domestic Rates) Act 2018 states on the day concerned, the hereditament is wholly or mainly used for the purposes of facilitating the transmission of communications by any means involving the use of electrical or electromagnetic energy.

8. Is plant and machinery included in the relief?

The Non-Domestic Rating (Telecommunications Infrastructure Relief) Regulation 2018 states 'plant and machinery' means poles, posts, towers, masts, mast radiators, pipes, ducts and conduits and any associated supports and foundations.

Paragraph 3 applies where the VO is of the view that any part of the hereditament is new fibre. Where this paragraph applies the VO must certify a proportion of the rateable value shown for the hereditament in the list which appears to that VO to be attributable to new fibre and any plant and machinery used in connection with new fibre.

9. What is New Fibre?

The Non-Domestic Rating (Telecommunications Infrastructure Relief) Regulation 2018 states new fibre means fibre that was not laid, flown, blown, affixed or attached before 1st April 2017.

10. Is renewal of existing fibre included in the relief?

Yes, new fibre means fibre that was not laid, flown, blown, affixed or attached before 1st April 2017.

11. Are buildings included in the relief?

No, buildings are not included in the relief.

12. Will you serve a certificate even if you think there is no value attributed to the new fibre?

Where information has been brought to the attention of the VO as part of a claim for Telecoms Infrastructure Relief, the VO will serve a certificate even if there is no value attributed to the new fibre. By serving a certificate, a ratepayer can appeal, if they do not agree with the certificate.

13. How long will it take for the VO to issue the certificate?

There is no prescribed period within which a certificate should be issued. The VO will seek to issue certificates within a reasonable period following the receipt of all necessary information.

The circumstances of each hereditament will differ so the information required by the VO may also differ by hereditament. The length of time taken by a VO to issue a certificate is likely to be dependent on the extent of information provided by the Ratepayer and the length of time for the Ratepayer to provide any further information that might be required by the VO.

14. Ongoing projects – what is the effective date?

The effective date will be the effective date of the MCC that reflects the new lit fibre.

15. What information do you need to support to satisfy new fibre has been lit?

The VO will require all necessary information to value the hereditament as a whole at the relevant date. Information will therefore be required on all changes to the hereditament at the relevant date, not just new fibre.

In terms of the new fibre, dates of project commencement, project completion and date fibre was first lit/used should be provided. The total length (fibre km) of the new fibre and number of strands should be provided. If the new fibre crosses more than one charging authority area the length of new fibre within each charging authority will be required. For Receipts and Expenditure valuations additional information required to the above includes the number and type of new customer connections that are new fibre and the project cost. You may also supply any other information that you feel is relevant and supports the request for a certificate.

16. After sending all the relevant information to the VOA it becomes apparent that the existing RV is incorrect, what will happen to my request for relief?

We will request clarification of the dates of the changes to the hereditament and any further

details required for us to correct the rateable value.

We would serve notice to update the RV.

Should we have all the relevant information in order to certify the relief we will also certify. If we do not have all the relevant information or need additional information we will contact you.

17. What do I do if I have no relevant evidence (I am the tenant and the LL has the evidence)?

The VO must certify the proportions of rateable values which fall to be certified under these Regulations as soon as practicable after the circumstances calling for the certification come to the appropriate valuation officer's attention. A tenant who knows the qualifying circumstances exist should be in a position to provide the relevant information to the VO. Should the tenant not have the relevant information they will need to liaise with the landlord to provide the information.

18. Will I have to provide the information on a particular form (FOR). If on an FOR will you have to request one first to make a claim?

In the first instance you are encouraged to provide all the relevant information to the VO. This is likely to be provided by email. The VO may require a Form of Return to be completed and if this is required the VO will make that request of you. A Form of Return supports the proper administration of the Relief and discourages the risk of gaming as the owner or occupier of a property can be prosecuted if false statements are made.

19. Will you have a de-minimus level and if so what is it?

Each claim for Relief will be considered on its merits. There is no assumption of a de-minimus level.

20. Will you be providing an explanation of your approach to apportionment for a hereditament?

No. The VO will certify a proportion of the rateable value shown for the hereditament in a list which appears to that officer to be attributable to new fibre and any plant and machinery used in connection with new fibre. At the time that the Ratepayer provides the VO with the information required to allow the VO to certify the proportion of Rateable Value, the VO will be pleased to discuss matters with the Ratepayer.

21. How can I provide a suggested apportionment when I do not have a copy of the

valuation?

You may have received a copy of the summary valuation which you could use or alternatively you will need to go through the VOA's process for obtaining your valuation known as Check, Challenge, Appeal (CCA).

22. Will the relief run out after the £60m has been spent?

No. The relief is for five years and will not run out with the OBR estimate.

23. What will happen if I make a request for relief without any supporting relevant information?

We will contact you and ask for the supporting information. If we do not hear from you within 20 days we will close the case and not serve a certificate. If we do not have the supporting information required we will serve a certificate at Nil.

24. What will happen if I make a request for relief with limited information?

We will contact you to ask for the further information required to support the request for relief. If we do not hear from you within 20 days we will make a judgement on the information we have and serve a certificate. If we have limited or incomplete information we will serve a certificate at Nil.

25. Can I contact the VO to discuss the relief?

Once you have provided the supporting information and suggested apportionment should you wish to contact the VO, claimants can contact the caseworker directly.

26. What will happen if the VO subsequently finds that the information supplied was inaccurate?

The VO will re-serve the certificate at the correct apportionment.

27. How do I appeal a certificate?

Where an interested person in relation to a hereditament in respect of which a proportion of the rateable value is certified by an appropriate valuation officer under these Regulations is dissatisfied with the proportion so certified, the interested person may appeal against the certificate in accordance with this regulation.

An appeal under paragraph is initiated by serving a notice on the appropriate valuation officer stating the appellant's reasons for being dissatisfied.

Appeals should be made by email.

It is preferred that appeals are made using the VOA Telecoms Infrastructure Relief appeal

form and a copy can be requested directly from the VO who has issued the certificate. All appeals should be clearly headed '**2017 RATING LIST APPEAL AGAINST A CERTIFICATE OF VALUE FOR TELECOM FIBRE RATE RELIEF**'.