

# Factsheet: Relief for Telecommunication Hereditaments (Clause 8 and Schedule 3)

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## What is relief for telecommunication hereditaments?

In the 2016 Autumn Statement the Chancellor announced that the government will provide 100% business rates relief for new full-fibre infrastructure for a five year period from 1 April 2017.

## What is the policy hoping to achieve and where are we now?

This policy will help support rollout of new broadband and future 5G communications to homes and businesses. This measure will introduce the relief (retrospectively to 1 April 2017). The detail of when the relief applies and how the relief is calculated will be in secondary legislation.

The relief will be targeted at new fibre investment.

## Why is legislation needed?

Mandatory rate reliefs such as the telecom relief are set in primary legislation. Therefore, we need to amend the existing Local Government Finance Act 1988 to introduce new mandatory reliefs such as this.

## Why is a delegated power required?

Telecoms is a technical and fast moving area and the relief will only be available for those parts of networks which are new fibre lines. These powers will allow us to devise accurate and working definitions with the sector and adapt them for changes in the sector. The powers will also allow the Valuation Officer to certify the part of the rateable value attributable to new fibre.

## How do we see this working in practice?

In practice we expect the Valuation Office Agency will identify new fibre in the course of their work and notify local authorities through a certificate that the relief is to apply.

## How can I find out more?

We will be working with the telecom sector on implementation of this relief and will publish draft regulations in the spring.

## Key questions & answers:

### Who will receive the telecom relief?

- The relief will support telecom companies who invest in their fibre network by installing new fibre lines to support our digital infrastructure. The relief will ensure that no rates are paid on those new fibre lines over the next 5 years. This will provide important support in the early stages of roll out of new investment.

### How will this relief work? When will we see draft regulations?

- We anticipate that the Valuation Office will identify new fibre lines as part of their normal valuation work and inform local government, through a certificate, that the relief is to apply. We will be working with the telecom sector on implementation of this relief and will publish draft regulations in the spring.

**January 2017**