

# IT'S TIME TO BAN BOX SHIFTING!

***Business Rates Avoidance costs local councils 1% of their revenue every year = £250 million p.a. (Local Government Association Survey 2019). With new #AntiAvoidance Legislation in #Scotland, changes in Welsh #emptyratesmitigation criteria and more legislation expected in England, unethical empty rates mitigation schemes' days are finally numbered. About time too, say High Street regeneration experts, #RainbowRising, who believe ethical rates relief solutions offer far greater benefits for both #landlords and local communities. #www.rainbowrising.org.uk***



Following the withdrawal of many business rate exemptions for empty commercial properties in 2008, landlords and agents have looked to avoid paying business rates on their empty commercial premises by using temporary occupation schemes. However, too many of these, although legal, are no more than box shifting and give nothing back to the local community. Worryingly, they now account for over 50% of all business rates avoidance = £396,000 p.a. per council. Such schemes are increasingly considered to be not just 'dodgy' but unequivocally unethical. Add to this two significant council wins before the **#SupremeCourt** in May 2021 (Rossendale Borough Council and Wigan Council) and increased Parliamentary scrutiny through planned new legislation and you have to question are these unethical schemes really worth it anymore? **Rainbow Rising founder, #ShayleshPatel** – arguably one of the most experienced **ethical empty rates mitigation experts** believes landlords' concerns about these unethical 'Box shifting' schemes are well-founded and can actually cost more than they save. He argues landlords can save far more by employing ethical empty rates mitigation schemes that help charitable organisations, support local businesses and local communities. Benefits include:

1. Ethical schemes can operate open-ended without interruption, saving landlords more money
2. Reduced maintenance, security and insurance costs, minimise dilapidation, avoid squatters, infestation and vandalism
3. Free caretaking to identify / report major problems, avoid damage to the property
4. Reduced management cost and management distraction
5. Enhanced reputation among peers in big business, councils, MPs across the political spectrum, local businesses and local communities
6. Effortless #CorporateSocialResponsibility credentials with tangible examples of practical support for local communities
7. Maintaining a vibrant "going concern" increases the property's appeal and the likelihood of reletting
8. Numerous PR opportunities at both national and local level
9. Attract the very best staff and increase retention
10. Avoids expensive legal and litigation costs

Landlords that persist in box shifting schemes may soon find this practice catches up with them, as we move on from Trussonomics to the era of Rishi Sunak, the emphasis is now back on everyone paying their fair taxes. An excellent example of this spirit can be seen in Woking's Victoria Place

Shopping Centre where the landlord would have incurred zero costs by leaving the ex-Debenhams store empty but has chosen instead to make the space available to numerous charities, delivering their services to the local community. This landlord deciding, as many of us would, that the social benefits far outweigh the increased costs of opening this space - making the comparison between this landlord and those only interested in box shifting even more stark.

Landlords concerned about their local community realise that the cost-of-living crisis has a triple impact on charities:

- A) greater demand for their services
- B) greater costs incurred to run charity services and
- C) a drop in donation income as everyone tightens their purse strings

Space is the second biggest problem for charities after funding so Woking's help with rent-free space is of double value to the sector.

Charity, Temporary Use Aid agrees and points out that Scotland has already introduced new General Anti Avoidance Legislation to address what it sees as uncontrolled abuse by unethical "box shifting" schemes of the updated 2008 legislation covering empty rates mitigation. Wales too have acted to curb such activities by increasing the period of occupation required to reset the statutory void period from six weeks to six months from 1 April 2022. It's only a matter of time before similar legislation is introduced in England. **Shaylesh Patel of ASTOP Limited said:**

***'Unethical "Box shifting" empty rates mitigation schemes are no longer fit for purpose. They're too expensive, too time-consuming and give nothing back to society. It's time to ban box shifting!***

Shaylesh and his Rainbow Rising team believe the only way to successfully re-purpose Britain's high streets is through ethically based partnerships that serve both business and local community needs. They are not alone. A significant and growing cohort of landlords, their agents, #councillors and #MPs agree. Such is the strength of their conviction; Rainbow Rising has launched a petition to ban unethical "box shifting" empty rates mitigation schemes once and for all. It is indeed time to:

## **"BAN BOX SHIFTING"**

-ENDS-

**ADD BAN BOX SHIFTING PETITION GRAPHIC AND URL LINK HERE**

**FOR MORE INFORMATION, PLEASE CONTACT SHAYLESH PATEL**  
[contact@rainbowrising.org.uk](mailto:contact@rainbowrising.org.uk)

[www.rainbowrising.org.uk](http://www.rainbowrising.org.uk)

**Local Government and Elections (Wales) Act 2021**  
**Domestic Rating (Unoccupied Property) (Wales) (Amendment) Regulations 2021**  
**Non-Domestic Rates (Scotland) Act 2020**

[LGA report detailing the findings](#)

**two councils won a case in the Supreme Court on business rates**