

# Key Actions

## Specialist Buildings

## CIVIL JUSTICE CENTRES



### UNLOCKING PROPERTY TAX - TAX RELIEF FOR CIVIL JUSTICE CENTRES



**THE MODERN DAY DESIGN OF CIVIL COURT BUILDINGS IS DRAMATICALLY DIFFERENT FROM THE ORNATE STONE BUILDINGS THAT ARE TRADITIONALLY ASSOCIATED WITH JUDICIAL BUILDINGS. THE TECHNOLOGY REQUIREMENTS WITHIN TODAY'S COURT SERVICE ARE HIGHLY COMPLEX AND CAN PUT A STRAIN ON DEVELOPMENT BUDGETS REGARDLESS OF WHETHER THE BUILDING IS A NEW BUILD PROPERTY OR AN ALTERATION OF AN EXISTING PROPERTY.**

However, claiming capital allowances allows you to deduct the cost of plant and machinery from your profits, which can improve the cash flow of your business. Our article highlights some of the areas you can consider to maximise a claim and what the potential level of allowances may be. In order to maximise a capital allowances claim on your commercial property an understanding of how buildings function is essential.

Over the last 20 years, successive governments have procured the properties that they use for civil justice from the private sector. Whilst these properties are built specifically to meet the needs of the Government, they are now leased to the government by the private sector who gain not only the benefit of rental income but also the added benefit of being able to claim Capital Allowances in relation to the fixtures of the property.

Modern civil court buildings are significantly different buildings than traditional court buildings. Rather than concentrating on ornateness, the design of today's civil court buildings focus heavily on function and sustainability. Typically, we find 35-45% of our client's capital expenditure qualifies for capital allowances, depending on size and specification. However, there are a number of important issues to consider.

### KNOWING YOUR BUILDING

#### What Makes a Successful Claim

##### LAYOUT

The building has to perform a number of functions, therefore the layout of the building is important. Provision must therefore be made for court rooms, hearing rooms, client consultation areas, offices, secure areas and catering facilities for both staff and members of the public. However, accessibility and safety of the general public must be incorporated into the design. Where you consider these requirements with the tax implications early, there may be scope to claim a higher rate of tax relief on the expenditure incurred.

##### MECHANICAL AND ELECTRICAL SYSTEMS

Common features of today's courts include natural ventilation, free-cooling systems, intelligent building management systems, water recycling and rainwater harvesting systems and a heavy concentration on the use of natural light. Where expenditure is post April 2020, and the Annual Investment Allowances (AIA) limit is likely to be exceeded that these 6% allowances are claimed within the AIA in place of 18% plant.

##### ACOUSTICS

In addition to the layout of the building, the use and the user experience may mean consideration to the acoustic properties of the building. Where you consider these requirements with the tax implications early, there may be scope to claim higher tax relief on the expenditure incurred.

##### SPECIALIST SYSTEMS

Video recording, data recording and telecommunications will be the defining systems. However, the use in your business of these and any other specialist equipment needs to be considered from first principles in order to ensure they are claimable and claimed at the highest writing down allowance possible.

##### CONSTRUCTION OF NEW BUILDINGS

Structures and Buildings Allowances of 3% is now available meaning that a significant proportion of the building work is now tax deductible.



## WHY CAVETTA CONSULTING

In order to maximise tax relief within specialist properties employing a capital allowances adviser can prove prudent for you.

Traditionally, tax relief is perceived as the role of an accountant. However, like many elements of accountancy, tax has a number of sub-specialisms, including capital allowances. Therefore, your accountant may not have the time or resources to manage the expectation that capital allowances is only a tax issue.

In reality, claiming capital allowances involves resolving tax, finance, legal, property, construction and valuation issues. A capital allowances adviser has a different range of knowledge and skills from your accountant. This enables us to provide assistance to you in negotiations with HM Revenue and Customs; particularly when they are questioning valuation techniques and construction methodology and technology.

Capital Allowances claims must be able to stand up to scrutiny. The figures need not only to be correct but also justifiable. This will ensure you have no further wide spread enquiries from HMRC.

Capital allowances claims, in connection with the acquisition or development of distillery or brewery buildings, require your advisor to have in-depth knowledge and experience of the statutory rules contained within the Capital Allowances Act 2001.

As specialists, we can also provide you with essential preplanning advice, to maximise tax savings, increase yields and potentially make an uncertain project viable.

As tax rules are constantly changing, as specialists in this niche area, we ensure that we have the most up to date information to guarantee your tax savings are maximised.

## EXPERIENCE IS KEY

### WORKING TOGETHER

Cavetta Consulting is a resource with over 30 years of experience, and are able to give our clients the benefit of this.

Once appointed, we work with your appointed advisors project team and accountant. We ask the questions and obtain the information. Our aim is to take the burden of maximising the tax relief from you.

### SEAMLESS PROCESS

We seek to offer you a more personal service. We are not a major corporation and we have the advantage that we can take time to ask questions, understand your needs and take personal pride in saving you money.

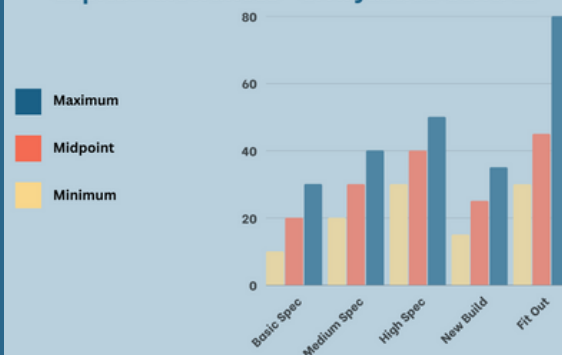
### CONTINUED SUPPORT

Our work does not end once we provide you with your valuation. We are committed to you and our engagement is only concluded when the capital allowances valuation is agreed by HMRC.

### HAPPY TO HELP

We are always happy to help, wherever you are in your capital allowances journey. We provide a free initial consultation, and don't take an appointment where we can't add value. In addition, we are happy to answer any questions that you may have.

### Typical Expenditure Qualifying For Capital Allowances - Civil Justice Centres



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