Draft Regulations laid before Parliament under section 143(4) of the Local Government Finance Act 1988, for approval by resolution of each House of Parliament

D R A F T S T A T U T O R Y I N S T R U M E N T S

2022 No.

RATING AND VALUATION, ENGLAND

The Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2022

Made - - - - ***

Coming into force in accordance with regulation 2

CONTENTS

PART 1
Preliminary

1.	Citation, extent and application	2
2.	Commencement	2
3.	Interpretation	2
4.	Relevant period, relevant day and relevant year	3
5.	Defined hereditaments	3
6.	Special authorities	4

PART 2
Chargeable amounts

7.	Notional chargeable amount: early relevant years	6
8.	Base liability for 2023 - 24 for a defined hereditament	6
9.	Base liability for early relevant years subsequent to 2023 - 24	7
10.	Appropriate fraction	7
11.	Application of regulation 12	8
12.	Rules for determining chargeable amount: early relevant years	9
13.	Change in rateable value after 1st April 2023	10
14.	Application of regulation 15	12
15.	Rules for determining chargeable amounts: final relevant year	12
16.	Change in rateable value on 1st April 2023	13
17.	Partly occupied hereditaments	14

PART 3
Miscellaneous

18. Certificates for changes in rateable value: 1st April 2023 14
19. Certificates for change in rateable value: 31st March 2023 15
20. Certification: splits and mergers before 1st April 2023 15
21. Certification: splits and mergers in the central list on 1st April 2023 16
22. Certificates: central list 16
23. Certificates: general 17
24. Appeals against certificates 17
25. Revocations 18

SCHEDULE — SPLITS AND MERGERS 18

The Secretary of State, in exercise of the powers conferred by sections 57A, 140(4) and 143(1) and (2) of the Local Government Finance Act 1988(**a**), makes the following Regulations, a draft of which was laid before and approved by a resolution of each House of Parliament in accordance with section 143(4) of that Act.

PART 1

Preliminary

Citation, extent and application

1.—(1) These Regulations may be cited as the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2022.

(2) These Regulations extend to England and Wales and apply in relation to England only.

Commencement

2.—(1) Regulation 25 (revocations) comes into force on 1st April 2023.

(2) The remaining provisions come into force on the day after the day on which they are made.

Interpretation

3.—(1) In these Regulations—

"the Act" means the Local Government Finance Act 1988;

"the Appeals Procedure Regulations" means the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009(**b**);

"appropriate valuation officer"—

(a) in relation to a hereditament in respect of which regulations under section 53(1) of the Act (contents of central lists) are in force, means the central valuation officer;

(b) in relation to any other hereditament, means the valuation officer maintaining a local list in which the hereditament is, or would be, shown;

"central list" means the list compiled and maintained in accordance with section 52 of the Act;

"creation day" has the meaning given by paragraph 1 of the Schedule;

(**a**) 1988 c. 41. Section 57A was inserted by section 65 of the Local Government Act 2003 (c. 26) and section 143(4) was amended by paragraphs 9 and 24(1) and (3) of Schedule 7 to the same Act.
(**b**) S.I. 2009/2269.

"defined hereditament" has the meaning given by regulation 5;

"designated person" means a person designated under section 53(1) of the Act;

"early relevant year" has the meaning given by regulation 4(4);

"final relevant year" has the meaning given by regulation 4(5);

"list" means a local list or the central list;

"local list" means a list compiled and maintained in accordance with section 41 of the Act;

"material change of circumstances", in relation to a hereditament, means a change in any of the matters mentioned in paragraph 2(7) of Schedule 6 to the Act;

"relevant day" has the meaning given by regulation 4(2);

"relevant factor" means—

(a) any matter mentioned in paragraph 2(7) of Schedule 6 to the Act, or

(b) the extent to which a hereditament is exempt from non-domestic rating;

"relevant period" has the meaning given by regulation 4(1); and

"relevant year" has the meaning given by regulation 4(3).

(2) A reference in these Regulations to the rateable value shown in the central list for a defined hereditament for a relevant day is taken to be a reference to—

(a) if only one hereditament is shown in the central list for that day in relation to a designated person, the rateable value shown for that hereditament for that day;

(b) if more than one hereditament is shown in the central list for that day in relation to a designated person, the rateable value certified by the appropriate valuation officer under regulation 22 in relation to that hereditament.

Relevant period, relevant day and relevant year

4.—(1) The relevant period in relation to which, in accordance with section 57A of the Act, these Regulations apply, is the period beginning on 1st April 2023 and ending on 31st March 2028.

(2) A relevant day is a day falling within a relevant year.

(3) A relevant year is a financial year beginning on 1st April 2023, 2024, 2025 or 2027.

(4) An early relevant year is a year beginning on 1st April 2023, 2024 or 2025.

(5) The final relevant year is the year beginning on 1st April 2027.

Defined hereditaments

5.—(1) Subject to paragraph (3), as regards a relevant day, a hereditament is a defined hereditament if either of the following conditions are fulfilled—

(a) the conditions in paragraph (2);

(b) the conditions in paragraph 1 of the Schedule.

(2) For the purposes of paragraph (1)(a), the conditions are that the hereditament is shown in a list for—

(a) 31st March 2023, with a rateable value greater than zero;

(b) the relevant day, with a rateable value greater than zero; and

(c) each day (if any) falling after 31st March 2023 and before the relevant day, with a rateable value greater than zero.

(3) A reference in this regulation to the rateable value shown in the central list for a hereditament for 31st March 2023 is taken to be a reference to—

(a) the rateable value shown for the hereditament for that date in the central list; or

(b) the value certified by the appropriate valuation officer to be the rateable value which would have been shown in the central list for the hereditament for that date if that had been the only hereditament of the designated person shown in the central list for that date.

(4) Where a hereditament or a class of hereditament shown in the central list in relation to a designated person(**a**) is a defined hereditament on 1st April 2023 ("the original hereditament"), notwithstanding that on or after 31st March 2023—

(a) part of the original hereditament becomes a hereditament shown in a local list; or

(b) the person ceases to occupy or, if it is unoccupied, own part of the original hereditament,

the conditions in paragraph (2) or paragraphs 1(a), (b)(ii) and (c) of the Schedule are taken to be fulfilled as respects the whole of the original hereditament for so long as the person continues to be the designated person in relation to the original hereditament.

Special authorities

6.—(1) This regulation applies in relation to a defined hereditament which is shown in a local list for the area of a special authority(**b**) for an early relevant year for which the non-domestic rating multiplier(**c**) set by the special authority is different from the non-domestic rating multiplier for the year.

(2) Where this regulation applies and D_{SA} exceeds D then, subject to paragraphs (3), (5), (7), (9) and (11), to the result of the calculation of the chargeable amount for the chargeable day for the hereditament in accordance with regulation 12 and the Schedule, there is added the amount calculated by applying the formula—

$$\frac{((D_{SA} - D) \times N)}{C.}$$

(3) Where paragraph (4) applies, paragraph (2) has effect as regards the hereditament for the day as if the reference in that paragraph to the formula—

$$\frac{((D_{SA} - D) \times N)}{C}$$

were a reference to—

$$\frac{((D_{SA} - D) \times N)}{(C \times 5).}$$

(4) This paragraph applies where, on the chargeable day, section 43(6) of the Act (charities and registered community amateur sports clubs) applies in relation to the hereditament.

(5) Where paragraph (6) applies, paragraph (2) has effect as regards the hereditament for the chargeable day as if the reference in that paragraph to the formula—

(**a**) Section 67(9A) of the Act defines "class" of hereditament by reference to a description of hereditament prescribed under section 53(1) of the Act in relation to the designated person. Under section 67(9) of the Act, a hereditament is treated as shown in the central list for a day if on the day it falls within a class of hereditament shown for the day in the central list.

(**b**) See section 144(6) of the Local Government Finance Act 1988 for the meaning of a special authority.

(**c**) A special authority's non-domestic rating multiplier for a year is set under Part 2 of Schedule 7 to the Local Government Finance Act 1988. This may differ from the non-domestic rating multiplier for the year set under Part 1 of that Schedule.

$$\frac{((D_{SA} - D) \times N)}{C}$$

were a reference to—

$$\frac{((D_{SA} - D) \times N)}{C \times E.}$$

(6) This paragraph applies where, on the chargeable day, section 43(4B) of the Act (small business rate relief)(**a**) applies in relation to the hereditament.

(7) Where paragraph (8) applies, paragraph (2) has effect as regards the hereditament for the chargeable day as if the reference in that paragraph to the formula—

$$\frac{((D_{SA} - D) \times N)}{C}$$

were a reference to—

$$\frac{((D_{SA} - D) \times N)}{C \times 2.}$$

(8) This paragraph applies where, on the chargeable day, section 43(6B) of the Act (general stores etc in rural settlements)(**b**) applies in relation to the hereditament.

(9) Where paragraph (10) applies, paragraph (2) has effect as regards the hereditament for the chargeable day as if the reference in that paragraph to the formula—

$$\frac{((D_{SA} - D) \times N)}{C}$$

were a reference to—

$$\frac{((D_{SA} - D) \times N)}{C \times Z.}$$

(10) This paragraph applies where, on the chargeable day—

(a) the conditions in section 45(1) of the Act (unoccupied hereditaments: liability) are fulfilled as respects the hereditament; and

(b) an order by the Secretary of State under section 45(4A) of the Act(**c**) has effect in relation to the hereditament.

(11) Where paragraph (12) applies, paragraph (2) has effect in relation to the hereditament for the day as if the amount calculated by applying the formula in that paragraph were zero.

(**a**) Section 43(4B) was inserted by section 61(3) of the Local Government Act 2003.
(**b**) Section 43(6B) was inserted by section 1 of, and paragraph 2 of Schedule 1 to, the Local Government and Rating Act 1997 (c. 29).
(**c**) Section 45(4A) was inserted by section 1(1) of the Rating (Empty Properties) Act 2007 (c. 9).

(12) This paragraph applies where, on the chargeable day, the chargeable amount for the hereditament would be zero under section 43(4I) (public lavatories: zero rating)(**a**) or section 45A (unoccupied hereditaments: zero-rating) of the Act.

(13) Where this regulation applies and D_{SA} is less than D, then where the chargeable amount for the chargeable day for the hereditament is calculated in accordance with these Regulations, the chargeable amount is multiplied by the formula—

$$\frac{D_{SA}}{D}$$

(14) For the purposes of this regulation—

D is the small business non-domestic rating multiplier for the relevant year in which the chargeable day falls;

D_{SA} is the small business non-domestic rating multiplier of the special authority for the relevant year in which the chargeable day falls;

C is the number of days in the relevant year;

E is the amount prescribed under section 44(9)(a) of the Act for the relevant year in which the relevant day falls;

N is the rateable value shown for the hereditament in a local list for the relevant day; and

Z is the number prescribed in an order by the Secretary of State under section 45(4A) of the Act.

PART 2

Chargeable amounts

Notional chargeable amount: early relevant years

7.—(1) Subject to paragraphs (3) to (4), the notional chargeable amount for a defined hereditament for an early relevant year is the amount found by applying the formula—

$$A \times D.$$

(2) For the purposes of this regulation—

A is the rateable value shown in a list for the hereditament for 1st April 2023; and

D is the small business non-domestic rating multiplier for the relevant year.

(3) Where regulation 16 (change in rateable value on 1st April 2023) applies, references in this regulation to rateable value have effect subject to the modifications made in paragraph (2) of that regulation.

(4) For a hereditament to which the Schedule (splits and mergers) applies, paragraph 7 of that Schedule has effect for finding the notional chargeable amount.

Base liability for 2023 - 24 for a defined hereditament

8. The base liability for a defined hereditament for the relevant year beginning on 1st April 2023 is found by applying the formula—

(**a**) Section 43(4I) was inserted by section 1(1) and (3) of the Non-Domestic Rating (Public Lavatories) Act 2021 (c. 13).

$$Y \times Z$$

where—

Y is—

(a) for a hereditament shown in a local list for 31st March 2023, the rateable value shown for the hereditament for that date in that list, and

(b) for a hereditament shown in the central list for 31st March 2023, the rateable value shown for the hereditament for that date in the central list or the value certified by the appropriate valuation officer to be the rateable value which would have been shown in the central list for the hereditament for that date if that had been the only hereditament of the designated person shown in the central list for that date; and

Z is the small business non-domestic rating multiplier for the financial year beginning on 1st April 2022.

Base liability for early relevant years subsequent to 2023 - 24

9.—(1) Subject to paragraph (2), the base liability for a defined hereditament for a relevant year beginning on 1st April 2024 or 1st April 2025 ("the year concerned") is found by applying the formula—

$$BL \times AF$$

where—

BL is the base liability for the hereditament for the relevant year immediately preceding the year concerned, and

AF is the appropriate fraction, as found in accordance with regulation 10, for the relevant year immediately preceding the year concerned.

(2) For a defined hereditament to which the Schedule (splits and mergers) applies, paragraphs 8 and 9 of that Schedule have effect for finding the base liability.

Appropriate fraction

10.—(1) Subject to paragraph (8), the appropriate fraction for a defined hereditament for an early relevant year is found by applying the formula—

$$\frac{X \times Q}{100.}$$

(2) For the purposes of this regulation, where the notional chargeable amount for the hereditament for the relevant year exceeds the base liability for the hereditament for the year and the rateable value shown in a list for that hereditament for 1st April 2023 is more than £100,000, then—

(a) for the relevant year beginning on 1st April 2023, X is 130;

(b) for the relevant year beginning on 1st April 2024, X is 140; and

(c) for the relevant year beginning on 1st April 2025, X is 155.

(3) Paragraph (4) applies where the notional chargeable amount for the hereditament for the relevant year exceeds the base liability for the hereditament for the year, and—

(a) the hereditament is shown in a local list in Greater London and the rateable value shown in that list for that hereditament for 1st April 2023 is more than £28,000 and less than or equal to £100,000; or

(b) the hereditament is shown in the central list or in a local list outside Greater London and the rateable value shown in that list for that hereditament for 1st April 2023 is more than £20,000 and less than or equal to £100,000.

(4) For the purposes of this regulation, for a hereditament mentioned in paragraph (3)—

(a) for the relevant year beginning on 1st April 2023, X is 115;

(b) for the relevant year beginning on 1st April 2024, X is 125; and

(c) for the relevant year beginning on 1st April 2025, X is 140.

(5) Paragraph (6) applies where the notional chargeable amount for the hereditament for the relevant year exceeds the base liability for the hereditament for the year, and—

(a) the hereditament is shown in a local list in Greater London and the rateable value shown in that list for that hereditament for 1st April 2023 is less than or equal to £28,000; or

(b) the hereditament is shown in the central list or in a local list outside Greater London and the rateable value shown in that list for that hereditament for 1st April 2023 is less than or equal to £20,000.

(6) For the purposes of this regulation, for a hereditament mentioned in paragraph (5)—

(a) for the relevant year beginning on 1st April 2023, X is 105;

(b) for the relevant year beginning on 1st April 2024, X is 110; and

(c) for the relevant year beginning on 1st April 2025, X is 125.

(7) For the purposes of this regulation—

(a) for the relevant year beginning on 1st April 2023, Q is 1;

(b) for subsequent early relevant years in the relevant period, Q is the amount found by applying the formula—

$$\frac{D(1)}{D(2)_{,}}$$

where—

D(1) is the small business non-domestic rating multiplier for the relevant year, and

D(2) is the small business non-domestic rating multiplier for the financial year which precedes the relevant year;

(c) Q, if not a whole number, is calculated to three decimal places only.

(8) For a defined hereditament to which one or more of the following provisions apply—

(a) regulation 16 (change in rateable value on 1st April 2023),

(b) paragraph 10 of the Schedule (rateable value: hereditament split or merged after 1st April 2023),

this regulation has effect subject to the modifications made by that provision.

Application of regulation 12

11.—(1) Subject to paragraphs (3) and (4), regulation 12 applies to a defined hereditament for a relevant day which falls in an early relevant year ("the day concerned") if—

(a) as regards the hereditament the day concerned is a chargeable day for which a chargeable amount would, but for these Regulations, fall to be determined under section 43, 45 or 54 of the Act; and

(b) NCA is greater than BL and greater than (BL x AF).

(2) For the purposes of paragraph (1)—

(a) NCA is the notional chargeable amount for the hereditament for the relevant year within which the day concerned falls,

(b) BL is the base liability for the hereditament for the relevant year within which the day concerned falls,

(c) AF is the appropriate fraction for the hereditament for the relevant year within which the day concerned falls.

(3) Regulation 12 does not apply where, on the day concerned, the chargeable amount for the defined hereditament is zero under section 43(4I) (public lavatories: zero rating) or section 45A (unoccupied hereditaments: zero-rating) of the Act.

(4) Regulation 12 does not apply where the Schedule (splits and mergers) applies to a defined hereditament in the year in which the creation day falls.

Rules for determining chargeable amount: early relevant years

12.—(1) Where this regulation applies to a hereditament shown in the central list, the chargeable amount as respects the designated person for a chargeable day which is a relevant day is calculated by applying the formula—

$$\frac{(A \times B)}{C} + H$$

instead of the formula in section 54(4) of the Act.

(2) Where this regulation applies to a hereditament shown in a local list, the chargeable amount for a chargeable day which is a relevant day is calculated under this regulation instead of under section 43 or 45 of the Act.

(3) Subject to paragraphs (4), (6), (8) and (10), the chargeable amount for the chargeable day is calculated by applying the formula—

$$\frac{(BL \times AF)}{C.} + U$$

(4) Where paragraph (5) applies, the chargeable amount for a chargeable day is found by dividing the amount calculated in accordance with paragraph (3) by 5.

(5) This paragraph applies where, on the day concerned, section 43(6) of the Act (charities and registered community amateur sports clubs) applies in relation to the hereditament.

(6) Where paragraph (7) applies, the chargeable amount for a chargeable day is found by—

(a) subtracting U from the amount calculated in accordance with paragraph (3); and

(b) dividing the result of the calculation performed under sub-paragraph (a) by E.

(7) This paragraph applies where, on the chargeable day, section 43(4B) of the Act (small business rate relief) applies in relation to the hereditament.

(8) Where paragraph (9) applies, the chargeable amount for a chargeable day is found by dividing the amount calculated in accordance with paragraph (3) by 2.

(9) This paragraph applies where, on the chargeable day, section 43(6B) of the Act (general stores etc in rural settlements) applies in relation to the hereditament.

(10) Where paragraph (11) applies, the chargeable amount for a chargeable day is found by dividing the amount calculated in accordance with paragraph (3) by the number prescribed in an order by the Secretary of State under section 45(4A) of the Act (reduction in chargeable amount for unoccupied properties).

(11) This paragraph applies where, on the chargeable day—

(a) the conditions in section 45(1) of the Act (unoccupied property: liability) are fulfilled as respects the hereditament; and

(b) an order by the Secretary of State under section 45(4A) has effect in relation to the hereditament.

(12) For the purposes of this regulation—

A is the amount certified by the appropriate valuation officer to be the portion of the rateable value shown for the chargeable day in the central list against the name of the designated person which is not attributable to hereditaments to which this regulation applies;

B is the non-domestic rating multiplier for the relevant year in which the chargeable day falls;

BL and AF have the meanings given by regulation 11(2);

C is the number of days in the relevant year;

D is the small business non-domestic rating multiplier for the relevant year in which the relevant day falls;

E is the amount prescribed under section 44(9)(a) of the Act for the relevant year in which the relevant day falls;

H is the aggregate for the chargeable day of the amounts found by applying the formula—

$$\frac{(BL \times AF)}{C} + U$$

to each hereditament to which this regulation applies shown for the day in the central list against the name of the designated person;

N is the rateable value shown in a list for the hereditament for the day; and

U is the amount found by applying the formula—

$$\frac{(B - D) \times N}{C.}$$

(13) For a hereditament to which one or more of the following provisions apply—

(a) regulation 13 (change in rateable value after 1st April 2023);

(b) regulation 16 (change in rateable value on 1st April 2023);

(c) regulation 17 (partly-occupied hereditaments),

this regulation has effect subject to the modifications made in that provision.

Change in rateable value after 1st April 2023

13.—(1) Paragraph (2) applies in respect of a defined hereditament in a case where regulation 12 applies and for a day after 1st April 2023 the rateable value shown in a local list for the hereditament for that day is greater than the rateable value shown for it for 1st April 2023.

(2) Where this paragraph applies, regulation 12 has effect as regards the hereditament for the day as if the reference in that regulation to the formula—

$$\frac{(BL \times AF)}{C} + U$$

were a reference to—

$$\frac{(BL \times AF) + ((N - J) \times D)}{C.} + U$$

(3) Paragraph (4) applies in respect of a defined hereditament in a case where regulation 12 applies and for a day after 1st April 2023 the rateable value shown in a local list for the hereditament for that day is less than the rateable value shown for it for 1st April 2023.

(4) Where this paragraph applies, regulation 12 has effect as regards the hereditament for the day as if the reference in that regulation to the formula—

$$\frac{(BL \times AF)}{C} + U$$

were a reference to—

$$\frac{(BL \times AF \times N)}{(C \times J)} + U$$

(5) For the purposes of the modifications made by paragraphs (2) and (4)—

J is the rateable value shown for the hereditament in a local list for 1st April 2023, and

N is the rateable value shown for the hereditament in a local list for the day.

(6) Paragraph (7) applies in respect of a defined hereditament in a case where regulation 12 applies and for a chargeable day after 1st April 2023 the rateable value shown in the central list for that hereditament for that day is different from the rateable value shown for 1st April 2023.

(7) Where this paragraph applies, regulation 12 has effect as regards the defined hereditament for the chargeable day as if the reference to the formula—

$$\frac{(A \times B)}{C} + H$$

were a reference to—

$$\frac{(A \times B)}{C.} + H + I + K$$

(8) For the purposes of this paragraph and paragraph (7)—

H is the aggregate for a chargeable day of the amounts found by applying the formula—

$$\frac{(BL \times AF)}{C} + U$$

to each hereditament to which regulation 12 applies but to which paragraph (7) does not apply shown in the central list for that day in relation to the designated person;

I is the aggregate for the chargeable day of the amounts found by applying the formula—

$$\frac{(BL \times AF) + ((N - J) \times D)}{C} + U$$

to each hereditament to which paragraph (7) applies shown in the central list for that day in relation to the designated person and for which the rateable value shown for that day is greater than the rateable value shown for 1st April 2023;

J is the rateable value shown in the central list for the hereditament for 1st April 2023;

K is the aggregate for the chargeable day of the chargeable amounts found by applying the formula—

$$\frac{(BL \times AF \times N)}{(C \times J)} + U$$

to each hereditament to which paragraph (7) applies shown in the central list for that day in relation to the designated person and for which the rateable value shown for that day is less than the rateable value shown for 1st April 2023; and

N is the rateable value shown in the central list for the hereditament for the chargeable day.

(9) For a hereditament to which one or more of the following provisions apply—

(a) regulation 16 (change in rateable value on 1st April 2023);

(b) paragraph 10 of the Schedule (rateable value: hereditament split or merged after 1st April 2023),

this regulation has effect subject to the modifications made by that provision.

Application of regulation 15

14.—(1) Regulation 15 applies to a defined hereditament for a relevant day which falls in the final relevant year ("the day concerned") if as regards the hereditament the day concerned is a chargeable day for which a chargeable amount would, but for these Regulations, fall to be determined under section 43, 45 or 54 of the Act.

(2) Regulation 15 does not apply where, on the day concerned, the chargeable amount for the defined hereditament is zero under section 43(4I) (public lavatories: zero rating) or section 45A (unoccupied hereditaments: zero-rating) of the Act.

(3) For a defined hereditament to which one or more of the following provisions apply—

(a) regulation 16 (change in rateable value on 1st April 2023);

(b) paragraph 10 of the Schedule (rateable value: hereditament split or merged after 1st April 2023),

regulation 15 has effect subject to the modifications made by that provision.

Rules for determining chargeable amounts: final relevant year

15.—(1) Where this regulation applies the chargeable amount for a chargeable day which is a relevant day in the final relevant year is calculated under this regulation instead of under section 43, 45 or 54 of the Act.

(2) Subject to paragraphs (3), (5), (7) and (9) below, the chargeable amount for the chargeable day is calculated by applying the formula—

$$A + \left(\frac{RV \times 0.033}{C}\right)$$

(3) Where paragraph (4) applies, the chargeable amount for a chargeable day is calculated by applying the formula—

$$A + \left(\frac{RV \times 0.033}{C \times 5}\right)$$

(4) This paragraph applies where, on the day concerned, section 43(6) of the Act (charities and registered community amateur sports clubs) applies in relation to the hereditament.

(5) Where paragraph (6) applies, the chargeable amount for a chargeable day is calculated by applying the formula—

$$A + \left(\frac{RV \times 0.033}{C \times E}\right)$$

(6) This paragraph applies where, on the chargeable day, section 43(4B) of the Act (small business rate relief) applies in relation to the hereditament.

(7) Where paragraph (8) applies, the chargeable amount for a chargeable day is calculated by applying the formula—

$$A + \left(\frac{RV \times 0.033}{C \times 2}\right)$$

(8) This paragraph applies where, on the chargeable day, section 43(6B) of the Act (general stores etc in rural settlements) applies in relation to the hereditament.

(9) Where paragraph (10) applies, the chargeable amount for a chargeable day is calculated by applying the formula—

$$A + \left(\frac{RV \times 0.033}{C \times N}\right)$$

(10) This paragraph applies where, on the chargeable day—

(a) the conditions in section 45(1) of the Act (unoccupied property: liability) are fulfilled as respects the hereditament; and

(b) an order by the Secretary of State under section 45(4A) has effect in relation to the hereditament.

(11) For the purposes of this regulation—

A is the chargeable amount which would have been calculated in relation to the hereditament under section 43, 45 or 54 if these Regulations did not apply;

C is the number of chargeable days in the year;

E is the amount prescribed under section 44(9)(a) of the Act for the relevant year in which the relevant day falls;

N is the number prescribed in an order by the Secretary of State under section 45(4A) of the Act (reduction in chargeable amount for unoccupied properties);

RV is—

(a) the rateable value shown in a local list or the central list in relation to the hereditament for 1st April 2023;

(b) the rateable value shown in a local list or the central list in relation to the hereditament for the relevant day; or

(c) where an apportionment under section 44A of the Act (partly occupied hereditaments) is applicable, the amount found under section 44(2) of the Act, as substituted by section 44A(7) or (9) for the relevant day as respects the hereditament,

whichever is the lesser amount.

Change in rateable value on 1st April 2023

16.—(1) This regulation applies where any circumstances regarding a relevant factor taken into account in determining the rateable value shown in a local list for a defined hereditament for 1st April 2023 differ from the circumstances regarding that factor existing on 31st March 2023, so that the rateable value shown for 1st April 2023 is different from that which would have been

shown if the circumstances regarding that factor existing on 31st March 2023 continued to exist on 1st April 2023.

(2) Where this regulation applies, the references in regulation 7 (notional chargeable amount: early relevant years), 10 (appropriate fraction) and 15 (rules for determining chargeable amount: final relevant year) to a rateable value shown for 1st April 2023 are treated as references to the value certified by the appropriate valuation officer as the rateable value which would have been shown for that day if that value had fallen to be determined as regards that factor by reference to the circumstances existing on 31st March 2023.

(3) Where this regulation and regulation 12 apply, regulation 13 (change in rateable value after 1st April 2023) has effect as if—

(a) the references in paragraphs (1), (3) and (5) of regulation 13 to a rateable value shown for 1st April 2023 were references to the value certified by the appropriate valuation officer as the rateable value which would have been shown for that day if that value had fallen to be determined as regards the factor mentioned in paragraph (1) by reference to the circumstances existing on 31st March 2023, and

(b) the references in paragraphs (1) and (3) of regulation 13 to the rateable value for a day after 1st April 2023 were treated as including a reference to the rateable value actually shown for 1st April 2023.

Partly occupied hereditaments

17.—(1) As regards a relevant day and a defined hereditament in relation to which an apportionment under section 44A of the Act (partly occupied hereditaments) is applicable, any chargeable amount for that day as respects the hereditament found in accordance with regulation 12 or the Schedule (as modified by any provision of these Regulations) is taken to be multiplied by A and divided by P.

(2) In paragraph (1)—

A is the amount found under section 44(2) of the Act, as substituted by section 44A(7) or (9) for the relevant day as respects the hereditament, and

P is the rateable value shown for the hereditament under section 42(4) of the Act (contents of local lists) for the relevant day.

PART 3

Miscellaneous

Certificates for changes in rateable value: 1st April 2023

18.—(1) This regulation applies where the appropriate valuation officer is of the view (whether following a request from the ratepayer in relation to the hereditament in question or not) that the rateable value shown in a list for a hereditament for 1st April 2023 is inaccurate on any grounds other than solely on the grounds of a material change of circumstances which occurred on that day.

(2) Where this regulation applies the appropriate valuation officer must—

(a) certify that this regulation applies; and

(b) certify the rateable value that should have been shown in a list for the hereditament for 1st April 2023.`

(3) Where the appropriate valuation officer has certified a rateable value in accordance with paragraph (2), these Regulations have effect, as regards the days referred to in paragraph (4), (5)(a) or (5)(b), as if the certified rateable value was the value shown in a list for 1st April 2023.

(4) Where the appropriate valuation officer alters the list for the purpose of correcting the inaccuracy mentioned in paragraph (1) or for that purpose combined with other purposes, the days are the day on which the alteration has effect and any subsequent relevant day.

(5) Where the appropriate valuation officer has not altered the list for the purpose of correcting the inaccuracy mentioned in paragraph (1)—

(a) if a request by the ratepayer has been made before a certificate under paragraph (2) is issued, the days are the day on which the certificate is requested and any subsequent relevant day;

(b) if a request by the ratepayer has not been made before a certificate under paragraph (2) is issued, the days are the day on which the certificate under paragraph (2) is issued and any subsequent relevant day.

Certificates for change in rateable value: 31st March 2023

19.—(1) This regulation applies where the appropriate valuation officer is of the view (whether following a request from the ratepayer in relation to the hereditament in question or not) that the rateable value shown in a list for a hereditament for 31st March 2023 is inaccurate.

(2) If this regulation applies, the appropriate valuation officer must—

(a) certify that this regulation applies; and

(b) certify the rateable value that should have been shown in a list for the hereditament for 31st March 2023.

(3) These Regulations have effect, as regards the days referred to in paragraph (4), (5)(a) or (5)(b), as if the rateable value certified under paragraph (2) was the rateable value shown in a list for the hereditament for 31st March 2023.

(4) If the rateable value certified under paragraph (2) is lower that the rateable value shown in a list for the hereditament for 31st March 2023, the days are 1st April 2023 and any subsequent relevant day.

(5) If the rateable value certified under paragraph (2) is greater than the rateable value shown in a list for the hereditament for 31st March 2023 and—

(a) a certificate under regulation 18 has been issued, the days are the days referred to in paragraph (4), (5)(a) or (5)(b) of that regulation;

(b) no certificate under regulation 18 has been issued, the days are the day on which the certificate under paragraph (2) of this regulation is issued and any subsequent day.

Certification: splits and mergers before 1st April 2023

20.—(1) This regulation applies where—

(a) on a day before 1st April 2023 a hereditament ("new hereditament") comes into existence by virtue of—

(i) property previously rated as a single hereditament becoming liable to be rated in parts;

(ii) property previously rated in parts becoming liable to be rated as a single hereditament; or

(iii) a hereditament or any part of a hereditament becoming part of a different hereditament; and

(b) the new hereditament is first shown in a list on 1st April 2023.

(2) If this regulation applies the appropriate valuation officer must—

(a) certify that this regulation applies; and

(b) certify the rateable value that should have been shown in a list for the new hereditament for 31st March 2023.

(3) These Regulations have effect, in relation to 1st April 2023 and any subsequent relevant day, as if—

(a) the new hereditament came into existence on 31st March 2023;

(b) the new hereditament was shown in a list for that day; and

(c) the rateable value certified under paragraph (2) was the value shown in the list for the hereditament for that day.

Certification: splits and mergers in the central list on 1st April 2023

21.—(1) This regulation applies where—

(a) on 1st April 2023 a hereditament ("new hereditament") comes into existence by virtue of—

(i) property previously rated as a single hereditament becoming liable to be rated in parts;

(ii) property previously rated in parts becoming liable to be rated as a single hereditament; or

(iii) a hereditament or any part of a hereditament becoming part of a different hereditament;

(b) the new hereditament is first shown in the central list on 1st April 2023;

(c) a hereditament from which the new hereditament was formed in whole or in part ("old hereditament") was shown in a local list or in the central list for 31st March 2023, with a rateable value greater than zero; and

(d) the new hereditament comes into existence by virtue of regulations made under section 64(3) of the Act.

(2) If this regulation applies the appropriate valuation officer must—

(a) certify that this regulation applies; and

(b) certify the rateable value that would have been shown in the central list for the new hereditament for 31st March 2023, had the new hereditament been shown in the list on that date.

(3) These Regulations have effect, in relation to 1st April 2023 and any subsequent relevant day, as if—

(a) the new hereditament came into existence on 31st March 2023;

(b) the new hereditament was shown in the central list for that day; and

(c) the rateable value certified under paragraph (2) was the value shown in the list for the hereditament for that day.

(4) Where this regulation applies in relation to a hereditament, the Schedule below does not apply in relation to the hereditament.

Certificates: central list

22.—(1) If more than one defined hereditament is shown in the central list for a relevant day in relation to a designated person, the appropriate valuation officer must certify the rateable value which would have been the rateable value shown in the central list for the hereditament for that day if that had been the only hereditament shown in the central list for that day in relation to the designated person.

(2) A certification under paragraph (1) in respect of a defined hereditament for a relevant day is taken to apply to each day in the period beginning on that day and ending on the day immediately preceding any further certification under this regulation in respect of that hereditament.

Certificates: general

23.—(1) The appropriate valuation officer ("the AVO") must certify the rateable values which fall to be certified by the AVO under these Regulations as soon as practicable after the circumstances calling for the certification come to the AVO's attention (whether by virtue of an application by the billing authority, the Secretary of State, the ratepayer or otherwise).

(2) Where, whether by reason of a decision of the Valuation Tribunal for England or otherwise, the AVO forms the opinion that a certificate under these Regulations (other than such a certificate which has been confirmed on appeal) is inaccurate, the AVO must certify the rateable value which in the AVO's opinion should be substituted for the rateable value originally certified.

(3) A certificate under paragraph (2) has effect in place of the previous certificate, and any appeal against the previous certificate under regulation 24 is taken to be withdrawn.

(4) The AVO must—

(a) notify the billing authority or, so far as it relates to a liability under section 54 of the Act, the Secretary of State of the effect of the certificate; and

(b) send a copy of the certificate to the ratepayer.

(5) The copy of a certificate sent to a ratepayer under paragraph (4) may be sent to—

(a) the ratepayer's last known address; or

(b) the address of the hereditament.

(6) The copy of a certificate sent to a ratepayer under paragraph (4) must be accompanied by—

(a) a statement of the effect of regulation 24, and

(b) for a value certified under paragraph (2), a statement of the effect of paragraph (3).

(7) A certificate issued under these Regulations—

(a) must be retained by the AVO who issued it; and

(b) may be inspected by any person at any reasonable time.

Appeals against certificates

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

(2) An appeal under paragraph (1) is made by serving a notice on the appropriate valuation officer stating the appellant's reasons for being dissatisfied.

(3) A notice mentioned in paragraph (2) must be served within the period of 6 months beginning with the date on which the certificate was issued.

(4) Unless—

(a) the notice is withdrawn, or

(b) the appropriate valuation officer and the appellant agree in writing as to the value which should be certified,

the disagreement must be referred by that officer to the Valuation Tribunal for England as an appeal against that certification.

(5) Parts 2, 4 and 5 of the Appeals Procedure Regulations apply in relation to an appeal under this regulation.

(6) For the purposes of paragraph (1), "interested person" has the meaning given in the Appeals Procedure Regulations.

Revocations

25.—(1) Subject to paragraph 2, regulations 17 (certificates: general) and 18 (appeals against certificates) of the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2009 ("the 2009 Regulations")(**a**) are revoked.

(2) Regulation 17(6) of the 2009 Regulations continues to have effect in relation to certificates which are subject to an appeal under regulation 18 of those Regulations, where the circumstances mentioned in regulation 18(3)(a) or (b) do not apply and the appeal has not been finally disposed of by the Valuation Tribunal for England.

Signed by authority of the Secretary of State for Levelling Up, Housing and Communities

Name
Parliamentary Under Secretary of State
Date Department for Levelling Up, Housing and Communities

SCHEDULE

Regulations 3(1), 5(1)(b) and (4), 6(2), 7(4), 9(2), 10(8)(b), 11(4), 13(9)(b), 14(3)(b), 17(1)

SPLITS AND MERGERS

Cases where this Schedule applies

1. This Schedule applies where—

(a) on a day ("the creation day") falling on or after 1st April 2023, a hereditament ("new hereditament") comes into existence because—

(i) property previously rated as a single hereditament becomes liable to be rated in parts;

(ii) property previously rated in parts becomes liable to be rated as a single hereditament; or

(iii) a hereditament or any part of a hereditament becomes part of a different hereditament; and

(b) immediately before the creation day either—

(i) a hereditament from which the new hereditament was formed in whole or in part ("old hereditament") was a defined hereditament, or if the creation day is 1st April 2023, an old hereditament was shown in a local list for 31st March 2023, with a rateable value greater than zero; or

(ii) each old hereditament from which the new hereditament was formed in whole or in part was shown in the central list for 31st March 2023; and

(c) a rateable value, which is greater than zero, is shown for the new hereditament in a list for—

(i) the creation day;

(ii) the relevant day (if different from the creation day), and

(iii) each day (if any) falling after the creation day and before the relevant day.

(**a**) S.I. 2009/3343.

Rules for determination of chargeable amount for new hereditament: splits on 1st April 2023

2.—(1) Subject to paragraph 6 (changes in the value of new hereditament: early relevant year of creation), where—

(a) this Schedule applies;

(b) the creation day falls on 1st April 2023;

(c) the new hereditament comprises or incorporates all or part of a single old hereditament; and

(d) the chargeable amount for the chargeable day for the new hereditament is not zero under section 43(4I) (public lavatories: zero rating) or section 45A (unoccupied hereditaments: zero-rating) of the Act,

the chargeable amount for a chargeable day in the year beginning on 1st April 2023 must be calculated under the following provisions of this paragraph instead of under section 43, 45 or 54 of the Act.

(2) Subject to sub-paragraphs (3), (5), (7) and (9), the chargeable amount for the chargeable day is calculated by applying the formula—

$$\frac{R \times J}{S.}$$

(3) Where sub-paragraph (4) applies, the chargeable amount for the chargeable day is found by dividing the amount calculated in accordance with sub-paragraph (2) by 5.

(4) This sub-paragraph applies where, on the chargeable day, section 43(6) of the Act (charities and registered community amateur sports clubs) applies in relation to the hereditament.

(5) Where sub-paragraph (6) applies, the chargeable amount for the chargeable day is found by—

(a) subtracting U (as defined in regulation 12) from the amount calculated in accordance with sub-paragraph (2); and

(b) dividing the result by E.

(6) This sub-paragraph applies where, on the chargeable day, section 43(4B) of the Act (small business rate relief) applies in relation to the hereditament.

(7) Where sub-paragraph (8) applies, the chargeable amount for a chargeable day is found by dividing the amount calculated in accordance with sub-paragraph (2) by 2.

(8) This sub-paragraph applies where, on the chargeable day, section 43(6B) of the Act (general stores etc in rural settlements) applies in relation to the hereditament.

(9) Where sub-paragraph (10) applies, the chargeable amount for a chargeable day is found by dividing the amount calculated in accordance with sub-paragraph (2) by the number prescribed in an order by the Secretary of State under section 45(4A) of the Act (reduction in chargeable amount for unoccupied hereditaments).

(10) This sub-paragraph applies where, on the chargeable day—

(a) the conditions in section 45(1) of the Act (unoccupied hereditaments: liability) are fulfilled as respects the hereditament; and

(b) an order by the Secretary of State under section 45(4A) has effect in relation to the hereditament.

(11) For the purposes of this paragraph—

E is the amount prescribed under section 44(9)(a) of the Act (occupied hereditaments: supplementary) for the year beginning on 1st April 2023;

R is the amount which would have been the chargeable amount for the old hereditament for 1st April 2023 if—

(a) the old hereditament were shown in a list for 1st April 2023;

(b) its rateable value for that day were the value certified by the appropriate valuation officer to be the rateable value which would have been shown in that list for that day on the assumption that the relevant factors were as they were for 31st March 2023;

(c) the whole of the hereditament were occupied;

(d) sections 43(4B)(a) (small business rate relief), 43(6) (charities or registered community amateur sports clubs), 43(6B) (rural rate relief), 47 (discretionary relief) and 49(1) (reduction or remission of liability) of the Act did not apply to it for 1st April 2023;

J is the rateable value shown in a list for the new hereditament for 1st April 2023; and

S is the value certified by the appropriate valuation officer to be the rateable value which would have been shown in a list for the old hereditament for 1st April 2023 if that hereditament were shown in a list for that date on the assumption that the relevant factors were as they were for 31st March 2023.

Rules for determination of chargeable amount for new hereditament: mergers on 1st April 2023

3.—(1) Subject to paragraph 6 (changes in the value of new hereditament: early relevant year of creation), where—

(a) this Schedule applies;

(b) the creation day falls on 1st April 2023;

(c) the new hereditament comprises or incorporates more than one, or parts of more than one, old hereditament; and

(d) the chargeable amount for the chargeable day for the new hereditament is not zero under section 43(4I) (public lavatories: zero rating) or section 45A (unoccupied hereditaments: zero rating) of the Act,

the chargeable amount for a chargeable day in the year beginning on 1st April 2023 must be calculated under the following provisions of this paragraph instead of under section 43, 45 or 54 of the Act.

(2) Subject to sub-paragraphs (3), (5), (7) and (9), the chargeable amount for the chargeable day is calculated by applying the formula—

$$\frac{R \times J}{S}$$

(3) Where sub-paragraph (4) applies, the chargeable amount for the chargeable day is found by dividing the amount calculated in accordance with sub-paragraph (2) by 5.

(4) This sub-paragraph applies where, on the day concerned, section 43(6) of the Act (charities and registered community amateur sports clubs) applies in relation to the hereditament.

(5) Where sub-paragraph (6) applies, the chargeable amount for the chargeable day is found by—

(a) subtracting U (as defined in regulation 12) from the amount calculated in accordance with sub-paragraph (2); and

(b) dividing the result by E.

(6) This sub-paragraph applies where, on the day concerned, section 43(4B) of the Act (small business rate relief) applies in relation to the hereditament.

(7) Where sub-paragraph (8) applies, the chargeable amount for a chargeable day is found by dividing the amount calculated in accordance with sub-paragraph (2) by 2.

(8) This sub-paragraph applies where, on the chargeable day, section 43(6B) of the Act (general stores etc in rural settlements) applies in relation to the hereditament.

(9) Where sub-paragraph (10) applies, the chargeable amount for a chargeable day is found by dividing the amount calculated in accordance with sub-paragraph (2) by the number prescribed in an order by the Secretary of State under section 45(4A) of the Act (reduction in chargeable amount for unoccupied hereditaments).

(10) This sub-paragraph applies where, on the chargeable day—

(a) the conditions in section 45(1) of the Act (unoccupied hereditaments: liability) are fulfilled as respects the hereditament; and

(b) an order by the Secretary of State under section 45(4A) has effect in relation to the hereditament.

(11) For the purposes of this paragraph—

E is the amount prescribed under section 44(9)(a) of the Act (occupied hereditaments: supplementary) for the year beginning on 1st April 2023;

R is the total of the amounts which would have been the chargeable amounts for 1st April 2023 for the old hereditaments comprised or incorporated in the new hereditament if—

(a) each of the old hereditaments were shown in a list for 1st April 2023;

(b) the rateable value for each were the value certified by the appropriate valuation officer to be the rateable value which would have been shown in a list for that day on the assumption that the relevant factors were as they were for 31st March 2023;

(c) the whole of each of the old hereditaments were occupied;

(d) sections 43(4B)(a) (small business rate relief), 43(6) (charities or registered community amateur sports clubs), 43(6B) (general stores etc in rural settlements), 47 (discretionary relief) and 49(1) of the Act (reduction or remission of liability) did not apply to them for 1st April 2023;

J is the rateable value shown in a list for the new hereditament for the 1st April 2023; and

S is the total of the values certified by the appropriate valuation officer to be the rateable values which would have been shown in a list for 1st April 2023 for the old hereditaments incorporated or comprised in the new hereditament if they were shown in a list for that date on the assumption that the relevant factors were as they were for 31st March 2023.

Rules for determining chargeable amount for new hereditament: splits after 1st April 2023 in an early relevant year

4.—(1) Subject to paragraph 6 (changes in the value of new hereditament: early relevant year of creation), where—

(a) this Schedule applies;

(b) the creation day falls on a day after 1st April 2023 and in an early relevant year;

(c) the new hereditament comprises or incorporates all or part of a single old hereditament; and

(d) the chargeable amount for the chargeable day for the new hereditament is not zero under section 43(4I) (public lavatories: zero rating) or section 45A (unoccupied hereditaments: zero rating) of the Act,

the chargeable amount for a chargeable day which is a relevant day in the relevant year in which the creation day falls must be calculated under the following provisions of this paragraph instead of under section 43, 45 or 54 of the Act.

(2) Subject to sub-paragraphs (3), (5), (7) and (9), the chargeable amount for the chargeable day is calculated by applying the formula—

$$\frac{R \times J}{S}$$

(3) Where sub-paragraph (4) applies, the chargeable amount for the chargeable day is found by dividing the amount calculated in accordance with sub-paragraph (2) by 5.

(4) This sub-paragraph applies where, on the chargeable day, section 43(6) of the Act (charities and registered community amateur sports clubs) applies in relation to the hereditament.

(5) Where sub-paragraph (6) applies, the chargeable amount for a chargeable day is found by—

(a) subtracting U (as defined in regulation 12) from the amount calculated in accordance with sub-paragraph (2); and

(b) dividing the result of the calculation performed under paragraph (a) by E.

(6) This sub-paragraph applies where, on the chargeable day, section 43(4B) of the Act (small business rate relief) applies in relation to the hereditament.

(7) Where sub-paragraph (8) applies, the chargeable amount for a chargeable day is found by dividing the amount calculated in accordance with sub-paragraph (2) by 2.

(8) This sub-paragraph applies where, on the chargeable day, section 43(6B) of the Act (general stores etc in rural settlements) applies in relation to the hereditament.

(9) Where sub-paragraph (10) applies, the chargeable amount for a chargeable day is found by dividing the amount calculated in accordance with paragraph (2) by the number prescribed in an order by the Secretary of State under section 45(4A) of the Act (reduction in chargeable amount for unoccupied hereditaments).

(10) This sub-paragraph applies where, on the chargeable day—

(a) the conditions in section 45(1) of the Act (unoccupied hereditaments: liability) are fulfilled as respects the hereditament; and

(b) an order by the Secretary of State under section 45(4A) has effect in relation to the hereditament.

(11) For the purposes of this paragraph—

E is the amount prescribed under section 44(9)(a) of the Act (occupied hereditaments: supplementary) for the relevant year in which the relevant day falls;

R is the amount which would have been the chargeable amount for the old hereditament for the creation day if—

(a) the old hereditament continued to exist and was shown in a list for that day;

(b) the rateable value for that day were the same as for the previous day;

(c) the whole of the old hereditament were occupied and sections 43(4B)(a) (small business rate relief), 43(6) (charities or registered community amateur sports clubs), 43(6B) (general stores etc in rural settlements), 47 (discretionary relief) and 49(1) (reduction or remission of liability) of the Act did not apply to it for the creation day;

J is the rateable value shown in a list for the new hereditament for the creation day; and

S is the rateable value shown in a list for the old hereditament for the day immediately before the creation day.

Rules for determining chargeable amount for new hereditament: mergers after 1st April 2023 in an early relevant year

5.—(1) Subject to paragraph 6 (changes in the value of new hereditament: early relevant year of creation), where—

(a) this Schedule applies;

(b) the creation day falls on a day after 1st April 2023 in an early relevant year;

(c) the new hereditament comprises or incorporates more than one, or parts of more than one, old hereditament; and

(d) the chargeable amount for the chargeable day for the new hereditament is not zero under section 43(4I) (public lavatories: zero rating) or section 45A (unoccupied hereditaments: zero rating) of the Act,

the chargeable amount for a chargeable day which is a relevant day in the relevant year in which the creation day falls must be calculated under the following provisions of this paragraph instead of under section 43, 45 or 54 of the Act.

(2) Subject to sub-paragraphs (3), (5), (7) and (9), the chargeable amount for the chargeable day is calculated by applying the formula—

$$\frac{R \times J}{S}$$

(3) Where sub-paragraph (4) applies, the chargeable amount for the chargeable day is found by dividing the amount calculated in accordance with sub-paragraph (2) by 5.

(4) This sub-paragraph applies where, on the day concerned, section 43(6) of the Act (charities and registered community amateur sports clubs) applies in relation to the hereditament.

(5) Where sub-paragraph (6) applies, the chargeable amount for a chargeable day is found by—

(a) subtracting U (as defined in regulation 12) from the amount calculated in accordance with sub-paragraph (2); and

(b) dividing the result of the calculation performed under paragraph (a) by E.

(6) This sub-paragraph applies where, on the chargeable day, section 43(4B) of the Act (small business rate relief) applies in relation to the hereditament.

(7) Where sub-paragraph (8) applies, the chargeable amount for a chargeable day is found by dividing the amount calculated in accordance with sub-paragraph (2) by 2.

(8) This sub-paragraph applies where, on the chargeable day, section 43(6B) of the Act (general stores etc in rural settlements) applies in relation to the hereditament.

(9) Where sub-paragraph (10) applies, the chargeable amount for a chargeable day is found by dividing the amount calculated in accordance with sub-paragraph (2) by the number prescribed in an order by the Secretary of State under section 45(4A) of the Act (reduction in chargeable amount for unoccupied hereditaments).

(10) This sub-paragraph applies where, on the chargeable day—

(a) the conditions in section 45(1) of the Act (unoccupied hereditaments: liability) are fulfilled as respects the hereditament; and

(b) an order by the Secretary of State under section 45(4A) has effect in relation to the hereditament.

(11) For the purposes of this paragraph—

E is the amount prescribed under section 44(9)(a) of the Act (occupied hereditaments: supplementary) for the relevant year in which the relevant day falls;

R is the total of the amounts which would have been chargeable amounts for the creation day for the old hereditaments incorporated or comprised in the new hereditament if—

(a) each of the old hereditaments was shown in a list for that day;

(b) each rateable value for that day was the same as for the previous day;

(c) the whole of each hereditament was occupied;

(d) sections 43(4B)(a) (small business rate relief), 43(6) (charities or registered community amateur sports clubs), 43(6B) (general stores etc in rural settlements), 47 (discretionary relief) and 49(1) (reduction or remission of liability) of the Act did not apply to them for the creation day;

J is the rateable value shown in a list for the new hereditament for the creation day; and

S is the total of the rateable values shown in a list for the day immediately before the creation day for the old hereditaments incorporated or comprised in the new hereditament.

Changes in the value of new hereditament: early relevant year of creation

6.—(1) Sub-paragraph (2) applies in respect of a new hereditament in an early relevant year in which the creation day falls where for a chargeable day after the creation day the rateable value shown in a list for the hereditament is greater than the rateable value shown for the creation day.

(2) Where this sub-paragraph applies, paragraphs 2 to 5 have effect as regards the hereditament for the chargeable day as if the reference in those paragraphs to—

$$\frac{R \times J}{S}$$

were a reference to—

$$\frac{R \times J}{S} + \frac{\left((N - J) \times B\right)}{C.}$$

(3) Sub-paragraph (4) applies in respect of a new hereditament in an early relevant year in which the creation day falls where for a chargeable day after the creation day the rateable value shown in a list for a hereditament is less than the rateable value shown in a list for the creation day.

(4) Where this sub-paragraph applies, paragraphs 2 to 5 have effect as if the reference in those paragraphs to—

$$\frac{R \times J}{S}$$

were a reference to—

$$\frac{R \times J \times N}{S \times J.}$$

(5) For the purposes of sub-paragraphs (2) and (4)—

B is the non-domestic rating multiplier for the relevant year in which the creation day falls;

C is the number of days in the relevant year in which the creation day falls;

N is the rateable value shown in a list for the new hereditament for the chargeable day; and

R, J and S have the same meanings given by paragraph 2, 3, 4 or 5.

Notional chargeable amount for new hereditament: early relevant years

7.—(1) This paragraph applies for determining the notional chargeable amount for a new hereditament for an early relevant year falling after the year in which the creation day falls.

(2) Where this paragraph applies, the relevant notional chargeable amount is found by applying the formula—

$$J \times D$$

where—

J is the rateable value shown in a list for the new hereditament for the creation day; and

D is the small business non-domestic rating multiplier for the relevant year.

Base liability for the early relevant year after the year in which the creation day falls

8.—(1) This paragraph applies for determining the base liability for a new hereditament for an early relevant year which falls immediately after the year in which the creation day falls.

(2) Where this paragraph applies, the base liability for the hereditament is found by applying the formula—

$$(T \times C) - ((B - D) \times J).$$

(3) For the purposes of this paragraph—

T is the amount (calculated in accordance with such of the preceding provisions of this Schedule as are applicable) which is or would have been the chargeable amount for the hereditament for the creation day if—

(a) the whole of the hereditament were occupied;

(b) sections 43(4B)(a) (small business rate relief), 43(6) (charities or registered community amateur sports clubs), 43(6B) (general stores etc in rural settlements), 47 (discretionary relief) and 49(1) (reduction or remission of liability) of the Act did not apply to it for the creation day;

C is the number of days in the relevant year in which the creation day falls;

B is the non-domestic rating multiplier for the relevant year;

D is the small business non-domestic rating multiplier for the relevant year; and

J is the rateable value shown in a list for the new hereditament for the creation day.

Base liability for subsequent early relevant years for new hereditament

9.—(1) This paragraph applies for determining the base liability for a hereditament to which this Schedule applies for any early relevant year falling after the relevant year referred to in paragraph 8(1).

(2) Where this paragraph applies, the base liability for the hereditament is found by applying the formula—

$$BL \times AF .$$

(3) For the purposes of this paragraph, BL and AF have the meanings given by regulation 9.

Rateable value: hereditament split or merged after 1st April 2023

10.—(1) This paragraph applies if the creation day falls on a day after 1st April 2023.

(2) Subject to sub-paragraph (3) and ignoring any modifications made by regulation 16 (change in rateable value on 1st April 2023)—

(a) regulation 10 (appropriate fraction);

(b) regulation 13 (change in rateable value after 1st April 2023); and

(c) regulation 15 (rules for determining chargeable amount: final relevant year),

have effect in relation to a new hereditament as if for references to 1st April 2023 there were substituted references to the creation day.

(3) The modifications in sub-paragraph (2) do not apply in relation to the references to 1st April 2023 in regulation 10(2)(a), (4)(a), (6)(a) and (7)(a).

EXPLANATORY NOTE

(This note is not part of the Regulations)

The Local Government Finance Act 1988 ("the Act") provides for non-domestic hereditaments to be revalued every five years. On a revaluation new non-domestic rating lists are compiled. The next compilation date is 1st April 2023.

On each previous revaluation a transitional relief scheme has been used to protect ratepayers from large increases in their rates bills following a revaluation. These Regulations, which apply to England only, set out the rules for the transitional relief scheme which will apply to the 2023 non-domestic rating revaluation.

The effect of the transitional relief scheme is to assist ratepayers whose bills (in these Regulations, the "notional chargeable amount") would have increased above a certain amount by phasing in these increases gradually over up to five years. In these Regulations the increase for those ratepayers are phased in over the years beginning on 1st April 2023, 2024 and 2025 ("the early relevant years"). It is also the effect of the scheme to add a supplement to the bills of some ratepayers for the year beginning on 1st April 2027 ("the final relevant year"). The supplement in the final relevant year funds the phasing in of the increases in the early relevant years.

Part 2 of these Regulations makes provision for the determination of the substituted chargeable amount (which is the amount by reference to which a ratepayer's liability is established) where the hereditament is shown in a local list or the central list (see sections 42 or 52 of the Act) and where the conditions in Part 2 are met.

Regulations 4 to 10 explain the terms used in determining whether the rules in Part 2 apply in place of the rules in section 43 (occupied hereditaments: liability), 45 (unoccupied hereditaments: liability) or 54 (central rating: liability) of the Act.

Regulation 11 specifies the cases where the rules contained in regulation 12 apply for determining the chargeable amount in cases to which Part 2 applies in relation to early relevant years.

The test which determines when the rules contained in regulation 12 apply is where NCA (notional chargeable amount, as determined under regulation 7) for a hereditament is greater than BL (base liability, as determined under regulation 8 or 9) and also greater than BL multiplied by AF (appropriate fraction, as determined under regulation 10). This is the situation where, but for these Regulations, the ratepayer's chargeable amount would have increased above a certain amount at the beginning of the relevant financial year.

Where this test is satisfied then the chargeable amount for the hereditament for each day will be–

$$\frac{(BL \times AF)}{C} + U$$

where C is the number of days in the year and U is a small business rate relief correction factor.

The AF is different for different classes of hereditament based on rateable values. Regulation 12 further provides that once the chargeable amount is calculated the mandatory reliefs (such as charitable relief and small business rate relief) are deducted.

Regulation 13 modifies the rules in relation to cases where, after 1st April 2023 in an early relevant year, there has been a change to the rateable value of the hereditament.

Regulation 14 specifies the cases where the rules contained in regulation 15 apply for determining the chargeable amount in cases to which Part 2 applies in relation to the final relevant year.

Regulation 15 provides that the chargeable amount for a hereditament to which that regulation applies is to be calculated using the formula set out in the regulation. This adds a supplement to the chargeable amount for defined hereditaments to which the regulation applies.

Regulation 16 modifies regulations 13 and 15 to apply in cases where there has been a change to the rateable value of the hereditament on 1st April 2023.

Regulation 17 modifies the rules in relation to cases where the hereditament is partly-occupied in an early relevant year.

Regulations 18 to 23 make provision requiring the appropriate valuation officer to certify rateable values for the purposes of the application of the rules in these Regulations. Regulation 24 provides for the procedure to be followed in the case of appeals against such certificates.

Regulation 25 revokes regulations 17 (certificates: general) and 18 (appeals against certificates) of the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2009 (S.I. 2009/3343), which provide for the issuing of certificates and appeals against certification in relation to the 2010 rating lists. This is subject to a saving provision for regulation 17(6), which requires the valuation officer to retain a certificate and permit inspection, where a certificate is subject to an ongoing appeal.

The Schedule makes provision, in place of Part 2 (chargeable amounts), for cases where a hereditament splits, or is merged with one or more other hereditaments, whether the split or merger occurs on or after 1st April 2023.

© Crown copyright 2022

Printed and published in the UK by The Stationery Office Limited under the authority and superintendence of Jeff James, Controller of His Majesty's Stationery Office and King's Printer of Acts of Parliament.

£6.90

http://www.legislation.gov.uk/id/ukdsi/2022/9780348241488

ISBN 978-0-34-824148-8

