

2004 No. 3387

RATING AND VALUATION, ENGLAND

**The Non-Domestic Rating (Chargeable Amounts)
(England) Regulations 2004**

Approved by both Houses of Parliament

Made - - - - - 21st December 2004

Coming into force - - 22nd December 2004

The First 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), hereby makes the following Regulations:

PART 1

Preliminary

Citation, application, commencement and interpretation

1.—(1) These Regulations, which apply to England only, may be cited as the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2004 and shall come into force on the day after the day on which they are made.

(2) In these Regulations—

“the Act” means the Local Government Finance Act 1988;

“the 1999 Regulations” means the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 1999(b);

“the Appeals Regulations” means the Non-Domestic Rating (Alteration of Lists and Appeals) Regulations 1993(c);

“altered hereditament” has the meaning given by paragraph 1 of Schedule 1;

“appropriate valuation officer”—

(a) in relation to a hereditament in relation to 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 the 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 Schedule 2;

(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 paragraph 24(3) of Schedule 7 to the same Act.

(b) S.I. 1999/3379: relevant amending instruments are S.I. 2000/936 and 2004/1297.

(c) S.I. 1993/291: relevant amending instruments are S.I. 1994/1809, 1995/609, 2000/598, 2001/1271, 2002/498 and 2003/1999.

“defined hereditament” has the meaning given by regulation 3;
“designated person” means a person designated under section 53(1) of the Act;
“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 2(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 2(1), and
“relevant year” has the meaning given by regulation 2(3).

(3) References in these Regulations to the hereditament of a designated person are references to any hereditament or, as the case may be, description or class of hereditaments prescribed under section 53(1) of the Act as respects that designated person.

Relevant period, relevant day and relevant year

2.—(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 2005 and ending on 31st March 2009.

(2) A relevant day is a day falling within the relevant period.

(3) A relevant year is a financial year falling within the relevant period.

Defined hereditaments

3.—(1) Subject to paragraph (3), as regards a relevant day, a hereditament is a defined hereditament if—

- (a) the conditions in paragraph (2) are fulfilled; or
- (b) it meets the conditions specified in paragraph 2 of Schedule 1; or
- (c) it meets the conditions specified in paragraph 1 of Schedule 2.

(2) For the purposes of paragraph (1)(a), the conditions are that the hereditament is shown in any list, with a rateable value greater than zero, for—

- (a) 31st March 2005;
- (b) the relevant day; and
- (c) each day (if any) falling after 31st March 2005 and before the relevant day.

(3) Where the hereditament of a designated person is a defined hereditament by virtue of paragraph (1) on 1st April 2005 (“the original hereditament”), notwithstanding that on or after 31st March 2005—

- (a) part of the original hereditament becomes a hereditament shown on the local list; or
- (b) the person ceases to occupy or, if unoccupied, own part of the original hereditament, the conditions in paragraph (2) above or paragraph 1(b) of Schedule 2 shall be treated as fulfilled as respects the whole of the original hereditament for so long as the person continues to be the person designated as respects the original hereditament under section 53(1) of the Act.

Special authorities

4.—(1) This regulation applies in relation to a defined hereditament which is shown in a local list and is situated in the area of a special authority, for a relevant year for which the non-domestic rating multiplier 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 11 and Schedule 2, there shall be added the amount calculated by applying the formula—

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

(3) Where paragraph (4) applies, paragraph (2) shall have 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 day concerned, the conditions in section 43(6) of the Act (charities and registered community amateur sports clubs) are fulfilled as respects the hereditament.

(5) Where paragraph (6) applies, paragraph (2) shall have 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—

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

(6) This paragraph applies where, on the day concerned, the conditions in section 43(4B) of the Act (small business rate relief) are fulfilled as respects the hereditament.

(7) Where paragraph (8) applies, paragraph (2) shall have 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—

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

(8) This paragraph applies where, on the day concerned, the conditions in section 43(6B) or (6F) of the Act (general stores etc in rural settlements or former agricultural premises) are fulfilled as respects the hereditament.

(9) Where paragraph (10) applies, paragraph (2) shall have 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—

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

(10) This paragraph applies where, on the day concerned, the conditions in section 45(1) of the Act (unoccupied property) are fulfilled as respects the hereditament.

(11) Where paragraph (12) applies, paragraph (2) shall have 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—

$$\frac{((D_{SA} - D) \times N)}{(C \times 10)}.$$

(12) This paragraph applies where, on the day concerned, the conditions in section 45(1) and 45(6) of the Act (unoccupied hereditaments of charities or registered community amateur sports clubs) are fulfilled as respects the hereditament.

(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 shall be 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 year in which the chargeable day falls;

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

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

PART 2

Chargeable Amounts

Notional chargeable amount

5.—(1) Subject to paragraphs (3) to (5), the notional chargeable amount for a defined hereditament for a relevant year shall be the amount found by applying the formula—

$$A \times D.$$

(2) For the purposes of this regulation—

A is—

- (a) in the case of a hereditament shown in a local list, the rateable value shown for the hereditament for 1st April 2005 in the list; and
- (b) in the case of a hereditament shown in the central list, the rateable value shown for the hereditament for 1st April 2005 in the 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 1st April 2005 if that had been the only hereditament of the designated person shown in that list for that date; and

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

(3) Where regulation 13 (change in rateable value on 1st April 2005) applies, references in this regulation to rateable value shall have effect subject to the modifications made in paragraph (2) of that regulation.

(4) For a hereditament to which Schedule 1 (altered hereditaments) applies, paragraph 4 of that Schedule shall have effect for finding the notional chargeable amount.

(5) For a hereditament to which Schedule 2 (splits and mergers) applies, paragraph 7 of that Schedule shall have effect for finding the notional chargeable amount.

Base liability for 2005–06 for a hereditament subject to previous transitional provisions

6.—(1) Subject to paragraph (3), this regulation applies to a defined hereditament for the relevant year beginning in 2005 if the chargeable amount for the hereditament for 31st March 2005 was determined under the 1999 Regulations.

(2) Where this regulation applies the base liability shall be found by applying the formula—

$$CA \times 365.$$

(3) Where, as respects a hereditament, CA is zero, the base liability for the hereditament for the relevant year shall be found by applying the formula—

$$Y \times Z.$$

(4) For the purposes of this regulation—

CA is the amount which would have been the chargeable amount for the hereditament for 31st March 2005 calculated in accordance with the 1999 Regulations on the assumption that—

- (a) the multiplier for any special authority were the same as the national non-domestic rating multiplier;
- (b) the whole of the hereditament were occupied;
- (c) the conditions in sections 43(4B) (small business rate relief), 43(6) (charities or registered community amateur sports clubs), 43(6B) (rural rate relief), 43(6F) (former agricultural premises) and 47(1) (discretionary relief) of the Act are not fulfilled for it for 31st March 2005; and
- (d) section 49(1) (reduction or remission of liability) of the Act did not apply to it for 31st March 2005;

Y is—

- (i) in the case of a hereditament shown in a local list for 31st March 2005, the rateable value shown for the hereditament for that date in the local list, and
- (ii) in the case of a hereditament shown in the central list for 31st March 2005, the rateable value shown for the hereditament for 31st March 2005 in the list or the value certified by the appropriate valuation officer to be the rateable value which would have been shown in that list for the hereditament for 31st March 2005 if that had been the only hereditament of the designated person shown in that list for that date; and

Z is the non-domestic rating multiplier for the financial year beginning in 2004.

Base liability for 2005–06 for a hereditament outside previous transitional provisions

7.—(1) Subject to paragraph (3), this regulation applies to a defined hereditament if the chargeable amount for the hereditament for 31st March 2005 was not determined under the 1999 Regulations.

(2) Where this regulation applies, the base liability for the hereditament for the relevant year shall be found by applying the formula—

$$Y \times Z,$$

where—

Y is—

- (a) in the case of a hereditament shown in a local list for 31st March 2005, the rateable value shown for the hereditament for that date in the local list, and
- (b) in the case of a hereditament shown in the central list for 31st March 2005, the rateable value shown for the hereditament for 31st March 2005 in the 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 31st March 2005 if that had been the only hereditament of the designated person shown in that list for that date; and

Z is the non-domestic rating multiplier for the financial year beginning in 2004.

(3) For a hereditament to which Schedule 1 (altered hereditaments) applies, paragraph 3 of that Schedule shall have effect for finding the base liability.

Base liability for years subsequent to 2005–06

8.—(1) Subject to paragraph (2), the base liability for a defined hereditament for a relevant year (the year concerned) beginning after the first relevant year of the relevant period shall be 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 for the hereditament for the relevant year immediately preceding the year concerned.

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

Appropriate fraction

9.—(1) Subject to paragraph (5), the appropriate fraction for a defined hereditament for a relevant year shall be found by applying the formula—

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

(2) For the purposes of this regulation—

(a) where the notional chargeable amount for the hereditament for the relevant year exceeds the base liability for the hereditament for the year and—

- (i) the hereditament is situated in Greater London and the rateable value shown for it in the local list for 1st April 2005 is £21,500 or more;
- (ii) the hereditament is situated outside Greater London and the rateable value shown for it in the local list for 1st April 2005 is £15,000 or more; or
- (iii) the hereditament is shown in the central list,

then—

- (aa) for the relevant year beginning on 1st April 2005, X is 112.5;
- (bb) for the relevant year beginning on 1st April 2006, X is 117.5;
- (cc) for the relevant years beginning on 1st April 2007, X is 120; and

- (dd) for the relevant years beginning on 1st April 2008, X is 125.
- (b) where the notional chargeable amount for the hereditament for the relevant year exceeds the base liability for the hereditament for the year and—
- (i) the hereditament is situated in Greater London and the rateable value shown for it in the local list for 1st April 2005 is less than £21,500; or
 - (ii) the hereditament is situated outside Greater London and the rateable value shown for it in the local list for 1st April 2005 is less than £15,000,
- then—
- (aa) for the relevant year beginning on 1st April 2005, X is 105;
 - (bb) for the relevant year beginning on 1st April 2006, X is 107.5;
 - (cc) for the relevant years beginning on 1st April 2007, X is 110; and
 - (dd) for the relevant years beginning on 1st April 2008, X is 115.
- (3) For the purposes of this regulation—
- (a) where the notional chargeable amount for the hereditament for the relevant year does not exceed the base liability for the hereditament for the year, and
- (i) the hereditament is situated in Greater London and the rateable value shown for it in the local list for 1st April 2005 is £21,500 or more;
 - (ii) the hereditament is situated outside Greater London and the rateable value shown for it in the local list for 1st April 2005 is £15,000 or more; or
 - (iii) the hereditament is shown in the central list,
- then—
- (aa) for the relevant year beginning on 1st April 2005, X is 87.5;
 - (bb) for the relevant year beginning on 1st April 2006, X is 87.5;
 - (cc) for the relevant years beginning on 1st April 2007, X is 86; and
 - (dd) for the relevant years beginning on 1st April 2008, X is 75.
- (b) where the notional chargeable amount for the hereditament does not exceed the base liability for the year and—
- (i) the hereditament is situated in Greater London and the rateable value shown for it in the local list for 1st April 2000 is less than £21,500, or
 - (ii) the hereditament is situated outside Greater London and the rateable value shown for it in the local list for 1st April 2000 is less than £15,000,
- then—
- (aa) for the relevant year beginning on 1st April 2005, X is 70;
 - (bb) for the relevant year beginning on 1st April 2006, X is 70;
 - (cc) for the relevant years beginning on 1st April 2007, X is 65; and
 - (dd) for the relevant years beginning on 1st April 2008, X is 40.
- (4) For the purposes of this regulation—
- (a) for the relevant year beginning on 1st April 2005, Q is 1.031;
 - (b) for subsequent relevant years in the relevant period, Q is the amount found by applying the formula—

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

where—

- (i) D(1) is the small business non-domestic rating multiplier for the relevant year concerned;
 - (ii) D(2) is the small business non-domestic rating multiplier for the financial year which precedes the relevant year concerned;
- (c) Q shall, if not a whole number, be calculated to three decimal places only—
- (i) adding one thousandth where (apart from this sub-paragraph) there would be more than five ten-thousandths; and
 - (ii) ignoring the ten-thousandths where (apart from this sub-paragraph) there would be five, or less than five, ten-thousandths.

- (5) For a hereditament to which one or more of the following provisions apply—
- (a) regulation 13 (change in rateable value on 1st April 2005),
 - (b) paragraph 6 of Schedule 1 (altered hereditament), and
 - (c) paragraph 10 of Schedule 2 (rateable value: split or merger after 1st April 2005),
- this regulation shall have effect subject to the modifications made by the provision concerned.

Application of regulation 11

10.—(1) Subject to paragraph (3), Regulation 11 applies to a defined hereditament to which this Part applies for a relevant day (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—
 - (i) greater than BL and greater than $(BL \times AF)$; or
 - (ii) less than BL and less than $(BL \times AF)$.

(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) Where paragraph 4 of Schedule 1 (altered hereditaments) applies, this regulation shall have effect subject to the modification made by that paragraph.

(4) Regulation 11 shall not apply where Schedule 2 (splits and mergers) applies to a hereditament, in the year in which the creation day falls.

(5) Regulation 11 shall not apply to a defined hereditament for the day concerned if—

- (a) as respects a relevant day falling before the day concerned, the value of X for the purposes of determining the appropriate fraction fell to be determined (or if determined again following an alteration of the local or central list in accordance with regulations made under the Act, fell after that alteration to be determined) in accordance with regulation 9(2)(a) or (b), and
- (b) as respects the day concerned, the value of X for the purposes of determining the appropriate fraction falls to be determined (or if determined again following an alteration of the local or central list in accordance with regulations made under the Act, falls after that alteration to be determined) in accordance with regulation 9(3)(a) or (b);

or if—

- (i) as respects a relevant day falling before the day concerned, the value of X for the purposes of determining the appropriate fraction fell to be determined (or if determined again following an alteration of the local or central list in accordance with regulations made under the Act, fell after that alteration to be determined) in accordance with regulation 9(3)(a) or (b), and
- (ii) as respects the day concerned, the value of X for the purposes of determining the appropriate fraction falls to be determined (or if determined again following an alteration of the local or central list in accordance with regulations made under the Act, falls after that alteration to be determined) in accordance with regulation 9(2)(a) or (b).

Rules for determining chargeable amount

11.—(1) Where this regulation applies to a hereditament shown in a local list, the chargeable amount for a chargeable day which is a relevant day shall be found in accordance with paragraphs (3) to (11) in place of the provisions of sections 43(4) to (6A)(a), 44 and 45(4) to (6) of the Act.

(2) Where this regulation applies to a hereditament shown in the central list, the chargeable amount as respects the designated person for the description of hereditaments of which it forms the whole or part for a chargeable day which is a relevant day shall be found in accordance with paragraph (12) in place of the provisions of section 54(4) to (7) of the Act.

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

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

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

(5) This paragraph applies where, on the day concerned, the conditions in section 43(6) of the Act (charities and registered community amateur sports clubs) are fulfilled as respects the hereditament.

(6) Where paragraph (7) applies, the chargeable amount for a chargeable day shall be 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 day concerned, the conditions in section 43(4B) of the Act (small business rate relief) are fulfilled as respects the hereditament.

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

(9) This paragraph applies where, on the day concerned, the conditions in section 43(6B) or (6F) of the Act (general stores etc in rural settlements or former agricultural premises) are fulfilled as respects the hereditament.

(10) Where paragraph (11) applies, the chargeable amount for a chargeable day shall be found by dividing the amount calculated in accordance with paragraph (3) by 2, or, in a case where the conditions in section 45(6) of the Act (unoccupied hereditaments of charities or registered community amateur sports clubs) are fulfilled as respects the hereditament, by dividing it by 10.

(11) This paragraph applies where, on the day concerned, the conditions in section 45(1) of the Act (unoccupied property) are fulfilled as respects the hereditament.

(12) The chargeable amount for a chargeable day shall be calculated by applying the formula—

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

(13) 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 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 day falls;

BL and AF have the meanings given by regulation 10(2);

(a) Section 43(6A) was inserted by section 1 of, and paragraph 2 of Schedule 1 to, the Local Government and Rating Act 1997 (c. 29).

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 day falls;
E is the amount prescribed under section 44(9) of the Act for the relevant year in which the relevant day falls;
H is the aggregate for the day of the amounts found by applying the formula—

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

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 for the hereditament in the local or central list for the day; and

U is the amount found by applying the formula—

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

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

- (a) regulation 12 (change in rateable value after 1st April 2005);
- (b) regulation 13 (change in rateable value on 1st April 2005);
- (c) regulation 14 (partly-occupied hereditaments),

regulation shall have effect subject to the modifications made in the provision or provisions concerned.

Change in rateable value after 1st April 2005

12.—(1) Paragraph (2) applies in respect of a defined hereditament in a case where regulation 11 applies and for a day after 1st April 2005 the rateable value shown in the local list for the hereditament is greater than that shown for it for 1st April 2005.

(2) Where this paragraph applies, regulation 11 shall have effect as regards the hereditament for the day as if the reference in that regulation to the formula—

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

were a reference to—

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

(3) Paragraph (4) applies in respect of a defined hereditament in a case where regulation 11 applies and for a day after 1st April 2005 the rateable value shown in the local list for the hereditament is less than that shown for 1st April 2005.

(4) Where this paragraph applies, regulation 11 shall have effect as regards the hereditament for the day as if the reference in that regulation to the formula—

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

were a reference to—

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

- (5) For the purposes of the provisions substituted by paragraphs (2) and (4)—
 C is the number of days in the relevant year in which the relevant day falls;
 D is the small business non-domestic rating multiplier for the relevant year in which the relevant day falls;
 J is the rateable value shown for the hereditament in the local list for 1st April 2005;
 N is the rateable value shown for the hereditament in the local list for the day;
 U has the meaning given by regulation 11; and
 BL and AF have the meanings given by regulation 10(2).
- (6) Paragraph (7) applies in respect of a defined hereditament in a case where regulation 11 applies and for a chargeable day after 1st April 2005—
- the rateable value shown in the central list for the hereditament is different from that shown on 1st April 2005; or
 - the appropriate valuation officer certifies that the value attributable to a defined hereditament of a designated person shown in the central list is different from the value attributable to the hereditament for 1st April 2005.
- (7) Where this paragraph applies, regulation 11 shall have 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)—
 A, B, C and D have the meaning given by regulation 11;
 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 for which a value is included in the rateable value shown for the day in the central list against the name of the designated person to which regulation 11 applies but to which paragraph (7) does not apply;

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 for which a value is included in the rateable value shown for the day in the central list against the name of the designated person to which paragraph (7) applies and for which the value attributable for the day is greater than the value attributable for 1st April 2005;

J is the value certified by the appropriate valuation officer to be the value attributable to the hereditament for 1st April 2005;

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

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

to each hereditament for which a value is included in the rateable value shown for the day in the central list against the name of the designated person to which paragraph (7) applies and for which the value attributable for the day is less than the value attributable for 1st April 2005;

N is the value certified by the appropriate valuation officer to be the value attributable to the hereditament for the chargeable day;

U has the meaning given by regulation 11; and

BL and AF have the meaning given by regulation 10(2).

(9) For the purposes of paragraphs (7) and (8), in relation to a defined hereditament the value attributable for a day is to be taken to be the rateable value which would have been shown for the hereditament in the central list for the day if the hereditament had been the only hereditament of the designated person shown in that list for that day.

(10) A certification of value by the appropriate valuation officer in respect of a defined hereditament for a day shall be treated as applicable for each day in the period commencing on that day and ending on the day immediately preceding any further certification under this regulation in respect of that hereditament.

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

(a) regulation 13 (change in rateable value on 1st April 2005);

(b) paragraph 6 of Schedule 1 (altered hereditament);

(c) paragraph 10 of Schedule 2 (rateable value: split or merger after 1st April 2005),

this regulation shall have effect subject to the modification made by the provision concerned.

Change in rateable value on 1st April 2005

13.—(1) This regulation applies where any circumstances regarding a relevant factor taken into account in determining the rateable value shown for a defined hereditament for 1st April 2005 in the local list differ from the circumstances regarding that factor existing on 31st March 2005, so that the rateable value shown for 1st April 2005 is different from that which would have been shown if the circumstances regarding that factor existing on 31st March 2005 continued to exist on 1st April 2005.

(2) Where this regulation applies, the references in regulations 5 (notional chargeable amount) and 9 (appropriate fraction) to a rateable value shown for 1st April 2005 shall be treated as references to the value certified by the appropriate valuation officer to be 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 2005.

(3) Where this regulation and regulation 11 apply, regulation 12 (change in rateable value after 1st April 2005) shall have effect as if—

(a) the reference in regulations 12(1), (3) and (5) to a rateable value shown for 1st April 2005 were references to the value certified by the appropriate valuation officer to be 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 2005, and

(b) the references in regulations 12(1) and (3) to the rateable value for a day after 1st April 2005 were treated as including a reference to the rateable value actually shown for 1st April 2005.

Partly-occupied hereditaments

14.—(1) As regards a relevant day and a defined hereditament in relation to which an apportionment under section 44A(a) of the Act (partly-occupied hereditaments) is applicable, any chargeable amount for the day as respects the hereditament found in accordance with regulation 11 or Schedule 2 (as modified by any provision of these Regulations) shall be treated as 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) (as the case may be) 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.

PART 3

Miscellaneous

Certificates for changes in rateable value: 1st April 2005

15.—(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 the local or central list in relation to a hereditament for 1st April 2005 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 shall certify—

- (a) that this regulation applies; and
- (b) the rateable value that should have been shown in the local or central list for the hereditament for 1st April 2005.

(3) Where the appropriate valuation officer has certified a rateable value in accordance with paragraph (2), the provisions of these Regulations shall have effect—

- (a) 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, in relation to the day from which the alteration has effect and any subsequent relevant day; and
- (b) where the appropriate valuation officer has not altered the list for the purpose of correcting the inaccuracy mentioned in paragraph (1) and—
 - (i) a request by the ratepayer has been made before a certificate under paragraph (2) is issued, in relation to the day the certificate is requested and any subsequent relevant day,
 - (ii) a request by the ratepayer has not been made before a certificate under paragraph (2) is issued, in relation to the day the certificate under paragraph (2) is issued and any subsequent relevant day,

as if that rateable value had been the value shown in the local or central list for 1st April 2005.

Certificates for change in rateable value: 31st March 2005

16.—(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 the local or central list in relation to a hereditament for 31st March 2005 is inaccurate.

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

- (a) that this regulation applies; and
- (b) the rateable value that should have been shown in the local or central list for the hereditament for 31st March 2005.

(a) Section 44A was inserted by section 139 of and paragraph 22 and 79 of Schedule 5 to the Local Government and Housing Act 1989 (c. 42).

(3) Where the appropriate valuation officer has certified a rateable value in accordance with paragraph (2), the provisions of these Regulations, and, for the purposes only of calculating base liability under these Regulations, the provisions of the 1999 Regulations, shall have effect—

- (a) where the rateable value so certified is lower than that shown in the local or central list for 31st March 2005, in relation to 1st April 2005 and any subsequent relevant day;
- (b) where the rateable value so certified is greater than that shown in the local or central list for 31st March 2005 and—
 - (i) a certificate under regulation 15 has been issued, in relation to the day that certificate has effect by virtue of regulation 15(3) and any subsequent day;
 - (ii) no certificate under regulation 15 has been issued, in relation to the day the certificate under paragraph (2) of this regulation is issued and any subsequent day,

as if that rateable value had been the value shown in the local or central list for 31st March 2005.

Certification: splits and mergers prior to 1 April 2005

17.—(1) This regulation applies where—

- (a) on a day before 1st April 2005 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 2005.

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

- (a) that this regulation applies; and
- (b) the rateable value that should have been shown in the local or central list for the new hereditament for 31st March 2005.

(3) Where the appropriate valuation officer has certified a rateable value in accordance with paragraph (2), these Regulations, and, for the purposes only of calculating base liability under these Regulations, the 1999 Regulations, shall have effect in relation to 1st April 2005 and any subsequent relevant day, as if—

- (a) the new hereditament had come into existence on 31st March 2005;
- (b) the new hereditament had been shown in the list for that day; and
- (c) the value certified under paragraph (2) had been the value shown in the local or central list for that day.

Certificates: general

18.—(1) The appropriate valuation officer shall certify the values which fall to be certified by him under these Regulations as soon as practicable after the circumstances calling for the certification come to his attention (whether by virtue of an application by the billing authority, the Secretary of State, the ratepayer concerned, or otherwise).

(2) Where, whether by reason of a decision of a valuation tribunal or otherwise, the appropriate valuation officer forms the opinion that a certificate under these Regulations (other than such a certificate which has been confirmed on appeal) is inaccurate, he shall certify the value which in his opinion should be substituted for that originally certified.

(3) A certificate under paragraph (2) shall have effect in place of the previous certificate, and any appeal against the previous certificate under regulation 19 shall be treated as withdrawn.

(4) The valuation officer certifying a value in pursuance of these Regulations shall send a copy of the certificate to—

- (a) the billing authority concerned, or, in so far as it relates to a liability under section 54 of the Act, the Secretary of State; and
- (b) the ratepayer concerned.

(5) The copy of a certificate sent to a ratepayer in pursuance of paragraph (4) shall be accompanied by a statement of the effect—

(a) of regulation 19, and

(b) where it is a certificate under paragraph (2), of paragraph (3),

and may be sent to the ratepayer's last known address or to the address of the hereditament in question.

(6) A certificate issued under these Regulations—

(a) shall be retained by the valuation officer who issued it; and

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

Appeals against certificates

19.—(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, he may appeal against the certificate in accordance with this regulation.

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

(3) 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 shall be referred by that officer to the relevant valuation tribunal as an appeal against that certification.

(4) Part 6 of the Appeals Regulations (general provisions relating to appeals) shall apply in relation to an appeal under this regulation.

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

Revocations

20. Regulations 35 and 36 of the Non-Domestic Rating (Chargeable Amounts) Regulations 1994(a) are revoked.

Signed by authority of the First Secretary of State

21st December 2004

Nick Raynsford
Minister of State,
Office of the Deputy Prime Minister

SCHEDULE 1

Part 2

ALTERED HEREDITAMENTS

Interpretation

1. In this Schedule—

"altered hereditament" means a hereditament comprising, wholly or mainly, any property which was the whole or part of—

(a) a hereditament shown in the local list at any time in the period beginning on 1st April 2000 and ending on 31st March 2005, or

(b) a hereditament which was at any time a defined hereditament;

and the hereditament of which the altered hereditament is so comprised is, in this Schedule, referred to as the "original hereditament".

(a) S.I. 1994/3279; a relevant amendment was made by regulation 4 of S.I. 1995/1678.

Hereditaments to which Schedule 1 applies

2. This Schedule applies to an altered hereditament if—
- (a) the original hereditament was deleted from the local list with effect from any day as a result of a structural alteration to that hereditament; and
 - (b) for a day on or after 1st April 2005 the altered hereditament is shown for the first time in the local list following the alteration.

Altered hereditament: base liability for 2005–06

3.—(1) The base liability for the relevant year beginning in 2005 for an altered hereditament shall be found by applying the formula $Y \times Z$, where—

Y is the amount mentioned in sub-paragraph (2), and

Z is the non-domestic rating multiplier for the financial year beginning in 2004.

(2) The amount referred to in sub-paragraph (1) is the amount certified by the appropriate valuation officer as the rateable value which would have been shown for the hereditament for 31st March 2005 in the list on the assumption that—

- (a) the hereditament had come into existence on 31st March 2005; and
- (b) the matters referred to in paragraph 2(7) of Schedule 6 to the Act as respects the hereditament were as they were assumed to be on the day on which it was shown for the first time in the local list as mentioned in paragraph 2(b) of this Schedule.

Altered hereditament: notional chargeable amount

4.—(1) The notional chargeable amount for a relevant year for an altered hereditament shall be found by applying the formula $A \times D$.

(2) For the purposes of this paragraph—

A is the rateable value shown for the hereditament for the day for which it is shown for the first time in the local list following the alteration, and

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

Altered hereditament: application of regulation 11

5. Regulation 10 shall have effect in relation to an altered hereditament as if paragraph (1)(b)(i) were omitted.

Altered hereditament: change in rateable value

6. Regulations 9 (appropriate fraction) and 12 (change in rateable value), shall have effect in relation to an altered hereditament to which this Schedule applies as if for references to 1st April 2005 there were substituted references to the day for which the altered hereditament is shown for the first time in the local list following the alteration.

SPLITS AND MERGERS

Case where this Schedule applies**1. This Schedule applies—**

- (a) where—
- (i) on a day (“the creation day”) on or after 1st April 2005 a hereditament (“new hereditament”) comes into existence by virtue of—
 - (aa) property previously rated as a single hereditament becoming liable to be rated in parts;
 - (bb) property previously rated in parts becoming liable to be rated as a single hereditament; or
 - (cc) a hereditament or any part of a hereditament becoming part of a different hereditament;
 - (ii) immediately before the creation day a hereditament from which the new hereditament was formed in whole or in part (“old hereditament”) was a defined hereditament, or, in the case where the creation day is 1st April 2005, an old hereditament was shown in the local list for 31st March 2005; and
 - (iii) a rateable value, which is greater than zero, is shown for the new hereditament in the local list for—
 - (aa) the creation day;
 - (bb) the relevant day (if different from the creation day), and
 - (cc) each day (if any) falling after the creation day and before the relevant day; or
- (b) where—
- (i) on a day (“the creation day”) on or after 1st April 2005 a new hereditament comes into existence by virtue of—
 - (aa) property previously rated as a single hereditament becoming liable to be rated in parts;
 - (bb) property previously rated in parts becoming liable to be rated as a single hereditament; or
 - (cc) a hereditament or any part of a hereditament becoming part of a different hereditament;
 - (ii) immediately before the creation day each hereditament from which the new hereditament was formed in whole or in part (“old hereditament”) was shown in the central list for 31st March 2005; and
 - (iii) a rateable value, which is greater than zero, is shown for each new hereditament in the central list for—
 - (aa) the creation day;
 - (bb) the relevant day (if different from the creation day), and
 - (cc) each day (if any) falling after the creation day and before the relevant day.

Rules for determination of chargeable amount for new hereditament: splits on 1st April 2005**2.—(1) Subject to paragraph 6, where—**

- (a) this Schedule applies,
- (b) the creation day falls on 1st April 2005, and
- (c) the new hereditament comprises or incorporates all or part of a single old hereditament,

the following provisions of this paragraph shall be used to calculate the chargeable amount for a chargeable day in the year beginning on 1st April 2005, in place of the provisions of sections 43(4) to (6A), 44 and 45(4) to (6) of the Act.

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

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

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

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

- (5) Where sub-paragraph (6) applies, the chargeable amount for a chargeable day shall be found by—
- (i) subtracting U (as defined in regulation 11) from the amount calculated in accordance with sub-paragraph (2); and
 - (ii) dividing the result by E.
- (6) This sub-paragraph applies where, on the day concerned, the conditions in section 43(4B) of the Act (small business rate relief) are fulfilled as respects the hereditament.
- (7) Where sub-paragraph (8) applies, the chargeable amount for a chargeable day shall be found by dividing the amount calculated in accordance with sub-paragraph (2) by 2.
- (8) This sub-paragraph applies where, on the day concerned, the conditions in section 43(6B) or (6F) of the Act (general stores etc in rural settlements or former agricultural premises) are fulfilled as respects the hereditament.
- (9) Where sub-paragraph (10) applies, the chargeable amount for a chargeable day shall be found by dividing the amount calculated in accordance with sub-paragraph (2) by 2, or, in a case where the conditions in section 45(6) of the Act (unoccupied hereditaments of charities or registered community amateur sports clubs) are fulfilled as respects the hereditament, by 10.
- (10) This sub-paragraph applies where, on the chargeable day, the conditions in section 45(1) of the Act (unoccupied property) are fulfilled as respects the hereditament.
- (11) For the purposes of this paragraph—
- E is the amount prescribed under section 44(9) of the Act for the year beginning on 1st April 2005;
- R is the amount which would have been the chargeable amount for the old hereditament for 1st April 2005 if—
- (a) the old hereditament were shown in the local or central list for 1st April 2005;
 - (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 the local or central list for that day on the assumption that the relevant factors were as they were for 31st March 2005;
 - (c) the whole of the old hereditament were occupied;
 - (d) the conditions in sections 43(4B) (small business rate relief), 43(6) (charities or registered community amateur sports clubs), 43(6B) (rural rate relief), 43(6F) (former agricultural premises) and 47(1) (discretionary relief) of the Act are not fulfilled for it for 1st April 2005;
 - (e) section 49(1) (reduction or remission of liability) of the Act did not apply to it for 1st April 2005;
- J is the rateable value shown in the local or central list for the new hereditament for 1st April 2005; and
- S is the value certified by the appropriate valuation officer to be the rateable value which would have been shown in the local or central list for the old hereditament for 1st April 2005 if that hereditament were shown in the local or central list for that date on the assumption mentioned in paragraph (b) in the definition of R.

Rules for determination of chargeable amount for new hereditament: mergers on 1st April 2005

3. —(1) Subject to paragraph 6, where—
- (a) this Schedule applies,
 - (b) the creation day falls on 1st April 2005; and
 - (c) the new hereditament comprises or incorporates more than one, or parts of more than one, old hereditament,

the following provisions of this paragraph shall be used to calculate the chargeable amount for a chargeable day in the year beginning on 1st April 2005, in place of the provisions of sections 43(4) to (6A), 44 and 45(4) to (6) of the Act.

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

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

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

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

- (5) Where sub-paragraph (6) applies, the chargeable amount for a chargeable day shall be found by—
- (i) subtracting U (as defined in regulation 11) from the amount calculated in accordance with sub-paragraph (2); and

(ii) dividing the result by E.

(6) This sub-paragraph applies where, on the day concerned, the conditions in section 43(4B) of the Act (small business rate relief) are fulfilled as respects the hereditament.

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

(8) This sub-paragraph applies where, on the day concerned, the conditions in section 43(6B) or (6F) of the Act (general stores etc in rural settlements or former agricultural premises) are fulfilled as respects the hereditament.

(9) Where sub-paragraph (10) applies, the chargeable amount for a chargeable day shall be found by dividing the amount calculated in accordance with sub-paragraph (2) by 2, or, in a case where the conditions in section 45(6) of the Act (unoccupied hereditaments of charities or registered community amateur sports clubs) are fulfilled respects the hereditament, by 10.

(10) This sub-paragraph applies where, on the chargeable day, the conditions in section 45(1) of the Act (unoccupied property) are fulfilled as respects the hereditament.

(11) For the purposes of this paragraph—

E is the amount prescribed under section 44(9) of the Act for the year beginning on 1st April 2005;

R is the total of the amounts which would have been the chargeable amounts for 1st April 2005 for the old hereditaments comprised or incorporated in the new hereditament if—

- (a) each of the old hereditaments was shown in the local or central list for 1st April 2005;
- (b) the rateable value for each was the value certified by the appropriate valuation officer to be the rateable value which would have been shown in the local or central list for that day on the assumption that the relevant factors were as they were for 31st March 2005;
- (c) the whole of each old hereditament was occupied;
- (d) the conditions in sections 43(4B) (small business rate relief), 43(6) (charities or registered community amateur sports clubs), 43(6B) (rural rate relief), 43(6F) (former agricultural premises) and 47(1) (discretionary relief) of the Act are not fulfilled for it for 1st April 2005; and
- (e) section 49(1) (reduction or remission of liability) of the Act did not apply to it for 1st April 2005;

J is the rateable value shown in the local or central list for the new hereditament for the 1st April 2005; 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 the local or central list for 1st April 2005 for the old hereditaments incorporated or comprised in the new hereditament if they were shown in the local or central list for that date on the assumption mentioned in paragraph (b) of the definition of R.

Rules for determination of chargeable amount for new hereditament: splits after 1st April 2005

4.—(1) Subject to paragraph 6, where—

- (a) this Schedule applies,
- (b) the creation day falls on a day after 1st April 2005, and
- (c) the new hereditament comprises or incorporates all or part of a single old hereditament,

the following provisions of this paragraph shall be used to calculate the chargeable amount for a chargeable day which is a relevant day in the relevant year in which the creation day falls, in place of the provisions of section 43(4) to (6A), 44 and 45(4) to (6) of the Act.

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

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

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

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

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

- (i) subtracting U (as defined in regulation 11) from the amount calculated in accordance with sub-paragraph (2); and

- (ii) dividing the result of the calculation performed under sub-paragraph (i) by E.

(6) This sub-paragraph applies where, on the day concerned, the conditions in section 43(4B) of the Act (small business rate relief) are fulfilled as respects the hereditament.

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

(8) This sub-paragraph applies where, on the chargeable day, the conditions in section 43(6B) or (6F) of the Act (general stores etc in rural settlements or former agricultural premises) are fulfilled as respects the hereditament.

(9) Where sub-paragraph (10) applies, the chargeable amount for a chargeable day shall be found by dividing the amount calculated in accordance with sub-paragraph (2) by 2, or, in a case where the conditions in section 45(6) of the Act (unoccupied hereditaments of charities or registered community amateur sports clubs) are fulfilled as respects the hereditament, by 10.

(10) This sub-paragraph applies where, on the chargeable day, the conditions in section 45(1) of the Act (unoccupied property) are fulfilled as respects the hereditament.

(11) For the purposes of this paragraph—

E is the amount prescribed under section 44(9) of the Act 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 the local or central list for that day;
- (b) the rateable value for that day was the same as for the previous day;
- (c) the whole of the old hereditament were occupied and the conditions in sections 43(4B) (small business rate relief), 43(6) (charities or registered community amateur sports clubs), 43(6B) (rural rate relief), 43(6F) (former agricultural premises) and 47(1) (discretionary relief) of the Act are not fulfilled for it for the creation day and section 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 the local or central list for the new hereditament for the creation day; and

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

Rules for determination of chargeable amount for new hereditament: mergers after 1st April 2005

5.—(1) Subject to paragraph 6, where—

- (a) this Schedule applies,
- (b) the creation day falls on a day after 1st April 2005, and
- (c) the new hereditament comprises or incorporates more than one, or parts of more than one, old hereditament,

the following provisions of this paragraph shall be used to calculate the chargeable amount for a chargeable day which is a relevant day in the relevant year in which the creation day falls, in place of the provisions of section 43(4) to (6A), 44 and 45(4) to (6) of the Act.

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

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

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

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

- (5) Where sub-paragraph (6) applies, the chargeable amount for a chargeable day shall be found by—
- (i) subtracting U (as defined in regulation 11) from the amount calculated in accordance with sub-paragraph (2); and
 - (ii) dividing the result of the calculation performed under sub-paragraph (i) by E.

(6) This sub-paragraph applies where, on the day concerned, the conditions in section 43(4B) of the Act (small business rate relief) are fulfilled as respects the hereditament.

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

(8) This sub-paragraph applies where, on the chargeable day, the conditions in section 43(6B) or (6F) of the Act (general stores etc in rural settlements or former agricultural premises) are fulfilled as respects the hereditament.

(9) Where sub-paragraph (10) applies, the chargeable amount for a chargeable day shall be found by dividing the amount calculated in accordance with sub-paragraph (2) by 2, or, in a case where the conditions in section 45(6) of the Act (unoccupied hereditaments of charities or registered community amateur sports clubs) are fulfilled, by 10.

(10) This sub-paragraph applies where, on the chargeable day, the conditions in section 45(1) of the Act (unoccupied property) are fulfilled as respects the hereditament.

(11) For the purposes of this paragraph—

E is the amount prescribed under section 44(9) of the Act 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 the local or central list for that day;
- (b) each rateable value for that day was the same as for the previous day;
- (c) the whole of each old hereditament was occupied;
- (d) the conditions in sections 43(4B) (small business rate relief), 43(6) (charities or registered community amateur sports clubs), 43(6B) (rural rate relief), 43(6F) (former agricultural premises) and 47(1) (discretionary relief) of the Act are not fulfilled for it for the creation day; and
- (e) section 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 the local or central list for the new hereditament for the creation day; and

S is the total of the rateable values shown in the local or central 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: year of creation

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

(2) Where this sub-paragraph applies, paragraphs 2 to 5 shall 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—

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

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

(4) Where this sub-paragraph applies, paragraphs 2 to 5 shall 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 for the new hereditament for the chargeable day in the local or central list; and

R, J and S have the meanings given by paragraph 2, 3, 4 or 5, as the case may be.

Notional chargeable amount for new hereditament

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

(2) Where this paragraph applies, the relevant notional chargeable amount shall be found by applying the formula $J \times D$,

where—

J is the rateable value shown in the local or central 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 year after year in which creation day falls

8.—(1) This paragraph applies for determining the base liability for a new hereditament for any 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 shall be 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) the conditions in sections 43(4B) (small business rate relief), 43(6) (charities or registered community amateur sports clubs), 43(6B) (rural rate relief), 43(6F) (former agricultural premises) and 47(1) (discretionary relief) of the Act are not fulfilled for it for the creation day; and

(c) section 49(1)(reduction or remission of liability) of the Act did not apply to it for the creation day;

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

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

J is the rateable value shown in the local or central list for the new hereditament for the creation day; and

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

Base liability for subsequent years for new hereditament

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

(2) Where this paragraph applies, the base liability for the hereditament shall be found by applying the formula $BL \times AF$.

(3) For the purposes of this paragraph, BL and AF have the meanings given by regulation 8.

Rateable value: hereditament split or merged after 1st April 2005

10. Regulations 9 (appropriate fraction) and 12 (change in rateable value), ignoring any modifications made by regulation 13, shall have effect in relation to a new hereditament as if for references to 1st April 2005 there were substituted references to the creation day.

EXPLANATORY NOTE

(This note is not part of the Regulations)

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 2005.

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 1st April 2005 non-domestic rating revaluation.

The purpose of the transitional relief scheme is to assist ratepayers whose bills (the notional chargeable amount) would have increased above a certain amount by phasing in these increases gradually over four years. Without such a relief those ratepayers would face the increased rates bill immediately on 1st April 2005. The scheme is funded by phasing in the reduction in bills of some ratepayers who would otherwise have seen their rates bills decrease immediately on 1st April 2005.

Part 2 of the 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 in question 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 3 to 9 explain the terms used in determining whether the rules in Part 2 apply in place of the rules in section 43, 45 or 54 of the Act.

Regulation 10 specifies the cases where the principal rules, contained in regulation 11, apply for determining the chargeable amount in cases to which Part 2 applies. The principal rules are that—

- (a) where NCA (notional chargeable amount, as determined under regulation 5) for a hereditament is greater than BL (base liability, as determined under regulation 6, 7 or 8) and also greater than BL multiplied by AF (appropriate fraction, as determined under regulation 9), then the chargeable amount for such a hereditament for each day will be—

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

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

- (b) where NCA (notional chargeable amount, as determined under regulation 5) for a hereditament is less than BL (base liability, as determined under regulation 6, 7 or 8) and also less than BL multiplied by AF (appropriate fraction, as determined under regulation 9), then the chargeable amount for such a hereditament for each day will be—

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

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

The appropriate fraction (AF) is different for different classes of hereditaments. Regulation 11 further provides that once the chargeable amount is calculated the mandatory reliefs (such as charitable relief and small business rate relief) are deducted.

Regulation 12 modifies the rules in relation to cases where, after 1st April 2005, there has been a change to the rateable value of the hereditament.

Regulation 13 modifies regulation 12 to apply in cases where there has been a change to the rateable value of the hereditament on 1st April 2005.

Regulation 14 modifies the rules in relation to cases where the hereditament is partly-occupied.

Regulations 15 to 18 make provision requiring the appropriate valuation officer to certify values for the purposes of the application of the rules in these Regulations, and regulation 19 provides for the procedure to be followed in the case of appeals against such certificates.

Schedule 1 deals with cases where as a result of a structural alteration a hereditament is deleted from a local list but is subsequently restored to it on or after 1st April 2005.

Schedule 2 makes provision, in place of Part 2, for cases where a hereditament splits, or is merged with one or more other hereditaments whether that split or merger occurs on or after 1st April 2005.

£4.00

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Printed and published in the UK by The Stationery Office Limited
under the authority and superintendence of Carol Tullo, Controller of
Her Majesty's Stationery Office and Queen's Printer of Acts of Parliament.
E1785 12/2004 141785 19585

ISBN 0-11-051415-7



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