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STATUTORY INSTRUMENTS

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**2009 No. 3343**

**The Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2009**

**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 2010 in the list;
- (b) in the case of a hereditament shown in the central list, the rateable value shown for the hereditament for 1st April 2010 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 2010 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 12 (change in rateable value on 1st April 2010) 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 2010-11 for a defined hereditament**

6.—(1) Subject to paragraph (3), this regulation applies to a defined hereditament.

(2) Where this regulation applies, the base liability for the hereditament for the relevant year beginning on 1st April 2010 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 2010, the rateable value shown for the hereditament for that date in a local list, and
- (b) in the case of a hereditament shown in the central list for 31st March 2010, the rateable value shown for the hereditament for 31st March 2010 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 2010 if that had been the only hereditament of the designated person shown in that list for that date; and

Z is the small business non-domestic rating multiplier for the financial year beginning on 1st April 2009.

(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 2010-11**

7.—(1) Subject to paragraph (2), the base liability for a defined hereditament for a relevant year beginning after the first relevant year (“the year concerned”) 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, as found in accordance with regulation 8, 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 have effect for finding the base liability.

### **Appropriate fraction**

8.—(1) Subject to paragraph (7), 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, 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 situated in Greater London and the rateable value shown for it in a local list for 1st April 2010 is £25,500 or more;
- (b) the hereditament is situated outside Greater London and the rateable value shown for it in a local list for 1st April 2010 is £18,000 or more; or
- (c) the hereditament is shown in the central list,

then—

- (i) for the relevant year beginning on 1st April 2010, X is 112.5;
- (ii) for the relevant year beginning on 1st April 2011, X is 117.5;
- (iii) for the relevant year beginning on 1st April 2012, X is 120; and
- (iv) for the relevant years beginning on 1st April 2013 and 1st April 2014, X is 125.

(3) 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—

- (a) the hereditament is situated in Greater London and the rateable value shown for it in a local list for 1st April 2010 is less than £25,500; or
- (b) the hereditament is situated outside Greater London and the rateable value shown for it in a local list for 1st April 2010 is less than £18,000,

then—

- (i) for the relevant year beginning on 1st April 2010, X is 105;
- (ii) for the relevant year beginning on 1st April 2011, X is 107.5;
- (iii) for the relevant year beginning on 1st April 2012, X is 110; and
- (iv) for the relevant years beginning on 1st April 2013 and 1st April 2014, X is 115.

(4) For the purposes of this regulation 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—

- (a) the hereditament is situated in Greater London and the rateable value shown for it in a local list for 1st April 2010 is £25,500 or more;
- (b) the hereditament is situated outside Greater London and the rateable value shown for it in a local list for 1st April 2010 is £18,000 or more; or
- (c) the hereditament is shown in the central list,

then—

- (i) for the relevant year beginning on 1st April 2010, X is 95.4;
- (ii) for the relevant year beginning on 1st April 2011, X is 93.3;
- (iii) for the relevant year beginning on 1st April 2012, X is 93; and
- (iv) for the relevant years beginning on 1st April 2013 and 1st April 2014, X is 87.

(5) For the purposes of this regulation, where the notional chargeable amount for the hereditament does not exceed the base liability for the year and—

- (a) the hereditament is situated in Greater London and the rateable value shown for it in a local list for 1st April 2010 is less than £25,500; or
- (b) the hereditament is situated outside Greater London and the rateable value shown for it in a local list for 1st April 2010 is less than £18,000,

then—

- (i) for the relevant year beginning on 1st April 2010, X is 80;
- (ii) for the relevant year beginning on 1st April 2011, X is 70;
- (iii) for the relevant year beginning on 1st April 2012, X is 65; and
- (iv) for the relevant years beginning on 1st April 2013 and 1st April 2014, X is 45.

(6) For the purposes of this regulation—

- (a) for the relevant year beginning on 1st April 2010, Q is 0.986;
- (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, if not a whole number, shall 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 ten-thousandths where (apart from this sub-paragraph) there would be five, or less than five, ten-thousandths.
- (7) For a defined hereditament to which one or more of the following provisions apply—
  - (a) regulation 12 (change in rateable value on 1st April 2010),
  - (b) paragraph 6 of Schedule 1 (altered hereditament: change in rateable value), and
  - (c) paragraph 10 of Schedule 2 (rateable value: split or merger after 1st April 2010),
 this regulation shall have effect subject to the modifications made by the provision concerned.

### **Application of regulation 10**

- 9.—(1)** Subject to paragraphs (3) to (6), regulation 10 applies to a defined hereditament 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, but where paragraph 4 of Schedule 1 (altered hereditament: notional chargeable amount) applies, that paragraph shall have effect for the purpose of determining NCA as regards the altered hereditament,
    - (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 10 shall not apply where, on the day concerned, the chargeable amount for the hereditament is zero under section 45A of the Act (unoccupied hereditaments: zero-rating).
  - (4) Regulation 10 shall not apply where Schedule 2 (splits and mergers) applies to a hereditament in the year in which the creation day falls.
  - (5) Regulation 10 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 a local or the central list in accordance with regulations made under the Act, fell after that alteration to be determined) in accordance with regulation 8(2) or 8(3), 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 a local or the central list in accordance with regulations made under the Act, falls after that alteration to be determined) in accordance with regulation 8(4) or 8(5).
- (6) Regulation 10 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 a local or the central list in accordance with regulations made under the Act, fell after that alteration to be determined) in accordance with regulation 8(4) or 8(5), 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 a local or the central list in accordance with regulations made under the Act, falls after that alteration to be determined) in accordance with regulation 8(2) or 8(3).

**Rules for determining chargeable amount**

10.—(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), 44 and 45(4) and (4A) 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 calculated by applying the formula—

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

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) of the Act (general stores etc in rural settlements) 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 the number prescribed in an order under section 45(4A) (reduction in chargeable amount for unoccupied properties) of the Act.

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

- (a) the conditions in section 45(1) of the Act (unoccupied property: liability) are fulfilled as respects the hereditament; and
- (b) an order under section 45(4A) is in force and 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 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 9(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) 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—

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

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

N is the rateable value shown for the hereditament in a local or the central list 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 11 (change in rateable value after 1st April 2010);
- (b) regulation 12 (change in rateable value on 1st April 2010);
- (c) regulation 13 (partly-occupied hereditaments),

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

### **Change in rateable value after 1st April 2010**

**11.**—(1) Paragraph (2) applies in respect of a defined hereditament in a case where regulation 10 applies and for a day after 1st April 2010 the rateable value shown in a local list for the hereditament is greater than that shown for it for 1st April 2010.

(2) Where this paragraph applies, regulation 10 shall have 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 10 applies and for a day after 1st April 2010 the rateable value shown in a local list for the hereditament is less than that shown for it for 1st April 2010.

(4) Where this paragraph applies, regulation 10 shall have 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)—

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;

J is the rateable value shown for the hereditament in a local list for 1st April 2010;

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

U has the meaning given by regulation 10; and

BL and AF have the meanings given by regulation 9(2).

(6) Paragraph (7) applies in respect of a defined hereditament in a case where regulation 10 applies and for a chargeable day after 1st April 2010—

(a) the rateable value shown in the central list is different from that shown for 1st April 2010; or

(b) 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 2010.

(7) Where this paragraph applies, regulation 10 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 meanings given by regulation 10;

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 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 10 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 2010;

J is the value certified by the appropriate valuation officer to be the value attributable to the hereditament for 1st April 2010;

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 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 2010;

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 10; and

BL and AF have the meanings given by regulation 9(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 12 (change in rateable value on 1st April 2010);
- (b) paragraph 6 of Schedule 1 (altered hereditament: change in rateable value);
- (c) paragraph 10 of Schedule 2 (rateable value: split or merger after 1st April 2010),

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

### **Change in rateable value on 1st April 2010**

**12.—**(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 2010 in a local list differ from the circumstances regarding that factor existing on 31st March 2010, so that the rateable value shown for 1st April 2010 is different from that which would have been shown if the circumstances regarding that factor existing on 31st March 2010 continued to exist on 1st April 2010.

(2) Where this regulation applies, the references in regulation 5 (notional chargeable amount) and 8 (appropriate fraction) to a rateable value shown for 1st April 2010 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 2010.

(3) Where this regulation and regulation 10 apply, regulation 11 (change in rateable value after 1st April 2010) shall have effect as if—

- (a) the references in paragraphs (1), (3) and (5) of regulation 11 to a rateable value shown for 1st April 2010 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 the factor mentioned in paragraph (1) by reference to the circumstances existing on 31st March 2010, and
- (b) the references in paragraphs (1) and (3) of regulation 11 to the rateable value for a day after 1st April 2010 were treated as including a reference to the rateable value actually shown for 1st April 2010.

### **Partly occupied hereditaments**

**13.—**(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 the day as respects the hereditament found in accordance with regulation 10 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 for the relevant day.