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

DRAFT STATUTORY INSTRUMENTS

2016 No.

RATING AND VALUATION, ENGLAND

The Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016

Made - - - - ***

Coming into force in accordance with regulation 2

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

PART 1

Preliminary

Citation and application

1.—(1) These Regulations may be cited as the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016.

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

Commencement

2.—(1) Regulation 22 (revocations) comes into force on 1st April 2017.

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

Interpretation

3.—(1) In these Regulations—

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

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

"the Appeals Procedure Regulations" means the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009(**2**);

"altered hereditament" has the meaning given by paragraph 1 of Schedule 1 to these Regulations;

"appropriate valuation officer"—

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

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

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

"creation day" has the meaning given by paragraph 1 of Schedule 2;

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

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

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

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

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

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

"relevant factor" means—

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

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

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

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

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

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

(b) if more than one hereditament is shown in the central list for that day in relation to a designated person, the rateable value certified by the appropriate valuation officer under regulation 19 in relation to that hereditament.

Relevant period, relevant day and relevant year

4.—(1) The relevant period in relation to which, in accordance with section 57A of the Act, these Regulations apply, is the period beginning on 1st April 2017 and ending on 31st March 2022.

(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

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

(a) the conditions in paragraph (2);

(**2**) S.I. 2009/2269.

(b) the conditions in paragraph 2 of Schedule 1;

(c) the conditions in paragraph 1 of Schedule 2.

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

(a) 31st March 2017, with a rateable value greater than zero;

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

(c) each day (if any) falling after 31st March 2017 and before the relevant day, with a rateable value greater than zero.

(3) A reference in this regulation to the rateable value shown in the central list for a hereditament for 31st March 2017 is taken to be a reference to—

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

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

(4) Where a hereditament or a class of hereditament shown in the central list in relation to a designated person(**3**) is a defined hereditament on 1st April 2017 ("the original hereditament"), notwithstanding that on or after 31st March 2017—

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

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

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

Special authorities

6.—(1) This regulation applies in relation to a defined hereditament which is shown in a local list for the area of a special authority(**4**) for a relevant year for which the non-domestic rating multiplier(**5**) set by the special authority is different from the non-domestic rating multiplier for the year.

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

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

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

(**3**) Section 67(9A) of the Act defines "class" of hereditament by reference to a description of hereditament prescribed under section 53(1) of the Local Government Finance Act 1988 in relation to the designated person. Under section 67(9) of that Act, a hereditament is treated as shown in the central list for a day if on the day it falls within a class of hereditament shown for the day in the central list.

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

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

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

were a reference to—

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

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

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

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

were a reference to—

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

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

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

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

were a reference to—

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

(8) This paragraph applies where, on the chargeable day, section 43(6B) of the Act (general stores etc in rural settlements)(**7**) applies in relation to the hereditament.

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

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

were a reference to—

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

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

(**6**) Section 43(4B) was inserted by section 61(3) of the Local Government Act 2003.
(**7**) Section 43(6B) was inserted by section 1 and paragraph 2 of Schedule 1 to the Local Government and Rating Act 1997 (c. 29).

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

(b) the hereditament is not zero-rated under section 45A of the Act (unoccupied hereditaments: zero-rating)(**8**); and

(c) an order by the Secretary of State under section 45(4A) of the Act(**9**) has effect in relation to the hereditament.

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

(12) This paragraph applies where, on the chargeable day, the chargeable amount for the hereditament would be zero under section 45A of the Act (unoccupied hereditaments: zero-rating).

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

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

(14) For the purposes of this regulation—

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

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

C is the number of days in the relevant year;

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

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

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

PART 2

Chargeable amounts

Notional chargeable amount

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

$$A \times D.$$

(2) For the purposes of this regulation—

A is the rateable value shown in a list for the hereditament for 1st April 2017; and

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

(3) Where regulation 14 (change in rateable value on 1st April 2017) applies, references in this regulation to rateable value have effect subject to the modifications made in paragraph (2) of that regulation.

(**8**) Section 45A was inserted by section 1(2) of the Rating (Empty Properties) Act 2007 (c. 9).
(**9**) Section 45(4A) was inserted by section 1(1) of the Rating (Empty Properties) Act 2007 (c. 9).