STATUTORY INSTRUMENTS

2026 No. 81

RATING AND VALUATION, ENGLAND

The Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2026

Made	- - - -	*29th January 2026*
Coming into force in accordance with regulation 2		

The Secretary of State makes these Regulations in exercise of the powers conferred by sections 57A, 140(4) and 143(1) and (2) of the Local Government Finance Act 1988(**1**).

A draft of this instrument has been laid before, and approved by a resolution of, each House of Parliament in accordance with section 143(4) of that Act.

Part 1

Preliminary

Citation, extent and application

1.—(1) These Regulations may be cited as the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2026.

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

Commencement

2.—(1) Regulation 24 (revocations) comes into force on 1st April 2026.

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

Interpretation

3.—(1) In these Regulations—

"A"—

(**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.

(a) in relation to an occupied hereditament shown in a local list has the same meaning as in paragraph 10(2) of Schedule 4ZA to the Act, ignoring any modification made under section 44A(7) or (9) of the Act;

(b) in relation to an unoccupied hereditament shown in a local list has the same meaning as in paragraph 3(2) of Schedule 4ZB to the Act;

(c) in relation to a hereditament shown in the central list has the same meaning as in paragraph 6(2) of Schedule 5A to the Act;

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

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

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

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

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

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

"the improvement relief provisions" means—

(a) in relation to a hereditament shown in a local list, paragraph 3 of Schedule 4ZA to the Act;

(b) in relation to a hereditament shown in the central list, paragraph 3 of Schedule 5A to the Act;

"the Improvement Relief Regulations" means the Non-Domestic Rating (Improvement Relief) (England) Regulations 2023(**3**);

"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;

"M"—

(a) in relation to a hereditament shown in a list other than a local list for the area of a special authority, means the multiplier which applies (or which would have applied but for the relevant Regulations) in relation to the hereditament for the day concerned under any of the relevant provisions;

(b) in relation to a hereditament shown in a local list for the area of a special authority, except in regulation 16, means the multiplier which would have applied (or which would have applied but for the relevant Regulations) in relation to the hereditament for the day concerned under any of the relevant provisions if it were shown instead in a local list for the area of a billing authority which is not a special authority;

"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;

"qualifying period" has the same meaning as in regulation 2 of the Improvement Relief Regulations;

"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);

(**2**) S.I. 2009/2269.
(**3**) S.I. 2023/1357.

"relevant provisions" means paragraph 10(9) of Schedule 4ZA, paragraph 3(6)(a) of Schedule 4ZB or paragraph 6(8)(a) of Schedule 5A to the Act;

"relevant Regulations" means these Regulations or the Non-Domestic Rating (Chargeable Amounts) Regulations 2022 (as the case may be)(**4**);

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

"VO" means—

(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, the central valuation officer;

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

(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—

(a) if only one hereditament is shown in the central list for that day in relation to a designated person, to 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 and a description of hereditament, to the rateable value certified by the VO under regulation 21 in relation to that hereditament.

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

(a) if only one hereditament is shown in the central list for that day in relation to a designated person, to the value of A 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 and a description of hereditament, to the amount calculated by applying the formula—

$$RV - G$$

where—

"RV" is the amount certified under regulation 21(1)(a);

"G" is the amount certified under regulation 21(1)(b).

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 2026 and ending on 31st March 2029.

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

(3) A relevant year is a financial year beginning on 1st April 2026, 2027 or 2028.

Defined hereditaments

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

(a) the conditions in paragraph (2);

(b) the conditions in paragraph 1(1)(a), (b) and (c) of the Schedule.

(2) For the purposes of paragraph (1)(a), the conditions are that—

(a) the hereditament is shown in a list for—

(**4**) S.I. 2022/1403, amended by section 19(1)(c) of, and paragraphs 20 to 31 of the Schedule to, the Non-Domestic Rating Act 2023 (c. 53) and by S.I. 2023/1251 and 2024/246.

(i) 31st March 2026;

(ii) the relevant day; and

(iii) each day (if any) falling after 31st March 2026 and before the relevant day; and

(b) the value of A for the hereditament for each of the days mentioned in sub-paragraph (a) is greater than zero.

(3) A reference in this regulation to the value of A for 31st March 2026 for a hereditament shown in the central list is taken to be a reference to—

(a) the value of A for the hereditament for that date; or

(b) the value of A for the hereditament if that had been the only hereditament of a description shown in the central list against the name of the designated person for that date.

(4) For the purposes of paragraph (3)(b), the value of A is—

(a) the rateable value certified by the VO in accordance with regulation 21(1)(a); or

(b) where the improvement relief provisions apply in relation to the hereditament for the day, the amount mentioned in sub-paragraph (a) minus the amount certified under regulation 21(1)(b).

(5) Where a hereditament shown in the central list in relation to a designated person is a defined hereditament on 1st April 2026 ("the original hereditament"), notwithstanding that on or after 31st March 2026—

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

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

the conditions in paragraph (2) or paragraphs 1(a), (b)(ii) and (c) of the Schedule are taken to be fulfilled in respect of 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(**5**) for a relevant year for which the non-domestic rating multiplier(**6**) set by the special authority is different from the non-domestic rating multiplier for the year.

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

$$\frac{((M_{SA}-M)\times N)}{C}$$

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

$$\frac{((M_{SA}-M)\times N)}{C}$$

were a reference to—

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

(**6**) 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 A1 of that Schedule.

$$\frac{((M_{SA} - M) \times N)}{C \times 5}$$

(4) This paragraph applies where, on the chargeable day, paragraph 2 of Schedule 4ZA to the Act (charitable rate relief) 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—

$$\frac{((M_{SA} - M) \times N)}{C}$$

were a reference to—

$$\frac{((M_{SA} - M) \times N)}{C \times E}$$

(6) This paragraph applies where, on the chargeable day, paragraph 4 of Schedule 4ZA to the Act (small business rate relief) 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—

$$\frac{((M_{SA} - M) \times N)}{C}$$

were a reference to—

$$\frac{((M_{SA} - M) \times N)}{C \times Z}$$

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

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

(b) regulations under paragraph 1(2)(a) of Schedule 4ZB to the Act has effect in relation to the hereditament.

(9) Where paragraph (10) 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.

(10) This paragraph applies where, on the chargeable day, the chargeable amount for the hereditament would be zero under paragraphs 6 (heat networks rate relief), 7 (public lavatories rate relief) or 8 (rural rate relief) of Schedule 4ZA, or paragraph 2 of Schedule 4ZB (charitable rate relief), to the Act.

(11) Where this regulation applies and M_{SA} is less than M, 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—

$$\frac{M_{SA}}{M}$$

(12) For the purposes of this regulation—

"C" is the number of days in the relevant year;

"E" is the amount prescribed, or calculated in accordance with provision prescribed, under paragraph 10(6) of Schedule 4ZA to the Act for the relevant year in which the relevant day falls;

"M" is in relation to the chargeable day;

"M_{SA}" is the multiplier which applies (or which would have applied but for these Regulations) in relation to the hereditament for the chargeable day under paragraph 10(9) of Schedule 4ZA or paragraph 3(6)(a) of Schedule 4ZB to the Act (as the case may be);

"N" is the value of A for the hereditament for the relevant day; and

"Z" is the number prescribed in regulations under paragraph 3(9) of Schedule 4ZB to the Act.

Part 2

Chargeable amounts

Notional chargeable amount

7.—(1) Subject to paragraphs (4) and (5), the notional chargeable amount for a defined hereditament—

(a) for the relevant year beginning on 1st April 2026 is the amount found by applying the formula—

$$A \times (M + RS)$$

(b) for the relevant years beginning on 1st April 2027 and 1st April 2028 is the amount found by applying the formula—

$$N \times P$$

(2) For the purposes of this regulation—

"A" is in relation to 1st April 2026;

"D1" is the small business non-domestic rating multiplier for the relevant year;

"D2" is the small business non-domestic rating multiplier for the relevant year which precedes the relevant year;

"M" is in relation to 1st April 2026;

"N" is the notional chargeable amount for the year preceding the relevant year;

"P" is the amount found by applying the formula—

$$\frac{D1}{D2 + RS}$$

"RS"—

(a) where the relevant year to which D2 relates is the year beginning on 1st April 2026, is 0.01;

(b) where the relevant year to which D2 relates is the year beginning on 1st April 2027, is zero.

(3) For the purposes of paragraph (2), "P", if not a whole number, is calculated to three decimal places only.

(4) Where regulation 14 (change in rateable value on 1st April 2026) applies, references in this regulation to A have effect subject to the modifications made in paragraph (3) of that regulation.

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

Base liability for 2026-27 for a defined hereditament

8. The base liability for a defined hereditament for the relevant year beginning on 1st April 2026 is found by applying the formula—

$$Y \times M$$

where—

"Y" is the value of A for the hereditament for 31st March 2026; and

"M" is in relation to 31st March 2026.

Base liability for 2027-28 and 2028-29

9.—(1) Subject to paragraph (2), the base liability for a defined hereditament for a relevant year beginning on 1st April 2027 or 1st April 2028 ("the year concerned") is found by applying the formula—

$$\mathrm{BL} \times \mathrm{AF}$$

where—

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

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

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

Appropriate fraction

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

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

(2) For the purposes of this regulation, where the notional chargeable amount for the hereditament for the relevant year exceeds the base liability for the hereditament for the year and the value of A for 1st April 2026 is more than £100,000, then—

(a) for the relevant year beginning on 1st April 2026, X is 130;

(b) for the relevant year beginning on 1st April 2027, X is 125; and

(c) for the relevant year beginning on 1st April 2028, X is 125.

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

(a) the hereditament is shown in a local list in Greater London and the value of A for 1st April 2026 is more than £28,000 and less than or equal to £100,000; or

(b) the hereditament is shown in the central list or in a local list outside Greater London and the value of A for that hereditament for 1st April 2026 is more than £20,000 and less than or equal to £100,000.

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

(a) for the relevant year beginning on 1st April 2026, X is 115;

(b) for the relevant year beginning on 1st April 2027, X is 125; and

(c) for the relevant year beginning on 1st April 2028, X is 140.

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

(a) the hereditament is shown in a local list in Greater London and the value of A for that hereditament for 1st April 2026 is less than or equal to £28,000; or

(b) the hereditament is shown in the central list or in a local list outside Greater London and the value of A for that hereditament for 1st April 2026 is less than or equal to £20,000.

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

(a) for the relevant year beginning on 1st April 2026, X is 105;

(b) for the relevant year beginning on 1st April 2027, X is 110; and

(c) for the relevant year beginning on 1st April 2028, X is 125.

(7) For the purposes of this regulation—

(a) for the relevant year beginning on 1st April 2026, Q is 1;

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

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

where—

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

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

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

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

(a) regulation 14 (change in rateable value on 1st April 2026),

(b) paragraph 10 of the Schedule (rateable value: hereditament split or merged after 1st April 2026),

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

Application of regulation 12

11.—(1) Subject to paragraphs (3), (4) and (5), regulation 12 applies to a defined hereditament for a relevant day which falls in a relevant year ("the day concerned") if—

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

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

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

"NCA" is the notional chargeable amount for the hereditament for the relevant year within which the day concerned falls;

"BL" is the base liability for the hereditament for the relevant year within which the day concerned falls;

"AF" is the appropriate fraction for the hereditament for the relevant year within which the day concerned falls.

(3) Regulation 12 does not apply where, on the day concerned, the chargeable amount for the defined hereditament is zero under paragraph 6 (heat networks rate relief), 7 (public lavatories rate

relief) or 8 (rural rate relief) of Schedule 4ZA, or paragraph 2 of Schedule 4ZB (charitable rate relief), to the Act.

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

(5) Where paragraph (6) applies to a defined hereditament, regulation 12 does not apply to the hereditament for the day concerned or for any subsequent relevant day.

(6) This paragraph applies to a defined hereditament on the day concerned where the chargeable amount which would be calculated for the hereditament under regulation 12 exceeds the chargeable amount which would be calculated for it under section 43, 45 or 54 of the Act or the amount which would be calculated for it under regulation 16.

Rules for determining chargeable amount

12.—(1) Where this regulation applies to a hereditament shown in the central list, subject to paragraph (4) the chargeable amount as respects the designated person for a chargeable day which is a relevant day is calculated by applying the formula—

$$\frac{AM}{C} + H$$

instead of the formula in paragraph 1 of Schedule 5A to the Act.

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

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

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

(4) Where paragraph (5) applies, the chargeable amount for a chargeable day is found by dividing the amount calculated in accordance with paragraph (1) or (3) by 5.

(5) This paragraph applies where, on the day concerned, paragraph 2 of Schedule 4ZA or of Schedule 5A to the Act (charitable rate relief) applies in relation to the hereditament.

(6) Where paragraph (7) applies, the chargeable amount for a chargeable day is found by dividing the amount calculated in accordance with paragraph (3) by E.

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

(8) Where paragraph (9) applies, the chargeable amount for a chargeable day is found by dividing the amount calculated in accordance with paragraph (3) by the number prescribed in regulations under paragraph 3(9) of Schedule 4ZB to the Act (reduction in chargeable amount for unoccupied properties).

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

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

(b) regulations under paragraph 1(2)(a) of Schedule 4ZB have effect in relation to the hereditament.

(10) For the purposes of this regulation—

"AM" is the sum of the amounts found by applying the following formula in relation to each of the hereditaments shown in the central list against the name of the designated person to which this regulation does not apply—

$$A \times M$$

"A" and "M" are those values in relation to the hereditament for the chargeable day;

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

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

"C" is the number of days in the relevant year;

"E" is the amount prescribed, or calculated in accordance with provision prescribed, under paragraph 10(6) of Schedule 4ZA to the Act for the relevant year in which the relevant day falls;

"H" is the aggregate for the chargeable day of the amounts found by applying the following formula to each hereditament to which this regulation applies shown for the day in the central list against the name of the designated person—

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

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

(a) regulation 13 (change in rateable value after 1st April 2026);

(b) regulation 14 (change in rateable value on 1st April 2026);

(c) regulation 15 (partly-occupied hereditaments),

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

Change in rateable value after 1st April 2026

13.—(1) Paragraph (2) applies in respect of a defined hereditament in a case where regulation 12 applies and for a day after 1st April 2026 the value of A for the hereditament for that day is greater than the value of A for it for 1st April 2026.

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

$$\frac{(\mathrm{BL} \times \mathrm{AF})}{C}$$

were a reference to—

$$\frac{(\mathrm{BL} \times \mathrm{AF}) + ((N - J) \times (M + RS))}{C}$$

(3) Paragraph (4) applies in respect of a defined hereditament in a case where regulation 12 applies and where the value of A for a chargeable day after 1st April 2026 is less than the value of A for 1st April 2026.

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

$$\frac{(\mathrm{BL} \times \mathrm{AF})}{C}$$

were a reference to—

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

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

"J" is the value of A for 1st April 2026;

"N" is the value of A for the chargeable day;

"RS"—

(a) in relation to a day falling in the relevant year beginning on 1st April 2026, is 0.01;

(b) in relation to a day falling in the relevant years beginning on 1st April 2027 or 2028, is zero.

(6) Paragraph (7) applies in respect of a defined hereditament shown in the central list in a case where regulation 12 applies and for a chargeable day after 1st April 2026 the value of A for that hereditament for that day is different from the value of A for 1st April 2026.

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

$$\frac{AM}{C} + H$$

were a reference to—

$$\frac{AM}{C} + H + I + K$$

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

"H" is the aggregate for the chargeable day of the amounts found by applying the following formula to each hereditament which is shown in the central list for that day in relation to the designated person and to which regulation 12 applies but paragraph (7) does not apply—

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

"I" is the aggregate for the chargeable day of the amounts found by applying the following formula to each hereditament shown in the central list for that day in relation to the designated person to which paragraph (7) applies and for which the value of A for that day is greater than the value of A for 1st April 2026—

$$\frac{(BL \times AF) + ((N - J) \times (M + RS))}{C}$$

"J" is the value of A for the hereditament for 1st April 2026;

"K" is the aggregate for the chargeable day of the chargeable amounts found by applying the following formula to each hereditament shown in the central list for that day in relation to the designated person to which paragraph (7) applies and for which the value of A is less than the value of A for 1st April 2026—

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

"M" is in relation to the chargeable day;

"N" is the value of A for the hereditament for the chargeable day; and

"RS"—

(a) in relation to a day falling in the relevant year beginning on 1st April 2026, is 0.01;

(b) in relation to a day falling in the relevant years beginning on 1st April 2027 or 2028, is zero.

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

(a) regulation 14 (change in rateable value on 1st April 2026);

(b) paragraph 10 of the Schedule (rateable value: hereditament split or merged after 1st April 2026),

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

Change in rateable value on 1st April 2026

14.—(1) This regulation applies where any circumstances regarding a relevant factor taken into account in determining the rateable value shown in a local list for a defined hereditament for 1st April 2026 differ from the circumstances regarding that factor existing on 31st March 2026, so that the rateable value shown for 1st April 2026 is different from that which would have been shown if the circumstances regarding that factor existing on 31st March 2026 continued to exist on 1st April 2026.

(2) Where this regulation applies the VO must certify—

(a) that this regulation applies;

(b) the rateable value which would have been shown for 1st April 2026 if that value had fallen to be determined as regards that factor by reference to the circumstances existing on 31st March 2026; and

(c) where the VO would have certified an amount under regulation 5(1) of the Improvement Relief Regulations in relation to a qualifying period including 1st April 2026 had the circumstances existing on 31st March 2026 continued to apply on that date, that amount.

(3) Where this regulation applies, regulation 7 (notional chargeable amount) and 10 (appropriate fraction) have effect—

(a) where the improvement relief provisions do not apply in relation to that day, as if the references to A for 1st April 2026 were references to the value certified by the VO under paragraph (2)(b);

(b) where the improvement relief provisions do apply in relation to that day, as if the references to A for 1st April 2026 were references to the amount calculated by applying the formula—

$$F - G$$

where—

"F" is the amount certified under paragraph (2)(b);

"G" is the amount certified under paragraph (2)(c).

(4) Where this regulation and regulation 12 apply, regulation 13 (change in rateable value after 1st April 2026) has effect—

(a) where the improvement relief provisions do not apply in relation to that day, as if the references in paragraphs (1), (3) and (5) of regulation 13 to A for 1st April 2026 were references to the value certified by the VO under sub-paragraph (2)(b);

(b) where the improvement relief provisions do apply in relation to that day, as if those references to A for 1st April 2026 were references to the amount calculated in accordance with the formula—

$$F - G$$

where—

"F" is the amount certified under sub-paragraph (2)(b);

"G" is the amount certified under sub-paragraph (2)(c); and

(c) as if the references in paragraphs (1) and (3) of regulation 13 to the value of A for a day after 1st April 2026 were treated as including a reference to the value of A for 1st April 2026.

Partly occupied hereditaments

15.—(1) As regards a relevant day and a defined hereditament in relation to which an apportionment under section 44A of the Act (partly occupied hereditaments) is applicable, any chargeable amount for that day as respects the hereditament found in accordance with regulation 12 or the Schedule (as modified by any provision of these Regulations) is taken to be multiplied by A2 and divided by A1.

(2) In paragraph (1)—

"A2" is the amount found under paragraph 10(2) of Schedule 4ZA to the Act, as substituted by section 44A(7) or (9) for the relevant day as respects the hereditament, and

"A1" is the value of A under these Regulations for the hereditament for the relevant day.

Rules for determining chargeable amount: supplement

16.—(1) This regulation applies to a defined hereditament for a relevant day which falls in a relevant year ("the day concerned") where the following provisions do not apply to the hereditament for that day—

(a) regulation 12;

(b) the Schedule; or

(c) paragraph 6 (heat networks rate relief), 7 (public lavatories rate relief) or 8 (rural rate relief) of Schedule 4ZA, or paragraph 2 of Schedule 4ZB (charitable rate relief), to the Act.

(2) Where this regulation applies to a hereditament, the chargeable amount for a chargeable day which is a relevant day is calculated under this regulation instead of under section 43, 45 or 54 of the Act.

(3) Where this regulation applies, the chargeable amount for the day concerned is calculated by applying the rules in Schedule 4ZA, 4ZB or 5A to the Act, which but for these Regulations would have applied for finding the chargeable amount for the hereditament, as if—

(a) for the references to "M" in the formulas in the charging provisions there were substituted "(M + RS)";

(b) in paragraph 10 of Schedule 4ZA (interpretation), after sub-paragraph (9C) there were inserted—

"(9D) "RS"—

(a) in relation to a day falling in the year beginning on 1st April 2026 is 0.01;

(b) in relation to a day falling in any other year is zero.";

(c) in paragraph 3 of Schedule 4ZB (interpretation), after sub-paragraph (6B) there were inserted—

"(6C) "RS"—

(a) in relation to a day falling in the year beginning on 1st April 2026 is 0.01;

(b) in relation to a day falling in any other year is zero.";

(d) in paragraph 6 of Schedule 5A (interpretation), after sub-paragraph (8B) there were inserted—

"(8C) "RS"—

(a) in relation to a day falling in the year beginning on 1st April 2026 is 0.01;

(b) in relation to a day falling in any other year is zero.".

(4) For the purposes of this regulation "the charging provisions" means—

(a) paragraphs 1, 2(1) and 4(1) of Schedule 4ZA to the Act;

(b) paragraph 1(1) and (2) of Schedule 4ZB to the Act; and

(c) paragraphs 1, 2(4) and 4(4) of Schedule 5A to the Act.

Part 3

Miscellaneous

Certificates for changes in rateable value: 1st April 2026

17.—(1) This regulation applies where the VO is of the view (whether following a request from the ratepayer in relation to the hereditament in question or not) that the rateable value shown in a list for a hereditament for 1st April 2026 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 VO must certify—

(a) that this regulation applies;

(b) the rateable value that should have been shown in a list for the hereditament for 1st April 2026; and

(c) any amount which the VO would have certified under regulation 5(1) of the Improvement Relief Regulations in relation to a qualifying period including 1st April 2026, had the list been accurate for that date.

(3) Where the VO has made certifications in accordance with paragraph (2), these Regulations have effect, as regards the days referred to in paragraph (4), (5)(a) or (5)(b)—

(a) where the improvement relief provisions do not apply to a hereditament for 1st April 2026, as if the amount certified under paragraph (2)(b) was the value of A for the hereditament for that day;

(b) where the improvement relief provisions do apply for 1st April 2026, as if the value of A for that day was the amount found by applying the formula—

$$F - G$$

where—

"F" is the amount certified under sub-paragraph (2)(b); and

"G" is the amount certified under sub-paragraph (2)(c).

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

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

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

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

Certificates for change in rateable value: 31st March 2026

18.—(1) This regulation applies where the VO is of the view (whether following a request from the ratepayer in relation to the hereditament in question or not) that the rateable value shown in a list for a hereditament for 31st March 2026 is inaccurate.

(2) If this regulation applies, the VO must certify—

(a) that this regulation applies;

(b) the rateable value that should have been shown in a list for the hereditament for 31st March 2026; and

(c) any amount which the VO would have certified under regulation 5(1) of the Improvement Relief Regulations in relation to a qualifying period including 31st March 2026, had the list been accurate for that date.

(3) These Regulations have effect, as regards the days referred to in paragraph (4), (5)(a) or (5)(b)—

(a) where the improvement relief provisions do not apply to a hereditament for 31st March 2026, as if the amount certified under paragraph (2)(b) was the value of A for the hereditament for that day; and

(b) where the improvement relief provisions apply for 31st March 2026, as if the value of A for that day was the amount found by applying the formula—

$$F - G$$

where—

"F" is the amount certified under sub-paragraph (2)(b); and

"G" is the amount certified under sub-paragraph (2)(c).

(4) If the value of A found in accordance with paragraph (3) is lower than the value of A for 31st March 2026 (as found in accordance with the definition of A in regulation 3(1)), the days are 1st April 2026 and any subsequent relevant day.

(5) If the value of A found in accordance with paragraph (3) is greater than the value of A for 31st March 2026 (as found in accordance with the definition of A in regulation 3(1)) and—

(a) a certificate under regulation 17 has been issued, the days are the days referred to in paragraph (4), (5)(a) or (5)(b) of that regulation;

(b) no certificate under regulation 17 has been issued, the days are the day on which the certificate under paragraph (2) of this regulation is issued and any subsequent day.

Certification: splits and mergers before 1st April 2026

19.—(1) This regulation applies where—

(a) on a day before 1st April 2026 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 2026.

(2) If this regulation applies the VO must certify—

(a) that this regulation applies;

(b) the rateable value that should have been shown in a list for the new hereditament for 31st March 2026;

(c) any amount which the VO would have certified under regulation 5(1) of the Improvement Relief Regulations in relation to a qualifying period including 31st March 2026, had the hereditament been shown in a list on that date.

(3) These Regulations have effect, in relation to 1st April 2026 and any subsequent relevant day—

(a) as if the new hereditament came into existence on 31st March 2026;

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

(c) where the improvement relief provisions would not have applied for 31st March 2026 had the new hereditament been shown in the list for that day, as if the amount certified under paragraph (2)(b) was the value of A for the hereditament for that day; and

(d) where the improvement relief provisions would have applied for 31st March 2026 had the new hereditament been shown in the list for that day, as if the value of A for that day was the amount found by applying the formula—

$$F - G$$

where—

"F" is the amount certified under sub-paragraph (2)(b); and

"G" is the amount certified under sub-paragraph (2)(c).

Certification: splits and mergers in the central list on 1st April 2026

20.—(1) This regulation applies where—

(a) on 1st April 2026 a hereditament ("new hereditament") comes into existence by virtue of—

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

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

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

(b) the new hereditament is first shown in the central list on 1st April 2026;

(c) a hereditament from which the new hereditament was formed in whole or in part ("old hereditament") was shown in a local list or in the central list for 31st March 2026;

(d) the value of A for the old hereditament for 31st March 2026 was greater than zero; and

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

(2) If this regulation applies the VO must certify—

(a) that this regulation applies;

(b) the rateable value that would have been shown in the central list for the new hereditament for 31st March 2026, had the new hereditament been shown in the list on that date; and

(c) where the VO would have certified an amount under regulation 5(1) of the Improvement Relief Regulations in relation to a qualifying period including 31st March 2026 had the new hereditament been shown in the list on that date, that amount.

(3) These Regulations have effect, in relation to 1st April 2026 and any subsequent relevant day, as if—

(a) the new hereditament came into existence on 31st March 2026;

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

(c) the value of A for the hereditament for that day—

(i) where the improvement relief provisions would not have applied in relation to that day, were the value certified under paragraph (2)(b);

(ii) where the improvement relief provisions would have applied in relation to that day, as if the references to A were references to the amount calculated in accordance with the formula—

$$F - G$$

where—

"F" is the amount certified under sub-paragraph (2)(b); and

"G" is the amount certified under sub-paragraph (2)(c).

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

Certificates: central list

21.—(1) If more than one defined hereditament is shown in the central list for a relevant day or for 31st March 2026 in relation to a designated person and a description of hereditament, the VO must certify—

(a) the rateable value which would have been the rateable value shown in the central list for the hereditament for that day if that had been the only hereditament of that description shown in the central list for that day in relation to the designated person; and

(b) where the VO has certified an amount under regulation 5(1) of the Improvement Relief Regulations in relation to the hereditament for a qualfiying period including that day, the amount which the VO would have certified in relation to the hereditament for that day under that regulation if that had been the only hereditament of that description shown in the central list for that day in relation to the designated person.

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

Certificates: general

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

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

(3) A certificate under paragraph (2) has effect in place of the previous certificate, and any appeal against the previous certificate under regulation 23 is taken to be withdrawn.

(4) The VO must—

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

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

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

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

(b) the address of the hereditament.

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

(a) a statement of the effect of regulation 23; and

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

(7) A certificate issued under these Regulations—

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

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

Appeals against certificates

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

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

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

(4) Unless—

(a) the notice is withdrawn, or

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

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

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

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

Revocations

24.—(1) Subject to paragraph 2, regulations 16 to 21 (certificates) of the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 ("the 2016 Regulations")(**7**) are revoked.

(2) Regulation 20(7) of the 2016 Regulations continues to have effect in relation to certificates which are subject to an appeal under regulation 21 of those Regulations, where the circumstances mentioned in regulation 21(3)(a) or (b) do not apply and the appeal has not been finally disposed of by the Valuation Tribunal for England.

(**7**) S.I. 2016/1265.

Signed by authority of the Secretary of State for Housing, Communities and Local Government

Alison McGovern
Minister of State
Ministry of Housing, Communities and Local Government

29th January 2026

Schedule

Regulations 3(1), 5(1)(b) and (5), 6(2), 7(5), 9(2), 10(8)(b), 11(4), 13(9)(b), 15(1)

SPLITS AND MERGERS

Cases where this Schedule applies

1.—(1) Subject to sub-paragraph (2), this Schedule applies where—

(a) on a day ("the creation day") falling on or after 1st April 2026, a hereditament ("new hereditament") comes into existence because—

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

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

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

(b) immediately before the creation day either—

(i) a hereditament from which the new hereditament was formed in whole or in part ("old hereditament") was a defined hereditament, or if the creation day is 1st April 2026, an old hereditament was shown in a local list for 31st March 2026, where the value of A for the day was greater than zero; or

(ii) each old hereditament from which the new hereditament was formed in whole or in part was shown in the central list for 31st March 2026; and

(c) the value of A in relation to the new hereditament is greater than zero for—

(i) the creation day;

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

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

(d) as regards the new hereditament and a relevant day a chargeable amount would, but for these Regulations, fall to be determined under section 43, 45 or 54 of the Act.

(2) This Schedule does not apply in relation to finding the chargeable amount for a hereditament for a relevant day ("the day concerned") or for any subsequent relevant day where the chargeable amount which would be calculated for the day concerned under the Schedule exceeds the amount which would be calculated for that day under section 43, 45 or 54 of the Act or the amount which would be calculated under regulation 16.

Rules for determination of chargeable amount for new hereditament: splits on 1st April 2026

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

(a) this Schedule applies;

(b) the creation day falls on 1st April 2026;

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

(d) the chargeable amount for the old hereditament for the creation day would have been calculated under regulation 12 if—

(i) the old hereditament were shown in a list for that day;

(ii) the value of A for the hereditament were the value found by applying the formula—

$$F - G$$

(iii) sections 47 (discretionary relief) and 49(1) (reduction or remission of liability) of the Act did not apply to it for that day; and

(e) the chargeable amount for the chargeable day for the new hereditament is not zero under paragraph 6 (heat networks rate relief), 7 (public lavatories rate relief) or 8 (rural rate relief) of Schedule 4ZA, or paragraph 2 of Schedule 4ZB (charitable rate relief), to the Act,

the chargeable amount for a chargeable day in the year beginning on 1st April 2026 must be calculated under the following provisions of this paragraph instead of under section 43, 45 or 54 of the Act.

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

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

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

(4) This sub-paragraph applies where, on the chargeable day, paragraph 2 of Schedule 4ZA or of Schedule 5A to the Act (charitable rate relief) applies in relation to the hereditament.

(5) Where sub-paragraph (6) applies, the chargeable amount for the chargeable day is found by dividing the amount calculated in accordance with sub-paragraph (2) by E.

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

(7) Where sub-paragraph (8) applies, the chargeable amount for a chargeable day is found by dividing the amount calculated in accordance with sub-paragraph (2) by the number prescribed in regulations under paragraph 3(9) of Schedule 4ZB to the Act (reduction in chargeable amount for unoccupied properties).

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

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

(b) regulations under paragraph 1(2)(a) of Schedule 4ZB to the Act have effect in relation to the hereditament.

(9) For the purposes of this paragraph—

"E" is the amount prescribed, or calculated in accordance with provision prescribed, under paragraph 10(6) of Schedule 4ZA to the Act for the year beginning on 1st April 2026;

"F" is the value certified by the VO to be the rateable value which would have been shown in a list for the old hereditament for 1st April 2026 on the assumption that the relevant factors were as they were for 31st March 2026;

"G" is—

(a) the value certified by the VO as the amount which would have been certified under regulation 5(1) of the Improvement Relief Regulations in relation to a qualifying period including 1st April 2026 were the old hereditament shown in a list for that date on the assumption that the relevant factors were as they were for 31st March 2026; or

(b) where no such certification would have been made, zero;

"R" is the amount which would have been the chargeable amount for the old hereditament for 1st April 2026 if—

(a) the old hereditament were shown in a list for 1st April 2026;

(b) the value of A for the hereditament were the value found by applying the formula—

$$F - G$$

(c) the whole of the hereditament were occupied;

(d) sections 47 (discretionary relief) and 49(1) (reduction or remission of liability) of, and paragraphs 2 (charitable rate relief) and 4 (small business rate relief) of Schedule 4ZA to, the Act did not apply to it for 1st April 2026;

"J" is the value of A for the new hereditament for 1st April 2026; and

"S" is the value found by applying the formula—

$$F - G$$

Rules for determination of chargeable amount for new hereditament: mergers on 1st April 2026

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

(a) this Schedule applies;

(b) the creation day falls on 1st April 2026;

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

(d) the chargeable amount for one or more of the old hereditaments for the creation day would have been calculated under regulation 12 if—

(i) the old hereditament were shown in a list for 1st April 2026;

(ii) the value of A were the value found by applying the formula—

$$F - G$$

(iii) sections 47 (discretionary relief) and 49(1) (reduction or remission of liability) of the Act did not apply to it for 1st April 2026; and

(e) the chargeable amount for the chargeable day for the new hereditament is not zero under paragraph 6 (heat networks rate relief), 7 (public lavatories rate relief) or 8 (rural rate relief) of Schedule 4ZA, or paragraph 2 of Schedule 4ZB (charitable rate relief), to the Act,

the chargeable amount for a chargeable day in the year beginning on 1st April 2026 must be calculated under the following provisions of this paragraph instead of under section 43, 45 or 54 of the Act.

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

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

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

(4) This sub-paragraph applies where, on the day concerned, paragraph 2 of Schedule 4ZA or of Schedule 5A to the Act (charitable rate relief) applies in relation to the hereditament.

(5) Where sub-paragraph (6) applies, the chargeable amount for the chargeable day is found by dividing the amount calculated in accordance with sub-paragraph (2) by E.

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

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

regulations under paragraph 3(9) of Schedule 4ZB to the Act (reduction in chargeable amount for unoccupied properties).

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

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

(b) regulations under paragraph 1(2)(a) of Schedule 4ZB have effect in relation to the hereditament.

(9) For the purposes of this paragraph—

"E" is the amount prescribed under paragraph 10(6) of Schedule 4ZA to the Act for the year beginning on 1st April 2026;

"F" is the value certified by the VO to be the rateable value which would have been shown in a list for the old hereditament 1st April 2026 on the assumption that the relevant factors were as they were for 31st March 2026;

"G" is—

(a) the value certified by the VO as the amount which would have been certified under regulation 5(1) of the Improvement Relief Regulations for a qualifying period including 1st April 2026 were the old hereditament shown in a list for that date on the assumption that the relevant factors were as they were for 31st March 2026; or

(b) where no such certification would have been made, zero;

"R" is the total of the amounts which would have been the chargeable amounts for 1st April 2026 for the old hereditaments comprised or incorporated in the new hereditament if—

(a) each of the old hereditaments were shown in a list for 1st April 2026;

(b) the values of A for each of the hereditaments were the values found by applying the formula—

$$F - G$$

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

(d) sections 47 (discretionary relief) and 49(1) (reduction or remission of liability) of, and paragraphs 2 (charitable rate relief) and 4 (small business rate relief) of Schedule 4ZA to, the Act did not apply to it for 1st April 2026;

"J" is the value of A for the new hereditament for the 1st April 2026; and

"S" is the total of the values found by applying the following formula in relation to each of the old hereditaments incorporated or comprised in the new hereditament—

$$F - G$$

Rules for determination of chargeable amount for new hereditament: splits after 1st April 2026

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

(a) this Schedule applies;

(b) the creation day falls on a day after 1st April 2026;

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

(d) the chargeable amount for the old hereditament for the day before the creation day was calculated under regulation 12 or this Schedule; and

(e) the chargeable amount for the chargeable day for the new hereditament is not zero under paragraph 6 (heat networks rate relief), 7 (public lavatories rate relief) or 8 (rural rate relief) of Schedule 4ZA, or paragraph 2 of Schedule 4ZB (charitable rate relief), to the Act,

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

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

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

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

(4) This sub-paragraph applies where, on the chargeable day, paragraph 2 of Schedule 4ZA or of Schedule 5A to the Act (charitable rate relief) applies in relation to the hereditament.

(5) Where sub-paragraph (6) applies, the chargeable amount for a chargeable day is found by dividing the amount calculated in accordance with sub-paragraph (2) by E.

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

(7) Where sub-paragraph (8) applies, the chargeable amount for a chargeable day is found by dividing the amount calculated in accordance with paragraph (2) by the number prescribed in regulations under paragraph 3(9) of Schedule 4ZB to the Act (reduction in chargeable amount for unoccupied hereditaments).

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

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

(b) regulations under paragraph 1(2)(a) of Schedule 4ZB have effect in relation to the hereditament.

(9) For the purposes of this paragraph—

"E" is the amount prescribed under paragraph 10(6) of Schedule 4ZA to 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 a list for that day;

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

(c) the whole of the old hereditament were occupied and sections 47 (discretionary relief) and 49(1) (reduction or remission of liability) of, and paragraphs 2 (charitable rate relief) and 4 (small business rate relief) of Schedule 4ZA to, the Act did not apply to it for the creation day;

"J" is the value of A for the new hereditament for the creation day; and

"S" is the value of A 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 2026

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

(a) this Schedule applies;

(b) the creation day falls on a day after 1st April 2026;

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

(d) the chargeable amount for one or more of the old hereditaments for the day before the creation day was calculated under regulation 12 or this Schedule; and

(e) the chargeable amount for the chargeable day for the new hereditament is not zero under paragraph 6 (heat networks rate relief), 7 (public lavatories rate relief) or 8 (rural rate relief) of Schedule 4ZA, or paragraph 2 of Schedule 4ZB (charitable rate relief), to the Act,

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

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

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

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

(4) This sub-paragraph applies where, on the day concerned, paragraph 2 of Schedule 4ZA or of Schedule 5A to the Act (charitable rate relief) applies in relation to the hereditament.

(5) Where sub-paragraph (6) applies, the chargeable amount for a chargeable day is found by dividing the amount calculated in accordance with sub-paragraph (2) by E.

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

(7) Where sub-paragraph (8) applies, the chargeable amount for a chargeable day is found by dividing the amount calculated in accordance with sub-paragraph (2) by the number prescribed in regulations under paragraph 3(9) of Schedule 4ZB to the Act (reduction in chargeable amount for unoccupied hereditaments).

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

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

(b) regulations under paragraph 1(2)(a) of Schedule 4ZB has effect in relation to the hereditament.

(9) For the purposes of this paragraph—

"E" is the amount prescribed under paragraph 10(6) of Schedule 4ZA to 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 a list for that day;

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

(c) the whole of each hereditament was occupied;

(d) sections 47 (discretionary relief) and 49(1) (reduction or remission of liability) of, and paragraphs 2 (charitable rate relief) and 4 (small business rate relief) of Schedule 4ZA to, the Act did not apply to them for the creation day;

"J" is the value of A for the new hereditament for the creation day;

"S" is the total of the values of A 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: relevant year of creation

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

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

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

were a reference to—

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

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

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

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

were a reference to—

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

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

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

"M" is in relation to the chargeable day;

"N" is the value of A for the new hereditament for the chargeable day;

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

"RS"—

(a) in relation to the relevant year beginning on 1st April 2026, is 0.01;

(b) in relation to the relevant years beginning on 1st April 2027 or 2028, is zero.

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 is found by applying the formula—

$$J \times M \times P$$

(3) For the purposes of this paragraph—

"J" is the value of A for the new hereditament for the creation day;

"D1" is the small business non-domestic rating multiplier for the relevant year after the year in which the creation day falls;

"D2" is the small business non-domestic rating multiplier for the relevant year in which the creation day falls;

"M" is in relation to the creation day;

"P" is the amount found by applying the formula—

$$\frac{D1}{D2 + RS}$$

"RS"—

(a) where the relevant year to which D2 relates is the year beginning on 1st April 2026, is 0.01;

(b) where the relevant year to which D2 relates is the year beginning on 1st April 2027, is zero.

(4) For the purposes of sub-paragraph (3), "P", if not a whole number, is to be calculated to three decimal places only.

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

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

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

$$T \times C$$

(3) For the purposes of this paragraph—

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

(a) the whole of the hereditament were occupied;

(b) sections 47 (discretionary relief) and 49(1) (reduction or remission of liability) of, and paragraphs 2 (charitable rate relief), 4 (small business rate relief), 6 (heat networks rate relief) and 8 (rural rate relief) of Schedule 4ZA to, the Act did not apply to it 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 relevant years for new hereditament

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

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

$$\mathrm{BL} \times \mathrm{AF}$$

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

Rateable value: hereditament split or merged after 1st April 2026

10.—(1) This paragraph applies if the creation day falls on a day after 1st April 2026.

(2) Subject to sub-paragraph (3) and ignoring any modifications made by regulation 14 (change in rateable value on 1st April 2026)—

(a) regulation 10 (appropriate fraction); and

(b) regulation 13 (change in rateable value after 1st April 2026),

have effect in relation to a new hereditament as if for references to 1st April 2026 there were substituted references to the creation day.

(3) The modifications in sub-paragraph (2) do not apply in relation to the references to 1st April 2026 in regulation 10(2)(a), (4)(a), (6)(a) and (7)(a).

EXPLANATORY NOTE

(This note is not part of the Regulations)

The Local Government Finance Act 1988 ("the Act") provides for non-domestic hereditaments to be revalued every three years. On a revaluation new non-domestic rating lists are compiled. The next compilation date is 1st April 2026.

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 2026 non-domestic rating revaluation.

The effect of the transitional relief scheme is to assist ratepayers whose bills (in these Regulations, the "notional chargeable amount") would have increased above a certain amount by phasing in these increases gradually over up to three years. In these Regulations the increase for those ratepayers are phased in over the financial years beginning on 1st April 2026, 2027 and 2028 ("the relevant years").

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

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

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

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

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

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

where C is the number of days in the year.

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

Regulation 13 modifies the rules in relation to cases where, after 1st April 2026, there has been a change to the rateable value of the hereditament.

Regulation 14 modifies regulations 7, 10 and 13 in cases where there has been a change to the rateable value of the hereditament on 1st April 2026.

Regulation 15 modifies the rules in relation to cases where the hereditament is partly-occupied in an early relevant year.

Regulation 16 provides for a supplement to be applied to the chargeable amounts calculated for the financial year beginning on 1st April 2026 for those hereditaments which are "defined hereditaments" under regulation 5 but in respect of which transitional relief does not apply.

Regulations 17 to 22 make provision requiring the valuation officer to certify rateable values for the purposes of the application of the rules in these Regulations. Regulation 23 provides for the procedure to be followed in the case of appeals against such certificates.

Regulation 24 revokes regulations 16 to 21 (certificates) of the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 (S.I. 2016/1265), which provide for the issuing of certificates and appeals against certification in relation to the 2017 rating lists. This is subject to a saving provision for regulation 20(7), which requires the valuation officer to retain a certificate and permit inspection, where a certificate is subject to an ongoing appeal.

The Schedule makes provision for cases where a hereditament splits, or is merged with one or more other hereditaments, whether the split or merger occurs on or after 1st April 2026.

An impact assessment has not been produced for this instrument because it modifies an existing local tax regime. Publication of a full impact assessment is not necessary for such legislation.