

SCHEDULE 2

Part II

SPLITS AND MERGERS

Hereditament split or merged: new hereditament

1. In this schedule, a new hereditament is a hereditament which comes into existence by virtue of—

- (a) property previously rated as a single hereditament becoming liable to be rated in parts, or
- (b) property previously rated in parts becoming liable to be rated as a single hereditament, or
- (c) a hereditament or any part of a hereditament becoming part of a different hereditament,

and an “old hereditament” in relation to a new hereditament is any hereditament from which it was formed in whole or in part.

Cases in which this Schedule applies

2. This Schedule applies where—
- (a) on a day (“the creation day”) on or after 1st April 2000 a new hereditament comes into existence;
 - (b) immediately before the creation day an old hereditament in relation to the new hereditament was a defined hereditament, or, in the case where the creation day is 1st April 2000, an old hereditament was shown in the list for 31st March 2000; and
 - (c) a rateable value is shown for the new hereditament in the list for—
 - (i) the creation day;
 - (ii) the relevant day (if different from the creation day), and
 - (iii) each day (if any) falling after the creation day and before the relevant day.

Rules for determining chargeable amount for new hereditament

3.—(1) Subject to paragraph 7, the rules set out in this paragraph shall be used to calculate the chargeable amount for a chargeable day which is a relevant day in the relevant year in which the creation day falls, in place of the provisions of sections 43(4) to (6E), 44 and 45(4) to (6) of the Act, where—

- (a) this Schedule applies,
 - (b) the creation day falls on 1st April 2000, and
 - (c) the new hereditament comprises or incorporates all or part of a single old hereditament.
- (2) Subject to sub-paragraphs (4), (6) and (8) below, the chargeable amount for the chargeable day shall be calculated by applying the formula—

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

- (3) For the purposes of this paragraph—

R is the amount which would have been the chargeable amount for the old hereditament for 1st April 2000 if—

- (a) the old hereditament were shown in the list for 1st April 2000;

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- (b) its rateable value for that day were the value certified by the appropriate valuation officer to be the rateable value which would have been shown in the list for that day on the assumption that the relevant factors were as they were for 31st March 2000; and
- (c) the old hereditament were occupied and sections 43(6) (charities), 43(6B) (rural rate relief), 44A (partly-occupied hereditaments), 47(1) (discretionary relief) and 49(1) (reduction or remission of liability) of the Act and regulations 10(5) (charities), 13(5) (charities in special authority areas) and 18 (partly-occupied hereditaments) did not apply to it for 1st April 2000;

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

S is the value certified by the appropriate valuation officer to be the rateable value which would have been shown in the list for the old hereditament for April 1st 2000 if that hereditament were shown in the list for that date on the assumption mentioned in paragraph (b) in the definition of R.

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

(5) This sub-paragraph applies where on the chargeable day the ratepayer is a charity or trustees for a charity and the hereditament is wholly or mainly used for charitable purposes (whether of that charity or of that and other charities).

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

(7) This sub-paragraph applies where, on the day concerned, section 43(6B) of the Act (general stores etc. in rural settlements) applies as respects the hereditament.

(8) Where sub-paragraph (9) applies the chargeable amount for a chargeable day shall be found by dividing the amount calculated in accordance with sub-paragraph (2) by 2, or, in a case where section 45(6) of the Act (unoccupied hereditaments of charities) applies, by dividing it by 10.

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

4.—(1) Subject to paragraph 7, the rules set out in this paragraph shall be used to calculate the chargeable amount for a chargeable day in the relevant year in which the creation day falls, in place of the provisions of sections 43(4) to (6E), 44 and 45(4) to (6) of the Act, where—

- (a) this Schedule applies,
- (b) the creation day falls on 1st April 2000, and
- (c) the new hereditament comprises or incorporates more than one, or parts of more than one, old hereditament.

(2) Subject to sub-paragraphs (4), (6) and (8) below, the chargeable amount for the chargeable day shall be calculated by applying the formula—

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

(3) For the purposes of this paragraph—

R is the total of the amounts which would have been the chargeable amounts for 1st April 2000 for the old hereditaments comprised or incorporated in the new hereditament if—

- (a) each of the old hereditaments was shown in the list for 1st April 2000;

- (b) the rateable value for each was the value certified by the appropriate valuation officer to be the rateable value which would have been shown in the list for that day on the assumption that the relevant factors were as they were for 31st March 2000; and
- (c) each old hereditament were occupied and sections 43(6) (charities), 43(6B) (rural rate relief), 44A (partly occupied hereditaments), 47(1) (discretionary relief) and 49(1) (reduction or remission of liability) of the Act and regulations 10(5) (charities), 13(5) (charities in special authority areas) and 18 (partly-occupied hereditaments) did not apply to it for 1st April 2000;

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

S is the total of the values certified by the appropriate valuation officer to be the rateable values which would have been shown in the list for 1st April 2000 for the old hereditaments incorporated or comprised in the new hereditament if they were shown in the list for that date on the assumption mentioned in paragraph (b) of the definition of R.

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

(5) This sub-paragraph applies where on the chargeable day the ratepayer is a charity or trustees for a charity and the hereditament is wholly or mainly used for charitable purposes (whether of that charity or of that and other charities).

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

(7) This sub-paragraph applies where, on the day concerned, section 43(6B) of the Act (general stores etc. in rural settlements) applies as respects the hereditament.

(8) Where sub-paragraph (9) applies, the chargeable amount for a chargeable day shall be found by dividing the amount calculated in accordance with sub-paragraph (2) by 2, or, in a case where section 45(6) of the Act (unoccupied hereditaments of charities) applies, by dividing it by 10.

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

5.—(1) Subject to paragraph 7, the rules set out in this paragraph shall be used to calculate the chargeable amount for a chargeable day which is a relevant day in the relevant year in which the creation day falls, in place of the provisions of section 43(4) to (6E), 44 and 45(4) to (6) of the Act, where—

- (a) this Schedule applies,
- (b) the creation day falls on a day after 1st April 2000, and
- (c) the new hereditament comprises or incorporates all or part of a single old hereditament.

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

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

(3) For the purposes of this paragraph—

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

- (a) the old hereditament continued to exist and was shown in the list for that day;
- (b) the rateable value for that day was the same as for the previous day;

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- (c) the old hereditament were occupied and sections 43(6) (charities), 43(6B) (rural rate relief), 44A (partly occupied hereditaments), 47(1) (discretionary relief) and 49(1) (reduction or remission of liability) of the Act and regulations 10(5) (charities), 13(5) (charities in special authority areas) and 18 (partly-occupied hereditaments) did not apply to it for the creation day;

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

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

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

(5) This sub-paragraph applies where on the chargeable day the ratepayer is a charity or trustees for a charity and the hereditament is wholly or mainly used for charitable purposes (whether of that charity or of that and other charities).

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

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

(8) Where sub-paragraph (9) applies, the chargeable amount for a chargeable day shall be found by dividing the amount calculated in accordance with sub-paragraph (2) by 2, or, in a case where section 45(6) of the Act (unoccupied hereditaments of charities) applies, by dividing it by 10.

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

6.—(1) Subject to paragraph 7, the rules set out in this paragraph shall be used to calculate the chargeable amount for a chargeable day which is a relevant day in the relevant year in which the creation day falls, in place of the provisions of section 43(4) to (6E), 44 and 45(4) to (6) of the Act, where—

- (a) this Schedule applies,
- (b) the creation day falls on a day after 1st April 2000, and
- (c) the new hereditament comprises or incorporates more than one, or parts of more than one, old hereditament.

(2) Subject to sub-paragraphs (4), (6) and (8) below, the chargeable amount for the chargeable day shall be calculated by applying the formula—

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

(3) For the purposes of this paragraph—

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

- (a) each of the old hereditaments was shown in the list for that day;
- (b) each rateable value for that day was the same as for the previous day; and
- (c) each old hereditament was occupied and sections 43(6) (charities), 43(6B) (rural rate relief), 44A (partly-occupied hereditaments), 47(1) (discretionary relief) and 49(1) (reduction or remission of liability) of the Act and regulations 10(5) (charities), 13(5) (charities in special authority areas) and 18 (partly-occupied hereditaments) did not apply to it for the creation day;

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

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

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

(5) This sub-paragraph applies where on the chargeable day the ratepayer is a charity or trustees for a charity and the hereditament is wholly or mainly used for charitable purposes (whether of that charity or of that and other charities).

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

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

(8) Where sub-paragraph (9) applies, the chargeable amount for a chargeable day shall be found by dividing the amount calculated in accordance with sub-paragraph (2) by 2, or, in a case where section 45(6) of the Act (unoccupied hereditaments of charities) applies, by dividing it by 10.

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

Changes in the value of new hereditament: year of creation

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

(2) Where this sub-paragraph applies, paragraphs 3 to 6 shall have effect as regards the hereditament for the chargeable day as if the reference in those paragraphs to—

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

were a reference to—

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

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

(4) Where this sub-paragraph applies, paragraphs 3 to 6 shall have effect as if the reference in those paragraphs to—

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

were a reference to—

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

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

B is the non-domestic rating multiplier for the relevant year in which the creation day falls, or, where the hereditament is situated in the area of a special authority, the non-domestic rating multiplier of the special authority;

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C is the number of days in the relevant year in which the creation day falls;
 N is the rateable value shown for the new hereditament for the chargeable day in the list; and
 R, J and S have the meanings given in paragraph 3, 4, 5 or 6, as the case may be.

Notional chargeable amount for new hereditament

8.—(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 for a hereditament shall be found by applying the formula $J \times B$.

(3) For the purposes of this paragraph—

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

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

Base liability for year after year in which creation day falls

9.—(1) This paragraph applies for determining the base liability for a hereditament to which this Schedule applies for any relevant year which falls immediately after the year in which the creation day falls.

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

(3) For the purposes of this paragraph—

T is the amount which is or would have been the chargeable amount for the hereditament for the creation day (calculated in accordance with the preceding provisions of this Schedule) if the hereditament were occupied and sections 43(6) (charities), 43(6B) (rural rate relief), 44A (partly-occupied hereditaments), 47(1) (discretionary relief) and 49(1) (reduction or remission of liability) of the Act and regulations 10(5) (charities), 13(5) (charities in special authority areas) and 18 (partly-occupied hereditaments) 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 years for new hereditament

10.—(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 9(1).

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

(3) For the purposes of this paragraph, BL and AF have the meanings given in regulation 7.

Rateable value: hereditament split or merged after 1st April 2000

11. Where this Schedule applies, regulations 8 (appropriate fraction), 12 (change in rateable value), 13 (special authorities: special cases) and 14 (special authorities: change in rateable value), whether or not modified by regulation 15, shall apply as if for references to 1st April 2000 there were substituted references to the creation day.