STATUTORY INSTRUMENTS

2026 No. 240

RATING AND VALUATION, ENGLAND

The Non-Domestic Rating (Renewable Energy Projects) (Amendment) Regulations 2026

Made - - - -	*4th March 2026*
Laid before Parliament	*9th March 2026*
Coming into force - -	*1st April 2026*

The Secretary of State makes these Regulations in exercise of the powers conferred by section 143(1) of, and paragraph 40 of Schedule 7B to, the Local Government Finance Act 1988(**a**).

Before making these Regulations, the Secretary of State has consulted such persons as he thinks fit in accordance with paragraph 40(8) of Schedule 7B.

These Regulations are made with the consent of the Treasury in accordance with paragraph 40(10) of Schedule 7B.

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Non-Domestic Rating (Renewable Energy Projects) (Amendment) Regulations 2026.

(2) These Regulations come into force on 1st April 2026.

(3) These Regulations extend to England and Wales.

Amendment of the Non-Domestic Rating (Renewable Energy Projects) Regulations 2013

2. The Non-Domestic Rating (Renewable Energy Projects) Regulations 2013(**b**) are amended in accordance with regulations 3 to 9.

Amendment of regulation 2

3. In regulation 2 (interpretation)—

(a) in the definition of "non-domestic rating income", for "regulation 13" substitute "regulation 13(1)";

(b) after the definition of "rateable plant and machinery" insert—

(**a**) 1988 c. 41. Schedule 7B was inserted by section 1 of, and Schedule 1 to, the Local Government Finance Act 2012 (c. 17) and amended by section 9 of the Non-Domestic Rating Act 2023 (c. 53).

(**b**) S.I. 2013/108, amended by S.I. 2017/1132 and 2024/184.

""relevant multiplier ratio" in relation to a hereditament has the meaning given by regulation 13(3);".

Amendment of regulation 13

4. In regulation 13 (non-domestic rating income)—

(a) in the heading, at the end insert "and relevant multiplier ratios";

(b) after paragraph (2) insert—

"(3) The relevant multiplier ratio in respect of a hereditament within a designated class for a day is the amount calculated in accordance with the formula—

$$\frac{F}{E}$$

where—

"E" is the multiplier which applies to that hereditament for a day in accordance with paragraph 10(9) of Schedule 4ZA, or paragraph 3(6) of Schedule 4ZB (as the case may be) to the 1988 Act; and

"F" is—

(a) the small business non-domestic rating multiplier for the year, if E is the—

(i) small business non-domestic rating multiplier; or

(ii) small business RHL multiplier;

(b) the non-domestic rating multiplier for the year, if E is the—

(i) non-domestic rating multiplier;

(ii) standard RHL multiplier; or

(iii) high-value multiplier.

(4) In paragraph (3)—

"high-value multiplier" means the multiplier with that description calculated in accordance with regulations under paragraph A6A(1)(a) of Schedule 7(**a**) to the 1988 Act;

"non-domestic rating multiplier" means the non-domestic rating multiplier for the year calculated in accordance with Chapter 2 of Part A1 of Schedule 7(**b**) to the 1988 Act;

"small business non-domestic rating multiplier" means the small business non-domestic rating multiplier for the year calculated in accordance with Chapter 3 of Part A1 of Schedule 7 to the 1988 Act;

"small business RHL multiplier" means the multiplier with that description calculated in accordance with regulations under paragraph A6A(1)(b) of Schedule 7 to the 1988 Act;

"standard RHL multiplier" means the multiplier with that description calculated in accordance with regulations under paragraph A6A(1)(b) of Schedule 7 to the 1988 Act.".

(**a**) Paragraph A6A was inserted in Schedule 7 by section 1(3) of the Non-Domestic Rating (Multipliers and Private Schools) Act 2025 (c. 12).

(**b**) Part A1 was inserted in Schedule 7 by section 15(2) of the Non-Domestic Rating Act 2023.

Amendment of regulation 14

5. For regulation 14 (calculation of the amount to be disregarded: classes A and F) substitute—

"Calculation of the amount to be disregarded: classes A and F

14. For the purposes of regulation 12, the amount to be disregarded in relation to an authority for a relevant year in respect of a hereditament within class A or F is—

(a) for a relevant year ending on or before 31st March 2026, the total non-domestic rating income in respect of the hereditament for each day of the year;

(b) for a relevant year beginning on or after 1st April 2026, the sum of the amounts calculated for each day of the year by multiplying—

(i) the non-domestic rating income in respect of the hereditament for the day, and

(ii) the relevant multiplier ratio in respect of the hereditament for the day.".

Amendment of regulation 15

6. In regulation 15(1) (calculation of the amount to be disregarded: class B)—

(a) for the formula which appears immediately after the opening words substitute—

$$(E - (F - G)) \times ((H - J) / H) \times K$$

(b) after the definition of "J" insert—

""K" is—

(a) for a relevant year ending on or before 31st March 2026, 1;

(b) for a relevant year beginning on or after 1st April 2026, the relevant multiplier ratio in respect of the hereditament for the day.".

Amendment of regulation 16

7. In regulation 16(1) (calculation of the amount to be disregarded: class C)—

(a) for the formula which appears immediately after the opening words substitute—

$$(E - (K - L)) \times ((H - M) / H) \times N$$

(b) after the definition of "M" insert—

""N" is—

(a) for a relevant year ending on or before 31st March 2026, 1;

(b) for a relevant year beginning on or after 1st April 2026, the relevant multiplier ratio in respect of the hereditament for the day.".

Amendment of regulation 17

8. In regulation 17(1) (calculation of the amount to be disregarded: class D)—

(a) for the formula which appears immediately after the opening words substitute—

$$(E - (N - P)) \times (Q / H) \times R$$

(b) after the definition of "H" insert—

""R" is—

(a) for a relevant year ending on or before 31st March 2026, 1;

(b) for a relevant year beginning on or after 1st April 2026, the relevant multiplier ratio in respect of the hereditament for the day.".

Amendment of regulation 18

9. In regulation 18(1) (calculation of the amount to be disregarded: class E)—

(a) for the formula which appears immediately after the opening words substitute—

$$(E - (N - P)) \times (Q / H) \times R$$

(b) after the definition of "H" insert—

""R" is—

(a) for a relevant year ending on or before 31st March 2026, 1;

(b) for a relevant year beginning on or after 1st April 2026, the relevant multiplier ratio in respect of the hereditament for the day.".

We consent to the making of these Regulations.

Taiwo Owatemi
Christian Wakeford
2nd March 2026 — Two of the Lords Commissioners of His Majesty's Treasury

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

Alison McGovern
Minister of State
4th March 2026 — Ministry of Housing, Communities and Local Government

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make amendments to the Non-Domestic Rating (Renewable Energy Projects) Regulations 2013 (S.I. 2013/108) ("the 2013 Regulations").

The 2013 Regulations designate classes of hereditaments in relation to which a billing authority may disregard an amount of non-domestic rating income for the purpose of certain calculations under Schedule 7B to the Local Government Act 1988 (local retention of non-domestic rates).

Regulation 13 of the 2013 Regulations makes provision for the calculation of the non-domestic rating income in respect of a hereditament within a designated class, and regulations 14 to 18 make provision for the amounts to be disregarded in respect of each designated class.

The Non-Domestic Rating (Multipliers and Private Schools) Act 2025 amended Schedule 7 to the 1998 Act to make provision for the introduction of additional multipliers for financial years beginning on or after 1st April 2026.

These Regulations adjust the way in which the amounts to be disregarded under regulations 14 to 18 of the 2013 Regulations are calculated, by introducing a scaling factor in regulation 13 of those Regulations to remove the impact of the additional multipliers on the total amounts of non-domestic rating income that a billing authority may disregard in respect of hereditaments to which the 2013 Regulations apply.

An impact assessment has not been produced for this instrument because it amends an existing local tax regime.

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