EXPLANATORY MEMORANDUM TO

The Rates (Making and Levying of Different Rates) Regulations (Northern Ireland) 2026

S.R. 2026 No. 7

1. Introduction

1.1. This Explanatory Memorandum has been prepared by the Department of Finance ("the Department") to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.

1.2. The Statutory Rule is made under Article 6(6) of the Rates (Northern Ireland) Order 1977 (S.I. 1977/2157 (N.I. 28) ("the 1977 Order") and is subject to the negative resolution procedure.

2. Purpose

2.1. These Regulations update the optional conversion factors contained within table 1 of the Schedule to the Rates (Making and Levying of Different Rates) Regulations (Northern Ireland) 2023 ("the 2023 Regulations") to make a consequential adjustment for the effects of the 2026 Revaluation exercise for non-domestic property.

2.3 These Regulations do not give effect to any operational change in relation to either the making or levying of rates. They continue to enable different rates to be made and levied on the rateable net annual values of premises and the rateable capital values of premises (preserving the flexibility permitted under previous Regulations).

2.4 The Regulations expressly state the statutory formula for Councils to take into consideration in the context of their rate setting process. Councils are required to notify the Department of the amounts in the pound of the district rates made by the council in accordance with Article 8(4) of the 1977 Order, as read alongside regulation 2 of the Rates Regulations (Northern Ireland) 2007.

3. Background

3.1. This Rule replaces the Rates (Making and Levying of Different Rates) Regulations (Northern Ireland) 2023 as a consequence of the 2026 Revaluation of non-domestic rating that will come into operation on 1 April 2026.

3.2. The Rule does not give effect to any operational change in relation to either the making or levying of rates. They continue to enable different rates to be made and levied on the rateable net annual values of premises and the rateable capital values of premises (preserving the flexibility permitted under previous Regulations).

3.3 The Rule rebases the optional conversion factors cited in the Rates (Making and Levying of Different Rates) Regulations (Northern Ireland) 2023 as a

consequence of the 2026 Revaluation of non-domestic rating that comes into operation on 1 April 2026.

4. Consultation

4.1. No consultation has taken place in relation to this Rule which does not alter existing policy in this area and only acts to adjust the optional conversion factors as a consequential effect of the revaluation process coming into operation in April 2026.

5. Equality Impact

5.1. There are no equality impact implications of this Rule which brings forward no new policy as regards the making and levying of rates.

6. Regulatory Impact

6.1. There are no regulatory impact implications of this Rule which brings forward no new policy as regards the making and levying of rates.

7. Financial Implications

7.1. There are no direct financial impacts as result of this measure.

8. Section 24 of the Northern Ireland Act 1998

8.1. The Department of Finance and Personnel considers the Regulations to be compatible with section 24 of the Northern Ireland Act 1998.

9. EU Implications

9.1. There are no relevant European Regulations or Directives.

10. Parity or Replicatory Measure

10.1. Not applicable.

11. Additional Information

11.1. Not applicable.