EXPLANATORY MEMORANDUM TO

The Rates (Regional Rates) Order (Northern Ireland) 2025

S.R. 2025 No. 27

1. Introduction

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

1.2. The Statutory Rule is made under Article 7(1) and (3) of the Rates (Northern Ireland) Order 1977 (S.I. 1977/2157 (N.I. 28)) and is subject to the affirmative resolution procedure.

2. Purpose

2.1. The Order fixes the amounts of the regional domestic and regional non-domestic rates that are to be used in the assessment of rates and the billing of ratepayers in Northern Ireland for the year ending 31st March 2026.

2.2. The Rates (Making and Levying of Different Rates) Regulations (Northern Ireland) 2023 (S.R. 2023 No. 1) authorise different regional rates to be made and levied on the rateable net annual values of hereditaments (non-domestic) and the rateable capital values of hereditaments (domestic).

2.3. Article 1 contains the citation and commencement provisions.

2.4. Article 2 provides that the Order applies to the financial year ending 31st March 2026.

2.5. Article 3 sets out the non-domestic (paragraph (1)) and domestic (paragraph (2)) regional rates for 2025/26.

3. Background

3.1. The annual regional rates are a key element in the annual financial cycle. The regional rates set for the 2025/26 rating year will contribute funding towards services provided by Northern Ireland Departments.

4. Consultation

4.1. This annual Statutory Rule is required to facilitate the billing of domestic and non-domestic regional rates.

4.2. No consultation has been undertaken by the Department in relation to this Order which constitutes an outworking of the taxation system.

5. Equality Impact

5.1. There are no equality impact implications associated with this Rule which applies at taxbase level. The Order applies the regional rate to all domestic and non-domestic property in Northern Ireland through the billing and collection of rates.

6. Regulatory Impact

6.1. No Regulatory Impact Assessment was prepared. The Order applies the regional rate to all domestic and non-domestic property in Northern Ireland through the billing and collection of rates.

7. Financial Implications

7.1. For the purposes of funding public expenditure for 2025/26, the regional domestic rate for 2025/26 is set at 0.5294 pence in the pound and the non-domestic regional rate for 2025/26 is set at 29.89 pence in the pound.

8. Section 24 of the Northern Ireland Act 1998

8.1. It is the view of the Department that this Order is compatible with section 24 of the Northern Ireland Act 1998.

9. EU Implications

9.1. Not applicable.

10. Parity or Replicatory Measure

10.1. There is no corresponding Great Britain legislation.

11. Additional Information

11.1. Not applicable.