EXPLANATORY MEMORANDUM TO

Rates (Small Business Hereditament Relief) (Amendment) Regulations (Northern Ireland) 2025

S.R. 2025 No. 21

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 31C 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 amend the Rates (Small Business Hereditament Relief) Regulations (Northern Ireland) 2010 ("the 2010 Regulations”) so as to provide rate relief in respect of eligible small business hereditaments to 31st March 2026.

2.2. Regulation 1 contains the citation and commencement provisions.

2.3. Regulation 2 amends the definition of "qualifying year" in the 2010 Regulations. This will now be defined as a financial year ending before the 1st April 2026.

3. Background

3.1. Provision was made in the Rates (Amendment) Act (Northern Ireland) 2009 enabling a small business rate relief scheme to be introduced on 1st April 2010.

3.2. This Statutory Rule extends the scheme for the 2025/26 rating year.

4. Consultation

4.2. This Statutory Rule serves to extend the current scheme for the 2025/26 rating year.

5. Equality Impact

5.1. This Statutory Rule retains the existing policy within the rating system and creates no new equality implications.

6. Regulatory Impact

6.1. Due to the automated nature of the scheme the amendment made by this Statutory Rule will add no additional cost to businesses in receipt of the relief.

7. Financial Implications

7.1. It is estimated that in 2025/26 just over £21.5M in rate revenue will be foregone as a result of the small business rate relief scheme.

8. Section 24 of the Northern Ireland Act 1998

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

9. Parity or Replicatory Measure

9.1. Rates are a devolved policy and separate rate relief schemes exist in England, Scotland and Wales.

9.2. The Northern Ireland scheme broadly followed the structure of the original Welsh scheme as introduced back in April 2007, with one level of relief for most categories of non-domestic properties and enhanced relief for post offices.

10. Additional Information

10.1. Not applicable.