

Written Ministerial Statement

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Department of Finance

REGIONAL RATE 2026/27

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Mr O'Dowd (The Minister of Finance): I wish to update the Members on the Executive's agreement on the Regional Rate for 2026/27.

I am informing the Assembly of this by written statement to provide Members with the earliest possible notification of the position agreed.

Following today's Executive agreement my Department will now proceed to make and lay the associated Statutory Rule to set the poundage and facilitate Finance Committee consideration ahead of an Assembly Debate in March.

Issuing of rate bills

As you will also be aware, each year a decision on the annual Regional Rate level needs to be made to ensure rate bills, which fund central and local government services, continue to be issued on time in April.

This year rates have raised over £1.6 billion providing funding, including for health, education, council services and supporting the local economy.

Regional Rate level

The respective uplifts agreed by the Executive aim to strike a balance between generating additional income and taking account of the pressures on households and businesses at this time. The Executive has taken the same approach as 2025/26 in respect of their decision with an increase of 5.0% for domestic properties and an increase of 3.0% for non-domestic properties.

In recognition of the cost of living pressures felt by households, the domestic uplift has remained at the same level as last year.

The lower uplift for non-domestic ratepayers reflects the ongoing cost pressures for businesses in recent years.

Impact on rate bills

The uplift to the regional rate portion of the bill in line with inflation would mean a domestic property with an average capital value of £123,000 would pay 63p a week more on the regional rate element of their bill.

Support for ratepayers

Existing rate support that is already in place will still be there to help households and businesses in the year ahead.

Non-domestic ratepayers will continue to get support worth over a quarter of a billion pounds per annum. In addition, I have proposals in the multi-year budget currently out for consultation which, if agreed by the Executive, will provide increased enhancements to the Small Business Rate Relief scheme.

Means-tested rate supports are in place for low income households as well as other non-means tested supports within the domestic rates system including lone pensioner allowance and disabled persons' allowance. Those supports will also remain in place.

Financial situation

The revenue from regional rate income is forecasted to generate just over £900m for the 2026-27 year.

As Executive Ministers and as legislators in the Assembly, we will collectively have to make many challenging decisions. But working together, and in partnership, I believe we will be better placed to support workers, families, businesses and communities.