

Draft Regulations laid before the Assembly under section 27(9) of the Local Government Finance Act (Northern Ireland) 2011 for approval

DRAFT STATUTORY RULES OF NORTHERN IRELAND

2011 No.

LOCAL GOVERNMENT

The Local Government (Rates Support Grant) Regulations (Northern Ireland) 2011

Made - - - -

Coming into operation

1st November 2011

The Department of the Environment makes the following Regulations in exercise of the powers conferred by section 27 of the Local Government Finance Act (Northern Ireland) 2011⁽¹⁾.

In accordance with section 44(1) of that Act, the Department has consulted councils, such associations representative of councils, such associations representative of officers of councils and such other persons or bodies as appear to the Department to be appropriate.

Citation and commencement

1. These Regulations may be cited as the Local Government (Rates Support Grant) Regulations (Northern Ireland) 2011 and shall come into operation on 1st November 2011.

Interpretation

2.—(1) In these Regulations—

“employment deprivation scores” means the Employment Deprivation Domain scores contained in the Northern Ireland Multiple Deprivation Measure 2010, published by the Department of Finance and Personnel⁽²⁾;

“expenditure” means net expenditure (excluding depreciation and bank interest) averaged over the latest three financial years, provided by councils;

“gross penny rate product” means the income that may be raised from one penny of district rates on rateable and derated properties, as determined by the Department on the basis of data provided by the Department of Finance and Personnel;

(1) [2011 c.10 \(NI\)](#)

(2) Published in May 2010 by the Northern Ireland Statistics and Research Agency, which is an executive agency of the Department of Finance and Personnel ISBN 978 1 905989 18 0

“income deprivation scores” means the Income Deprivation Domain scores contained in the Northern Ireland Multiple Deprivation Measure 2010, published by the Department of Finance and Personnel;

“population” means the population determined by the Department of Finance and Personnel on the basis of mid-year home population estimates for local government districts, and provided by the Department of Finance and Personnel to the Department;

“population density” means the mid-year home population estimates per kilometre squared, provided by the Department of Finance and Personnel;

“private household data” means the number of households within each local government district provided by either the Department of Finance and Personnel or the Northern Ireland Housing Executive;

“tourist bed-nights” means the number of tourists staying in Northern Ireland overnight but excluding Northern Ireland residents, provided by the Northern Ireland Tourist Board; and

“travel to work data” means employment statistics, based on census of employment and labour force surveys, provided by the Department of Enterprise, Trade and Investment.

(2) With the exception of the definitions set out in paragraph (1), expressions used in these Regulations shall have the same meaning as in the Best Value Accounting Code of Practice: 2010/2011⁽³⁾ published by the Chartered Institute of Public Finance and Accountancy.

Rates support grant

3. For the financial year beginning on 1st April 2012 and each successive year the Department shall determine the amount of rates support grant payable to a council in accordance with the formula described in Schedule 1.

4. The Department shall use data, in the formula and measures applied to population to calculate the additional needs of a council, based on the latest information available to the Department regarding the financial year ending on 31st March 2011 and on 31st March in each successive year.

Amendments to the Rates Regulations (Northern Ireland) 2007

5.—(1) The Rates Regulations (Northern Ireland) 2007⁽⁴⁾ shall be amended in accordance with paragraphs (2) to (4).

(2) In regulation 3(1) (payments to district councils on account of district rates) for “section 53(2) (e) of the Local Government Act (Northern Ireland) 1972” substitute “under section 3(2)(e) of the Local Government Finance Act (Northern Ireland) 2011”.

(3) In regulation 6(1) (the resources element of the General Grant) for “under the Local Government (General Grant) Regulations (Northern Ireland) 2003 the amount of the resources element of the General Grant” substitute “under the Local Government (Rates Support Grant) Regulations (Northern Ireland) 2011 the amount of the rates support grant”.

(4) In regulation 6(2)(a) for “the derating element of the General Grant” substitute “the de-rating grant”.

Revocations, transitional and saving provisions

6.—(1) Subject to paragraphs (2) to (4), the Regulations specified in Schedule 2 are revoked.

(2) For the purposes of calculating the amount of rates support grant for the financial year beginning on 1st April 2012, anything done under provision of the Local Government (General

(3) Published in 2009, ISBN 978 1 84508 211 6

(4) S.R. 2007 No. 61

Grant) Regulations (Northern Ireland) 2003⁽⁵⁾ before the coming into operation of these Regulations has effect as if done under the corresponding provision of these Regulations.

(3) The Regulations set out in Schedule 2 shall continue to apply in respect of the resources element of the general grant for the financial year ending on 31st March 2012.

(4) Subject to any specific transitional provision, anything done under, or for the purposes of the Local Government (General Grant) Regulations (Northern Ireland) 2003 before the coming into operation of these Regulations shall continue to have effect as if done under or for the purposes of the corresponding provision of these Regulations.

Sealed with the Official Seal of the Department of the Environment on *** 2011

Elizabeth Loughran
A senior officer of the Department of the
Environment

(5) S.R. 2003 No. 58 as amended by S.R. 2005 No. 101, S.R. 2006 No. 39 and S.R. 2007 No. 126

SCHEDULE 1

regulation 3

PART I

Rates support grant formula

1. For the purposes of this Schedule—
 - (a) a council’s wealth means its share of the Northern Ireland gross penny product, as calculated in accordance with this Schedule;
 - (b) a council’s needs means its share of the Northern Ireland adjusted population (including the additional needs of a council) as calculated in accordance with this Schedule.
2. The formula to determine a council’s entitlement to rates support grant shall be—

Wealth	Needs
$\left\{ \frac{\text{Council gross penny rate product}}{\text{Northern Ireland gross penny rate product}} \times 100 \right\}$	$\left\{ \frac{\text{Council home population adjusted}}{\text{Northern Ireland home population adjusted}} \times 100 \right\}$
$- \text{ Surplus or negative variance}$	

3. To calculate the proportion of rates support grant payable to a council, the total of negative variances shall be calculated and each council’s negative variance (if any) expressed as a percentage of the total.

$$\frac{\text{Council's negative variance}}{\text{Total of councils' negative variances}} \times 100 = \text{Percentage allocation of total grant}$$

PART II

Measures applied to adjust for additional needs

4. Measures applied to adjust for additional needs are—
 - (a) deprivation;
 - (b) an influx of additional population; and
 - (c) sparsity.
5. Measures, weighted in accordance with paragraph 7, to the extent specified in paragraph 6(1), which shall be applied to population data, to adjust for—
 - (a) deprivation, are—
 - (i) income deprivation scores; and
 - (ii) employment deprivation scores;
 - (b) an influx of additional population, are—
 - (i) tourist bed-nights; and
 - (ii) travel to work data;
 - (c) sparsity, are—
 - (i) population density; and
 - (ii) private household data.

Extent of adjustment

6.—(1) For the purposes of paragraph 4, the extent of adjustment made to the population of a local government district shall be in the same proportion as the total Northern Ireland expenditure on each key service relative to specified needs is to the total Northern Ireland expenditure.

(2) The key services to which sub-paragraph (1) relates are—

- (a) community services;
- (b) economic development;
- (c) waste collection;
- (d) other cleaning; and
- (e) tourism.

Population Adjustment Methodology

7. The Department shall adjust population to address—

(a) deprivation in a local government district, by taking the following steps—

- (i) application of the employment scores with a 50 percent weighting and income scores with a 50 percent weighting, making an adjustment of the proportion that community services expenditure is to total expenditure;
- (ii) application of the employment scores with a 100 percent weighting, making an adjustment for each of the proportion that economic development expenditure is to total expenditure;
- (iii) application of the income scores with a 50 percent weighting, making an adjustment of the proportion that tourism expenditure is to total expenditure;

(b) an influx of additional population into a local government district, by taking the following steps—

- (i) application of tourist bed-nights factors with a 50 percent weighting, making an adjustment of the proportion that tourism expenditure is to total expenditure;
- (ii) application of tourist bed-nights factors with a 50 percent weighting and travel to work factors with a 50 percent weighting, making an adjustment of the proportion that other cleaning expenditure is to total expenditure; and

(c) sparsity in a local government district, by taking the following step—

application of mid-year population density data with a 25 percent weighting and private household data with a 75 percent weighting, making an adjustment of the proportion that waste collection expenditure is to total expenditure.

8. The total adjustment which the Department shall make to the home population of a local government district shall be the sum of the results, which may be positive or negative, of the adjustments made in accordance with paragraphs 7(a), 7(b) and 7(c).

SCHEDULE 2

regulation 6

REGULATIONS REVOKED

The Local Government (General Grant) Regulations (Northern Ireland) 2003(6)

The Local Government (General Grant) (Amendment) Regulations (Northern Ireland) 2005⁽⁷⁾
The Local Government (General Grant) (Amendment) Regulations (Northern Ireland) 2006⁽⁸⁾
The Local Government (General Grant) (Amendment) Regulations (Northern Ireland) 2007⁽⁹⁾

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision for the formula for determining the rates support grant payable by the Department of the Environment to district councils under section 27 of the Local Government Finance Act (Northern Ireland) 2011 (c 10).

These Regulations enable the Department of the Environment (“the Department”) to determine the amount of rates support grant payable to councils.

Regulation 3 provides that the Department shall calculate the amount of the rates support grant in accordance with the statutory formula described in Schedule 1 to the Regulations.

Regulation 4 requires the Department to use data in the formula based on the latest information available to it regarding the previous financial year.

Regulation 5 makes consequential amendments to the Rates Regulations (Northern Ireland) 2007.

Regulation 6 revokes the Local Government (General Grant) Regulations (Northern Ireland) 2003, with a transitional provision for the calculation of the rates support grant for the financial year beginning on 1st April 2012 and a saving provision with regard to the resources element of the general grant for the financial year ending on 31st March 2012.

Copies of the Northern Ireland Multiple Deprivation Measure 2010 referred to in these Regulations may be obtained from the Northern Ireland Statistics and Research Agency, McAuley House, 2-14 Castle Street, Belfast, BT1 1SA (www.ninis.nisra.gov.uk).

Copies of the Best Value Accounting Code of Practice: 2010/11 referred to in these Regulations may be obtained from the Chartered Institute of Public Finance and Accountancy, 3 Robert Street, London, WC2N 6RL (www.cipfa.org.uk).

(7) S.R. 2005 No. 101
(8) S.R. 2006 No. 39
(9) S.R. 2007 No. 126