

EXPLANATORY MEMORANDUM TO

The Rates (Amendment) Regulations (Northern Ireland) 2010

S.R. 2010 No. 18

1. Introduction

- 1.1. This Explanatory Memorandum has been prepared by the Department of Finance and Personnel ("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 Articles 34 and 35 of the Rates (Northern Ireland) Order 1977 (as amended) and is subject to the negative resolution procedure.

2. Purpose

- 2.1. The Rates (Amendment) Regulations (Northern Ireland) 2009 ("the 2009 Regulations") amended Schedules 1 and 2 to the Rates Regulations (Northern Ireland) 2007 ("the 2007 Regulations") to reduce the impact in the financial years 2008/9 and 2009/10 of the landlord allowance on councils in so far as Northern Ireland Housing Executive property was concerned.
- 2.2. Regulations 3 and 4 of these Regulations substitute a new paragraph 5(3) in both Schedules 1 and 2 to the 2007 Regulations so as to extend to the 2010/11 financial year the provision that the loss on collection of rates will be calculated as if any allowance under Article 21 of the Rates (Northern Ireland) Order 1977 in respect of any hereditament owned by the Northern Ireland Housing Executive was 10 per cent. instead of 15 per cent.

3. Background

- 3.1. The 2007 Regulations provide, among other things, for the determination of the product of a capital value rate and a NAV rate of one penny in the pound for the purpose of ascertaining the product of a district rate to be paid to a district council by the Department of Finance and Personnel.
- 3.2. The 2009 Regulations amended the 2007 Regulations to reduce the impact in 2008/9 and 2009/10 of the landlord allowance on councils in so far as Northern Ireland Housing Executive property was concerned pending a review of the allowance prior to the introduction of the rating of empty homes. As the introduction of the rating of empty homes has been postponed from April 2010 to April 2011, it has been decided that the 2009 amendments should be extended to the 2010/11 financial year.

4. Consultation

- 4.1. No consultation was deemed necessary in respect of the amendment. The amendment is deemed technical in nature, to preserve a key element of the council support package announced in January 2009. The Regulations are being made pending wider changes to be made under Article 21 of the Rates (Northern Ireland) Order 1977 (as amended). Those wider changes

were delayed in light of the decision to postpone the rating of empty homes until April 2011.

5. Equality Impact

5.1. Analysis of the impact on different section 75 groups in respect of the 2009 Regulations suggested that there was no significant impact between the groups. This measure has no direct adverse impact on ratepayers, or groups of ratepayers, and merely involves an adjustment to the basis of calculating losses on collection, thus providing more income to councils than hitherto. No separate assessment was deemed necessary in respect of this extension.

6. Regulatory Impact

6.1. This Statutory Rule does not require a Regulatory Impact Assessment as it does not impose any additional costs or savings on business, charities or voluntary bodies.

7. Financial Implications

7.1. The original amendment of the 2007 Regulations, in relation to the impact of the Article 21 allowance, was costed at £800,000 in the 2008/9 financial year and £800,000 in the 2009/10 financial year. The further amendment contained within this Statutory Rule will cost a further £800,000 in respect of the 2010/11 financial year.

8. Section 24 of the Northern Ireland Act 1998

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

9. EU Implications

9.1. There are no EU implications associated with this Statutory Rule.

10. Parity or Replicatory Measure

10.1. There is no corresponding Statutory Instrument in GB.

11. Additional Information

11.1. Not applicable.