EXPLANATORY MEMORANDUM TO

The Rate Relief (Amendment) Regulations (Northern Ireland) 2025

S.R. 2025 No. 91

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 30A 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 both the Rate Relief (Amendment) Regulations (Northern Ireland) 2023 and the Rate Relief Regulations (Northern Ireland) 2017 ("the 2017 Regulations").

2.2. Regulation 2 amends the Rate Relief (Amendment) Regulations (Northern Ireland) 2023 to remove a duplicate amendment to a reference to the "Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Claims and Payments) Regulations (Northern Ireland) 2016".

2.3. Regulation 3 amends the 2017 Regulations. Regulation 3(2), (3)(a) and (3)(b) insert new references to the relevant universal credit legislation to ensure that relevant transitional protection elements and migration rules continue to be treated in the same way for rate rebate assessment following changes to universal credit legislation.

2.4. In calculating entitlement to rate rebate, the scheme only takes the amount of universal credit award into account after any deduction for the benefit cap has been made. Claimants of pension age are not affected by the cap therefore Regulations 3(3)(c) inserts a new reference to the 2017 Regulations to reflect this following the abolition of tax credits.

2.5. Regulation 3(3)(d) of the 2017 Regulations has been amended to reference the exclusion of notional income for unclaimed retirement pension. This is to ensure it is not taken into account for rate rebate purposes.

2.6. Regulation 3(4), amends the 2017 Regulations in relation to the phasing out of low income rate relief in line with amended provisions for migration to universal credit and the phasing out of housing benefit. This is to ensure legislation complies with the current established policy. The provision ensures that low income rate relief remains for those of pension age, with the exception of those entitled to universal credit; ensuring compatibility with the rules around universal credit and the rate rebate scheme. The provision also ensures that low income rate relief continues for specified accommodation and temporary accommodation which are not currently covered by universal credit.

3. Background

3.1. The development of a new scheme to administer rate rebate here was required to ensure that help with rates continued to be provided for claimants no longer entitled to claim housing benefit as a consequence of the phasing out of housing benefit. That process came in conjunction with the introduction of universal credit here.

3.2. The 2017 Regulations came into operation on 27 September 2017 in line with the phased introduction of universal credit here. The Regulations provide that the new rate relief scheme is only available to claimants in receipt of universal credit and rely on universal credit information to enable rate relief entitlement to be calculated.

4. Consultation

4.1. The then Department of Finance and Personnel (DFP) undertook two public consultations during 2013 to consider modifications to the rate rebate rules that operate under housing benefit so that universal credit claimants could continue to get help with their domestic rates following the introduction of universal credit and the consequential phasing out of housing benefit. Following the delay in the introduction of universal credit here a third consultation, which was informed by the two earlier consultations, was undertaken in November 2014 to seek views on proposed options for a long term rate relief scheme.

4.2. Following careful consideration of the responses to the consultation the policy position for the long term rate relief scheme was finalised. Executive agreement for consequential adjustments to rate support arrangements for low income households of working age was obtained on 25 February 2016. This agreement allowed the Department to bring forward the necessary legislation to introduce the new rate rebate replacement scheme at the same time as the introduction of universal credit .

4.3. The Rate Relief Regulations (Northern Ireland) 2017 came into operation on 27 September 2017 in line with the phased introduction of universal credit.

4.4. These regulations make no policy changes in relation to how the scheme was intended to operate and therefore no further consultation was deemed necessary.

5. Equality Impact

5.1. A full equality impact assessment was taken forward and published as part of the final consultation process when the rate rebate scheme was first introduced. No further equality impact assessment was deemed necessary in relation to these Regulations which continue existing policy.

6. Regulatory Impact

6.1. There is no impact on business, charities or voluntary bodies as a result of these Regulations which continue existing policy.

7. Financial Implications

7.1. These Regulations do not make any changes to the policy in relation to the rate rebate scheme. No new additional financial implications are associated with this Rule which permits the scheme to operate as intended.

8. Section 24 of the Northern Ireland Act 1998

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

9. EU Implications

9.1. Not applicable.

10. Parity or Replicatory Measure

10.1. Not applicable; this scheme is unique to Northern Ireland.

11. Additional Information

11.1. Not applicable.