EXPLANATORY MEMORANDUM TO

The Rates (Automatic Telling Machines) (Designation of Rural Areas) Order (Northern Ireland) 2020

S.R. 2020 No. 160

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 42(1G) of the Rates (Northern Ireland) Order 1977 ("the 1977 Order") and is subject to the negative resolution procedure.

2. Purpose

2.1. The Statutory Rule is to designate rural areas by ward for the purposes of the reinstated Rural ATM exemption.

2.2. Article 1 contains the citation and commencement provisions.

2.3. Article 2 designates the new rural wards for the purpose of providing a rates exemption for automatic telling machines in those areas.

2.4. Article 3 revokes the Rates (Automatic Telling Machines) (Designation of Rural Areas) Order (Northern Ireland) 2016.

3. Background

3.1. In 2007 the Department introduced a package of rural relief measures aimed at businesses in rural areas.

3.2. Among the rural relief measures introduced was a full exemption from rates for separate ATM sites located in rural areas. This measure was introduced through Article 25 of the Rates (Amendment) (Northern Ireland) Order 2006 which inserted a new Article 42(1F) and (1G) into the Rates (Northern Ireland) Order 1977.

3.3. This Statutory Rule restates the list of designated rural wards for the purposes of the Rural ATM scheme. The wards are a result of work previously carried out by the Northern Ireland Statistics and Research Agency, an agency within the Department and now fully reflect the changes implemented as part of that process through Article 2(3) of the Local Government (Boundaries) Order (Northern Ireland) 2012.

4. Consultation

4.1. The exemption was initially introduced in 2007 following a wider 2005 consultation into rate reliefs for business. On the basis of 2 policy evaluations and previous discussions with the Finance Committee on the scheme previous Ministers decided to extend the scheme for another year until April 2017. In the absence of a functioning Assembly the exemption for rural ATMs lapsed at that point. This Rule provides for the full list of wards designated as rural for the purposes of the reinstated scheme. That reinstatement was agreed to within the Executive's Budget for 2020/21.

4.2. This Statutory Rule in and of itself is merely a technical Rule that updates the designation of rural wards.

5. Equality Impact

5.1. The impact of the policy on section 75 groups have previously been examined as part of the decision to implement the scheme. No significant differential impacts were identified.

6. Regulatory Impact

6.1. An assessment conducted in advance of the scheme found that, as the exemption is automatically awarded to eligible ATMs, there would be no additional administrative cost to business. It also indicated that the ATM exemption scheme would have a positive effect on small rural businesses. That work also concluded that the scheme was unlikely to have any major impact on competition, as it would not create a competitive advantage for any specific provider. The Department considers that these findings remain valid in light of how the scheme has operated up to now.

7. Financial Implications

7.1. There are no financial implications arising from this specific Rule which merely updates the designation of rural wards within the scheme as a result of the process of local government reorganisation in Northern Ireland.

8. Section 24 of the Northern Ireland Act 1998

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

9. EU Implications

9.1. The scheme does not give rise to any issues of competition between Member States and therefore is not considered to be State Aid. If deemed to be so, however, the de-minimis provisions would apply. There are no other relevant European Regulations or Directives.

10. Parity or Replicatory Measure

10.1. There are no directly equivalent Statutory Instruments in GB.

11. Additional Information

11.1. Not applicable.