EXPLANATORY MEMORANDUM TO

The Rates (Localised Flooding No.2) (Emergency Relief) Regulations (Northern Ireland) 2023

S.R. 2023 No. 199

1. Introduction

1.1. This Explanatory Memorandum has been prepared by the Department of Finance to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.

1.2. The Statutory Rule is made under Article 31C of the Rates (Northern Ireland) Order 1977 of the Rates (Northern Ireland) Order 1977 (S.I. 1977/2157(N.I. 28)) and is subject to the negative resolution procedure.

2. Purpose

2.1. These Regulations provide for emergency rate relief in respect of specified hereditaments for the financial year ending before 1st April 2024. The relief is being provided in order to support businesses as a result of severe localised flooding that occurred in Northern Ireland between 29th October 2023 and 18th November 2023.

2.2. This set of Regulations provides support during the 2023/24 rating year for businesses forced to relocate as a result of the localised flooding.

2.3. Regulation 3 removes any rates liability that arises for specified hereditaments between 29th October 2023 and 1st April 2024.

2.4. Regulation 4 allows for the removal of liability under regulation 3 to apply to the NAV element of a mixed hereditament that appears on the non-domestic valuation list.

2.5. Regulation 5 provides that where rates are payable by the owner rather than the occupier of a business hereditament, the reduction of rates is conditional on the owner applying the amount of the reduction for the benefit of the occupier.

2.6. Regulation 6 makes provision to ensure that the relief provided under these Regulations is applied after the rate relief provided under the Rates (Small Business Hereditament Relief) Regulations (Northern Ireland) 2010 (S.R. 2010 No. 4) as amended.

2.7. Regulation 7 makes provision that an amount of rate relief, determined in accordance with these Regulations, and subsequently found to have been paid in excess of entitlement shall be recoverable by the Department as rates due and payable.

3. Background

3.1. These are emergency Regulations made to provide relief to support non-domestic ratepayers dealing with the severe localised flooding that occurred in Northern Ireland between 29th October 2023 and 18th November 2023.

3.2. This set of Regulations provides support during the 2023/24 rating year for businesses forced to relocate as a result of the localised flooding.

4. Consultation

4.1. These measures are emergency measures to provide immediate support to those businesses temporarily relocating to a new property as a sole occupier.

4.2. The scheme is put in place, within that context, by a senior officer of a department, and taken in reliance on the Northern Ireland (Executive Formation etc) Act 2022 and having regard to the associated Guidance published by the Secretary of State for Northern Ireland on 16 December 2022.

5. Equality Impact

5.1. These Regulations will be applied as core feature of the taxation system in response to the need for sectoral rate relief arising from localised flooding.

6. Regulatory Impact

6.1. These Regulations will be applied as core feature of the taxation system, and the regulatory impact is negligible due to the automatic nature of the award mechanism.

7. Financial Implications

7.1. The new targeted scheme will come into operation as part of the Department of Finance's role in the emergency support measures arising from localised flooding which occurred between 29th October and 18th November 2023.

8. Section 24 of the Northern Ireland Act 1998

8.1. As the Regulations are technical and unrelated to Community law, there are no section 24 implications.

9. EU Implications

9.1. These Regulations serve to build in a temporary time-limited reduction in the scope of the taxation system to mitigate the impact of severe localised flooding between 29th October and 18th November 2023, and will be processed by the Department in line with the Subsidy Control Act 2022.

10. Parity or Replicatory Measure

10.1. A range of measures has been put in place in GB and the Republic of Ireland to address localised flooding.

10.2. This Statutory Rule will bring the Northern Ireland rating system's taxation treatment more closely into line with the policy position across GB.

11. Additional Information

11.1. Not applicable.