EXPLANATORY MEMORANDUM TO

The Rates (Making and Levying of Different Rates) Regulations (Northern Ireland) 2021

S.R. 2021 No. 30

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 6(6) of the Rates (Northern Ireland) Order ("the 1977 Order") and is subject to the negative resolution procedure.

2. Purpose

2.1. These Regulations are made in consequence of the Covid-19 pandemic and serve to provide district councils will increased flexibility in the setting of domestic and non-domestic district rates for the 2021/22 rating year by removing mandatory conversion factors from the rate striking process for setting district rates.

2.2. The Regulations enable different rates to be made and levied on the rateable net annual values of premises and the rateable capital values of premises and revoke the Rates (Making and Levying of Different Rates) Regulations (Northern Ireland) 2020 with savings.

3. Background

3.1. As a result of the ongoing Covid-19 pandemic district councils in Northern Ireland are utilising additional time to consider the implications of the pandemic on their individual tax-bases with district councils having until 1 March to make their rate setting decisions for 2021/22, rather than the usual statutory deadline of 15 February.

3.2. These Regulations serve to supplement that additional time by removing mandatory statutory conversion factors, allowing Councils the option of making independent decisions on their domestic and non-domestic rate setting, thus affording them an additional option to protect businesses who may have been adversely affected by the Covid-19 by keeping their non-domestic rates as low as possible. This increased flexibility compliments the strategic approach taken by the Executive over the last year to keep business rates as low as possible in relation to the regional rates element of the rate poundage.

4. Consultation

4.1. These are emergency Regulations made in tandem with the Northern Ireland Executive’s wider response to COVID-19.

4.2. The removal of mandatory conversion factors was also a proposal which found favour during the consultation on the Business Rates Review during 2019 as a means of introducing greater capacity for councils to keep business rates as low as possible.

5. Equality Impact

5.1. These are emergency Regulations made in tandem with the Northern Ireland Executive's wider response to COVID-19 and have general application.

6. Regulatory Impact

6.1. These Regulations are implemented in order to facilitate district council rate setting during the COVID-19 pandemic.

7. Financial Implications

7.1. There are no financial implications for the Department in respect of the Rule.

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. None associated with this Statutory Rule.

10. Parity or Replicatory Measure

10.1. Not applicable.

11. Additional Information

11.1. Not applicable.