EXPLANATORY MEMORANDUM TO

The Rates (Making and Levying of Different Rates) Regulations (Northern Ireland) 2023

SR 2023 No. 1

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 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 update the optional conversion factors contained within table 1 of the Schedule to the Rates (Making and Levying of Different Rates) Regulations (Northern Ireland) 2022 ("the 2022 Regulations") to make a consequential adjustment for the effects of the 2023 Revaluation exercise for non-domestic property.

2.3 These Regulations do not give effect to any operational change in relation to either the making or levying of rates. They continue to enable different rates to be made and levied on the rateable net annual values of premises and the rateable capital values of premises (preserving the flexibility permitted under the 2022 Regulations).

2.4 The Regulations expressly state the statutory formula for Councils to take into consideration in the context of their rate setting process. Councils are required to notify the Department of the amounts in the pound of the district rates made by the council in accordance with Article 8(4) of the 1977 Order, as read alongside regulation 2 of the Rates Regulations (Northern Ireland) 2007.

3. Background

3.1. In January 2021 the Department of Finance and NILGA took forward a package of targeted emergency measures aimed at addressing the ongoing effects of the pandemic on the rating system here, and to mitigate potential rate increases for local businesses.

3.2 Legislative change was implemented at the start of 2021, in response to representations from NILGA to permit increased flexibility in setting domestic and non-domestic rates by the removal of mandatory conversion factors used for rate setting purposes. The optional conversion factors were subsequently cited in the Rates (Making and Levying of Different Rates) Regulations (Northern Ireland) 2022, and these Regulations now serve to rebase the optional factors as a consequence of the 2023 Revaluation of non-domestic rating that comes into operation on 1 April 2023.

4. Consultation

4.1. No consultation has taken place in relation to this Rule which does not alter existing operational policy in this area and acts to adjust the optional conversion factors as a consequential effect of the revaluation process coming into operation in April 2023.

5. Equality Impact

5.1. There are no equality impact implications of this Rule which brings forward no new operational policy as regards the making and levying of rates.

6. Regulatory Impact

6.1. There are no regulatory impact implications of this Rule which bring forward no new operational policy as regards the making and levying of rates.

7. Financial Implications

7.1. There are no direct financial impacts as result of this measure.

8. Section 24 of the Northern Ireland Act 1998

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

9. Parity or Replicatory Measure

9.1. Not applicable.

10. Additional Information

10.1. Not applicable.