EXPLANATORY MEMORANDUM TO

The Rates (Payment of Interest) (Amendment) Regulations (Northern Ireland) 2010

S.R. 2010 No. 38

1. Introduction

1.1. This Explanatory Memorandum has been prepared by the Department of Finance and Personnel ("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 15A of the Rates (Northern Ireland) Order 1977 ("the 1977 Order") and is subject to the negative resolution procedure.

2. Purpose

2.1. This Statutory Rule amends the Rates (Payment of Interest) Regulations (Northern Ireland) 2007 ("the 2007 Regulations") to provide that -

(a) interest shall be payable where the Department refunds an overpayment made pursuant to a rates deferment agreement;

(b) no interest shall be payable where a repayment or credit is made under the energy efficiency homes scheme.

3. Background

3.1. The 2007 Regulations provided, subject to certain exceptions, for the payment of interest where the Department of Finance and Personnel repays an amount paid on account of a rate or credits such an amount against a subsequent liability to rates.

3.2. This Statutory Rule amends the 2007 Regulations to take account of changes made to the 1977 Order by the Rates (Amendment) Act (Northern Ireland) 2009 (c.8 (N.I.)).

3.3. The inclusion of a rates deferment agreement within the definition of "repayment" contained within the 2007 Regulations means that where an agreement holder makes an overpayment in settling a rates deferment account that interest will be provided in respect of the repayment of any overpaid sum.

3.4. The decision to exclude any repayment made under the energy efficiency homes scheme from the payment of interest was taken in light of the one-off nature of the relief which is more akin to a payment as opposed to a repayment but which is to be applied to ratepayer accounts as a credit and therefore would fall within the scope of the 2007 Regulations if the relevant amendment was not made.

4. Consultation

4.1. As the changes are technical in nature and are introduced to reflect changes to the wider rating system no new consultation was considered necessary in respect of the amendments.

5. Equality Impact

5.1. The 2007 Regulations were introduced as a mitigating measure associated with the introduction of the new domestic rating system in April 2007. Those changes were the subject of a full Equality Impact Assessment. No further assessment was considered necessary in respect of the amendments provided for through this Statutory Rule.

6. Regulatory Impact

6.1. This Statutory Rule does not require a Regulatory Impact Assessment as it does not impose any additional costs or savings on business, charities or voluntary bodies.

7. Financial Implications

7.1. The inclusion of payments made pursuant to a rates deferment agreement will have a minimal financial impact. Interest will only be paid where an agreement holder pays a sum in excess of that which is owed.

8. Section 24 of the Northern Ireland Act 1998

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

9. EU Implications

9.1. There are no EU implications associated with this Statutory Rule.

10. Parity or Replicatory Measure

10.1. There is no corresponding Statutory Instrument in Great Britain.

11. Additional Information

11.1. Not applicable.