

EXPLANATORY MEMORANDUM TO

The Rates (Unoccupied Hereditaments) (Amendment) Regulations (Northern Ireland) 2017

S.R. 2017 No. 231

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 25A(6) of, and paragraph 1(1) to (3) of Schedule 8A to, 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. The draft Rule amends the Rates (Unoccupied Hereditament) Regulations (Northern Ireland) 2011 (S.R. 2011 No. 36) (“the principal Regulations”). It provides for an additional exemption from unoccupied rates. The additional exemption is for domestic properties vacated as a result of flooding. Properties severely damaged by flood water but which are structurally sound would otherwise remain liable for full rates.
- 2.2. This exemption is designed to deal with the recent issue of severe flooding in the North West area but will also deal with any future occurrences of such flooding.
- 2.3. To qualify for this exemption a number of criteria –
 - a) the vacancy has occurred as a result of flooding following heavy rainfall or tidal surge;
 - b) the property is identified by the local district council as being located in an area affected by severe flooding that is assisted under a scheme made under Article 26 of the Local Government (Miscellaneous Provisions) (Northern Ireland) Order 1992;
 - c) prior to becoming vacant the property was occupied as the principle residence of the person entitled to possession of the property for the purposes of rating of empty homes;
 - d) the property will be or has been unoccupied for a period of no less than 4 weeks and the exclusion will apply up to a maximum of 6 months per incident.

3. Background

- 3.1. The rating of empty homes was introduced on 1st October 2011.

4. Consultation

- 4.1. The policy to introduce the rating of empty homes was a key outcome of the Executive’s Review of domestic rating in 2007. A consultation report, setting out the way forward on a range of policy issues, was published on 6

January 2009. Full details of the consultation process and associated documentation can be accessed at the Rating Policy Division website at the following link:- <http://www.dfpni.gov.uk/rating-review>

- 4.2. No further consultation was deemed necessary in relation to this amendment.

5. Equality Impact

- 5.1. An EQIA was carried out as part of the initial policy development on the rating of empty homes.
- 5.2. It is the Department's assessment that no further EQIA is required in relation to this amendment.

6. Regulatory Impact

- 6.1 A regulatory impact assessment was not considered necessary as the Rule does not result in any new direct cost to business, charities or voluntary bodies.
- 6.2 The Rule provides an exemption from unoccupied rates for a person who has qualified for assistance under a scheme made under Article 26 of the Local Government (Miscellaneous Provisions) (Northern Ireland) Order 1992. Article 26 of the 1992 Order provides for schemes of emergency financial assistance to district councils in the event of flooding following heavy rain or tidal surge.

7. Financial Implications

- 7.1 The exact cost of this support is not known at this time. However indicative costs for the impact of flooding in the North West in August are forecast as costs for the Regional Rate and District Rate for Derry City & Strabane DC of approximately £20K each.

8. Section 24 of the Northern Ireland Act 1998

- 8.1. It is the view of the Department that these Regulations are compatible with section 24 of the Northern Ireland Act 1998.

9. EU Implications

- 9.1. There are no relevant European Regulations or Directives.

10. Parity or Replicatory Measure

- 10.1. There is no corresponding Great Britain legislation.

11. Additional Information

- 11.1. Not applicable.