

Written Ministerial Statement

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Department of Finance

REGIONAL RATE 2024-25

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Ms Archibald (The Minister of Finance): I wish to update the Members on the Executive's agreement on the Regional Rate for 2024/25. I am informing the Assembly of this by written statement to provide Members with the earliest possible notification of the position agreed.

Following today's Executive agreement my Department will now proceed to make and lay the associated Statutory Rule to set the poundage and facilitate Finance Committee consideration ahead of an Assembly Debate provisionally scheduled for 12 March.

Issuing of rate bills

As you will also be aware, we are entering a period when a decision on this year's Regional Rate needs to be made to ensure rate bills, which fund central and local government services, are issued on time in April.

Late issuing of bills, even for short periods, leads to a compressed time available for rate collection. The expectation from ratepayers is that they will have time to plan for payments and any disruption to that expectation leads to a spike in cancellations of direct debit payments, and ultimately rate debt.

This year rates have raised around £1.5 billion providing funding, including for health, education, policing as well as council services.

Regional Rate level

The Executive considered a range of options for setting the Regional Rate today. Mindful of the pressures at this time on household budgets and businesses, we have therefore decided to keep the Regional Rate in line with inflation.

Impact on rate bills

If the Assembly approves the uplift to the regional rate portion of the bill in line with inflation this would mean a domestic property with an average capital value of £123,000, would pay 46p a week more on the regional rate element of their bill. For businesses with a rateable value of £50,000, it will mean an additional £10.73 per week on that element.

Support for rate payers

I want to reassure households and businesses that existing rate support that is in place will still be there to help them in the year ahead. 75% of all business ratepayers who get support with their rates will continue to get this support in the year ahead which is in the region of £247m per annum. The £100m of rate support currently provided to households, which includes rate rebate, lone pensioner allowance and disabled persons allowance will also remain in place in the year ahead.

Growing the tax base

I am also committed to ensuring we continue to develop the rating system to ensure it is fair, equitable and progressive and that it is aligned with the Executive's economic vision, expanding our tax base and supporting businesses to grow and create jobs.

The recent consultation on rates revenue raising measures closed on 13 February. 1,400 responses were received. I want to take the time to understand the views that have been expressed. My officials are analysing the results and will be providing me an initial findings in March, ahead of a full consultation report after that.

Any measures to be taken forward will be a matter of discussion and agreement for this Executive, given that rates are a cross cutting issue.

Changes to rate reliefs require further consultation work on options appraisal impact assessment and importantly legislative change at the Assembly. It is not possible therefore to make any changes for the incoming financial year.

Challenging financial situation

If the Assembly approve the Regional Rate this will provide up to £30 million for our public services like healthcare, education, policing as well as the many demands on our infrastructure.

We all want the best public services and when you listen to Ministers around the Executive table the current projections indicate an extremely difficult and worsening financial position.

The Executive's recommendation to the Assembly should be seen as a clear demonstration that we recognise the role we have to play to ensure Stormont's finances are on a more sustainable footing. There is no doubt that as an Executive, Ministers will collectively and individually have to make many challenging decisions in the time ahead.

Working together we will be better placed to meet these challenges.