



Northern Ireland  
Assembly

Committee for Finance and Personnel

# OFFICIAL REPORT (Hansard)

Financial Provisions Bill (DFP Briefing)

11 September 2013

# NORTHERN IRELAND ASSEMBLY

## Committee for Finance and Personnel

### Financial Provisions Bill (DFP Briefing)

11 September 2013

**Members present for all or part of the proceedings:**

Mr Daithí McKay (Chairperson)  
Mr Dominic Bradley (Deputy Chairperson)  
Mrs Judith Cochrane  
Mr Leslie Cree  
Ms Megan Fearon  
Mr Paul Girvan  
Mr John McCallister  
Mr David McIlveen  
Mr Mitchel McLaughlin  
Mr Adrian McQuillan  
Mr Peter Weir

**Witnesses:**

Mr Andrew McAvoy	Department of Finance and Personnel
Mr Brian McClure	Department of Finance and Personnel

**The Chairperson:** We move on to the next presentation on the Financial Provisions Bill.

**Mr Brian McClure (Department of Finance and Personnel):** The Committee will be aware that two other amendments to rating legislation are planned for the Consideration Stage of the Financial Provisions Bill. I will just briefly run through what those are. I mentioned the amendments to the Committee in a session in early June.

The first change is the early payment discount. This seeks to extend the current discount that is allowed for the early repayment of rates on occupied dwellings to unoccupied dwellings, that is, empty homes. Given the small number of ratepayers it will affect, it is expected that the cost of this extension will be fairly modest at around £240,000 a year, although that excludes Land and Property Services (LPS) IT costs. The amendment, which will amend article 30 of the Rates Order, has been drafted and will soon be before the Committee for consideration.

The other issue is an adjustment to clarify the need for ratepayers to provide an effective date of occupation to LPS. It is a fairly moderate technical change to article 26 of the Rates Order. The change has been requested by LPS to remove any uncertainty around the current provisions and to allow LPS to get much more accurate information for the purposes of rates billing and, in particular, the backdating of rates.

Those are the two proposals. The first is more to do with equal treatment between unoccupied and occupied properties. The other one is to help LPS bill when rates are due, particularly when it needs

to find out what the date was when somebody modified their property, took up occupation or built their new property.

**The Chairperson:** I have a couple of brief points. You said that the cost of £240,000 for the second amendment is exclusive of and implementation costs. Are those costs minimal in your view?

Secondly, your paper states:

*"The Department instructed OLC on provisions in autumn last year, but the provisions have not yet been drafted."*

Is there an issue there?

**Mr McClure:** They are drafted now. They were just drafted in the last day or two.

**Mr Andrew McAvoy (Department of Finance and Personnel):** The article 30 change for the 4% discount has been drafted. We have been advised by the Office of the Legislative Counsel (OLC) that the second change, the effective date one, is a fairly quick thing for it to do. We do not anticipate it taking too much longer with that, and it has advised us to that effect. They are online.

**Mr McClure:** The IT costs for the first measure will run into a few thousand pounds. It will be quite modest. It will certainly not increase the cost by tens of thousands of pounds.

**Mr Weir:** I apologise that I missed the start of that. When we shifted to the position of 100% rates on vacant homes, what additional sum did that bring in, at least by way of an additional rates burden?

**Mr McAvoy:** I think that the initial forecast was £10 million, but I would need to seek a view from LPS on that.

**Mr McClure:** It is of that order. It is around £10 million. I do not know the exact figure, but I can come back to you with it.

**Mr Weir:** To be fair, I asked that question to make a slightly different point. I wanted to get a ballpark figure for that. Essentially, if you bring the unoccupied homes on a par with occupied properties — there is a range of reasons why that was done — it will bring in £10 million. On the other side, it will cost £250,000 plus maybe a little bit of additional IT costs. It would be fairly indefensible to tell someone that they will have exactly the same burdens, irrespective of whether the house is occupied — I know that there is a separate argument over the discount and the rate of the discount — and that we are going to exclude them from the discount. That change seems fairly sensible. Similarly, I think the —

**Mr McClure:** It was something that the previous Minister asked us to do to ensure equality of treatment between the occupied and the unoccupied sector.

**Mr Weir:** The other change will be a better driver for information. It will mean that people will be able to pinpoint timescales in a much more accurate and fairer way. They both seem fairly sensible and uncontroversial decisions.

**The Chairperson:** Brian, as far as moving this forward is concerned, when the amendments are drafted, will you come back to the Committee?

**Mr McClure:** Yes. You will be presented with the legislation in draft form before its introduction. We will come back to you if you have any issues on that.

**The Chairperson:** OK. Thank you.