

## Appendix I – Draft Rural Needs Impact Assessment (RNIA)

### SECTION 1 - Defining the activity subject to Section 1(1) of the Rural Needs Act (NI) 2016

#### 1A. Name of Public Authority.

Department of Finance.

#### 1B. Please provide a short title which describes the activity being undertaken by the Public Authority that is subject to Section 1(1) of the Rural Needs Act (NI) 2016.

INCREASE OF MAXIMUM CAPITAL VALUE WITHIN THE RATING SYSTEM

#### 1C. Please indicate which category the activity specified in Section 1B above relates to.

Developing a	Policy <input type="checkbox"/>	Strategy <input type="checkbox"/>	Plan <input type="checkbox"/>
Adopting a	Policy <input type="checkbox"/>	Strategy <input type="checkbox"/>	Plan <input type="checkbox"/>
Implementing a	Policy <input type="checkbox"/>	Strategy <input type="checkbox"/>	Plan <input type="checkbox"/>
Revising a	Policy <input checked="" type="checkbox"/>	Strategy <input type="checkbox"/>	Plan <input type="checkbox"/>
Designing a Public Service	<input type="checkbox"/>		
Delivering a Public Service	<input type="checkbox"/>		

#### 1D. Please provide the official title (if any) of the Policy, Strategy, Plan or Public Service document or initiative relating to the category indicated in Section 1C above.

INCREASE OF MAXIMUM CAPITAL VALUE WITHIN THE RATING SYSTEM

#### 1E. Please provide details of the aims and/or objectives of the Policy, Strategy, Plan or Public Service.

This is a revision of wider taxation policy to elevate maximum capital value of £400,000 to a level of £485,000. The proposed policy change aims to elevate the cap so that the highest bills in the NI domestic rating system are aligned with the current highest level of tax within the Council Tax system across England, Scotland and Wales so as to increase the level of revenue within the tax, and to enhance the progressivity of the tax.

**1F. What definition of 'rural' is the Public Authority using in respect of the Policy, Strategy, Plan or Public Service?**

Population Settlements of less than 5,000 (Default definition).

Other Definition (Provide details and the rationale below).

A definition of 'rural' is not applicable.

*Details of alternative definition of 'rural' used.*

N/A

*Rationale for using alternative definition of 'rural'.*

N/A

*Reasons why a definition of 'rural' is not applicable.*

N/A

## SECTION 2 - Understanding the impact of the Policy, Strategy, Plan or Public Service

2A. Is the Policy, Strategy, Plan or Public Service likely to impact on people in rural areas?

Yes  No  If the response is **NO** GO TO Section **2E**.

2B. Please explain how the Policy, Strategy, Plan or Public Service is likely to impact on people in rural areas.

2C. If the Policy, Strategy, Plan or Public Service is likely to impact on people in rural areas differently from people in urban areas, please explain how it is likely to impact on people in rural areas differently.

N/A

**2D. Please indicate which of the following rural policy areas the Policy, Strategy, Plan or Public Service is likely to primarily impact on.**

Rural Businesses	<input type="checkbox"/>
Rural Tourism	<input type="checkbox"/>
Rural Housing	<input checked="" type="checkbox"/>
Jobs or Employment in Rural Areas	<input type="checkbox"/>
Education or Training in Rural Areas	<input type="checkbox"/>
Broadband or Mobile Communications in Rural Areas	<input type="checkbox"/>
Transport Services or Infrastructure in Rural Areas	<input type="checkbox"/>
Health or Social Care Services in Rural Areas	<input type="checkbox"/>
Poverty in Rural Areas	<input type="checkbox"/>
Deprivation in Rural Areas	<input type="checkbox"/>
Rural Crime or Community Safety	<input type="checkbox"/>
Rural Development	<input type="checkbox"/>
Agri-Environment	<input type="checkbox"/>
Other (Please state)	<input type="text"/>

**If the response to Section 2A was YES GO TO Section 3A.**

**2E. Please explain why the Policy, Strategy, Plan or Public Service is NOT likely to impact on people in rural areas.**

The proposed change to the policy to elevate the maximum capital value to £485,000 will affect all of the properties in this cohort with a value over £400,000.

The following rural/urban split is applied within the properties over the current maximum capital value threshold of £400,000:

- Urban - 4744
- Rural – 3268.

There is no identified likely impact on people in rural areas compared to urban areas, and the capital value of a property will already have taken into account its location as an integral part of the valuation assessment.

### SECTION 3 - Identifying the Social and Economic Needs of Persons in Rural Areas

**3A. Has the Public Authority taken steps to identify the social and economic needs of people in rural areas that are relevant to the Policy, Strategy, Plan or Public Service?**

Yes  No  If the response is **NO** GO TO Section **3E**.

**3B. Please indicate which of the following methods or information sources were used by the Public Authority to identify the social and economic needs of people in rural areas.**

Consultation with Rural Stakeholders	<input type="checkbox"/>	Published Statistics	<input type="checkbox"/>
Consultation with Other Organisations	<input type="checkbox"/>	Research Papers	<input type="checkbox"/>
Surveys or Questionnaires	<input type="checkbox"/>	Other Publications	<input type="checkbox"/>
Other Methods or Information Sources (include details in Question 3C below).			<input type="checkbox"/>

**3C. Please provide details of the methods and information sources used to identify the social and economic needs of people in rural areas including relevant dates, names of organisations, titles of publications, website references, details of surveys or consultations undertaken etc.**

Large empty box for providing details of methods and information sources used to identify the social and economic needs of people in rural areas.

**3D. Please provide details of the social and economic needs of people in rural areas which have been identified by the Public Authority?**

*(This area is currently blank, containing a large watermark reading 'Draft' diagonally across the page.)*

**If the response to Section 3A was YES GO TO Section 4A.**

**3E. Please explain why no steps were taken by the Public Authority to identify the social and economic needs of people in rural areas?**

There are pre-existing mitigations within the rating system to provide financial relief to ratepayers.

The Rural Proofing analysis that underpinned the introduction of the Capital Value system of rating here noted that the Discrete Capital Value system of rates was the most positive taxation model assessed in terms of impact on rural areas.

The individual discrete values applied within the tax allow the rural location to be considered as a factor in the overall valuation assessment.

Any property used as a farmhouse is currently entitled to a valuation allowance in relation to any such use.

An important protection also exists through means tested support,

For those ratepayers of pensionable age, protection will be available provided household capital i.e. savings does not exceed a level of £50,000. For the “asset rich-income poor” pensioner living in the family home, the low-income scheme protections are unaffected by welfare reform changes and the parameters remain generous for this group. In relation to those of working age, means tested support for ratepayers on Universal Credit is provided through the new rate rebate scheme which has worked alongside Universal Credit support since September 2017.

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## **SECTION 4 - Considering the Social and Economic Needs of Persons in Rural Areas**

**4A. Please provide details of the issues considered in relation to the social and economic needs of people in rural areas.**

As per 3E

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## SECTION 5 - Influencing the Policy, Strategy, Plan or Public Service

5A. Has the development, adoption, implementation or revising of the Policy, Strategy or Plan, or the design or delivery of the Public Service, been influenced by the rural needs identified?

Yes  No  If the response is **NO** GO TO Section **5C**.

5B. Please explain how the development, adoption, implementation or revising of the Policy, Strategy or Plan, or the design or delivery of the Public Service, has been influenced by the rural needs identified.

If the response to Section **5A** was **YES** GO TO Section **6A**.



**5C. Please explain why the development, adoption, implementation or revising of the Policy, Strategy or Plan, or the design or the delivery of the Public Service, has NOT been influenced by the rural needs identified.**


This is a revision of wider taxation policy to elevate the maximum capital value for properties on the domestic valuation list to £485,000. The policy will apply in rural areas but has an overrepresentation in urban areas.

The mitigating measures and underpinning taxation design are already responsive to rural factors (see answer to 3E).

## SECTION 6 - Documenting and Recording

**6A. Please tick below to confirm that the RNIA Template will be retained by the Public Authority and relevant information on the Section 1 activity compiled in accordance with paragraph 6.7 of the guidance.**

I confirm that the RNIA Template will be retained and relevant information compiled.

<b>Rural Needs Impact Assessment undertaken by:</b>	Rating Policy Division
<b>Position/Grade:</b>	Team Level
<b>Division/Branch</b>	Rating Policy Division
<b>Signature:</b>	-
<b>Date:</b>	October 2024
<b>Rural Needs Impact Assessment approved by:</b>	Andrew McAvoy
<b>Position/Grade:</b>	Grade 5
<b>Division/Branch:</b>	Rating Policy Division
<b>Signature:</b>	
<b>Date:</b>	22/10/24