



Belfast City Council

Report to:	Development Committee
Subject:	Rates Relief Review
Date:	13 May 2009
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Relevant Background Information

The Minister of Finance and Personnel, Councillor Nigel Dodds, MP MLA, announced in December 2008 that he intended to proceed with a small business rate relief scheme for Northern Ireland as part of the response to the economic downturn. The scheme also includes a series of reliefs for Post Offices.

The scheme was officially launched on 1 April 2009 and will require new primary legislation by the Northern Ireland Assembly. It is intended that it will be operational by 1 April 2010.

Before finalising the detail of the scheme, the Minister confirmed that he wanted to consult on a series of impact assessments and therefore allow stakeholders to comment on the final shape of the scheme. This consultation ends on 23 June 2009.

A draft response from Belfast City Council to the range of impact assessments is attached to this report as Appendix 1. This report will also be presented to the Strategic Policy and Resources Committee for their consideration.

Key Issues

The key issues highlighted in this response are:

- The consultation paper, as it stands, does not contain sufficient information to allow a considered analysis of the potential impact of the scheme on particular groups of businesses or on businesses in particular locations

- The relief is based on the NAV levels of properties. We consider that the proposed qualifying levels are so low that they may not have any significant impact on Belfast businesses
- Given the thresholds for relief, it is likely that only a small percentage of companies in the Council area will qualify for support
- We consider that the levels of relief awarded may mean that there is a deadweight effect i.e. the impact may not be sufficient to make a difference between a business surviving or not surviving
- We consider that the scheme could have a more significant impact in rural than in urban areas, given that property values (the factor on which the relief is based) are generally lower in rural areas.

Recommendations

It is recommended that Members:

1. Note the contents of this report
2. Agree that the draft response attached as Appendix 1 can be forwarded to the Department of Finance and Personnel as the Belfast City Council response to the consultation on the small business rate relief scheme.

Decision Tracking

N/A

Documents Attached

Appendix 1 - Small Business Rates Relief Scheme Consultation – draft Belfast City Council response