

Question – Does targeting BID areas represent an appropriate way in which to use the resources associated with the current SBRR scheme? What are the advantages and disadvantages of such an approach? What other clearly defined areas could be used?

This approach would significantly change the objectives of the SBRR scheme. It is unlikely that many of the currently eligible properties in the Belfast City Council area would be located within the Belfast One boundary as many of these properties are multiples and national chains. Although other Belfast BIDs are planned, a significant number of the non domestic ratepayers receiving SBRR are not located within these planned areas.

It should also be noted that the BIDs are privately-led groupings and are established on the assumption that there is no additional public monies available. Targeting BID areas could cause displacement (and deadweight) and the types of eligible expenditure would be challenging to manage across BID areas with individually specific business plans

The creation of Local Development Plans by Councils could help provide defined geographic areas as an alternative to targeting BIDs.

Question – Based on the option “do nothing (Maintain the SBRR scheme in its current form)”

Do you support this option and what are the advantages and disadvantages of such an approach?

The SBRR scheme was introduced as a quick response to a short term problem. It was not intended as a long term solution to underlying economic problems. When a relief is created to assist taxpayers it is always difficult to remove it and there is no doubt that the current recipients now see it as a long term award and have written it into their business plans. The impact of the scheme on the individual business must not be underestimated.

However, if the saving could be re-deployed via a more strategic mechanism it could contribute more towards economic targets. An alternative could be to re-package the relief as a grants application process for eligible businesses to support the strategic development of businesses. Local Councils could be well placed to advise on the types of support and reliefs that could support business growth in their specific areas.

Question – Based on the option “Phase out SBRR with no replacement scheme”

Do you support this option and what are the advantages and disadvantages of such an approach? Do you consider that the revenue forgone should benefit all ratepayers or would a more targeted approach be a better use of resources?

As stated above the impact on the individual business must not be underestimated and any decision to remove the scheme would have to be accompanied by a phasing process and supported by a clear communication plan.

If the scheme were to be removed the resources could be used to reduce rates bills overall or to fund alternative schemes or projects to support regeneration and economic growth in local areas.

Question – Based on the option “Match funding for Business Improvement Districts (BIDs)”

Do you support this option and what are the advantages and disadvantages of such an approach? Is the availability of additional funding likely to lead to the creation of new BID areas? To what extent would target resources at these areas be to the detriment of locations outside of formal BID areas?

As referred to above, there is a strong possibility of deadweight in this approach.

While the SBRR allocation is currently £18million annually for Northern Ireland, no assessment has been made of whether the same amount will be required for BIDs: these organisations are at a very embryonic stage of development and are not yet established all across the region. Five BIDs have been established to date without any commitment from public finances.

Supporting all businesses will not necessarily help with the productivity challenge that we face: not all businesses benefitting would be in sectors that can contribute to improvements in productivity.

Question – Based on the option “Award rate relief to encourage investment and regeneration”.

Do you support this option and what are the advantages and disadvantages of such an approach? What properties/business should benefit from this type of relief i.e. how should it be targeted and what should be the overall objective?

This appears to be a valid proposal but would need to be targeted to avoid the concern that the relief would be spread too thinly.

It may be appropriate to consider this approach in certain instances e.g. where vacancy rates are above a certain percentage or for development land with planning permission that has been unused for set number of years.

It could also be used to refresh Urban Development Grants in targeted areas (geography to be defined). This approach would require careful consideration not only in determining the areas to be targeted (in order to avoid displacement) but also in promoting the scheme to maximise take up. If appropriate, this activity could be supported by local authorities in conjunction with relevant town and city centre management organisations.

Question – Based on the option “Award rate relief to encourage town centre living”

Do you support this option and what are the advantages and disadvantages of such an approach? Do you consider that there would be sufficient demand for this relief and is it likely to significantly influence both developer and ratepayer behaviour? Would an increase in town centre living be beneficial to trading businesses located nearby?

The approach to this form of relief is unique and if being considered would need to be properly researched and implemented through a series of pilots. The interaction with vacant rating needs to be properly explored to ensure any scheme does not become a vehicle for rate avoidance.

Having said this, Belfast City Council would be keen to participate in a detailed study and assist the department in leading on pilot schemes. The idea has some merit and is worthy of further examination.

In developing the options for such schemes there would also be a need to carry out some form of socio-economic research to understand how this approach would impact on those who currently live in cities and how it would affect behaviours.

Question – Based on the option “Award rate relief to encourage occupation of vacant premises”

Do you support this option and what are the advantages and disadvantages of such an approach? Does the current policy strike the right balance in order to incentivise occupation? How significant an issue would this be for a new start up business when compared to other aspects of business planning e.g. rent, location, product offering, stock etc

Belfast City Council would support keeping the qualifying period and relief period the same (for consistency).

The introduction of a discretionary element into the award of relief particularly in relation to derelict sites could further encourage bringing these sites back into use.

There is potential for linking any relief to specific grants to finance key schemes in areas which need more support.

As with other proposals, we would suggest that a relief such as this would need to be actively promoted so that information was more readily accessible to potentially interested parties and could be used as a positive decision-making factor to encourage investment.

Belfast City Council considers that there is merit in exploring how this could be offered as part of a package of support to business starts and would be keen to work with the department to look at a pilot in this area, given that councils now have statutory responsibility for business start.