STRATEGIC POLICY AND RESOURCES COMMITTEE

Belfast City Council

Subject:	Response to Department of Finance consultation on Business Growth Accelerator and Non-Domestic Vacant Rating
Date:	18th September 2026
Reporting Officer:	Trevor Wallace, Director of Finance
Contact Officer:	Trevor Wallace, Director of Finance

Is this report restricted? **Yes** [ ] **No** [X]

Please indicate the description, as listed in Schedule 6, of the exempt information by virtue of which the council has deemed this report restricted.

Insert number [ ]

1. Information relating to any individual
2. Information likely to reveal the identity of an individual
3. Information relating to the financial or business affairs of any particular person (including the council holding that information)
4. Information in connection with any labour relations matter
5. Information in relation to which a claim to legal professional privilege could be maintained
6. Information showing that the council proposes to (a) to give a notice imposing restrictions on a person; or (b) to make an order or direction
7. Information on any action in relation to the prevention, investigation or prosecution of crime

If Yes, when will the report become unrestricted?

After Committee Decision [ ]
After Council Decision [ ]
Sometime in the future [ ]
Never [ ]

Call-in

Is the decision eligible for Call-in? **Yes** [X] **No** [ ]

1.0	**Purpose of Report or Summary of main Issues**
1.1	The purpose of this report is for Members to consider and endorse responses by Council to the Department of Finance consultation on Business Growth Accelerator and Non-Domestic Vacant rating

2.0	**Recommendations**
2.1	Members are asked to agree the response to the consultation included in Appendix 2.
3.0	**Main report**
3.1 3.2 3.3 3.4	On 29 June 2026, the Minister of Finance announced that a further public consultation is being taken forward on two measures relating to the non-domestic rating system: - a Business Growth Accelerator, providing temporary, targeted relief for businesses taking practical steps to expand; and - Non-Domestic Vacant Rating, including how any increases in liability levels should be introduced. The closing date for responses is 23rd September 2026 and this report is to consider Council's proposed response, which if agreed will be submitted subject to Council ratification. **Business Growth Accelerator Proposal** In relation to the Business Growth Accelerator proposals, the current position is that improvements to business premises immediately increase rateable value and rates liability arises as soon as works are completed. Under the new proposals within the consultation, increases would be delayed for a defined grace period (e.g. 12 months), and businesses would continue to pay rates based on the pre-improvement valuation during that grace period. Qualifying improvements under consideration within the scope of the policy may include extensions or enlargements, refurbishment, works that increase rateable value, and improvements to capacity or productivity. The proposals focus on **existing properties, not new builds**. The rationale for the proposal is that this would be a temporary intervention designed to: • reduce upfront financial pressure on businesses making investment in property; • allow businesses to recoup investment costs; and • encourage development that might otherwise not proceed. Full liability would apply after the grace period, maintaining fairness while supporting investment. The policy thus secures medium to long term revenue streams. The consultation questions and Council's proposed responses are detailed below: **Non-Domestic Vacant Rating Liability** Currently owners of non-domestic properties which become vacant receive a 3-month 100% rate relief and thereafter a 50% rate relief whilst the property remains vacant. There are currently 4,700 properties across Northern Ireland in receipt of the relief at a cost of £19.7m annually (borne by both the NI Executive and Councils in proportion to each's Council's District Rate and Regional Rate split).

3.5	The relief is at odds with the domestic sector where vacant rate relief was removed previously. The relief, as was the case in the domestic sector previously, creates a disincentive on the owner to do anything with the property and could be a contributing factor to increasing dereliction of non-domestic properties around the country, as was the case with domestic properties.
3.6	The new consultation proposes introducing a phased increase to the 50% rates relief in liability for vacant commercial property, initially through a Stage 1 increase to 75% and subsequently in Stage 2 to 100%. It is believed that a phased approach would allow monitoring of behavioural responses, assessment of avoidance risks, and alignment with wider interventions. The initial three-month exemption would remain as well as existing exclusions (e.g. insolvency, listed buildings). The rationale is that the current 50% rate, lower than that which applies in other jurisdictions, is perceived as reducing incentives to bring property back into use. The proposed change aims to: • encourage occupation; • reduce long-term vacancy; • align more closely with other jurisdictions; and • increase revenue (estimated up to £20 million annually). For Members information, it will be noted that the follow categories of property are **excluded** and not subject to any charges whilst vacant: - - Low Net Annual Value (NAV): Properties with an NAV under £2,000 receive a 100% reduction and do not pay vacant rates. - Listed Buildings: Properties that are officially listed buildings or subject to a preservation notice are often exempt from empty rates until reoccupied. - Prohibited Occupation: Buildings where occupation is forbidden by law or by the action of a public authority. - Insolvent or Legal Estates: Properties managed by a company in administration, liquidators, personal representatives of a deceased person, or subject to a bankruptcy order. - Charities and Community Clubs: Empty properties owned by a charity or a Community Amateur Sports Club (CASC) may qualify for zero rating if the next use will be wholly charitable or for the club. - Industrial Properties: Certain vacant industrial premises or factories may receive specific exemptions or extended relief periods assessed on a case-by-case basis.
3.7	The consultation questions and Council's proposed responses are detailed in appendix 2.
	Next Steps
3.8	None
	Financial & Resource Implications

3.9	There are no Financial implications with this report, however, the introduction of the policies will may have a positive impact on the council's rate income**.**
	Equality or Good Relations Implications / Rural Needs Assessment
3.10	Rating policy is the responsibility of the Department of Finance and the Department will be responsible for carrying out all required equality and rural needs screening associated with any new policy measures
4.0	**Appendices – Documents Attached**
	Appendix 1 – Consultation Document Appendix 2 – Council response