Causeway Coast & Glens Borough Council

Title of Report:	**Consultation Response – Small Business Rate Relief**
Committee Report Submitted To:	**Finance Committee**
Date of Meeting:	**22 January 2026**
For Decision or For Information	**For decision**
To be discussed In Committee YES/NO	**No**

Linkage to Council Strategy (2021-25)	
Strategic Theme	Cohesive Leadership
Outcome	Council has agreed policies and procedures and decision making is consistent with them.
Lead Officer	Chief Finance Officer

Budgetary Considerations	
Cost of Proposal	
Included in Current Year Estimates	**YES/~~NO~~**
Capital/Revenue	Revenue
Code	
Staffing Costs	

Legal Considerations	
Input of Legal Services Required	**~~YES~~/NO**
Legal Opinion Obtained	**~~YES~~/NO**

Screening Requirements	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
Section 75 Screening	Screening Completed:	~~Yes~~/No	Date:
	EQIA Required and Completed:	~~Yes~~/No	Date:
Rural Needs Assessment (RNA)	Screening Completed	~~Yes~~/No	Date:
	RNA Required and Completed:	~~Yes~~/No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	~~Yes~~/No	Date:
	DPIA Required and Completed:	~~Yes~~/No	Date:

1.0 Purpose of Report

The purpose of this report is to place before members the draft response to the Department of Finance's consultation paper on Small Business Rate Relief (SBRR).

2.0 Background

The rating system here is a devolved tax with no direct links to similar taxation systems in England, Scotland or Wales. There are two different rates levied here: a domestic rate for residential properties and a non-domestic rate for businesses.

The total amount of revenue collected through both domestic and non-domestic rates locally is now over £1.6 billion, with just under 55% of this being funded by non-domestic rating. This is used to pay for both local district council services as well as regional services delivered by the Executive such as education, health and roads. Regional Rate revenue alone provides approximately 4% of the Executive's public spending power.

Land & Property Services (LPS), within the Department of Finance, administers the rates system and has little discretion in doing so as everything is governed by legislation or case law. Rates paid by households and businesses make a vital contribution to funding the local public services delivered by the Executive and District Councils.

The systems of reliefs and exemptions that apply within the rating system are a key feature of the devolved tax. Reliefs, allowances, and exemptions are perceived as the main means through which the rating system can be used as a tool of social, economic and environmental policy. Differences have developed over many years because of different policies and priorities set by Westminster and the Executive at various points in time.

Providing any rate relief means either foregoing revenue or charging other ratepayers more. An exemption or relief is often viewed from the perspective of who it benefits, but there is a real cost, as every pound raised through the rating system stays here as a resource to help pay for hospitals, schools, and other essential regional services.

2.1 How the scheme operates

SBRR was an initiative originally introduced to support the growth and sustainability of small business property occupiers by reducing their business rates burden.

The scheme was first introduced on 1 April 2010 and was implemented as a downturn measure following the 2008 economic crash. The scheme provides different levels of rate relief based on the Net Annual Value (NAV) of a business property. The NAV reflects the rental value of a property for rating purposes at the common valuation date determined by the Department (known as the "antecedent valuation date", currently 1 October 2021).

There are currently three levels of rate relief;

- 50% relief: for business properties with an NAV of £2,000 or less;
- 25% relief: for business properties with an NAV of more than £2,000 but not more than £5,000;
- 20% relief: for business properties with an NAV of more than £5,000 but not more than £15,000.

No relief is currently available for properties with an NAV of more than £15,000 under this scheme, a threshold that has remained the same since 2012. Likewise no relief is available for those who own 3 or more businesses.

That latter exclusion from relief operates as a result of what is known as the “multiples” exclusion. This means that SBRR will not apply to any property where a person occupying an otherwise qualifying property for the SBRR scheme occupies more than three hereditaments which are, or would fall to be, shown in the non-domestic valuation list. The policy intent of this is to exclude large multi-national business chains.

Breakdown of current support by threshold

SBRR		
Threshold	No. of properties	Support
50% (NAV of 2000 or less)	4,548	£1,842,933
25% (NAV of more than £2,000 but not more than £5,000)	11,224	£5,923,630
20% (NAV of more than £5,000 but not more than £15,000)	13,450	£14,276,240
Totals	**29,222**	**£22,042,804**

Key features of SBRR:

Automatic award: Qualifying businesses receive the rate relief automatically on their annual bill. There is no need to apply for SBRR and this is a key feature of reducing the administrative burden on businesses identified within prior Regulatory Impact Assessment work.

Calculation: In basic terms business rates are calculated by multiplying the valuation of the property (Net Annual Value or NAV) by the non-domestic rate poundage (which includes regional and district rates). The SBRR relief is then applied to that amount in order to reduce the liability within the calculated rates bill.

Annual extension: The scheme requires new legislation to extend it annually and it was most recently extended for the 2025-26 rating year.

Interaction with other reliefs: In broad terms businesses are unable to receive any other rate reliefs when they are in receipt of SBRR support.

2.2 Application in Causeway Coast and Glens Borough

Currently 2,540 businesses in this Council area receive a total of £1,757,038 in support from the scheme.

The full consultation document is attached as an appendix to this report and contains further information on the current scheme and the distribution of its effect across all eleven Council areas.

The paper sets out a number of options which have been developed for consultees to consider in responding along with eight questions the answers to which will form their response.

3.0 Consultation Response

3.1 Do you view SBRR as an effective use of public money and should it be continued?

3.1.1 Council is of the view that SBRR is a vital element of support for our small businesses who underpin and drive the local economy, particularly in the more rural based districts. Council supports the retention of the scheme, it is essential that small businesses, many of which are family owned and run, and are the bedrock upon which local economies are founded are not unfairly or unnecessarily burdened leading to the potential loss of these businesses and their contribution to that economy. Local businesses and economies are already facing increasing threats from external sources such as online retailing, a trend that, if allowed to continue unabated, could lead to the demise of the local business sector and consequently the local economy in terms of both employment and output.

3.2 Do you currently receive SBRR?

3.2.1 Council does not receive SBRR

3.3 Should automatic awards of SBRR continue?

3.3.1 Council supports the retention of automatic awards of SBRR. The scheme is based directly on the NAV of any property, data which is held by LPS for the purposes of rates collection and therefore application of the relief is a relatively straight forward process based on the data held. As the recipients of the relief are by their nature small businesses many, if not all, may not have sufficient resource to be able to identify and claim such reliefs therefore it is right that where the relevant agency has all the requisite date to automatically apply the relief then this should be done.

3.4 Do you favour sectoral support or sector neutral support?

3.4.1 Council recognises that support needs will vary from sector to sector however there are arrangements whereby sector specific support is available for example industrial derating. Council believes that sectoral support should be delivered through these direct mechanisms, SBRR by it's nature is a cross sectoral support mechanism and therefore should not be over complicated or diluted in an effort to target that support.

3.5 Should an application-based system be adopted instead of automatic awards to allow targeting of the scheme, either by sector or by other criteria such as profitability, turnover, etc?

3.5.1 As stated in its response to questions 3 Council favours an automatic award of the relief which is the situation currently. This means apart from the variation to the thresholds and levels of relief the costs of implementation of the revised scheme would be kept to a minimum and therefore the main and most important element of cost to the public purse is to the ratepayer who qualifies for the relief, in other words exactly where it is needed. Any application based system especially one which involves the assessment of additional criteria such as for example profitability will require an additional overhead employed to monitor these criteria and their effect on eligibility and therefore it is likely given the relatively low cost, in relation to Central Government budgets, that any potential saving such additional criteria may generate from ruling businesses out will be outweighed by the additional cost of administering the revised scheme. In addition as stated again in its answer to question 3 Council's view is that the recipients of SBRR are by their nature small businesses and most, if not all, may not have the resource to make such applications, especially if the process is to be additionally complicated by the introduction of additional criteria, resulting in the relief being lost to many of the intended beneficiaries. Furthermore as stated in Council's response to question 4, it is of the opinion that there are other mechanisms available for more targeted sectoral support which should be used to deliver a direct support mechanism for specific sectors.

3.6 What policy option do you favour?

3.6.1 Council would support option 1 for a revised SBRR scheme given the increased eligibility for properties up to an NAV of £20,000. Council supports this increase given that recent revaluations of non-domestic properties may have taken some previous recipients of SBRR outside the scheme and this increase may address some such cases. Council does however question the rationale to increase the percentage relief available to all but the lowest banding. Businesses in the lowest banding will be subject to the same cost pressures as every other business but have been excluded from the additional assistance being afforded to those falling into the other bandings. Given that the cost of supporting the lowest band is the least of all the existing bands Council feels it is imprudent not to include an uplift for this section of the business community, Council calculates that the cost of increasing the support to for example 60% for this group would be approximately £370k which is by far the least of any of the additional costs set out in all of the 4 options tabled. The additional justification for not increasing support for businesses in this band was stated to be because this was already identical to the level of support for vacant properties. Whilst this fact cannot be challenged Council is acutely aware of the increasing vacancy rate amongst town centre properties, a situation which is not peculiar to Causeway Coast and Glens, and would be supportive of a corresponding increase in support to this banding as well. Council recognises this would increase the level of support beyond vacancy relief but Council would welcome an occupied property generating and contributing to the local economy as opposed to a vacant one and therefore believes the additional incentive to have a property occupied may indeed help to reduce the number of vacant properties in the area.

3.7 How should additional support be funded?

3.7.1 Council's view is that this is a regional policy which will be implemented by the Executive therefore the funding should be met from the regional rate as levied by the Executive. This would be consistent with other regional policies for example de-rating with Councils having no direct influence on the decision of what, when or how to implement but no doubt may be expected to carry a share of the cost. As the consultation paper states the rating system accounts for £1.6 billion in revenue of which over half is via the regional rate funding central government. Councils rely collectively on the slightly smaller share of the rates income to deliver the entirety of their services to the ratepayer and indeed in some cases to central government. Rating revenue accounts for just 4% of the Executive's overall budget, the estimated cost of option 1 at less than £11m is not a significant amount for the Executive in terms of its overall budget. Furthermore as the Minister states in his foreword he has brought forward proposals to raise £9m from the rating system and this additional income could be used to finance the enhanced relief being considered.

3.8 Do you have any other views on the policy you wish to submit as part of the consultation?

3.8.1 Causeway Coast and Glens Borough Council recognises the vast importance of small businesses to the overall economy, especially in this Borough which has one of the lowest non-domestic rates bases in Northern Ireland. These smaller businesses form the backbone of the Borough's economy and Council does not welcome any initiative that may adversely impact their ability to continue to trade. This area does not get any significant share of investment from Central Government compared to other areas therefore by meeting the costs of this relief Council will recognise some effort from Central Government to support the business community in Causeway Coast and Glens Borough Council area.

4.0 Recommendation

4.1 It is recommended that Council consider the draft response and approve with any suggested amendments the adoption of this as Council's official response to the consultation on Small Business Rates Relief.

Land & Property Services
Seirbhísí Talún agus Maoine

Department of Finance
An Roinn Airgeadais
www.finance-ni.gov.uk

Consultation Paper

SMALL BUSINESS RATE RELIEF (SBRR) Options

December 2025

Contents

Foreword
Minister of Finance

Small businesses are the backbone of our economy.

Supporting them means supporting growth, resilience and opportunity for everyone.

I want to deliver positive and progressive changes to the rating system.

I want to see extra help going to those businesses that provide employment supporting workers, families, and communities.
The Small Business Rate Relief scheme currently provides vital support for operating costs for around 30,000 small business properties at a cost of £22.5 million for the 2025/26 year.
I want to create a fair environment for all businesses, where entrepreneurship thrives, where vacant properties become vibrant spaces, and where small businesses can flourish.

This consultation sets out options to enhance the Small Business Rate Relief scheme using two distinct methods:

Increasing percentage reductions – current relief levels of 20%, 25%, and 50% have remained unchanged since 2012. Where funding allows, I want to adjust the percentage reduction tiers to deliver greater impact.

Updating valuation thresholds – these have not been reviewed since 2012 and, in my view, there is a need for these to be adjusted to reflect modern rental values, particularly as Reval 2026 marks the fourth revaluation in 11 years – delivering on a prior request from business groups for more frequent valuations to reflect changes in the market.

Scalability and affordability are central to the proposals within this paper.

In addition, the consultation paper does not propose enhancing Small Business Rate Relief through sector-specific targeting. In my view, such an approach would introduce additional cost and complexity to the delivery of support. This preference also reflects the reality that labour and property markets are constantly evolving, and businesses increasingly operate across multiple sectors. However, I am keen to hear your views on this matter as part of the consultation.

The timing of this consultation reflects my desire to secure Executive agreement and facilitate legislative change in time for the 2026/27 rating year to deliver for our small businesses.

It is no secret that the Executive's finances are under significant pressure at present. I have brought proposals forward already on two policy areas in the domestic rating system that would raise £9m.

My aim in doing so is to secure savings in parts of the rating system and redirect resources to provide additional support to those businesses that need it most.

Delivering on this positive change will require buy-in and partnership working from my Executive colleagues and the Assembly.

The proposals in this consultation is our chance to deliver local solutions to local challenges.
I invite and welcome your views on these proposals.

John O'Dowd
Finance Minister

BACKGROUND TO RATING SYSTEM

Background to the Rating System

The rating system here is a devolved tax with no direct links to similar taxation systems in England, Scotland or Wales. There are two different rates levied here: a domestic rate for residential properties and a non-domestic rate for businesses.

The total amount of revenue collected through both domestic and non-domestic rates locally is now over £1.6 billion, with just under 55% of this being funded by non-domestic rating. This is used to pay for both local district council services as well as regional services delivered by the Executive such as education, health and roads. Regional Rate revenue alone provides approximately 4% of the Executive's public spending power.

Land & Property Services (LPS), within the Department of Finance, administers the rates system and has little discretion in doing so as everything is governed by legislation or case law. Rates paid by households and businesses make a vital contribution to funding the local public services delivered by the Executive and District Councils.

The systems of reliefs and exemptions that apply within the rating system are a key feature of the devolved tax. Reliefs, allowances, and exemptions are perceived as the main means through which the rating system can be used as a tool of social, economic and environmental policy. Differences have developed over many years because of different policies and priorities set by Westminster and the Executive at various points in time.

Providing any rate relief means either foregoing revenue or charging other ratepayers more. An exemption or relief is often viewed from the perspective of who it benefits, but there is a real cost, as every pound raised through the rating system stays here as a resource to help pay for hospitals, schools, and other essential regional services.

CONTEXT TO CONSULTATION

Announcement of Strategic Review of Small Business Rate Relief

On 9 December 2024 the then Minister of Finance outlined a Strategic Roadmap for the Rating system to the Assembly to build a progressive rates system for both households and businesses. This process was to be based on the principles of fairness and equity, and to ensure that the rates system aligned with the Executive's policy objectives, stimulates the local economy and supports the growth of the rating taxbase, while providing appropriate support for those who need it.

It was also announced that following engagement with the business community and after listening to the challenges posed by the cost of doing business crisis, post-Covid period and in light of the added impact of the Chancellor's Autumn Budget in 2024, that the Department of Finance would prioritise the policy area of the Small Business Rate Relief (SBRR) Scheme as part of the 2025/26 phase of policy reviews.

Process for Review

The following work was undertaken within the Department as part of the Strategic Review work that has underpinned the policy direction for the SBRR scheme contained within this paper:-

- the Terms of Reference for the Strategic Review of SBRR was formally published on 2 June 2025;
- the Finance Committee was briefed on the process to be undertaken on 25 June 2025;
- formal review meetings with external stakeholder groups were held during June, July and August 2025;
- a supplementary survey was issued to those stakeholder groups on 20 August and closed on 15 September 2025 to allow individual businesses to provide a view;
- meetings were held with SOLACE and NILGA to highlight the engagement with the business sector to date and to discuss funding options;
- desk research on policy models elsewhere and taxbase analysis was completed and updated to take account of the publication by Treasury of their interim report on Transforming Business Rates which was published in mid-September.
- briefing on the Review process undertaken was provided to the Finance Committee on 15 October 2025.
- the Finance Minister made an Oral Statement on next steps on 18 November 2025 in which the intention to take forward this consultation was announced.

Transforming Business Rates

The announcement on the Strategic Review of SBRR broadly coincided with a parallel announcement at Westminster on the Autumn Budget 2024. That announcement also highlighted the British Government's proposed changes for the business rates system in England.

Transforming Business Rates | GOV.UK

In mid-September 2025 Treasury published an interim report on those changes planned for April 2026.

Transforming Business Rates Interim Report | GOV.UK

The core proposal within Transforming Business Rates, now confirmed by the British Chancellor in the Autumn Budget statement of 26 November 2025, is to lower the poundage multiplier rate in England for certain retail, hospitality and leisure properties paid for by charging large businesses (those valued at over £500,000) more.

Budget 2025 | GOV.UK

Our local business rates system

Due to the nature of our local rating system we are unable to replicate these proposals. This is because we do not have a system that applies a Uniform Business Rate. Instead we levy two different business rate poundages locally, a district rate (to fund councils) and a regional rate (to fund central government), through the one business rates assessment.

This means we have 11 different business rate poundages for the 11 district council areas. This is because each local council here sets poundages to meet their own specific and local expenditure decisions.

In addition, and as noted by those who contributed to the Strategic Review process over the summer, our local taxbase simply does not possess the same depth of high-value commercial property to sustain such a cross-subsidy on the scale being applied in England. Our local rate base is dominated by small and mid-sized properties, with only a limited number of very large properties, many of which are public sector or utility assets. As a result, any equivalent scheme to that being progressed in England would represent a direct and ongoing revenue loss to the Executive rather than a fiscally neutral rebalancing within the system.

During the Strategic Review process, although strong views were put forward at a sectoral level from those who would benefit from an approach similar to that being adopted in England, equally strong views were put forward for a sector neutral approach on rates support generally, and small business property support in particular.

That latter approach is consistent with any policy aim to grow the overall number of business properties paying rates regardless of sector, and has directly informed the approach that has now been adopted within the options put forward within this paper.

Announcement on Consultation

On 18 November 2025, the Minister of Finance announced that he intended to bring about change that will see enhanced support for small businesses outlining his view that the SBRR scheme currently provides vital support for small businesses. The Minister's full statement can be accessed below:-

Finance Minister Oral Statement - Rating Policy Update on Strategic Road Map

The Minister acknowledged that the support delivered under the SBRR scheme has remained unchanged since 2012. In that context the Minister noted that he planned to consult before the New Year to give businesses and stakeholders the chance to share final views before any policy proposals are put to Ministerial colleagues on any future enhancement to the support.

This paper lays out 4 potential policy options to inform the final design of any revised SBRR provision.

ABOUT THIS CONSULTATION

Who can respond to this consultation?

The Department of Finance is seeking views on the policy options in this paper from all interested parties, individuals and groups, on the matters covered by this consultation.

Purpose of this consultation

The policy options set out here will have a direct impact on businesses and individuals. The Department of Finance recognises the need to keep the public informed on such important matters and to allow people the opportunity to comment on the policy proposals. This consultation therefore invites people to answer a number of questions in relation to the proposed changes. The questions are posed at the end of this document.

Scope of the consultation

The consultation applies to all, whether a member of the public, a business, organisations or professional bodies.

Duration of the consultation

As this is a targeted consultation aimed at facilitating policy changes for April 2026 it will run for a period of 8 weeks and the consultation will close for responses on 29 January 2026 without exception.

How to respond to this consultation

You can respond to this consultation online through the link to Citizen Space provided at the end of this document. This is the Department's preferred mode for consultation responses.

You can also send your consultation responses by e-mail to:
ratingpolicy@finance-ni.gov.uk

When responding, please state whether you are doing so as an individual, or representing the views of an organisation. If you are responding on behalf of an organisation, please make it clear who the organisation represents and, where applicable, how the views of members were assembled. We will acknowledge your response.

The consultation document will be available in other formats upon request. You can email any queries to: **ratingpolicy@finance-ni.gov.uk**

Draft impact screening assessments have also been made available on the consultation website. Related papers can also be obtained in hardcopy on request, using the contact details above.

Consultation principles

- consultation must be at a time when proposals are still at a formative stage;
- the proposer must give sufficient reasons for any proposal to permit intelligent consideration and response;
- consultation is only part of a process of engagement;
- adequate time must be given for consideration and response; and
- government responses should be published in a timely fashion.

Confidentiality

Under Data Protection legislation, you have the right:

- to be informed of the personal data held about you and to access it;
- to require us to rectify inaccuracies in that data;
- to (in certain circumstances) object to or restrict processing;
- for (in certain circumstances) your data to be ‘erased’;
- to (in certain circumstances) data portability; and
- to lodge a complaint with the Information Commissioner’s Office (ICO) who is our independent regulator for data protection.

DoF Privacy Notice

The DoF Privacy Notice, explaining how we use your personal data, can be viewed at: **Department of Finance Privacy Notice | Department of Finance**.

HOW THE SCHEME OPERATES

How the SBRR scheme operates

SBRR was an initiative originally introduced to support the growth and sustainability of small business property occupiers by reducing their business rates burden.

The scheme was first introduced on 1 April 2010 and was implemented as a downturn measure following the 2008 economic crash. The scheme provides different levels of rate relief based on the Net Annual Value (NAV) of a business property. The NAV reflects the rental value of a property for rating purposes at the common valuation date determined by the Department (known as the "antecedent valuation date", currently 1 October 2021).

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Breakdown of current support by threshold

SBRR		
Threshold	**Properties**	**Support**
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Totals	29,222	£22,042,804

How it currently works: key features of SBRR

Automatic award: Qualifying businesses receive the rate relief automatically on their annual bill. There is no need to apply for SBRR and this is a key feature of reducing the administrative burden on businesses identified within prior Regulatory Impact Assessment work.

Calculation: In basic terms business rates are calculated by multiplying the valuation of the property (Net Annual Value or NAV) by the non-domestic rate poundage (which includes regional and district rates). The SBRR relief is then applied to that amount in order to reduce the liability within the calculated rates bill.

Annual extension: The scheme requires new legislation to extend it annually and it was most recently extended for the 2025-26 rating year.

Interaction with other reliefs: In broad terms businesses are unable to receive any other rate reliefs when they are in receipt of SBRR support.

How SBRR is currently distributed throughout our councils

The table below outlines the distribution of support currently provided to businesses within the 11 District Council areas:

SBRR		
District Council	**Number of Properties**	**Support Provided**
Antrim and Newtownabbey	1,743	£1,267,752
Ards and North Down	2,105	£1,570,341
Armagh, Banbridge & Craigavon	3,176	£2,337,158
Belfast	5,533	£4,623,020
Causeway Coast and Glens	2,540	£1,757,038
Derry and Strabane	2,279	£1,973,286
Fermanagh and Omagh	2,448	£1,570,765
Lisburn & Castlereagh	1,840	£1,423,399
Mid & East Antrim	2,036	£1,593,727
Mid Ulster	2,569	£1,749,951
Newry, Mourne and Down	2,953	£2,176,363
Total	**29,222**	**£22,042,804**

Support for Post Offices

The SBRR scheme in Northern Ireland also provides enhanced rate relief specifically for small Post Offices. This initiative aims to help maintain vital services, particularly in disadvantaged areas, by supporting smaller, independent Post Offices.

The support provided by this scheme enhancement is outlined in the table below:

SBRR		
District Council	**Number of Properties**	**Support Provided**
100%	131	£360,474
Enhanced 50%	43	£138,671
	174	£499,146

The eligibility for SBRR for Post Offices is also determined by the NAV of the property, which is an assessment of the annual rental value the property could reasonably be let for on the open market.

There are three distinct tiers of relief detailed in the table below:

Net Annual Value (NAV)	Relief Percentage
£9,000 or less	100% Relief
More than £9,000 but not more than £12,000	50% Relief
More than £12,000 but not more than £15,000	20% Relief (Post Offices with an NAV of over £12,000 then fall within the standard SBRR scheme cohort).

Automatic Award: Similar to the SBRR scheme, there is generally no application procedure for this enhancement. If a Post Office qualifies, the relief will be applied automatically to the business rates bill in the same manner as the general SBRR support.

Policy options for future SBRR support

As noted earlier in this paper at present the cost of the rate support for the current percentage tiers of SBRR is as follows (rounding applied):

NAV band	% discount	Properties	Cost
NAV of 2000 or less	50%	4,500	£2M
NAV of more than £2,000	25%	11,200	£6M
NAV of more than £5,000 but not more than £15,000	20%	13,450	£14M
Total	-	29,200	£22M

The cost of any uplift, presented at a scalable level for each 5% increase in the current percentage discount level structure, would be as follows.

NAV band	% discount	Properties	Cost
NAV of 2000 or less	50%	4,500	£0.2M
NAV of more than £2,000	25%	11,200	£1.2M
NAV of more than £5,000 but not more than £15,000	20%	13,450	£3.5M
Total	-	29,200	

In terms of any potential increase in support there is then the issue of establishing a rational basis for the quantum of any increase in provision for the purposes of modelling options within this consultation.

This consultation document proposes retaining the 50% level for the smallest business premises. That is on the basis that support is already covering half of any rating liability associated with a property (which equates to the current vacant rating liability for business premises).

The other proposed percentage discounts have been elevated by the aggregated effect of CPI increases (as measured at 1 April each year since Covid in 2020). That uplift has been applied to the baseline percentage reduction levels within the SBRR tiers. This elevation is proposed as a one off step to elevate the percentage reduction to reflect the specific combination of issues hitting business operating costs since the pandemic.

Taking that approach would see percentage reduction levels within the scheme (rounded to the nearest percentage point) increase as follows:

NAV band	% discount	Properties	Additional Costs
NAV of £2,000 or less	50%	4,500	£0
NAV of more than £2,000	32%	11,200	£1.68M
NAV of more than £5,000 but not more than £15,000	26%	13,450	£4.2M
Total	-	29,200	£22M

To smooth the resultant increased "cliff edge" associated with an elevated upper tier however, and to take account of the impact of the revaluation exercises since 2015 which have seen respective valuation list growth of 8% (Reval 2015), 6.37% (Reval 2020) and 0% (Reval 2023) the Department has also modelled additional NAV band(s) as consequential adjustments and to smooth any potential cliff edge in support.

If those growth levels are applied to the NAV threshold in place within the scheme since 2012 then this would see a new upper threshold of around £17,500. Some of the sub-options modelled also apply a tier up to £20,000 to adjust the tapering off further.

Options 1 to 4 (tables below) have thus been developed by the Department as potential policy options for uplifting the current rate provision to reflect elevated operating costs for small businesses experienced since the pandemic.

A note is provided at the end of this section on the considerations associated with costing related to the timing of this consultation. As noted earlier in the paper, consultation is required at this time to facilitate any policy change for the 2026/27 rating year.

It is proposed that Post Offices with a valuation above £15,000 would be included within the additional NAV tiers within each of the options below.

Option 1

Option 1 will retain a small business rate reduction of 50% for those business properties with an NAV of £2,000 or less. Under this option business properties with an NAV of more than £2,000 but not more than £5,000 will see their reduction go from the current level of 25% to 32%, while business properties with an NAV of more than £5,000 but not more than £15,000 would see their reduction go from the current level of 20% to 26%.

To smooth cliff edges, support is then tapered under **Option 1** so that business properties with an NAV of more than £15,000 but not more than £17,500 would fall within a new reduction tier under the scheme of 20%, and business properties with an NAV of more than £17,500 but not more than £20,000 seeing a reduction of 10%. These new bands will be available to post offices under existing eligibility criteria.

NAV band	% discount	Properties on current valuation list	Estimated Additional Cost
NAV of £2,000 or less	50%	4,500	N/A
NAV of more than £2,000 but not more than £5,000	32%	11,200	£1.68M
NAV of more than £5,000 but not more than £15,000	26%	13,450	£4.2M
NAV of more than £15,000 but not more than £17,500	20%	1,800 (estimated)	£3.3M (estimated)
NAV of more than £17,500 but not more than £20,000	10%	1,350 (estimated)	£1.5M (estimated)
Total additional cost of package			£10.68M

Option 2

Option 2 will retain a small business rate reduction of 50% for those business properties with an NAV of £2,000 or less. Under this option business properties with an NAV of more than £2,000 but not more than £5,000 will see their reduction go from the current level of 25% to 32%, while business properties with an NAV of more than £5,000 but not more than £15,000 would see their reduction go from the current level of 20% to 26%.

To smooth cliff edges, support is then tapered under **Option 2** so that business properties with an NAV of more than £15,000 but not more than £20,000 would see a new reduction under the scheme of 15%. This new band will be available to post offices under existing eligibility criteria.

NAV band	% discount	Properties on current valuation list	Estimated Additional Cost
NAV of £2,000 or less	50%	4,500	N/A
NAV of more than £2,000 but not more than £5,000	32%	11,200	£1.68M
NAV of more than £5,000 but not more than £15,000	26%	13,450	£4.2M
NAV of more than £15,000 but not more than £20,000	15%	3,150 (estimated)	£4.6M (estimated)
Total additional cost of package			**£10.48M**

Option 3

Option 3 will retain a small business rate reduction of 50% for those business properties with an NAV of £2,000 or less. Under this option business properties with an NAV of more than £2,000 but not more than £5,000 will see their reduction go from the current level of 25% to 32%, while business properties with an NAV of more than £5,000 but not more than £15,000 would see their reduction go from the current level of 20% to 26%.

To smooth cliff edges, support is then tapered under Option 3 so that business properties with an NAV of more than £15,000 but not more than £17,500 would see a new reduction under the scheme of 10%. This new band will be available to post offices under existing eligibility criteria.

NAV band	% discount	Properties on current valuation list	Estimated Additional Cost
NAV of £2,000 or less	50%	4,500	N/A
NAV of more than £2,000 but not more than £5,000	32%	11,200	£1.68M
NAV of more than £5,000 but not more than £15,000	26%	13,450	£4.2M
NAV of more than £15,000 but not more than £17,500	10%	1,800 (estimated)	£1.65M (estimated)
Total additional cost of package			**£7.53M**

Option 4

Option 4 will retain a small business rate reduction of 50% for those business properties with an NAV of £2,000 or less. Under this option business properties with an NAV of more than £2,000 but not more than £5,000 will see their reduction go from the current level of 25% to 32%, while business properties with an NAV of more than £5,000 but not more than £15,000 would see their reduction go from the current level of 20% to 26%.

To smooth cliff edges, support is then tapered under **Option 4** so that business properties with an NAV of more than £15,000 but not more than £17,500 would see a new reduction under the scheme of 15%. This new bands will be available to post offices under existing eligibility criteria.

NAV band	% discount	Properties on current valuation list	Estimated Additional Cost
NAV of £2,000 or less	50%	4,500	N/A
NAV of more than £2,000 but not more than £5,000	32%	11,200	£1.68M
NAV of more than £5,000 but not more than £15,000	26%	13,450	£4.2M
NAV of more than £15,000 but not more than £17,500	15%	1,800 (estimated)	£2.48M (estimated)
Total additional cost of package			**£8.35M**

Note on the financial modelling and cost estimates within Options 1 to 4

The costing of Options 1 to 4 above are predicated upon the current distribution of the SBRR scheme and current valuation of properties just above the current SBRR NAV thresholds. April 2026 will see a new non domestic valuation list go live and therefore this will alter that distribution of SBRR which will have an effect on final costings.

Likewise, the figures provided in Options 1 to 4 for properties in excess of the current NAV threshold may include so called “multiples”. As noted earlier in this document multiples are excluded from the remit of the Small Business Rate Relief scheme and as a result the cost estimates provided for the proposed additional tiers are likely to be higher than the final costs.

Options 1 and 2 provide two different cost estimate models which reflect different approaches to how “steep” the taper that applies to any new tier should be. Options 3 and 4 then show cost estimated models that can apply to a smaller funding envelope. The scalability costing at the start of this section will allow consultees to assess other potential adjustments of existing SBRR tiers when considering the proposals.

All factors noted above, in conjunction with the views provided through the consultation process, will inform any final policy decisions by the Department.

POLICY QUESTIONS FOR CONSULTEES

1. Do you view SBRR as an effective use of public money and should it be continued?

2. Do you currently receive SBRR?

3. Should automatic awards of SBRR continue?

4. Should an application-based system be adopted instead of automatic awards to allow targeting of the scheme, either by sector or by other criteria such as profitability, turnover, etc?

5. Do you favour sectoral support or sector neutral support?

6. What Policy Option do you favour?

7. How should additional support be funded?

8. Do you have any other views on the policy you wish to submit as part of this consultation?

Click to answer the questions above

Impact screening

New Draft Impact Assessment screening exercises have been conducted on this proposal. That screening documentation has been published alongside this consultation document. Evidence from consultees is also sought on this area to inform this work.

Land & Property Services
Seirbhísí Talún agus Maoine

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