

ORAL STATEMENT TO THE ASSEMBLY

**CONSULTATION ON THE BUSINESS GROWTH ACCELERATOR
AND VACANT RATING REFORM**

MONDAY 29 JUNE 2026

**JOHN O'DOWD MLA
MINISTER OF FINANCE**

I wish to make a statement to the Assembly setting out the next steps in my ambition to reform rating policy and bring about a more progressive, transparent and fair taxation system.

I have been consistent in my support for local businesses and have publicly recognised their contribution to the local economy. Equally I have listened to concerns raised around sustainability and growth and how challenging the operating environment has become.

That is why today I am announcing a public consultation on two significant proposals designed to support business growth while also addressing longer-term issues within the rating system.

Firstly - the introduction of a Business Growth Accelerator and secondly changes to Non-Domestic Vacant Rating.

Business Growth Accelerator

I want the rating system to support rather than constrain development, improvement and investment.

The proposal to introduce a Business Growth Accelerator would see temporary targeted relief offered to businesses that are taking tangible steps to expand their operations.

That support is designed to:

- reduce the upfront financial pressure on businesses making investment in their property;
- allow businesses to recoup investment costs; and
- encourage development that might otherwise not proceed.

The Business Growth Accelerator would give businesses a specified grace period after making improvements. During that time, they would continue to pay rates based on the property's value before the improvements, delaying any immediate increase.

This would help create better conditions for construction activity, business expansion and wider economic regeneration.

Amending Non-Domestic Vacant Rating (NDVR)

Alongside the Business Growth Accelerator, I want to examine how Non-Domestic Vacant Rating operates and how increases in liability levels can be best implemented. At present, vacant properties are liable for up to 50% of occupied rates. This consultation proposes increasing that liability on a staged basis to 75% then to 100% to encourage re-use of vacant space.

We will be seeking views on introducing a phased approach to increases in vacant rating liability rather than a single-step change.

I outlined my intent to take this approach in my statement on **18 November 2025**, alongside the fact that reform of rating policy should support growth, make better use of property, and ensure that the system is fair, proportionate and aligned with wider economic objectives.

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
- increase revenue (estimated up to £20 million annually)

The case for change is grounded in the need to strike the right balance between encouraging productive occupation, tackling long-term vacancy, and avoiding unintended consequences for businesses and property owners.

I am particularly keen to hear from those impacted by vacant commercial units - especially on how any phased increase can be implemented in a sustainable way that is fair, proportionate and sustainable within the tax system.

The proposals on the Business Growth Accelerator and changes to non-domestic vacant rating are in my view an important step forward. Importantly they underpin my previously stated commitments:

- **Removing disincentives to expansion:** By ensuring that businesses investing in their physical footprint are not unfairly penalised by an immediate increase in rates;
- **Unlocking future tax-base growth:** By supporting businesses to grow today, we are expanding the economy, which in turn secures long-term, sustainable revenue for our public services; and
- **Complementing existing support:** The Accelerator will operate alongside our highly successful 'Back in Business' scheme, which has already helped bring over 100 vacant high-street properties back into use since May 2024.

These issues have been the subject of considerable interest and comment in the Assembly, and it is right that we grasp the nettle now.

Considerations on these matters sit alongside other important strands of rating reform that I will continue to update the Assembly on.

Strategic Review of Rates Supports

Turning to the Strategic Review of Rates Supports it might be helpful Mr Speaker to remind members of the progress made.

As set out in my statement to this Assembly back in November, I intend to look across the existing support landscape and consider how it can better reflect and positively respond to present-day economic conditions and policy priorities. The announcement here today represents the next step in that.

That said, I have also put on record my intention to strengthen support for small businesses. In that vein, £10 million has been set aside in the draft Budget to broaden the impact of the Small Business Rate Relief scheme in order to increase the number of businesses that can benefit from it.

Mr Speaker to remind members, the review process has now assessed four measures: the Early Payment Discount, the Maximum Cap, Small Business Rate Relief and Non-Domestic Vacant Rating.

Recommendations for Executive consideration, following full public consultation, have already been made in relation to the Maximum Cap, the Early Payment Discount and Small Business Rate Relief - with the latter included as a costed intervention within my draft Budget proposals. As I have stated today, Non-Domestic Vacant Rating is due to be consulted on in the coming weeks alongside the Business Growth Accelerator proposals.

In November, I indicated to the Assembly that the review process would be expedited with completion targeted by the end of the 2027/28 rating year. Looking ahead, there is a clear case for examining the Rating of Empty Homes and that will now be my next priority.

Considering the rating of empty homes provides the opportunity to understand and assess two related issues that are often raised in the same context, namely second homes and holiday homes. Importantly, given the clear linkage to the Executive's Housing Strategy, taking forward our own review during this financial year will permit better alignment with that important programme of work.

Further Policy Work

Alongside these significant policy reviews in line with my commitment to expedite this process I have asked my officials to continue to work at pace to scope the remaining rates reliefs.

This would allow the implications, sequencing and resource requirements of any further review work to be assessed, including an assessment of the willingness of others to make decisions about reform and equitable rating system, before decisions are taken on how best to proceed.

Closing

In closing, I want to reiterate how important it is to me, as Minister of Finance, that our businesses are supported to thrive.

I want to see additional support directed to those businesses that provide vital employment supporting workers, families, and communities.

The measures I have set out today reflect my ambition to enable business expansion, tackle vacant properties, and help revitalise our towns and high streets, while also unlocking future growth in rates revenue for both local and central government.

My focus is clear: to support our public services, strengthen our local businesses, back our workers and families, and grow our economy for the benefit of everyone.

END