IPTI Xtracts

Property Tax and Assessment News from Around the World

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## US billionaire's London property splurge spurs calls to keep tax local

*Ken Griffin spent almost £200m on two houses, but will pay only £3,000 in council tax*

The body representing regional government in England and Wales has called for more taxation to be retained by local councils in the wake of two huge London property purchases by a US hedge fund billionaire.

Three of the most expensive homes in the world have been sold recently to one man, American financier Ken Griffin, who has become known for spending his fortune on lavish properties in some of the world’s most glamorous cities. All of the latest properties have been eulogised as stunning.

Two of the houses are in central London, and will attract taxes that will be banked by central rather than local government. One, a penthouse currently under construction, will overlook Buckingham Palace at Hyde Park Corner as part of the Peninsula London development and will cost £100m. Another is a townhouse across the park at Carlton Gardens, costing £95m. The third is a penthouse atop a “pencil tower” at New York’s 220 Central Park South, costing $238m (£200m).

In the US federal system, New York City levies the taxes due on property purchases and will receive $217,000 a year from Griffin’s New York purchase, according to calculations by property tax consultants MGNY Consulting.

However, in the UK, most of the taxes due on Griffin’s two latest purchases will end up going to central government, aside from the £2,842 per year in council taxes due to Westminster council and the Greater London Authority for both properties. Griffin appears to be facing a UK bill in the region of £30m in stamp duty for the privilege of being a double neighbour to the Queen, but this one-off sum is paid to central government via HM Revenue & Customs. Griffin, 50, is reportedly worth $8.8bn thanks to the success of his Citadel hedge fund.

Depending on how he structures the purchases of his two new UK homes, he may also face other charges. If the properties are acquired via a company, there will be an annual tax on enveloped dwelling (ATED) of £232,000 a year per property, which is also paid to central government.

However, housing experts say very few residential properties are now acquired through companies, since the introduction of this charge. ATED applies to high-value UK residential property owned indirectly on, or acquired after, 1 April 2013, by "non-natural persons" (NNPs).

A spokesman for the Local Government Association, which represents 370 English and Welsh councils, said: "Local government in England faces an overall funding gap of £8bn by 2025. The UK is one of the most centralised economies in the western world.

"If local areas are given freedom and control over their own finances, and the responsibility for growing their local economies, they will be able to take on increasing and enhanced leadership roles for their place."

He added that local authorities should be allowed to retain a proportion of nationally collected taxes paid by their residents "such as income tax or stamp duty, along with appropriate redistribution arrangements and control over discounts and reductions where appropriate".

In the US federal system of government, property taxes can be levied locally. New York City says that property taxes represented 44% of all "city tax dollars" collected in the year to 30 June 2018.

Of the total city tax take, New York spends 30% on "uniform agencies" including the police, fire and prisons; 30% on education; 19% on health and welfare; and 21% on "other agencies", which includes housing and transport.

In the UK, the financial position of local councils has long been a topic of concern, particularly since austerity budgets were imposed after the global financial crisis.

This has resulted in scores of councils complaining that services are having to be cut, and finding themselves struggling to balance the books.

In November, the government in effect bailed out Tory-run Northamptonshire county council after giving it unprecedented permission to spend up to £60m of cash received from the sale of its HQ on funding day-to-day services.

Northamptonshire declared itself effectively bankrupt in February 2018 after it realised it could not balance its books. It declared insolvency again in July after a review revealed it had understated the extent of its financial problems. It must make good a £70m deficit by the end of March to avoid insolvency for a third time.

The recent purchases are only the latest in Griffin's global shopping spree for glamorous homes. During recent years, he has reportedly spent more than $750m on homes in Chicago, New York, Florida and now London. Griffin earned around $1.4bn in in 2017, according to financial publisher Institutional Investor.

He has now set six housing price records, according to US broadcaster CNBC. Last year, he paid the highest price ever for a home in Chicago, buying the top four floors of a Gold Coast condo tower for $58.5m.

The "taxable value" for Griffin's new Manhattan property comes in at around $1.7m, which is then taxed at a rate of 12.6%. The resulting annual tax bill is slightly lower than the $280,000 projected by developers back in 2015, but it should still be a notable tax boost to local New York City services.

Neither the UK's Ministry of Housing, Communities and Local Government, nor Griffin's fund Citadel commented.

## Treasury committee to consider reforming business rates

The Treasury select committee has launched a new inquiry to look at the impact of business rates on economic activity and to consider alternative forms of taxation.

The chair of the Treasury committee Nicky Morgan MP said: “Many high street businesses are struggling to remain competitive.

“It has been estimated that 10,000 shops will close this year.

“Unless action is taken, closures could continue and job losses may soar.

“Business rates can represent a substantial financial burden on the high street.

“The Treasury Committee is therefore launching an inquiry today into the effectiveness and impact of these rates on business.”

The inquiry will examine how changes in business rates since 2017 have affected businesses, including looking at changes to reliefs and allowances, and examining the ability of businesses to pay the tax.

It will look at the fairness of the current system and how far it encourages competition.

The remit also covers looking at the arguments for and against a property-based business tax, the impact of proposed and actual changes to business rates on local authorities and the high street, and alternative forms of taxation, such as the proposed digital services tax.

The inquiry comes against the backdrop of long-term decline in high streets, but the pain of non-domestic rates was made particularly vivid in 2017 when a delayed and substantial revaluation left many businesses facing large increases.

In his 2018 Budget the chancellor Philip Hammond, provided some temporary relief by cutting rates by one third for small businesses until the next revaluation.

Speaking to Room 151’s FDs’ Summit in October 2018, David Magor of the Institute of Revenues Rating and Valuation said of the non-domestic rates system: “Is it fair?

“Is it a fair burden on the rate payer?

“Is the assessment methodology appropriate to the 21st century?

“Sadly, the responses to all theses questions are negative.”

At the conference, Magor also pointed to the growing problem of business rates payers finding loopholes: “Slowly but surely avoidance is creating major problems.”

However, reform will not be easy.

Business rates are efficient, i.e. cheap to collect, relatively stable, and have a demonstrable relationship with local authority spending.

Christian Wall director at PFM told Room 151: “My main concern is that those involved in trying to reform business rates focus on one element, with too many people looking at their own particular concern, rather than considering it as a tax for the funding of local authorities.

“I would be worried we could end up with piecemeal reform, or reform that pays insufficient attention to the linkages with councils.

“Redistribution of business rates is a critical element of the funding system.”

Wall points to the huge barriers to reforming local government tax, citing the example of council tax which is based on property valuations now 25 years out of date snd is widely regarded as unfair.

The same would apply to business rates, where changes would similarly produce winners and losers.

“It is inevitable the losers will scream very loudly”, Wall said.

If the tax reflected land values ,as proposed by the Liberal Democrats, then retailers on high streets (with higher values) would be disadvantaged against those in out-of-town areas.

London retailers would be taxed more highly than those outside.

The tax would not be related to the ability of businesses to pay, which is a product of turnover and margins.

Wall further points out that apart from assuming that landlords have the ability to pay, the proponents of property-based taxation also assume that the tax will not simply be passed on to their tenants.

“Anything to do with a property-based tax will become toxic very quickly”, he said.

A tax on profit or turnover would in theory address this problem, but could be difficult to impose, especially on large online retailers who so far have been good at avoiding paying them, and who can ultimately simply threaten to move sticks to another tax jurisdiction.

## PAC: Ministers in denial over finances and must 'get real'

Ministers are in denial over the state of local government finances and have failed to plan for councils’ long-term future, according to the Public Accounts Committee.

The cross-party committee has today published a damning report which finds that councils’ financial position “is continuing to deteriorate as demand for vital services increases”.

Government funding for local authorities in England has been cut in half over the last eight years while demand for council services has continued to rise, the report said.

The committee found overall spending by local authorities on services fell by 19.2% in real terms between 2010-11 and 2016-17.

Committee chair Meg Hillier (Lab) said: “The government is in denial about the perilous state of local finances. It insists the sector is sustainable yet is unwilling or unable to back up this claim.

“Flimsy assertions have no place in financial planning. The fact government has bailed out councils with short-term fixes should be evidence enough that all is far from well.

“Government needs to get real, listen fully to the concerns of local government and take a hard look at the real impact funding reductions have on local services. And then it needs to plan properly for the long-term.”

Some councils were found to be in an “extremely worrying” position, overspending on budgets for social care, cutting back key services, relying on financial reserves and taking risks to generate other sources of income.

The committee accused the Ministry of Housing, Communities and Local Government of relying on a “short-term approach to a long-term problem”, with “no sign” of a “clear plan to secure the financial sustainability of local authorities in the long-term”.

Speaking during a Commons debate on the local government financial settlement yesterday, housing and communities secretary James Brokenshire defended the government’s approach.

He said: “It’s clear we need to take a longer term view on how we fund councils. A new approach to distributing funding between local authorities and the upcoming spending review will be pivotal to this. For years councils have asked for more control of the money they raise and we’re giving it to them.”

Shadow housing and communities secretary Andrew Gwynne responded by insisting the government had “no new ideas” and “no recognition of the dire situation facing councils”.

He said: “We frankly expect better from this secretary of state and want to see better from this government. Over the last nine years [councils have] been hung out to dry. This was an Alice Through the Looking Glass settlement. Ministers presented a cut as an increase because in the real world there is no new money.”

Evidence provided to the PAC inquiry by the LGA estimated that local authorities will face a funding gap of £3.2bn by 2019-20. The committee called on MHCLG to show how its own assessment of council finances compared with the LGA’s figure.

A series of other recommendations included calls for MHCLG to set out its assessment model for council finances and setting out the steps it intends to take to move the local government sector to a stronger financial position.

The committee noted that MHCLG has rejected a series of its earlier recommendations. ““We are deeply frustrated to have to repeat the same concerns about the sustainability of the sector and the ability of local authorities to provide the vital services that taxpayers need,” it said.

In response to the report, Mr Brokenshire said: “This year’s settlement paves the way for a fairer, more self-sufficient and resilient future for local government. That is why local authorities will have more control over the money they raise and a real terms increase in their core spending power.

“The settlement also recognises the pressures councils face in meeting growing demand for services and rewards their impressive efforts to drive efficiencies and rebuild our economy.”

## Hike in council tax 'NOT ENOUGH' say MPs as they demand further measures to help councils

SENIOR MPs last night accused the Government of being “in denial” over local authority funding after the Commons approved a new package expected to send council tax soaring.

In a scathing report, the Commons Public Accounts Committee said town halls in England were under "enormous pressure" just to maintain services following the squeeze on funds from Whitehall over the last eight years. Ministers had responded with a series of “short-term fixes” to shore up local authority finances while failing to come up with a plan for sustainable financing, said the report. The committee’s report was published after MPs backed a new Whitehall funding package designed to increase the “core spending power” of local authorities across England by 2.8 percent to £46.4billion in the financial year from April.

The figure was £1.3bn more than planned and including £650million for social care and £420million for roads.

Local authorities with responsibility for social care will be able to hike council tax by up to 5 percent without seeking approval in a local referendum under the package. District councils will be allowed council tax rises of up to 3 percent without a poll.

Public Accounts Committee chairman Meg Hillier, a Labour MP, said: "The Government is in denial about the perilous state of local finances. It insists the sector is sustainable yet is unwilling or unable to back up this claim. Flimsy assertions have no place in financial planning.

"Government needs to get real, listen fully to the concerns of local government and take a hard look at the real impact funding reductions have on local services. And then it needs to plan properly for the long-term."

Her committee’s report Whitehall funding to local authorities in England had almost halved over the last eight years while demand for services had soared.

Between 2010-11 and 2016-17, council spending on services fell by 19.2 percent in real terms while the Local Government Association estimated authorities face a £3.2 billion shortfall by 2019-20.

The Government responded by announcing a £1.4 billion cash injection in the Budget in October.

But with half the money due to be spent before the end of the current financial year, the Public Accounts Committee said the Ministry of Housing, Communities and Local Government had been unable provide assurances it would be used effectively.

"Some councils are now in an extremely worrying position: overspending their budgets for social care, reducing key services, falling back on financial reserves and increasingly relying on generating other sources of income, which comes with greater risks," the committee's report said.

"The Government has had to inject large amounts of additional funding to ensure that the local authority sector can keep going in the short-term: £1.4 billion in the 2018 budget.

"Yet disturbingly, there is still no sign that the department has a clear plan to secure the financial sustainability of local authorities in the long-term."

The committee said the ministry had shown "an unacceptable lack of ambition" for the sector with no aspiration for local government finances beyond "merely coping".

MPs on the committee were "deeply dismayed" the ministry seemed to view the issue in terms of a small set of statutory services authorities are required to provide by law - predominantly social care - rather than the full range of services residents expect from their council.

"There are a range of other services, such as libraries and youth services, which local people can reasonably expect their council to provide, but which the department does not consider rigorously when determining whether local authorities are financially sustainable," said the report.

"We are concerned that the department's narrow view of service provision risks giving a misleading picture of the sustainability of services as a whole."

Responding to the report, Communities Secretary James Brokenshire said the financial package for local councils approved by the Commons yesterday would pave the way for "a fairer, more self-sufficient and resilient future" for local government.

"That is why local authorities will have more control over the money they raise and a real terms increase in their core spending power," he said.

"The settlement also recognises the pressures councils face in meeting growing demand for services and rewards their impressive efforts to drive efficiencies and rebuild our economy."

Richard Watts, chairman of the Local Government Association's Resources Board, said: "With councils in England facing an overall funding gap of £8 billion by 2025, we are pleased the Committee has reinforced our warning that funding cuts and demand pressures are pushing local services to the brink.

"The Spending Review will therefore be make or break for vital local services and securing the financial sustainability of councils must be the top priority. If we truly value our local services then we have to be prepared to pay for them.

"We agree with the Committee that the financial sustainability of local government cannot be defined by the ability of councils to just provide statutory duties.

"Pressures continue to grow in children's services, adult social care, and efforts to tackle homelessness and this is leaving increasingly less money for councils to fund other discretionary services, such as the maintenance of parks, certain bus services, cultural activities and council tax support for those in financial difficulty - to plug growing funding gaps.

"Fully funding councils is the only way to ensure councils can continue to provide all of the valued local services which make such a positive difference to communities and people's lives."

## Business rates system "does not reflect retail market" says ex-John Lewis boss

Major retail figures including former John Lewis boss Andy Street and Bill Grimsey have piled fresh pressure on the government to reform business rates.

The Key Cities Group, comprised of 24 UK cities each with a gross added value (GVA) of over £110 billion, unveiled the findings of its The Future of our Town and City Centres report at a conference on the future of the UK's high streets yesterday in London.

In a year that is due to see a record number of high street stores and jobs come under threat, the report has called for a "complete review" of the current business rates system, stating that it no longer represents the modern British commercial landscape.

Addressing the Key Cities Group conference, Street – who is now the Conservative mayor of the West Midlands – said that the current system "does not reflect the retail market and indeed how other companies make profit".

"There does need to be a much more complete review of how profit is achieved in the business sector," he added.

"Business rates fall disproportionately on the high street. Ever since I was managing director of John Lewis, we have been lobbying for some further changes to business rates than have currently occurred."

Speaking alongside him, Grimsey – who authored a review into the future of the UK high street last year – highlighted the need to address the rise of online giants like Amazon, proposing a sales tax.

He also warned that struggling retailers like Debenhams would disappear, and that grocery stores would need half the space they currently occupy by 2030, arguing that customers would not shop in stores where they would not need to touch items to buy them.

## SNP wins budget backing with council tax pledge

*Greens demanded reforms and more money for local government as price of support*

The Scottish National party government has revived the prospect of scrapping council tax and pledged more funds for local authorities as part of a deal with the Greens to win parliamentary backing for its budget.

The deal secured approval for the SNP's 2019-20 spending plans, which include a lower threshold for higher rate income tax than in the rest of the UK and will refocus attention on the highly contentious issue of local government finance reform.

With Green support, the budget was approved at its first stage on Thursday by 67 votes to 58.

The SNP promised to replace council tax with a local income tax before winning power in 2007 and was part of a cross-party commission that in 2015 recommended its replacement with a system based both on property values and on income.

However, Nicola Sturgeon, first minister, backed away from major reform, tweaking council tax to make it more progressive but retaining the quarter century-old home valuations on which it is based.

In a statement, the Scottish government said it had agreed to convene cross-party talks on replacing council tax and would publish legislation before the end of the current parliament in 2021 if agreement could be reached.

The deal amounted to a pledge of "substantial devolution of power to local government", said Derek Mackay, finance secretary.

Mr Mackay in December set out plans for the 2019-20 budget that will freeze the threshold for higher rate income tax in Scotland. The move widens divergence from rates elsewhere in the UK after Philip Hammond's decision to raise the higher rate threshold from £43,430 to £50,000.

But the Scottish Greens had demanded more money for local councils and pledges of reform as the price of their support.

Mr Mackay said the revised budget would provide an additional £90m in core resource funding on top of the planned £11.1bn local government settlement. Councils would be given more flexibility over elements of care spending, and granted new powers over some business rates reliefs and the power to introduce a workplace parking levy.

Mr Mackay also agreed to "consult on the principles" of a local tourist tax. Local authorities, including SNP-run Edinburgh council, have said that a small nightly levy on visitors would spread the benefits of the fast-growing tourism sector and help fund investment in local infrastructure.

Patrick Harvie, Scottish Greens co-convener, said the deal would help councils protect services and jobs.

"It's welcome that after consistent Green pressure the SNP government have seen sense and committed to immediate action and longer-term reform," Mr Harvie said.

The SNP has relied on Green support to win passage of its budgets since losing its majority in the Scottish parliament in 2016.

The Scottish Conservatives and Liberal Democrats had this year said the SNP must put aside its demand for Scottish independence as a condition of co-operation, while Labour had demanded substantially greater spending and more progressive taxation.

The Greens have repeatedly accused the SNP of restricting local councils' freedom of action. The Scottish parliament's information service said the original budget would increase revenue funding from the government to local councils by 2 per cent in real terms, but when ringfenced funding was excluded it would mean a 3.4 per cent reduction.

## Land Value Tax - Scottish Land Commission Research Report

Following a request from the Scottish Government, the Scottish Land Commission recently published their report on research into potential options for the introduction of a land value tax (LVT).

LVT (not to be confused with Land Value Capture Tax, a mechanism designed to tax the increase in value of land at the point of development approval) is most usually seen as an alternative (or addition to) the current system of Council Tax. It is of interest to the Scottish Government and Land Commission given its dual potential of reforming property taxation and securing land reform through more diversified land use and ownership. The underlying thinking is that LVT may tax land not otherwise taxed, and thereby encourage sale or development by the landowner.

Challenges

LVT is a recurrent tax charged on landowners based on unimproved land value and usually calculated as a percentage of that value. The report identifies various challenges, including how to collect tax from a land owner who is asset rich but cash poor; how to determine the unimproved value of land which is presently in an improved state, and issues over the requirement to revalue land over time. Such issues affect all jurisdictions which look to implement LVTs.

Some specific issues from a Scottish perspective include how to identify accurately who owns the land, in the absence of comprehensive registration of title in the plan-based Land Register; and problems around valuation of land arising from the Scottish plan-based planning system. The report notes that successful LVTs tend to be in places where a zoning system (allocating permitted use by area and conveying automatic development rights to landowners) is used by planners, as such a system allows easier assessment of value of land in the relevant zone, as compared to valuing land where approvals are discretionary, such as in Scotland at present.

Exemptions

The report noted that in the various examples of LVT considered, there were widespread exemptions, and there is therefore wide scope for jurisdictions to tailor an LVT to their specific circumstances. The report notes that it is not a foregone conclusion that agricultural land would be exempt from an LVT and that will bring with it concern to farmers anxious to ensure that their farms are not broken up. One would hope that avoiding such a scenario would be a significant policy consideration for the future.

Conclusions

At this stage, the report was commissioned as a backdrop to future policy decisions. The report sets out various potential options for introducing an LVT, including as a replacement for Council Tax/Rates or in addition to those. It also notes that simple reform or extension of existing land taxes could lead to a more progressive and equitable tax system.

With the recently passed 2019 Scottish Budget now committing the Scottish Government to cross-party talks on replacing the current Council Tax, we may have an LVT on the table for discussion earlier than expected and we will keep developments on this front under review.

## The idea that fiscal conservatism and social liberalism go together is a deception

The desire to have your cake and eat it makes a person sound greedy, but it is more than anything a failure of intellect.

From the football manager who wants more consistent refereeing but objects when this leads to a penalty award against his team, to a president who disputes the basis of his predecessor's employment figures but boasts of his own results using the same measures, it is hard to trust those who try to stake out a position and claim all the benefits but none of the costs.

I found myself thinking about this listening to some of the criticism levelled at finance secretary Derek Mackay's budget this week. It was cast as a "tax triple whammy" by the Conservatives and sections of the press.

A relatively modest council tax rise, powers to impose tourist taxes and workplace car parking charges, added to the refusal to pass on tax cuts delivered in England amount to a 'savage cash grab', according to one report.

Here's the thing. You can't have socially progressive policies and a tax-cutting agenda. Some would contend you can.

Politicians, taxi drivers, bar-room philosophers – listen to them for long enough and you'll eventually hear the hoary lie: "I'm socially liberal, but fiscally conservative". And at that point it's time to leave the bar, the car, or turn off Twitter.

As society becomes more progressive and permissive and voters become more concerned about issues like homelessness, more open-minded about drug reform, those on the right have had to move to appear more caring. But it is a nonsense, founded on a lie.

On of those lies is implied. That is the suggestion that liberal values are somehow profligate or wasteful. So cuts can be made with a clean conscience – it's just belt tightening, after all.

These claims don't add up. That's why brutal austerity cuts are often paired with the demand for imaginary 'efficiencies', why councils are asked to make savings, charities providing public services are told to make do with less, and care homes are given smaller sums per head for their elderly residents.

As if that doesn't mean larger case loads for social workers, putting every child protection case on their list at greater risk. As if that doesn't mean fewer resources for a hospice to help people, or their relatives, at the end of life. As if it doesn't mean Aunt Maureen in Cherry Acres is less likely to get out for a walk because there's nobody free to keep an eye on her.

The truth is, fiscal conservatism perpetuates inequality. Poverty is entrenched by a philosophy which says, in essence: I'm really concerned about people who don't have enough to get by, and by the problems faced by those left on the margins by society. I just don't want to have to do anything about it, or pay anything to fix it.

That's why the liberalism of those who espouse such views is often passive. In favour of gay marriage. Happy with freedom of choice when it comes to abortion. Pretty concerned about plastic pollution. Just so long as it doesn't involve doing very much, or any significant government spending.

Making a real difference to the rights of low paid workers, by restoring legal aid for discrimination cases? Investing in public transport? Requiring companies to put genuine measures in placed to support disabled people in the workplace? Putting real funding behind efforts to limit carbon emissions? Well, that's a different matter.

The perspective is a superficially attractive one. Who could be against being frugal? Especially if it's moderated with a dose of compassion? But the reality of such thinking is that Glasgow City Council is currently considering closing Whitehill baths, home to one of only two disabled swimming clubs in the city. Edinburgh's Integration Joint Board is about to close Pilton Community Health Project, a remarkable multi-faceted resource which has provided a range of mental health and other care and support services to some of the poorest areas of that city for more than three decades.

The reality is a benefit cap for people with more than two children so cruel that it will require some women to testify that a child was the result of a 'non-consensual conception' if they are not to be denied tax credits.

There is a huge self-delusion involved in the idea that perpetually cutting back on public spending is compatible with creating a fairer, kinder or more tolerant society.

So it is no surprise, I suppose, that it often comes paired with another pernicious delusion: that "the market" will somehow intervene. Fiscal conservatives have a touching faith in the powers of this magical entity.

But corporations can't be trusted to do the right thing. Tobacco company Philip Morris is currently positioning itself as "committed to creating a smoke-free future", in Britain, at least, where it is illegal to advertise cigarettes. Of course in other parts of the world, where it is legal, the company continues to push Marlboro for all it is worth.

And the rush of companies removing plastic straws from their products may be sincere in their response to genuine public concerns, but relying on businesses answerable primarily to their shareholders to do anything more meaningful about plastic packaging or rein in the insane market for bottled water, or discouraging overconsumption is frankly naive.

Fiscal conservatism paired with social liberalism means pushing the idea that getting into work is a straightforward answer to poverty and injustice, while turning a blind eye to the fact that starving people off benefits for the most part merely, forces them into low paid, insecure employment, perpetuating inequality.

The real answer is progressive taxation, funding efforts to tackle the attainment gap in education, address inequalities in health care, re-establish a social security safety net which treats people fairly, decently and with respect.

Two thirds of the Scottish Parliament were elected on this sort of platform, and the Scottish Government has passed a budget, with the support of the Greens, which hopes to deliver on it. So talk of 'tax bombshells' is misguided and regressive, especially when paired with claims to be socially liberal.

## Retail NI meets minister over rates reform

A Retail NI delegation met with finance secretary Sue Gray this morning (6 February) to discuss business rates reform, the Future High Streets Fund and the Northern Ireland Executive departmental budget.

Glyn Roberts, Retail NI chief executive, said: "We left the permanent secretary and her officials in no doubt as to how bad the situation is in regard to our broken and antiquated system of business rates in Northern Ireland.

"Independent retailers and hospitality businesses in Northern Ireland are paying the highest business rates in the UK and have little in the way of rate relief schemes which our mainland counterparts enjoy."

Roberts added: "We also urged for the £20m Future High Streets Fund, which was announced by the chancellor to regenerate our high streets, to be included in any local budget for Northern Ireland. It is also vital the wider business community is fully consulted on the Northern Ireland departmental budget.

"Northern Ireland cannot be the only part of the UK which does not benefit from the Future High Streets Fund, particularly given we have the highest levels of shop vacancies and dereliction."