

Gloucester City Council

Meeting:	Cabinet	Date:	11 December 2024
Subject:	National Non-Domestic Rates Discretionary Relief Policy		
Report Of:	Cabinet Member for Resources		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	Yes
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Appendices:	1. National Non-Domestic Rates Discretionary Relief Policy		
	2. Schedule of Changes to the Policy		

FOR GENERAL RELEASE

1.0 Purpose of Report

1.1 To seek approval to adopt and implement the guidelines in the National Non-Domestic Rates Discretionary Relief policy detailed at Appendix 1.

2.0 Recommendations

2.1 Cabinet is asked to **RESOLVE** that:

- (1) the National Non-Domestic Rates Discretionary Relief Policy detailed at Appendix 1 be approved and adopted;
- (2) the policy be reviewed every 3 years with the next review in 2027;
- (3) powers be delegated for discretionary relief as outlined in Appendix 1.

3.0 Background

3.1 The Local Government Finance Act 1988 provides, under Sections 44A, 47, and 49 for relief from business rates to be granted to businesses in certain circumstances. Section 69 of the Localism Act 2011 allows local councils to create their own discretionary relief schemes outside of the confines of the Local Government Finance Act 1988.

3.2 The Non-Domestic Rating Act 2023 removed the restriction on backdating of decisions concerning discretionary rate relief. The Government has also revoked all rules on discretionary relief contained in the Non-Domestic Rating (Discretionary Relief) Regulations 1989 meaning the council can set its own rules for notifications of reliefs in the local scheme from 2024/25 onwards.

3.3 Registered charities are entitled to receive 80% mandatory rate relief and Gloucester City Council as a Billing Authority has power to grant discretionary relief of up to a further 20%. Non-profit making organisations can be given up to 100% discretionary relief.

3.4 Current Discretionary Rate Relief Policy

The council's current Discretionary Rate Relief Policy came into effect from 1 April 2012 and covers discretionary relief and local discounts under the Localism Act 2011. A recommendation in 2012 was to review the policy every 5 years and for applicants to re-apply every 5 years.

Following the TUPE of officers to the council in June 2022 the local policy needs updating for both delegation of decisions and the procedure for appeals.

In 2017, because of the business rates revaluation exercise, more reliefs were introduced by government as follows: supporting small business relief (government guidance on issue), pub relief (government guidance on issue) and local discretionary relief scheme (local scheme). As a result of those additional reliefs a supplementary policy for the consideration and granting of those reliefs was created and approved.

The local policy for discretionary rate relief is outdated and needs updating because of:

- legislative changes,
- to provide clarity for businesses applying for relief,
- to provide guidelines for decision-making and
- to support a review of all current cases in receipt of relief.

The Council currently awards discretionary rate relief on a case-by-case basis. This relief is awarded to 25 organisations and totals £130,256.11. The breakdown of the organisations that are in receipt of this relief are set out in the table below:

Type	Number of Organisations	Discretionary amount
Arts	4	17,833.41
Education	1	8,083.80
Philanthropic	1	9,680.60
Recreation (Sports Clubs)	9	44,531.78
Social Welfare	19	46,833.12
20% Top-Up	1	3,293.40
Total	25	£130,256.11

3.5 Proposed National Non-Domestic Rates Discretionary Relief Policy

The Office of the Deputy Prime Minister (ODPM), now the Ministry of Housing, Communities & Local Government issued guidelines in 2009 on the granting of discretionary rate relief for non-profit making organisations and sports clubs. The proposed policy complies with these guidelines.

The proposed policy detailed at Appendix 1 considers how business premises are used and the contribution that businesses seeking rate relief make to local communities. Applicants must demonstrate how they support and link into the Councils Plan. The award of relief has regard to the financial cost to council taxpayers.

- The main changes to the discretionary rate relief policy, to take effect from 1 April 2025, are detailed at Appendix 2.

4.0 Social Value Consideration

4.1 Not applicable.

5.0 Environmental Implications

5.1 Not applicable.

6.0 Alternative Options Considered

6.1 None. The Council is required, under The Local Government and Finance Act 1988 (LGFA 1988) and subsequent legislation to grant discretionary relief to premises occupied by charities or, to organisations that are non-profit making, that own or occupy a premises wholly or mainly for charitable purposes

7.0 Reasons for Recommendations

7.1 The Council's existing policy has not been reviewed since 2012.

8.0 Future Work and Conclusions

8.1 The application forms for mandatory and discretionary rate relief will be reviewed and updated to reflect policy change.

8.2 All current applicants will be invited to re-apply to receive relief from 1 April 2026 and their application will be assessed under the revised policy. This will give a one-year lead in time on policy changes for current applicants and allow staff time to notify businesses of any change. Letters inviting applicants to re-apply will be sent by 31 January 2025.

8.3 The revised policy will come into effect from the 1 April 2025.

9.0 Financial Implications

- 9.1 Following the introduction of the Localised Business Rates Retention scheme in 2013/14 the cost of rate relief falls differently between organisations. The Localised Business Rates regime now has all rate relief funded by the Collection Fund and therefore it is split in the pre-set proportions of the Collection Fund as follows:

Central Government 50%
County Council 10%
District Council 40%

The current cost of the discretionary rate relief was provided for as part of the 2024/25 business rates income when calculating the amount due to the council.

Any new discretionary rate relief awarded would have an impact on future business rates income.

- 9.2 The total impact on the Council in 2024/25 through its awarding of discretionary relief is:

Total discretionary relief applied £130,256.11

Total impact on Gloucester City Council (40%) £52,102.44.

(Financial Services have been consulted in the preparation of this report.)

10.0 Legal Implications

- 10.1 The main provision conferring the discretionary power on billing authorities to grant rate relief appears in Section 47 of the Local Government Finance Act 1988 (as amended by section 69 of the Localism Act 2011).
- 10.2 The Council has a duty to carefully consider every application on its merits, taking into account the contribution that the organisation makes to the amenities of the area. There is no statutory appeal process against any decision made by the Council on this type of application. However, as with any decision of a public authority, decisions can be challenged by Judicial Review.
- 10.3 The Non-Domestic Rating Act 2023 removed the restriction on backdating of decisions concerning discretionary rate relief. The Government has also revoked all rules on discretionary relief contained in the Non-Domestic Rating (Discretionary Relief) Regulations 1989 meaning the council can set its own rules for cancelling or varying the amount of discretionary rates relief from 2024/25.

(One Legal has been consulted in the preparation of this report.)

11.0 Risk & Opportunity Management Implications

- 11.1 None.

12.0 People Impact Assessment (PIA) and Safeguarding:

12.1 There are no specific Equality issues, but the Council will consider more favourably applications from organisations that work in the District with vulnerable, disadvantaged, or underrepresented groups.

13.0 Community Safety Implications

13.1 None

14.0 Staffing & Trade Union Implications

14.1 None

15.0 Background Documents: [ODPM Guidance 2009](#)