



**Gloucester City Council
National Non-Domestic Rates
Discretionary Relief Policy**

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1.0 Purpose of the Policy

- 1.1 The purpose of this policy is to set out the circumstances in which the Council will exercise its discretion to grant discretionary relief to ratepayers within the Council's area. This includes applications from Charities, Community Amateur Sports Clubs (CASC's), Non-Profit Making Organisations and other businesses situated within Gloucester City.
- 1.2 The policy considers how business premises are used, and the contribution that businesses seeking rate relief make to local communities. It also has regard to the financial cost to council taxpayers.
- 1.3 The Local Government Finance Act 1988 and subsequent legislation requires the Council to grant mandatory relief for premises occupied by Charities and similar organisations that own or occupy them wholly or mainly for charitable purposes.
- 1.4 Whilst the Council is obliged to grant relief to premises, which fall within the mandatory category, the Council also has powers to grant discretionary relief and reductions to ratepayers, subject to certain criteria being met. Powers have also been granted under the Localism Act 2011, which allow for the granting of discretionary rate relief to any premises where the Council feels the granting of such relief would be of benefit to the local community.
- 1.5 This document outlines the following areas:
- Details of the criteria for receiving discretionary reliefs for all relevant areas.
 - The Council's policy for the granting of all types of discretionary reliefs.
 - Guidance on granting and administering the reliefs and awards.
 - Government requirements including provisions for Subsidy; and
 - The Council's Scheme of Delegation.
- 1.6 Where organisations apply for relief they will be granted (or not granted) relief or reductions in line with the following policy.

2.0 Mandatory Relief - Legislative Background

Charitable Bodies (Charities)

- 2.1 The powers relating to the granting of mandatory rate relief are given to the Council under the Local Government Finance Act 1988. A mandatory rate relief of 80% is granted to charities in the following circumstances where the:
- Ratepayer of a property is a charity or the trustees of a charity and
 - The occupied property is used wholly or mainly for charitable purposes (including charity shops where the goods sold are mainly donated and the proceeds are used for the purposes of the charity)
- 2.2 Registration under the Charities Act 1993 is conclusive evidence of charitable status. Bodies which are exempt charities are also eligible for mandatory relief.
- 2.3 The provision has been extended under the Local Government Act 2003 (effective from 1st April 2004) to registered Community Amateur Sports Clubs (CASCs). Full details of the mandatory provisions are given later within this policy.
- 2.3 The Council has discretion to grant relief of up to a further 20% for these mandatory cases under its discretionary provisions.

3.0 Discretionary Relief – Legislative Background

Introduction

- 3.1 The original purpose of discretionary relief was to provide assistance where the property does not qualify for mandatory relief, or to ‘top’ up cases where ratepayers already receive mandatory relief.
- 3.2 The Council has discretionary powers with regard discretionary rate relief under:
- The Local Government Finance Act 1988
 - The Local Government and Rating Act 1997
 - Local Government Act 2003
 - Localism Act 2011
 - Non-Domestic Rating Act 2023
- 3.3 The policy considers how business premises are used, and the contribution that businesses seeking rate relief make to local communities. It also has regard to the financial cost to council taxpayers.
- 3.4 Unlike mandatory relief, ratepayers are obliged to make a written application to the Council. The Council will expect all businesses to make applications in such a format as is required (which may vary from time to time) and for the business to provide such information and evidence as required to determine whether relief should be awarded.
- 3.5 The Council is obliged to carefully consider every application on its merits having regard to:
- The eligibility criteria set out in this policy,
 - The benefit that the organisation or business brings to the local community and
 - The cost to the council taxpayer of awarding the relief.
- 3.6 There is no statutory appeal process or Tribunal against any decision made by the Council although, as with any decision of a public authority, decisions can be reviewed by Judicial Review. The authority will however, upon request, review decisions made. Details of the internal review process are given within this policy.
- 3.7 Granting of the relief falls broadly into the following categories:
- (a) Discretionary Relief – Charities who already receive mandatory relief.
 - (b) Discretionary Relief – Premises occupied by organisations not established or conducted for profit whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts or premises occupied by organisations not established or conducted for profit and wholly or mainly used for purposes of recreation.
 - (c) Discretionary Relief – Granted under the Localism Act 2011 provisions.
 - (d) Temporary relief for partly occupied properties; and
 - (e) Hardship Relief.

The Council's general approach to granting Discretionary Relief

- 3.8 In deciding which organisations should receive discretionary rate relief, the Council has considered the following factors and priorities:
- (a) The awarding of relief will be in line with the Council's Plan. Details can be found at www.gloucester.gov.uk
 - (b) That any award should support businesses, charities, organisations, and groups that help to retain services in the Council's area and not compete directly with existing businesses in an unfair manner.
 - (c) It should help and encourage businesses, charities, organisations, groups, and communities to become self-reliant.
 - (d) Local organisations will be given priority over national organisations. Where requested, the organisation will need to supply the Council with clear evidence of all financial affairs (normally two full years) including, and most importantly, the amounts of monies raised, used, and invested locally. This will be essential where the organisation is national in nature.
 - (e) To assist the Council in delivering services which could not be provided otherwise.
 - (f) To ensure that the financial impact of awarding discretionary business rate relief is justified in terms of the local outcomes achieved by the organisation receiving it.
 - (g) Where Mandatory Rate Relief applies the Council will not normally grant discretionary rate relief.
- 3.9 Where any reduction or remission is granted to a ratepayer under the Local Government Finance Act 1988 Section 49 where hardship is proven to the Council, then there will be no requirement to grant discretionary rate relief for that amount.
- 3.10 In certain cases, the order in which relief is granted is specified. Mandatory relief shall be granted in all cases where the criteria is met irrespective of whether discretionary relief can be granted or not.

4.0 Effect on the Council's Finances

- 4.1 The granting of discretionary relief will, in the main, involve a cost to the Council.
- 4.2 The Local Government Finance Act 2012 introduced the Business Rates Retention Scheme in England from 1 April 2013. The costs of the relief will be borne in accordance with the Business Rates Retention Scheme share namely 50% borne by Central Government, 40% by the Council and 10% by Gloucestershire County Council. This also applies where mandatory relief is granted.
- 4.3 The financial effects of discretionary reliefs covered by this policy are as follows:

Appendix	Relief Type	
	Charity Relief	
A	Discretionary relief granted to Mandatory Relief recipients.	40% borne by the Council
B	Non-profit Making Organisations including Sports Clubs and societies.	40% borne by the Council
	S44A Partly Occupied	
C	Properties partly occupied for a temporary period.	40% borne by the Council
	Localism	
D	Discretionary Relief granted to ratepayers generally and not covered by any other section.	40% borne by the Council
	S49 Hardship Relief	
E	Granting relief where the ratepayer is suffering hardship.	40% borne by the Council

5.0 Discretionary Relief – Subsidy

- 5.1 Providing discretionary relief is likely to amount to a subsidy under the Subsidy Control Act 2022. The purpose of the Subsidy Control Act 2022 is to implement a domestic subsidy control regime in the United Kingdom that reflects the UK's strategic interests and particular national circumstances, providing a legal framework within which public authorities make subsidy decisions.
- 5.2 To the extent that the Council is seeking to provide relief that falls below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act 2022 allows an economic actor (e.g., a holding company and its subsidiaries) to receive up to £315,000 in a three-year period. MFA subsidies cumulate with each other and with other subsidies that fall within the category of 'Minimal or SPEI financial assistance'. BEIS COVID-19 business grants and any other subsidies claimed under the Small Amounts of Financial Assistance limit of the Trade and Cooperation Agreement should be counted under the £315,000 allowance.
- 5.3 In those cases where it is clear to the Council that the ratepayer is likely to breach the MFA limit then the Council will withhold relief. Otherwise, the Council may include the relief in bills and ask the ratepayers, on a self-assessment basis, to inform the Council if they are in breach of the MFA limit.
- 5.4 MFA subsidies above £100,000 are subject to transparency requirements. This is not cumulated per beneficiary but applies per subsidy award. This means that for every individual subsidy provided of more than £100,000, the Council will include details of the subsidy on the subsidy control database.

6.0 Administration of Discretionary Relief

6.1 The following section outlines the procedures followed by officers in granting, amending, or cancelling discretionary relief.

Applications and Evidence

6.2 Applications for relief must be made by completing an approved application form and submitting the relevant supporting information which includes:

- Details of the applicant's main purposes and objectives (where applicable) as set out in a written constitution, a memorandum of association or membership rules.
- Copies of the last 2-years audited accounts.
- A copy of the organisation's membership application and subscription levels.
- Details of how the organisation meets the relevant criteria detailed in these guidelines.

Application forms can be printed from the Council's website www.gloucester.gov.uk

6.3 Any applications which are made without the supporting documentation will be subject to a decision being made solely on the information that is available at the time of the decision.

6.4 As a guide, to be eligible for discretionary rate relief a charity/organisation must not have enough unrestricted funds/reserves to continue to operate for more than 12 months unless a business plan exists detailing how these additional funds are to be used to benefit the local community.

6.5 If reserves exceed 12-months running costs and are held for a planned project, details of the project must be provided along with costings and timescales.

6.6 The Council will aim to make a decision within one calendar month of the application and supporting information being received. Ratepayers are required to continue to pay business rates whilst their application is being considered.

Granting of relief

6.7 In all cases, the Council will notify the ratepayer of decisions made.

6.8 Where an application is successful, the ratepayer will be notified. Where relief is not granted, then the following information is provided.

- An explanation of the decision within the context of the Council's statutory duty; and
- An explanation of the appeal rights (see below).

6.9 All awards of discretionary rate relief (Charities and Non-Profit Making Organisations) will be granted on an annual basis. Discretionary rate relief is to be granted from the beginning of the financial year in which the decision is made or when liability begins whichever is the

later. However, the council reserves the right to grant relief for any other period as appropriate.

- 6.10 A fresh application for discretionary relief may be necessary for each financial year or at such time-period as the Council determines.

Organisations not eligible for Discretionary Rate Relief

- 6.11 The Council is not permitted to award discretionary rate relief to a precepting authority, or itself as a billing authority.

- 6.12 In addition, under this policy, the following organisations will not normally be eligible:

- Charity Shops
- Schools, including academies, voluntary aided, voluntary controlled, church or grant aided, Universities, further education colleges.
- Registered social landlords

Levels of Rate Relief

- 6.13 Rate relief is awarded at different levels for the different categories of qualifying organisations and businesses. These are shown at Appendix G.

Variation of a decision

- 6.14 Variations in any decision will be notified to ratepayers as soon as practicable and will take effect on a date determined by the Council.

- 6.15 A decision may be revoked at any time by the Council.

7.0 Scheme of Delegation

Granting, Varying, Reviewing and Revocation of Relief

- 7.1 All powers in relation to reliefs are given under the Local Government Finance Act 1988, the Local Government and Rating Act 1997, the Local Government Act 2003, the Localism Act 2011, and the Non-Domestic Rating Act 2023. However, section 223 of the Local Government Act 1992 allows for delegation of decisions by the Council to Cabinet, Committees, Sub-Committees or Officers.
- 7.2 Initial recommendations to award or refuse a discretionary rate relief will be made by staff from the Business Rates Team. The Council delegates the decision-making power to the:
- Revenues and Benefits Manager for discretionary rate relief less than £3,000.
 - Service Delivery Manager for discretionary rate relief of £3,000 or greater.
 - Head of Finance & Resources for decisions relating to Local Discretionary Discounts and Hardship Relief.
- 7.3 Applications that are refused will, on request, be reconsidered if additional supporting information is provided or the refusal is subsequently considered to be based on a misinterpretation of the application.

Reviews

- 7.4 The policy for granting relief will be reviewed every 4 years, or if Non-Domestic Rates legislation is amended, or as necessary to ensure it complies with current legislation and Gloucester City Council's Plan.

Appeals

- 7.5 An appeal must be made within one calendar month of notification of the decision and must set out the reasons for the request and any supporting information.
- 7.6 Where the Council receives an appeal from the ratepayer regarding the granting, non-granting or the amount of any discretionary relief, the case will be reviewed by a manager not involved in the original decision. Where a decision is revised then the ratepayer shall be informed, likewise if the original decision is upheld.
- 7.6 Where the ratepayer wishes to appeal the decision of the manager, the case will be considered by the Head of Finance & Resources whose decision on behalf of the Council will be final.
- 7.7 Ultimately the formal appeal process for the ratepayer is Judicial Review although the Council will endeavor to explain any decision fully and openly with the ratepayer.

8.0 Reporting changes in circumstances

- 8.1 Where any award is granted to a ratepayer, the Council will require any changes in circumstances which may affect the relief, to be reported within 21 days. This will be important where the change would result in the amount of the award being reduced or cancelled e.g. where the premises becomes unoccupied or is used for a purpose other than that determined by the Council as eligible for relief.
- 8.2 Where a change of circumstances is reported, the relief will, if appropriate, be revised or cancelled as appropriate. Where any award is to be reduced, the Council will look to recover the amount from the date the change of circumstance occurred.

9.0 Fraud

- 9.1 Where a ratepayer falsely applies, or attempts to apply, for any relief, or where the ratepayer provides false information, makes false representation, or deliberately withholds information to gain, or attempt to gain relief, further action including prosecution will be considered under appropriate legislation, including but not limited to the Fraud Act 2006.

Appendix A

Discretionary Relief – Mandatory Relief recipients

General Explanation

A.1 S43 of the Local Government Finance Act 1988 allows mandatory rate relief of 80% in the following circumstances where the:

- Ratepayer of a property is a charity or the trustee of a charity; and
- The property is wholly or mainly used for charitable purposes (including charity shops, where the goods sold are mainly donated and the proceeds are used for the purpose of the charity). No charge is made in respect of unoccupied premises where it appears that *when next in use* it will be used wholly or mainly for those purposes.

A.2 The legislation has been amended by the Local Government Act 2003 (effective from 1st April 2004) to include registered Community Amateur Sports Clubs (CASCs). These organisations can now receive the mandatory (80%) relief.

Charity registration

A.3 Charities are defined within the legislation as being an institution or other organisation established for charitable purposes only or by persons administering a trust established for charitable purposes only.

A.4 Registration under the Charities Act 1993 is conclusive evidence of charitable status. Bodies which are exempt charities are also eligible for mandatory relief. These are:

- the Church Commissioners and any institution administered by them;
- any registered society within the meaning of the Friendly Societies Acts of 1896 to 1974;
- units of the Boy Scouts Association or the Girl Guides Association; and
- voluntary schools within the meaning of the Education Acts of 1944 to 1980.

A.5 The Council will consider charitable organisations, registered or not, for mandatory relief.

Use of Premises – wholly or mainly used

- A.6 Irrespective of whether an organisation is registered as a charity or not, the premises **must** be wholly or mainly used for charitable purposes. This is essential if any relief (either mandatory or discretionary) is to be granted. In some cases, it will be necessary for the Council to inspect any premises fully.
- A.7 Guidance from the Ministry of Housing, Communities and Local Government (MHCLG) has stated that in the case of 'mainly', at least 51% must be used for charitable purposes whether of that charity or of that and other charities.

Charity shops

- A.8 A charity shop shall be treated as wholly or mainly used for charitable purposes if it is:
- wholly or mainly used for the sale of goods donated to a charity and the proceeds of the sale of the goods (after any deduction of expenses) are applied for the purposes of the charity.
 - Mainly is held to be more than half.
 - The application will be verified by visit.
 - The application will be verified through the response to the following questions:
 - The % of turnover and profit represented by the sale of donated goods.
 - The % of individual items sold which are donated goods.
 - Both responses must show more than 50%.

Granting of Mandatory Relief - the Council's Policy

- A.9 Where the criteria for awarding mandatory relief are met, the rate charges shall be calculated in accordance with the legislation reducing the liability of ratepayers for each day that the criteria are met.

Charity Relief – Mandatory Relief recipients, the Council’s Policy for granting discretionary relief.

- A.10 In cases where a charity or Community Amateur Sports Club (CASC) is in receipt of mandatory rate relief of 80%, the Council has discretion to grant up to 20% additional rate relief. The Council will not normally grant the remaining 20% ‘top-up’ discretionary rate relief unless there are mitigating circumstances provided by the applicant. Any applications for a discretionary rate relief top up from charities or CASC’s will be decided based on their own merits, on a case-by-case basis.
- A.11 In determining the application, the following matters will be taken into consideration:
- How the charity or CASC supports and links into the Council’s Plan;
 - The purpose of the charity or CASC and the specific activity carried out within the premises for which the relief is requested;
 - The relief is in the best interests of the residents and taxpayers of Gloucester City and produces a local benefit; and
 - Whether the charity or CASC operates at a local or national level and where appropriate, the local and national funding streams and financial position of the charity or CASC.
 - An explanation of the mitigating circumstances for the award of relief.

Appendix B

Discretionary Relief – Non-Profit Making Organisations including Recreation.

General explanation

Non-Profit Making Organisations

- B.1 The legislation allows the Council to grant discretionary relief where the property is:
- not an *excepted* one, relief cannot be granted to any premises occupied by the Council, or any town, parish council or major Precepting Authority; and
 - all or part of it is occupied for the purposes of one or more institutions or other organisations none of which is established or conducted for profit; and
 - each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature, or the fine arts.
- B.2 A number of issues arise from the term ‘not established or conducted for profit’. This requires the Council to make enquiries as to the overall purpose of the organisation although if surpluses and such amounts are directed towards the furtherance or achievement of the objects of the organisation then it does not necessarily mean that the organisation was established or conducted for profit.

Recreation

- B.3 Ideally all recreation clubs should be encouraged to apply for Community Amateur sports Club (CASC) status, which would automatically entitle them to 80% mandatory relief. The relief granted to CASCs is covered earlier within this policy.
- B.4 Recreation clubs can also apply to the Charity Commissioners for registration as a Charity (thereby falling under the mandatory provisions for 80% relief) where they meet the following conditions:
- The promotion of community participation in healthy recreation and by the provision of facilities for the playing of sports; and
 - The advancement of the physical education of young people not undergoing formal education.
- B.5 Where sports clubs do not meet the CASC requirement, and are not registered charities, 80% discretionary relief can be granted where the property is not an *excepted* one, it is wholly or mainly used for purposes of recreation and all or part of it is occupied for the purpose of a club, society or other organisation not established or conducted for profit.

Definition of Recreation

B.6 Recreation is clearly defined by the Sports Council as any of the following

Aikido	Croquet	Kabaddi	Real Tennis	Tang Soo Do
American Football	Crossbow	Karate	Roller Hockey	Tenpin Bowling
Angling	Curling	Kendo	Roller Skating	Trampoline
Archery	Cycling	Korfball	Rounders	Triathlon
Arm Wrestling Association	Disability Sport	Lacrosse	Rowing	Tug of War
Association Football	Dragon Boat Racing	Lawn Tennis	Rugby League	Unihoc
Athletics	Equestrian	Life Saving	Rugby Union	Volleyball
Australian Rules Football	Fencing	Luge	Sailing	Water Skiing
Badminton	Fives	Modern Pentathlon	Sand/Land Yachting	Weightlifting
Ballooning	Flying	Motor Cycling	Shinty	Wrestling
Baseball	Gaelic Football	Motor Sports	Shooting	Yoga
Basketball	Gliding	Mountaineering	Skateboarding	
Baton Twirling	Golf	Movement, Dance, Exercise & Fitness	Skiing	
Biathlon	Gymnastics	Netball	Snowboarding	
Bicycle Polo	Handball	Orienteering	Softball	
Billiards and Snooker	Hang/Para Gliding	Parachuting	Sombo Wrestling	
Bobsleigh	Highland Games	Petanque	Squash	
Boccia	Hockey	Polo	Skater/Street Hockey	
Bowls	Horse Racing	Pony Trekking	Sub-Aqua	
Boxing	Hovering	Pool	Surf Life Saving	
Camogie	Hurling	Quoits	Surfing	
Canoeing	Ice Hockey	Racketball	Swimming & Diving	
Caving	Ice Skating	Rackets	Table Tennis	
Chinese Martial Arts	Jet Skiing	Raquetball	Taekwondo	
Cricket	Ju Jitsu	Rambling		
	Judo			

Access to clubs

B.7 Guidance issued by the DCLG also requires the Council to consider access to clubs within the community before granting discretionary relief.

B.8 Membership should be open to all sections of the community. There may be legitimate restrictions placed on membership which relate for example to ability in sport or to the achievement of a standard in the field covered by the organisation or where the capacity of the facility is limited, but in general membership should not be exclusive or restrictive.

B.9 Membership rates should not be set at such a high level as to exclude the general community. However, membership fees may be payable at different rates that distinguish the different classes of membership such as juniors, adults, students, pensioners, players, non-players, employed and unemployed. In general, the club or organisation must be prepared to show that the criteria by which it considers applications for membership are consistent with the principle of open access.

- B.10 The Council also asks the following question to help establish the level of access 'Does the organisation actively encourage membership from particular groups in the community such as young people, women, older age groups, persons with disability, ethnic minorities' etc.?'

Provision of facilities

- B.11 Clubs which provide training or education are encouraged, as are those who provide schemes for particular groups to develop their skills e.g., young people, persons with disabilities and/or ethnic minorities, old people, and disadvantaged groups.
- B.12 A number of organisations run a bar. The mere existence of a bar will not in itself be a reason for not granting relief. However, the Council focuses on the main purpose of the organisation. If the bar makes a profit this relief must be reinvested to help the organisation meet its principal objectives. Financial information will be required to evidence any profit and its use.
- B.13 Within this area, the Council also considers whether the facilities provided relieve the Council of the need to do so or enhance and supplement those that it does provide.

Discretionary Relief - Non-Profit Organisations including Sports Clubs – the Council's Policy

- B.14 The Council will consider applications for discretionary rate relief from non-profit making organisations on their own merits on a case-by-case basis. In determining the application, the following matters will be taken into consideration (The list is not exhaustive):
- How the organisation supports and links into the Council's Plan.
 - Whether the facilities provided include education and/or training for members as a whole or for special groups.
 - The extent to which the facilities provided reduce the demand for Council services or produce savings.
 - Any membership and fee structure and whether the facilities are accessible to all residents, including whether there are concessions for certain groups, for example people on a low income or young people under 18.
 - If covered by a membership scheme, membership numbers and the number and percentage of these members that are local residents.
 - If the organisation has due regard to equality issues and if its facilities are used by all members of the community, for example black and minority ethnic residents, people over 50 and people with disabilities.
 - Whether the facilities offered by the sports club are made available to people other than members e.g., schools or casual public sessions.
- B.15 The Council will also require additional financial information including:
- If the organisation runs a bar or food provision, the level of income from this activity and how this money is used.; and
 - Whether the organisation operates at a local or national level and where appropriate, the local and national funding streams and financial position of the organisation.

Appendix C

Section 44A Partly Occupied Hereditaments

General explanation

- C.1 A ratepayer is liable for the full non-domestic rate whether a property is wholly occupied or only partly occupied. Where a property is partly occupied for a short term, the council has discretion in certain cases to award relief in respect of the unoccupied part known as Section 44A (Section 44A of the Local Government Finance Act 1988).
- C.2 In these circumstances the council may request that the Valuation Office Agency apportions the rateable value of the property between occupied and unoccupied parts.

How will the relief be provided?

- C.3 The council will consider written (including emails) applications. The ratepayer will need to provide the following:
- A detailed plan of the premises clearly identifying the occupied and unoccupied areas.
 - Access to the premises so that they can be inspected fully by the council.
 - Details of how long the premises are likely to be temporarily unoccupied.
 - An explanation of any short term practical or financial difficulties in either occupying or vacating the premises.
 - Details of any future plan to occupy the premises.
- C.4 The part occupation must be for a temporary period only. Rate relief will not be awarded where the partial occupation is due to the normal day to day operation of the business, for example where a warehouse has dispatched a large order and no longer needs to store stock.
- C.5 The granting of relief is entirely under the discretion of the Council and each case will be considered on its merits and be referenced to the interests of Gloucester City Council tax payers.
- C.6 Part occupied relief will end if one of the following applies:
- The financial year comes to an end.
 - The end of the award.
 - Where part or all the unoccupied parts become occupied.
 - Where the whole of the property becomes unoccupied.
 - Where the liability for the property changes.
- C.7 The situation must be happening at the present time, so retrospective claims cannot be considered.

Appendix D

Discretionary Relief – Localism Act 2011

General explanation

- D.1 Section 69 of the Localism Act 2011 amended Section 47 of the Local Government Finance Act 1988. These provisions allow all Councils to grant discretionary relief in **any** circumstances where it feels fit having regards to the effect on the council taxpayers of its area.

Discretionary Relief – Localism – the Council’s Policy

- D.2 Gloucester City Council has adopted a flexible policy to respond to business ratepayers in exceptional circumstances, such as flooding or where the council is satisfied that an award will result in real benefits for residents and has the potential to generate further investments and jobs to the local area. However, where a ratepayer is suffering hardship or severe difficulties in paying their rates liability then relief can be granted under the existing provisions as laid down by Section 49 of the Local Government Finance Act 1988.

- D.3 Each application will be considered on its individual merit but in making a decision the following factors will be considered:

- The ratepayer must occupy the premises, relief will not be granted for unoccupied premises.
- That awards should only be made in exceptional circumstances.
- The cost to the council, including the loss of income or of retained rates yield and the impact of the cost or loss of income in relation to the Council’s overall financial situation.
- That awards should normally only be made where the ratepayer’s activities in the City will contribute towards the Council’s Plan.
- The premises and organisation **must** be of **significant** benefit to council taxpayers in the Council’s area.
- The ratepayer must show the extent to which an award will support the Council’s aspiration to promote and encourage economic growth, and in particular growth in the Non-domestic Rating tax base and in employment opportunities for residents of the City.
- The ratepayer must demonstrate that assistance (provided by the rate relief) will be for a short time only and that any business/operation is financially viable in the medium and long term.

- D.4 Where a ratepayer can demonstrate that all the above criteria are met, the Council will consider reducing or remitting the amount payable in respect of individual cases or a class of property, with each case considered on its own merits and with due regard to the interests of the council taxpayers in its area. Relief will be considered for initially a short period.

- D.5 A letter of application will be required from the ratepayer in each case and any relief will be granted in line with this policy.

Appendix E

Section 49 – Hardship Relief

General explanation

- E.1 The Council can exercise its discretion under Section 49 of the Local Government Finance Act 1988 to provide either partial or full relief for non-domestic rate payments if the Council is satisfied that:
- The ratepayer would sustain financial hardship if the Council did not do so; and
 - it is reasonable to do so having due regard to the interests of its residents and council taxpayers.

Section 49 Hardship Relief – the Council’s Policy

- E.2 The Council will consider applications for hardship relief from individuals and organisations based on their own merits on a case-by-case basis. Applications for Hardship Relief shall be regarded as a last resort and will only be accepted after consideration of any other forms of rate relief for which the applicant may be eligible. The Head of Finance & Resources will consider applications. Application forms are available from the Business Rates Team.
- E.3 In making decisions on whether to award the relief the Council considers the following criteria (not listed in any priority):
- Any reduction or remission of rates on the grounds of hardship should be the exception rather than the rule.
 - Any reduction of the rates must be shown to be significant to the future viability of the business.
 - The business must continue to trade.
 - Cash flow forecasts for a minimum of the next twelve months must be provided together with a comprehensive Business Plan incorporating a brief history of the business.
 - The test of "hardship" is not strictly confined to financial hardship. All relevant factors affecting the ability of the business to meet its rates liability will be considered.
 - The loss of the business would reduce amenities of an area if it were the sole provider of a service in the area.
 - Details of any subsidies either from central or local government over the previous three years.
 - The interests of the council taxpayers of the area would be best served by awarding the relief.
 - The business must demonstrate how it is beneficial to the local community and why it is currently suffering financial hardship.
 - Independent advice given by banks or financial advisors should be sought to demonstrate the future viability of the business.
 - Is the business suffering from unexpected hardship which is outside of the normal risks associated with business.
 - The property must not be empty.
- E.4 Hardship Relief is only a temporary measure and will only be granted for short periods of time, usually up to a maximum of 6 months.

E.5 The period and amount of any award will be determined on a case-by-case basis but may be up to 100% of business rates liability.

Appendix F

Other uses of discretionary powers under S47 Local Government Finance Act 1988

General explanation

- F.1 From time to time, additional measures are proposed by the Government to provide assistance to businesses. These can be either national schemes or locally defined schemes which are drawn up by Gloucester City Council. They are provided under S47 of the LGFA 1988.

Where the Government puts in place a scheme whereby the council will be fully compensated for the loss of rates yield arising from an award of discretionary rate relief, awards of relief shall be made in accordance with the guidance issued for the scheme unless there is a decision of the council to the contrary.

Other uses of discretionary powers under S47 – the council's policy

- F.2 Decisions to award relief shall be made in accordance with the guidance provided by central government at the time or in line with the locally defined scheme.
- F.3 The length of any other awards using S47 powers will be up to the maximum period of time stipulated by central government or the locally defined scheme.
- F.3 Applications should be made in accordance with the guidance provided by central government at the time or in line with the locally defined application procedures.
- F.4 The level of award should be made in accordance with the guidance provided by central government at the time or in line with the locally defined application procedures.

Appendix G

Levels of Relief

Category of Ratepayer	Mandatory Relief	Discretionary Relief
Charity Shop	80%	Nil
Certain voluntary and foundation schools	80%	Nil
Other charities meeting application criteria	80%	Nil
Registered Community Amateur Sports Clubs (CASC's)	80%	Nil
Non-profit Making Organisations including recreation	Nil	0% - 80%
S44A Relief, Hardship Relief and Localism Discretionary Discount	Nil	Cases considered on individual merit

Discretionary Rate Relief Policy

Applicable To	All Council Staff
Effective Date	1 April 2025
Termination Date	31 March 2028
Next Review Date	1 April 2027
Review Cycle	Every three years
Policy Owner	Karen Haile
Accountable Person	Karen Haile