DISCRETIONARY RATE RELIEF POLICY 2026

Date:	July 2026
Version:	05
Review Date:	July 2026

1. Introduction

1.1 The Council understands the importance support to local businesses and organisations plays in achieving its priorities and ensuring that its communities and businesses are able to develop and thrive within the district.

1.2 Section 47 of the Local Government Finance Act 1988 (LGFA 1988) gives powers to Local Councils to grant discretionary business rate relief. Subsequent legislation in the Localism Act 2011 has extended these powers to allow wider granting of local discretionary relief.

1.3 Although some reliefs are awarded through central government initiatives and are reclaimed under section 31 Government grants, the remaining support is met by the Local Authority. Therefore there must be clear and transparent guidance in place to ensure relief is awarded fairly and consistently across the district to support its priorities.

1.4 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.

1.5 In exceptional cases, discretionary rate relief will be granted to organisations which have enough financial resources in unrestricted funds/reserves to continue to operate for more than 12 months. This may include charities and community organisations which require a large amount of available resources to sustain the service they deliver to the community. In such cases the application must be able to demonstrate it offers a service which the local residents depend on and which they would be unlikely to find elsewhere in the district.

1.6 The Council will only grant discretionary relief if it is satisfied that it is reasonable having regard to the interests of the council tax payers in the district.

2. General Criteria

2.1 Discretionary rate relief is not a matter of right; the Council is entitled through this policy to determine different levels of discretionary relief according to the nature and circumstances of individual organisations.

2.2 The Council will consider each case in accordance with the eligibility criteria set out for each of the four areas below. These criteria are not restrictive and nothing in them shall be taken as restricting the Council's ability to depart from granting of relief if it sees fit to do so.

2.3 All awards will be for a period of one years and one year's notice must be given by the Council for the withdrawal of relief.

2.4 Recipients are required to notify the Council of any change of circumstances which may have an impact on their award of discretionary rate relief.

2.5 Relief will not be granted where organisations do not provide the relevant information to allow the application to be fully considered.

Type of organisation	Discretionary relief to be granted
Registered charitable organisations already entitled to 80% mandatory relief.	Discretionary relief will not be routinely awarded.
Registered community amateur sports clubs entitled to 80% mandatory relief.	Discretionary relief will not be routinely awarded.
"Not for profit" institutions or organisations whose main objectives are charitable, philanthropic, religious, concerned with education, social welfare, science, literature or the fine arts.	Maximum 80% discretionary relief may be awarded.
Clubs, societies and other organisations set up for the purpose of recreation.	Maximum 50% discretionary relief will be awarded.

Criteria to be used when considering applications:

3. Charitable Organisations

3.1 The Council will not award discretionary relief to:

- Charity shops operated by trading arms of charities;
- Housing Associations;
- Bodies operating a restrictive membership policy;
- Empty properties.

3.2 The Council will not routinely grant top-up discretionary relief, but will consider more favourably applications from organisations providing advice and support of a social welfare nature to vulnerable people. The facilities must be available to all residents of the Forest of Dean should they be in need of the advice and support being provided.

3.3 To justify any discretionary award the organisation must be able to demonstrate that the activities it provides are for the benefit of and are being used by the local community. The extent to which the local community benefits from the facilities will be considered.

3.4 Other factors that would help justify an award include:

- The facilities meet local needs and are providing a benefit to local people;
- Education and training are being provided to develop the skills or understanding of members or non-members and especially disadvantaged groups;
- The organisation provides facilities which indirectly relieve the Council of the need to do so or in a part of the district where the Council does not provide the service.

4. Registered Community Amateur Sports Clubs

4.1 The Council will not consider an application for discretionary relief unless the organisation can demonstrate that:

- The facilities are made available to non-members and are being used by schools, casual public sessions, under-represented or disadvantaged groups in the district.
- Membership is actively being encouraged and facilities are being provided to under-represented or disadvantaged groups.

5. Not for Profit Organisations

5.1 The Council will consider applications from organisations whose main objectives are charitable, philanthropic, religious, concerned with education, social welfare, science, literature or the fine arts.

5.2 To justify any discretionary award the organisation must be able to demonstrate that the activities it provides are for the benefit of and are being used by the local community. The extent to which the local community benefits from the facilities will be considered. Organisations must demonstrate the following:

- They are open to all sections of the community. In general, membership should not be exclusive or restrictive. If access is restricted it must be for justifiable reasons such as the need to provide a facility to a specific sector of the community;
- Any membership or entry fees charged are set at such a level so as not to exclude the general community;
- They are non-profit making. If surpluses are made it must be shown that they are used for the further benefit of the organisation.

6. Sports/Recreational Clubs

6.1 The Council will consider granting discretionary relief to non-registered sports clubs but the Council will consider the following factors:

- Whether membership of the organisation is to be open to all sections of the community. In general membership should neither be exclusive nor restrictive. If access is restricted it must be for justifiable reasons such as the need to provide a facility to a specific sector of the community.
- If the organisation charges a membership or entry fee they must not be set at such a level as to exclude the general community. Fees may be set at different rates for different classes of membership such as juniors, students, etc.
- Where the organisation runs a bar consideration will be given to the extent to which this supports the overall operation and to the income generated.

6.2 The Council would encourage all sports clubs to register as a community amateur sports club (CASC) with Her Majesty's Revenues and Customs. All registered CASCs receive 80% mandatory relief.

6.3 To register as a CASC, the club must be set up with a formal constitution (for example, its rules or memorandum and articles of association). The club's written constitution must require the club to meet certain conditions, and the club must also be able to show that it actually meets these conditions in practice.

6.4 The conditions are that:

- The club must be open to the whole community;
- The club's main purpose must be to provide facilities for eligible sports, and to encourage people to take part in them;
- The club must be organised on an amateur basis.

7. Applications, Determinations and Appeals

7.1 Applications must be in writing and on the appropriate forms.

7.2 Applications will be referred to the S151 officer for determination.

7.3 The Non-Domestic Rating Act 2023 removes the restriction that prevented billing authorities from making a decision to award discretionary relief more than 6 months after the end of the relevant financial year. From 1st April 2024, there will be no restriction in respect of the financial year 2023/24 onwards.

7.4 A reconsideration of a decision can be requested within 4 weeks of a rate payer being advised that their application was unsuccessful. Reconsiderations will only be considered where additional information is submitted that was missed from the initial application. A reconsideration will be considered by the Chief Finance Officer

7.5 If the ratepayer remains dissatisfied with a decision following a reconsideration they may appeal against the decision. The ratepayer should do so in writing and provide further supporting evidence. The appeal will be considered by Cabinet and should be received by the Council within four weeks of the notification of the award or refusal of an award.

8. State Aid

8.1 Prior to 1 January 2021, the award of discretionary rate relief was considered likely to amount to State Aid as defined by the EU. The EU required that all State Aid (including discretionary rate relief) compiled with the De Minimis Regulations EC 1407/2013. The De Minimis Regulations allow an undertaking to receive up to €200,000 aid over a rolling three year period.

8.2 From 1 January 2021, the United Kingdom left the EU Single Market and Customs Union and is no longer subject to the De Minimis Regulations.

8.3 The Government has introduced its own rules regarding state subsidies. Discretionary rate relief is considered a subsidy under the rules, but the matters that must be considered all relate to the effect of the subsidy on international trade. In making an award the public body making it must consider:

- effects on international trade;
- the subsidy is prohibited under the World Trading organisation (WTO) rules;
- are in line with those agreed by the UK –EU Cooperation and Trade Agreement;
- are unlikely to trigger a dispute under WTO trade rules.

8.4 It is unlikely that an award of discretionary rate relief would fall counter to these rules.

9. Fraud

9.1 The Council is committed to the prevention and detection of fraud and the protection of public funds. Cases of suspected fraud will be referred to the Counter Fraud Unit (CFU) for investigations which may result in clawback of payments made and/or further action being taken against an individual.

Addendum 1

Rural Rate Relief

Rural Rate Relief is available for post offices, village shops, petrol filling stations and public houses subject to rateable value restrictions, where they are the only business of that type in the rural settlement.

The government announced in the Autumn Statement on 23 November 2016 that the relief would increase from 50% to 100% from 1 April 2017.

As a measure the government has not changed legislation, instead local authorities are required to adopt a local scheme and decide each individual case using their discretionary relief powers introduced by the Localism Act (under Section 47 of the Local Finance Act 1988).

Eligibility Criteria

Properties that will benefit from the relief will be hereditaments that are located in a rural settlement with a population of less than 3,000 and are either: -

a) The sole general store, food shop or post office with a rateable value of up to £8,500 or;
b) The sole public house or petrol filling station with a rateable value of up to £12,500

The Districts Rural Settlement List is reviewed annually and designates settlements within a rural area which have a population of 3,000 or less.

Amount of Rural Rate Relief available

Anyone who is entitled to mandatory Rural Rate Relief will be eligible for the increased level of discount of 100% off their business rate liability.

Recalculation of Rural Rate Relief

The amount of relief awarded will be recalculated in the event of a change in circumstances, including a backdated change to the rateable value of the hereditament, whether arising during the year in question or during a later year.

Addendum 2

Relief for Pubs and Live Music Venues

From 27 January 2026, the Government announced that eligible pubs and live music events in England will receive a 15% reduction on their business rates bills for the 2026/27 financial year.

Hereditaments that meet the eligibility criteria for pubs and live music venues relief will be occupied hereditaments which meet all of the following conditions for the chargeable day:

a) They are wholly or mainly used:
   - As a pub
   - As a live music venue

Pubs

A pub is considered to mean a hereditament where the following criteria apply:

- Is open to the general public
- Allows free entry other than when occasional entertainment is provided
- Allows drinking without requiring food to be consumed
- Permits drinks to be purchased at a bar

For these purposes, the meaning of a pub does not include:

- Restaurants, cafes, nightclubs, snack bars
- Hotels, guesthouses, boarding houses
- Sporting venues
- Festival sites, theatres, cinemas
- Museums, exhibition halls
- Casinos

The proposed exclusions in the list above is not intended to be exhaustive and it will be for the Council to determine those cases where eligibility is unclear.

Where eligibility is unclear, the Council should also consider broader factors in its assessment – i.e. in meeting the stated intent of the policy that it demonstrates the characteristics that would lead it to be classified as a pub by the natural meaning of the word. For example: being owned and operated by a brewery, establishments that are open to wide sections of local communities and practically operate as a pub for that local community e.g. working men's club.

Live Music Venues

A live music venue is considered to mean a hereditament that:

a) Is wholly or mainly used for the performance of live music for the purposes of entertaining an audience

b) Can be used for other activities but only if those other activities:

   - Are ancillary or incidental to the performance of live music (e.g. the sale of food or drink to audience members)

- Do not affect the primary use of the premises for the performance of live music (e.g. because the activities are infrequent such as use of the venue as a polling station or fortnightly community event)

Hereditaments are not a live music venue for the purpose of this relief if the property is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and County Planning (Use Classes) Order 1987 (as amended).

How much relief will be available

The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. The following formula will be used to determine the amount of relief to be granted for a chargeable day for a particular hereditament in the 2026/27 financial year:

a) Amount of relief to be granted = V x 0.15 (i.e. 15% relief) where:

    - V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and certain other discretionary reliefs in line with guidance.

The relief is not subject to any cap or the Minimal Financial Assistance limit in Subsidy Control.

Addendum 3

Supporting Small Business Relief

At the Autumn Budget 2025 the Chancellor announce the 2026 Supporting Small Business Relief scheme (SSBR) for the years 2026/27 to 2028/29. This will cap bill increases at £800 per year or the relevant caps with transitional relief, whichever is the greatest for any business losing eligibility for certain reliefs, including Small Business Rate Relief and Rural Rate Relief, and 40% Retail, Hospitality and Leisure Relief at the 2026 Revaluation. SSBR was first introduced at the 2017 revaluation to support ratepayers facing bill increases greater than the Transition Relief caps due to loss of Small Business Rate Relief and Rural Rate Relief.

The purpose of this policy is to specify how the Council will operate its discretionary powers in the Local Government Finance Act 1988, section 47, and to indicate the factors the Council will consider when deciding if SSBR can be awarded.

The Forest of Dean District Council will automatically calculate and award the relief to those properties that meet the qualifying criteria and have seen a large increase in their bills as a result of losing some or all of their:

- Small Business Rate Relief or Rural Rate Relief,
- 40% Retail, Hospitality and Leisure Relief (RHL), and/or
- 2023 Support Small Business Relief.

Charities and Community Amateur Sports Clubs, who are already entitled to 80% mandatory, are not eligible for the 2026 SSBR.

To support eligible ratepayer, the 2026 SSBR will ensure that the increase in the bills of these ratepayers is limited to £800 per year or the relevant caps within transitional relief, whichever is the greater.

For those ratepayers receiving 2023 SSBR on 31 March 2026, including those also receiving Small Business Rate Relief, Rural Rate Relief and/or RHL, any eligibility for 2026 SSBR will end of 31 March 2027. All other eligible ratepayers remain in 2026 SSBR for either 3 years or until they reach the bill they would have paid without the scheme. A change of ratepayers will not affect eligibility for the Supporting Small Business scheme, but eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club.

There is no second property test for eligibility for the 2026 SSBR scheme. However, those ratepayers who during 2025/26 lost entitlement to Small Business Rate Relief, because they failed the second property test but have, under the rules for Small Business Rate Relief, been given a 12-month period of grace before their relief ended (or from 27 November 2025, 3 years), can continue on the 2026 SSBR scheme for the remainder of their period of grace.

Small businesses rate relief or rural rate relief should not be applied to further reduce the bill if in receipt of SSBR. For example:

- A non-RHL ratepayer eligible for small business rate relief whose rateable value has increased from £3,000 (paying £0 in 2025/26) to £14,000 would be paying the following in 2026/27 before the 2026 SSBR:

    I. Bill before reliefs (including 1p Transitional Relief Supplement): £6,188
    II. Bill after transitional relief: £1,572
    III. Bill after small business rate relief: £1,048

- After 2026 SSBR the bill for 2026/27 would be reduced to £800. No further small business rate relief should be applied and no addition for transition relief supplement is made to the bill within SSBR.

The same principle applies to properties for which a Section 44A certificate has been granted (apportionment of rateable values for partly occupied properties). The presence of a section 44A certificate should not further reduce the bill found under 2026 SSBR.

All other discretionary reliefs, including those funded by section 31 grants, should be considered after the application of 2026 SSBR.

Subsidy Control

The 2026 SSBR is likely to amount to a subsidy. Therefore, any relief provided by local authorities under the scheme will need to comply with the UK's domestic and international subsidy control obligations which contains guidance and information for the new UK subsidy control regime.

To the extent that a local authority is seeking to provide relief that falls below the Minimal Financial Assistance (MFA) thresholds, the subsidy control Act allows an economic actor, (e.g. a holding company and its subsidiaries) to receive up to £315,000 in a three-year period, consisting of the 2026/27 and the previous two financial years. MFA subsidies cumulate with each other and with other subsidies that fall within the category of 'Minimal or Services of Public Economic Interest (SPEI) financial assistance'. 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.

In those cases where it is clear to the local authority that the ratepayer is likely to breach the cash cap of the MFA limit then the Council will automatically withhold the relief.

Recalculation of Reliefs

As with other reliefs, the amount of SSBR awarded should be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or to the hereditament. This change of circumstances could arise during the year in question or during a later year.

Splits and Mergers

Hereditaments will be eligible for 2026 SSBR where they have:

a) Come into existence because of the circumstances described in paragraph 1 of the 2026 Transitional Relief Regulations, and,
b) Where one of the hereditaments from which the new hereditament was formed in whole or in part was for the day immediately before the creation day eligible for 2026 SSBR.

The Ministry of Housing, Communities and Local Government (MHCLG) will fund local authorities to apply a chargeable amount under section 47 of Local Government Finance Act 1988 found in accordance with the following principle:

- That the protection offered by 2026 SSBR (that the bill will not rise by more than £800 per annum, or the transitional relief caps whichever is the greater) will continue to apply in principle to that part of the newly created hereditament which was immediately before the creation day in 2026 SSBR, and,

- That increases (or reductions) in overall rateable value arising from the split or merger are not subject to the protection of 2026 SSBR.

Detailed guidance for operation of the 2026 Support Small Business Relief (2026 SSBR)

Detailed guidance for the scheme, including day 1 eligibility rules, ceasing of eligibility for the scheme rules and the calculation of chargeable amounts under the scheme, are contained in the MHCLG guidance document at: https://www.gov.uk/government/publications/business-rates-relief-2026-supporting-small-business-relief-local-authority-guidance

How payments will be made

All relief awarded will be credited to the ratepayer's Business Rates account.

Overpayments

The Council will recover all overpayments of SSBR through the ratepayer's Business Rates account.

Right of Appeal

If a ratepayer is aggrieved by a decision made under this policy, you must write and tell us why you think the decision is wrong.

Your case will be considered by someone who has not been involved in the original determination. They will write to tell you what has happened, normally within 21 days of reconsidering your appeal.

Fraud

The Council is committed to the prevention and detection of fraud and the protection of public funds. A ratepayer who tries to fraudulently apply for SSBR by falsely declaring their circumstances or providing a false statement will be referred to the Counter Fraud and Enforcement Unit (CFEU) for investigation which may result criminal proceedings being instigated.

.

Addendum 4

Electric Vehicles Charging Points (EVCP) Relief

Eligibility:

Electric vehicle charging point relief is available for chargeable days in the financial years 2026/27 to 2035/36 for a hereditament which meets both of the following test for the chargeable days:

a) Wholly or mainly consists of an electric vehicle charging point and associated bay(s) that are operations, energised, accessible and open to the public for public use.

b) Classified by the Valuation Office (VO) as the site of an electric vehicle charging point (and associated bays) and falling within one of the following categories for electric charging points:

   - Separately assessed electric vehicle charging point and bays, which will have a dedicated Special Category code as defined by the VO.

The Council should have regard to the VOs Special Category (SCat) codes dedicated for EVCP sites when determining whether an EVCP is eligible for relief. The Scat for eligible hereditaments is 718.

The relief if not available on sites where charging bays form part of a larger hereditament, and do not have a separate rateable value as assessed by the VO.

The relief is only available to occupied, eligible EVCP properties. To be eligible for relief the hereditament must be operational, energised, accessible and open to the public for public use. Relief is available where the above conditions are met. Where those conditions are not met or the hereditament is unoccupied then the hereditament will not be eligible for relief.

The total amount of government-funded relief available for each property for the relevant financial years under this scheme is 100% of the chargeable amount.

The relief will be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, but before those where the council has used its wider discretionary relief powers introduced by the Localism Act 2011, which are not funded by section 31 grants. However, as required in the National Non-Domestic guidance notes, the former categories of discretionary relief available prior to the Localism Act 2011 (i.e. charitable/CASC and not for profit) should be applied first in the sequence of discretionary reliefs, and therefore, before EVCP relief.

Eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a chargeable day for a particular hereditament in the applicable financial year:

- Amount of relief to be granted = V x1.0 where:
  V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and certain other discretionary reliefs in line with the guidance.

Backdating of EVCP relief

Under the EVCP relief guidance, the Council should ensure that relief can be backdated to eligible EVCP hereditaments with effect from 1 April 2023. This is to ensure that where new EVCP properties have been added to the business rate list by the VO, that relief can be award in full, from the effective date.

Subsidy Control

EVCP relief awards are likely to amount to subsidies under the Subsidy Control Act (SCA). On 6 May 2026, the government submitted a Competition and Markets Authority (CMA) referral for an assessment of the proposed Subsidy Scheme of Particular Interest. The Subsidy Advice Unit (SAU), a part of the CMA, published its report on 17 June 2026.

Under the Scheme, any business rates relief awards made in accordance with this guidance are judged to be consistent with the subsidy control principles. This means that local authorities who satisfy themselves that an award complies with the guidance are not required to conduct their own assessment of the award against the subsidy control principles. It also means that a subsidy awarded under the scheme that complies with this guidance is insulated from legal challenge under the SCA. There is no cap to the value of a business rates relief award that can be made under the Scheme. For avoidance of doubt, subsidies awarded under the Scheme do not constitute or contribute to Minimum Financial Assistance.

Local authorities will also have an obligation to report individual subsidies awarded under the scheme. Subsidies about £100,000 awarded under this scheme 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 needs to include details of the subsidy on the subsidy control database and link that award to the Business Rates Relief for EVCPs subsidy scheme.