

Classification: Open	Decision Type: Key
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Report to:	Cabinet	Date: 11 March 2026
Subject:	Business Rates and Council Tax Discretionary Policy	
Report of	Deputy Leader and Cabinet Member for Finance and Transformation	

Summary

In accordance with Section 47 of the Local Government Finance Act 1988 and in addition to any national relief schemes, the council can exercise discretion to provide additional reductions to the amounts of Business Rates due to be paid by ratepayers.

The Local Government Act 2003 extended the Council discretion to allow discretionary Council Tax discount to be awarded where the Council sees fit.

The Council directly contributes to the cost of any discretionary relief awarded, therefore decisions must take into account the Council's overall financial position, the interests of the borough's taxpayers, and alignment with the priorities set out in the Council's Corporate Strategy.

In order to safeguard the above, it is critical to have the Council's intended use of discretionary support clearly outlined within a policy document, and for this to be regularly reviewed and updated to account for national and local priority shifts.

It is a number of years since the council reviewed and/or updated their DRR policy, leading to a requirement to update the policy for the coming financial year. Furthermore, the policy must be adopted on the 1st April of the given financial year.

Recommendation(s)

1. That Cabinet makes a recommendation to Council to approve the new Business Rates and Council Tax Discretionary policy from 1st April 2026.
2. That Cabinet note that adoption of the policy must be made by Full Council.

Reasons for recommendation(s)

There is a governance requirement for the council to hold an up to date and robust DRR policy.

Alternative options considered and rejected

N/A

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Background

In accordance with Section 47 of the Local Government Finance Act 1988 and in addition to any national relief schemes, the council can exercise discretion to provide additional reductions to the amounts of Business Rates due to be paid by ratepayers.

The Local Government Act 2003 extended the Council discretion to allow discretionary Council Tax discount to be awarded where the Council sees fit and where it can be demonstrated that previously, attempts to secure other Council Tax discounts, exemptions and Local Council Tax Support have been made.

The Council directly contributes to the cost of any discretionary relief awarded, therefore decisions must take into account the Council's overall financial position, the interests of the borough's taxpayers, and alignment with the priorities set out in the Council's Corporate Strategy.

In order to safeguard the above, it is critical to have the Council's intended use of discretionary support clearly outlined within a policy document, and for this to be regularly reviewed and updated to account for national and local priority shifts.

In accordance with the Non-Domestic Rating (Discretionary Relief) Regulations 1989, all concerned ratepayers were provided at least 12 months' notice of the change to the policy in writing and prior to 1st April 2025.

Therefore, an updated DRR Policy has been drafted by officers, with the intention of this coming into force on 1st April 2026.

Links with the Corporate Priorities:

3. Reduce Child Deprivation & Inclusive Economic Growth– By providing financial support through Business Rates Relief to not for profit and charitable organisations, the policy helps enable sustainability for organisations supporting families who are suffering from deprivation, as well as employing residents in paid employment.
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Equality Impact and Considerations:

A full EIA has been completed which has identified no material impact on any characteristic except for the socio-economically vulnerable where the policy would have a positive impact.

Environmental Impact and Considerations:

4. Not applicable

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Fraudulent applications for DRR made leading to unnecessary council expenditure	Robust application and review process to be implemented alongside the policy utilising new e-form software to enable more meaningful data capture and award assessment.

Legal Implications:

The Council may grant discretionary relief, pursuant to section 47 of the Local Government Finance Act 1988 (LGFA), from all or part of the amount payable in respect of hereditaments occupied by a charity for charitable purposes, by certain voluntary bodies of a philanthropic nature, for recreation, or by clubs and societies not established or conducted for profit.

Section 49 of the LGFA 1988 permits the Council to reduce, or remit the whole of, an amount of non-domestic rate in circumstances where it is satisfied that (a) the ratepayer would otherwise sustain hardship and (b) it is reasonable to do so having regard to the interests of Council Tax payers.

The Non-Domestic Rating (Discretionary Relief) Regulations 1989 allow the Council to grant the relief for a fixed period. One year's notice is required of any decision to revoke or vary the amount of relief granted, if in the case of a variation, it would result in the amount of payable rates increasing. The notice must take effect at the end of the financial year.

It is a decision for Full Council to approve policies and practices regarding the granting of a discretionary rate relief in accordance with section 47 of the Local Government Finance Act 1988.

Section 13A(2) of the Local Government Finance Act 1992, as amended by the Local Government Finance Act 2012, provides that each billing authority in England must make a scheme specifying the reductions which are to apply to amounts of council tax payable, in respect of dwellings situated in its area, by people they consider to be in financial need.

Financial Implications:

5. The projected DRR expenditure for 2026/27 is £594,725.

Appendices:

Bury Council Business Rates Discretionary Rate Relief and Council Tax Discretionary Relief Policy