ITEM No …5……….

REPORT TO: **CITY GOVERNANCE COMMITTEE - 22 JUNE 2026**

REPORT ON: **NON-DOMESTIC RATES DISCRETIONARY AND HARDSHIP RELIEF POLICY**

REPORT BY: **EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

REPORT NO: **121-2026**

1.0 PURPOSE OF REPORT

1.1 The purpose of the report is to provide members with details of the Council's Non-Domestic Rates (NDR) Discretionary and Hardship Relief Policy that exists to offer additional support by granting discretionary relief to charities, organisations and other businesses in exceptional circumstances.

2.0 RECOMMENDATIONS

2.1 The Committee is asked to note the information in this report including the Council's NDR Discretionary and Hardship Relief Policy attached in Appendix 1.

3.0 FINANCIAL IMPLICATIONS

3.1 There are no direct financial implications arising from the agreement of the recommendations in the report.

4.0 BACKGROUND

4.1 Non-Domestic Rates Discretionary Relief is provided for under Section 4 of the Local Government (Financial Provisions etc.) (Scotland) Act 1962, as amended. The legislation allows local authorities to grant discretionary relief from the payment of non-domestic rates where they consider it appropriate to do so.

4.2 Eligible organisations, including charities and non-profit bodies, may receive mandatory relief of 80%, where they occupy premises and use them wholly or mainly for charitable purposes. Local Authorities have discretion to award the remaining 20% as discretionary relief. Where this 20% discretionary relief is granted, 75% is reimbursed by Scottish Government and 25% is directly met by the Local Authority.

4.3 Discretionary relief is not an automatic entitlement and is considered on a case-by-case basis, having regard to local policy and individual circumstances. In determining applications to award discretionary relief, consideration may be given where organisations:

- operate, primarily, to provide benefit to Dundee residents and taxpayers
- provide and maintain grounds and buildings used for the purposes of leisure time occupation and these facilities are available to members of the public at large

4.4 In addition, local authorities also have discretion to award hardship relief where it is satisfied the circumstances are exceptional and the ratepayer would otherwise suffer significant financial hardship. In awarding any hardship relief, consideration would be given to the specific financial circumstances of the applicant and satisfactory evidence of this would require to be provided demonstrate their case. Hardship relief can be awarded to a value of 100%. Where this granted, the full cost of any relief is directly met by the Local Authority.

4.5 As set out in the delegation of powers to officers that are included within the Standing Orders of the Council and Schemes of Administration (Article V of the Minute of Meeting of the City Governance Committee 22 September 2025, Report No 293-2025 refers), the Executive Director of Corporate Services has authority to deal with remission of relief of rates applications, including hardship relief.

5.0 CURRENT POSITION

5.1 The following table details the current position in terms of discretionary or hardship reliefs currently awarded from Dundee City Council. It is noted there are currently 342 properties in Dundee in receipt of discretionary relief in financial year 2026/27. As outlined in paragraph 4.2, where top up discretionary relief is awarded, 25% is funded through the Council's Revenue Budget. There are currently no awards of relief on the basis of hardship that have been granted.

Description	**Value**
Total Liability Amount	£7,539,133
Discretionary Top Up Relief (20%)	£1,563,315
Hardship Relief	£0
Total Cost to DCC	**£390,829**
DCC 2026/27 Budget allocation	**£392,000**

6.0 POLICY IMPLICATIONS

This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

7.0 CONSULTATIONS

7.1 The Council Leadership Team was consulted in the preparation of this report.

PAUL THOMSON **2 JUNE 2026**
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

Appendix 1

Dundee City Council
Non-Domestic Rates Discretionary and Hardship Relief Policy

1. Introduction

Non-Domestic Rates (NDR), also known as business rates, are a tax levied on non-domestic lands and heritages in Scotland, in accordance with Part II of the Local Government (Scotland) Act 1975, as amended.

NDR are payable by the person entitled to occupy a non-domestic property and are calculated by applying the non-domestic rate poundage, set annually by the Scottish Ministers, to the property's rateable value as entered in the Valuation Roll.

The rateable value is determined independently by the Assessor for Tayside Valuation Joint Board and represents the net annual value at which the property might reasonably have been expected to let at the statutory valuation date.

Dundee City Council is responsible for the billing and collection of NDR within its area and income from NDR contributes to the funding of local authority services.

Liability for NDR may be reduced or removed through statutory reliefs, including mandatory reliefs, and through the award of discretionary relief granted by Dundee City Council under the relevant provisions of non-domestic rating legislation and associated Scottish Government guidance.

Discretionary Relief can be granted to/for the following: -

- Charitable/Non-Profitmaking Organisations
- Sports Clubs
- Hardship (limited to exceptional circumstances)

2. Legislative Background

This policy sets out how the Council will exercise its discretionary powers to award NDR Discretionary Relief under relevant Scottish legislation including:

- The Local Government (Financial Provisions etc.) (Scotland) Act 1962, as amended
- The Local Government (Scotland) Act 1975, as amended
- The Community Empowerment (Scotland) Act 2015
- Charities and Trustee Investment (Scotland) Act 2005
- Non-Domestic Rating (Rural Areas and Rateable Value Limits) (Scotland) Order 2005
- The Non-Domestic Rating (Scotland) Act 2020

3. Scope of the Policy

This policy applies to:

- Occupiers or ratepayers of non-domestic properties within the Council area
- Applications for discretionary relief that are not automatically granted through mandatory relief schemes
- Requests for relief in exceptional or unforeseen circumstances

This policy does not replace statutory mandatory reliefs but operates alongside them.

4. Principles

In administering discretionary relief, the Council will be guided by the following principles:

- Fairness and consistency
- Transparency and accountability
- Value for public money
- Support for communities
- Economic wellbeing and inclusivity

5. Roles and Responsibilities

The Council will ensure that transactions are governed by robust controls, with clear segregation of duties. Financial decisions will be made by identified officers and reviewed by appropriate managers. These arrangements will be clearly detailed in relevant service operation manuals.

6. Definition of Exceptional Circumstances

Exceptional circumstances may include, but are not limited to:

- Severe financial hardship
- Significant community, economic or social benefit, where awarding relief would provide a clear and demonstrable benefit to the wider Dundee community
- Clear evidence that refusal of relief would result in an inequitable outcome
- Situations not reasonably foreseen when this policy was adopted

Each case will be determined on its individual merits.

7. Assessment Criteria

When considering discretionary or hardship relief, regard may be given to:

- The nature of the business, organisation or activity
- Community, economic or social benefit
- Employment impact

- Availability of other support or relief
- Previous awards of discretionary relief
- The cost to the public purse
- The financial position of the ratepayer

No single factor will be decisive.

8. Duration and Percentage of Relief

- Relief may be awarded for a fixed period or ongoing basis, as determined by officers
- Hardship Relief may be awarded up to 100% at the Council's discretion
- Awards are subject to review and withdrawal if circumstances change

9. Review of Decisions

There is no statutory right of appeal against discretionary relief decisions. However, applicants may request a review only where:

- New or relevant information becomes available
- There is evidence of an administrative error

10. Fraud Prevention

The Council reserves the right to:

- Request supporting evidence
- Withdraw relief where false or misleading information has been provided
- Recover sums awarded unlawfully

11. Monitoring and Reporting

- Awards of discretionary relief will be monitored and reported as required

12. Policy Review

This policy will be reviewed:

- At least every **three years**, or earlier if legislative or policy changes require this.