



National Non-Domestic Rates  
Section 49 Local Government Finance Act 1988  
2026-27

## Version Control

<b>Version</b>	<b>Date</b>	<b>Owner</b>	<b>Summary of Changes</b>	<b>Next Review Date</b>
1	April 2025	Sherr Williamson	S49 LGFA 1988 policy creation	January 2026
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## **1.0 Introduction and Scope**

- 1.1 The Council receives requests from ratepayers to reduce or remit the rate on the grounds of hardship.
- 1.2 This document outlines the Council's approach to these requests and the issues that will be considered as part of the decision-making process.
- 1.4 Any relief granted has a direct impact on the Council's income and ultimately on Council Tax payers in the North Yorkshire area and, therefore, any applications will be carefully considered in this context.
- 1.5 The principle consideration is that any relief granted is in the best interests of the taxpayers of North Yorkshire Council as the Council must bear the costs of any relief granted.

## **2.0 Legislation**

- 2.1 The Council is able to exercise its discretion under Section 49 of the Local Government Finance Act 1998 to provide either partial or full relief for non-domestic rate payments in cases of hardship where it would be reasonable to do so having due regard to the interests of council tax payers in general.

## **3.0 Section 49 Hardship Relief – the Council's Policy**

- 3.1 The Council will consider applications for hardship relief from individuals and organisations based on their own merits on a case-by-case basis. The Revenues Head of Service will consider applications.
- 3.2 In making decisions on whether to award the relief the Council takes into account 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 forecast 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 and that this, in itself, is not a deciding factor;
  - The loss of the business would reduce amenities of an area if it is the sole provider of a service in the area;
  - The loss of the business would worsen the employment prospects in the area;
  - 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;
  - The business provides employment to local residents in an area where employment opportunities are limited;

- Independent advice given by banks or financial advisors should be sought to demonstrate the future viability of the business;
- Applications will only be considered where signed by the ratepayer, or, where an organisation is the ratepayer, an appropriately authorised representative of the organisation; and
- The ratepayer will provide additional information as deemed necessary by the Council to be essential in order for a fair evaluation of the application.

#### **4.0 The financial impact**

- 4.1 Changes to local government finance now mean that the income from business rates directly impacts on the Council's financial position.
- 4.2 Any relief granted has a direct impact on the Council's income and ultimately on Council Tax payers of the North Yorkshire area. Any applications for relief made to the Council will be carefully considered in this context.

#### **5.0 The Council's approach and considerations**

- 5.1 Applications will be considered by the Revenues and Benefits Service.
- 5.2 Where the application is refused, any requests for a review of the decision will be considered by the Revenues Head of Service on behalf of the Council. That decision shall be final.
- 5.3 The Council will consider the application and other supporting evidence from ratepayers, based on its own merits, on a case-by-case basis.

#### **6.0 The application process**

- 6.1 All applications for discretionary discounts should be made in writing or by email.
- 6.2 Independent evidence may also be submitted, and this may be in the form of accounts, solicitors' letters etc.
- 6.3 Because the decision to grant a Section 49 relief is discretionary, any challenge relating to the Council not granting the relief would be in accordance with Section 138 of the Local Government Act 1988 by way of judicial review.

#### **7.0 Subsidy Control**

- 7.1 The Council will be mindful of its legal obligations under the Subsidy Control Act 2022 and will ensure compliance with the legal requirements and any permitted exemptions. Each case will be considered based on the ratepayer's individual circumstances in full consideration of the Act and Government guidance issued in 2025.

## **8.0 Policy Review**

- 8.1 This policy will be reviewed on an annual basis or sooner if there is a change in legislation that would affect its operation.