

Committee: Council **Date:** Tuesday,
24 February 2026

Title: Business Rates Reliefs Policy 2026/27

Portfolio Holder: Councillor Neil Hargreaves,
Portfolio Holder for Finance and the Economy

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Summary

1. The government will introduce a new system for business rates from 1 April 2026. This will take place alongside a revaluation of all non-domestic properties.
2. The Council is required to review and approve a Business Rates Reliefs Policy for the application of Business Rates Reliefs on an annual basis.
3. The 2026/27 policy has been updated to take account of all April 2026 changes and covers reliefs which are both mandatory (as determined by central government), and discretionary (as awarded by the Council under section 47 of the Local Government Finance Act 1988).
4. In practice, most discretionary reliefs are funded by way of central government grant, provided that the Council agrees to adopt and administer the reliefs in line with the associated government guidance. As such, for the most part, the Council's Business Rates Reliefs Policy serves simply to enact central government policy at a local level.

Recommendations

5. That Council approves the criteria for granting discretionary and mandatory rate relief from 1 April 2026, as set out in the policy under Appendix 1.

Financial Implications

6. Any financial implications of the proposed Business Rates Reliefs Policy 2026/27 have been factored into the 2026/27 General Fund budget, also to be approved in the same Council meeting, 24th February 2026.
7. The impact of not approving this policy would potentially increase risk and cost on the General Fund budget, which would generate the need for additional savings.

Background Papers

- This report has been prepared with reference to published government guidance on each of the forms of business rates relief set out in Appendix 1. This guidance is available to the public on the gov.uk website [Business rates: information letters - GOV.UK](#)

Impact

| | |
|---------------------------------|---------------------------------------------------------------------------------------------------------|
| Communication/Consultation | Corporate Management Team (CMT) and Informal Cabinet Briefing (ICB) |
| Community Safety | N/A |
| Equalities | An EqHIA has been undertaken and is included within the budget papers (Appendix J) later on this agenda |
| Health and Safety | N/A |
| Human Rights/Legal Implications | Policy ensures compliance with the Subsidy Control Act 2022 |
| Sustainability | N/A |
| Ward-specific impacts | N/A |
| Workforce/Workplace | N/A |

Purpose of Report

- At the Budget on 26 November 2025, the government announced that, from April 2026, new retail, hospitality and leisure (RHL) multipliers would be set 5p below the relevant national multipliers for qualifying properties with rateable values below £500k, funded by a high-value multiplier 2.8p above the national standard multiplier for properties with rateable values of £500,000 and above.
- The threshold between the standard and small multipliers (less than £51,000 RV) remained unchanged.
- Regulations remain in draft until confirmed by Parliament, but the government has since announced The Non-Domestic Rating Multipliers for 2026/27 as follows,
 - Small business RHL multiplier: 38.2p
 - Small business non-domestic rating multiplier: 43.2p

- Standard RHL multiplier: 43.0p
 - Standard non-domestic rating multiplier: 48.0p
 - High-value non-domestic rating multiplier: 50.8p
12. In addition to the change in multipliers, the Chancellor also announced that the government would provide a package of reliefs to support businesses. For 2026/27, this includes:
- a) **Transitional Relief** – To support ratepayers facing large bill increases at the revaluation the government is introducing a redesigned Transitional Relief scheme worth £3.2 billion.
 - b) **Transitional Relief Supplement** – a 1p supplement to the relevant tax rate for ratepayers who do not receive Transitional Relief or the Supporting Small Business scheme to partially fund Transitional Relief. This will apply for one year from 1 April 2026.
 - c) **2026 Supporting Small Business Scheme (SSB relief)** – bill increases for businesses losing some or all of their small business rates relief or rural rate relief will be capped at the higher of £800 or the relevant transitional relief caps from 1 April 2026. The 2026 SSB relief scheme has been expanded to ratepayers losing their RHL relief. The government has also announced a one-year extension of the 2023 Supporting Small Business scheme from 1 April 2026. This support is applied before changes in other reliefs and local supplements.
 - d) **100% relief for Eligible Electric Vehicle Charging Points and Electric Vehicle only forecourts (EVCP relief)** – a ten-year 100% business rates relief for EVCPs separately assessed by the VOA and Electric Vehicle only forecourts to ensure that they face no business rates liability.
 - e) **Extending the Small Business Rates Relief (SBRR) grace-period from one to three years**, meaning businesses will now remain eligible for SBRR on their first property for three years after expanding into a second property.
 - f) **Call for Evidence: Business Rates and Investment** – A Call for Evidence has been published on the role business rates play in investment and the impact of the Receipts and Expenditure valuation method.
 - g) **15% relief for Eligible Pubs and Live Music Venues**, meaning they will benefit from a 15% business rates relief on top of the support announced at Budget 2025 and their bills being frozen for a further 2 years.
13. Local authorities are expected to use their discretionary relief powers (under section 47 of the Local Government Finance Act 1988 as amended) to grant the EVCP and SSB reliefs in line with the relevant eligibility criteria. The government have confirmed that authorities will be compensated for the cost of granting these reliefs via a section 31 grant.
14. The Business Rates Discretionary Relief Policy 2026/27 (appendix A) has been updated to cover reliefs which are both mandatory (as determined by

central government), and discretionary (as awarded by the Council under section 47 of the Local Government Finance Act 1988), from 1st April 2026.

Risk Analysis

| Risk | Likelihood | Impact | Mitigating actions |
|---------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| The Council's policy is not in accordance with government guidance | 1 – low due to the level of expertise within the Revenues and Benefits service | 3 – Council may be unable to reclaim the cost of providing some reliefs from central government if conditions have not been met | Policy has been prepared by a specialist consultant and reviewed by senior officers prior to Recommendation. |
| Reliefs are not administered in line with the policy, or inaccurate or fraudulent applications for reliefs are made | 2 – low risk to administration due to the level of expertise within the Revenues and Benefits service, information held on businesses, and access to the central valuation register. Medium risk of inaccurate or fraudulent applications being made | 2 – incorrect allocation of reliefs, loss of income from government reimbursement of ineligible claims | Officers collect and check details against various databases, and have the support of software provided by HMRC to check for fraudulent claims |

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project