

# Cheltenham Borough Council

## Cabinet – 17 March 2026

### Discretionary Business Rate Relief Policy

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**Accountable member:**

Councillor Peter Jeffries, Cabinet Member Finance and Assets

**Accountable officer:**

Jayne Gilpin, Head of Revenues and Benefits

**Ward(s) affected:**

All

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**Key Decision:** Yes

**Executive summary:**

The purpose of this report is to seek approval to implement temporary business rate reliefs which will limit the increase in business rates as a result of the 2026 revaluation and associated legislation changes. As the reliefs are considered a temporary measure the Council is expected to use discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended) to grant these reliefs. The reliefs are fully funded by the Government provided they are awarded in accordance with the guidance provided.

**Recommendations: That Cabinet:**

- 1. Approves the amended Discretionary Business Rate Relief Policy in Appendix 3 to include the temporary reliefs referred to in this report from April 2026**
- 2. Authorises the Head of Revenues and Benefits in consultation with the Cabinet Member Finance and Assets to implement any changes to the temporary relief schemes detailed in appendix 3, as required by Government guidance, or to ensure the successful operation of the schemes.**
- 3. Due to the volume of cases, delegate award decisions on temporary reliefs detailed in appendix 3 to the Head of Revenues and Benefits and officers in the Business Rates team. In the case of a dispute reconsideration is to be made by the Section 151 Officer.**

## **1. Implications**

### **1.1 Financial, Property and Asset implications**

2. As detailed within the report and appendix 3 central government is providing funding for the temporary business rates relief schemes and expects the Council to use discretionary powers to award reliefs to businesses in line with guidance provided.

The Government will also provide funding to cover administration costs for each of the schemes referred to in this report although the amounts have not yet been confirmed.

**Signed off by:** Jon Whitlock, Head of Finance [jon.whitlock@cheltenham.gov.uk](mailto:jon.whitlock@cheltenham.gov.uk)

### **1.2 Legal implications**

Under Section 47 of the Local Government Finance Act 1988 (as amended by S69 of the Localism Act 2011) the Council as the billing authority has the discretion to grant discretionary business rate reliefs.

The cost of relief awarded by the Local Authority can be recovered from the Government by way of grant under Section 31 of the Local Government Act 2003.

**Signed off by:** Alison McKane, Interim Deputy Monitoring Officer  
[alison.mckane@cheltenham.gov.uk](mailto:alison.mckane@cheltenham.gov.uk)

### **1.3 Environmental and climate change implications**

There are no environmental and climate change implications associated with this report. The Climate Impact Assessment Tool has been completed to demonstrate the social benefits, this is attached as appendix 3.

**Signed off by:** Maizy McCann, Climate Officer [maizy.mccann@cheltenham.gov.uk](mailto:maizy.mccann@cheltenham.gov.uk)

### **1.4 Corporate Plan Priorities**

The proposals in this report don't directly contribute to Corporate Plan Priorities. Implementing the relief schemes will ensure that eligible businesses pay reduced business rate bills

### **1.5 Equality, Diversity and Inclusion Implications**

There are no implications arising from this report

### **1.6 Performance management – monitoring and review**

The number of businesses benefiting from these relief schemes and the total amount awarded will be monitored by the Head of Revenues and Benefits and reported to the Government periodically.

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## 2 Background

2.1 In the Autumn Budget on 26<sup>th</sup> November 2025 the Government announced support measures for businesses facing large increases in business rate bills as a result of the 2026 revaluation and associated legislation changes.

2.2 This includes the temporary Retail, Hospitality and Leisure Relief scheme, which provided a 40% discount in 2025/26 ending from April 2026. Instead, two permanently lower multipliers are being introduced.

2.3 The new reliefs being introduced from April 2026 are:

- The 2026 Supporting Small Business (SSB) Relief which will limit increases for businesses losing some, or all, of the Small Business Rate Relief they previously received. It will also limit increases for businesses losing the 40% retail, hospitality leisure relief and the 2023 Supporting Small Business Relief.
- A new relief scheme for Electric Vehicle Charging Points and Electric Vehicle Only Forecourts.
- A one year only additional relief scheme for pubs and live music venues.

2.4 As the schemes are temporary measures, the Government is not changing legislation. Councils are expected to use their discretionary powers under section 47 of the Local Government Finance Act 1988, as amended, to adopt a scheme using the detailed guidance provided. The Government will fully reimburse the council for the cost of the schemes and for administration by way of grant.

2.5 Temporary Relief schemes are included in the annexe to the Discretionary Rate Relief Policy and approval is being sought to amend this to reflect the schemes being introduced from 2026/27.

## 3 2026 Supporting Small Business Relief Scheme

3.1 The 2026 Supporting Small Business (SSB) Relief scheme will cap increases in business rates bills for eligible businesses losing some, or all, of:

- Small business Rate Relief
- 40% Retail, Hospitality Leisure Relief or
- 2023 Supporting Small Business Relief, from April 2026

3.2 The increase will be limited to £800 or the relevant Transitional Relief percentage cap,

whichever is the greater. Transitional Relief is introduced at each revaluation to cap rateable value increases at a set percentage. This scheme is set by legislation and is not a discretionary relief but it only caps the rateable value increase. It does not provide additional support to businesses that also lose relief, such as Small business Rate Relief.

- 3.3 Supporting Small Business Relief will be available for businesses that continue to meet the eligibility criteria in each of the financial years 2026/27, 2027/28 and 2028/29, unless the bill reaches the level it would have been without the relief.
- 3.4 Relief will be awarded in accordance with the policy in appendix 3 and detailed guidance provided.
- 3.5 Supporting Small Business Relief is subject to subsidy control which limits the amount of relief a business can receive over a three year period. Where it is clear that a business is unlikely to reach subsidy control limits, relief is being added to the bill. However, where larger businesses are identified as likely to exceed subsidy control limits, relief will be withheld and a declaration will be required.
- 3.6 Approximately 700 businesses have been identified as eligible and will receive this relief on their 2026/27 business rate bills.

#### **4 Relief for Electric Vehicle Charging Points and Electric Vehicle Only Forecourts**

- 4.1 In the Autumn Budget on 26<sup>th</sup> November 2025, it was announced that the Government would introduce a new relief for eligible Electric Vehicle Charging Points and Electric Vehicle only Forecourts (ECVP Relief).
- 4.2 This relief will be 100% for up to ten years for eligible businesses where the Electric Vehicle Charging Points or Electric Vehicle only Forecourts are separately assessed by the Valuation Office Agency, and do not form part of another assessment.
- 4.3 The relief will apply from 2026 and will be awarded in accordance with the policy in appendix 3 and guidance provided. Currently there are no separate ECVP assessments in Cheltenham.

#### **5 Pubs and Live Music Venues Relief**

- 5.1 On 27<sup>th</sup> January 2026 Government announced additional relief in 2026/27 for Pubs and Live Music Venues. Eligible businesses will receive a further discount of 15% after other reliefs have been applied to their bill.
- 5.2 The discount will apply for one year, in 2026/27 only, but the Government has confirmed that business rate bills for the eligible businesses will be frozen in real terms for the following 2 years.
- 5.3 For a business property to be considered a pub for the purpose of this relief scheme it must be:

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

5.4 Restaurants, cafes, nightclubs, hotels and other venues with a bar are not included as pubs.

5.5 A live music venue is one that is wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Any other activities at the venue must be ancillary or incidental to the performance of live music (eg the sale of food or drink to audience members).

5.6 Relief will be awarded in accordance with the policy in appendix 3 and detailed guidance provided.

5.7 Approximately 80 businesses have been identified as eligible and will receive this relief on their 2026/27 business rate bills.

## **6 Reasons for recommendations**

6.1 The relief schemes described in this report will reduce the business rates payable for eligible businesses in Cheltenham.

6.2 Approval is being sought to amend the Temporary Reliefs section of the Discretionary Rate Relief Policy in appendix 3, to include the new reliefs from 2026/27.

## **7 Alternative options considered**

7.1 None. A scheme needs to be approved so that the relief can be awarded to local businesses.

## **8 Consultation and feedback**

8.1 5.1 No consultation has been taken in relation to the implementation of the temporary reliefs detailed in this report.

## **9 Key risks**

9.1 The risks are in appendix 1

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### **Report author:**

Jayne Gilpin, Head of Revenues and Benefits [jayne.gilpin@cheltenham.gov.uk](mailto:jayne.gilpin@cheltenham.gov.uk)

## **Appendices:**

- i. Risk Assessment
- ii. Equality Impact Assessment – Screening
- iii. Discretionary Rate Relief Policy 2026
- iv. Climate Change Assessment

## **Background information:**

1. Section 47 Local Government Finance Act 1988, as amended by clause 69 of The Localism Act 2011
2. <https://www.gov.uk/government/publications/business-rates-relief-2026-supporting-small-business-relief-local-authority-guidance>
3. <https://www.gov.uk/guidance/business-rates-pubs-and-live-music-venues-relief-local-authority-guidance>

## Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
	If the recommendations in this report relating to temporary reliefs are not approved funding will not be distributed to businesses and residents in need of support which could cause reputational damage to the Council	Jayne Gilpin	3	1	3	Accept	Approve the policy changes	Jayne Gilpin	17/03/2026

## Appendix 2: Equality Impact Assessment (Screening)

### 1. Identify the policy, project, function or service change

#### a. Person responsible for this Equality Impact Assessment

Officer responsible: Jayne Gilpin	Service Area: Revenues and Benefits
Title: Head of Revenues and Benefits	Date of assessment: 16/02/2026
Signature: Jayne Gilpin	

#### b. Is this a policy, function, strategy, service change or project?

Policy

If other, please specify:

#### c. Name of the policy, function, strategy, service change or project

Discretionary Business Rates Reliefs

Is this new or existing?

**Already exists  
and is being  
reviewed**

**Please specify reason for change or development of policy, function, strategy, service change or project**

**The existing policy is being amended to include new temporary business rate reliefs from April 2026**

#### d. What are the aims, objectives and intended outcomes and who is likely to benefit from it?

Aims:	To amend the discretionary rate relief policy to include new temporary business rate reliefs
Objectives:	To award Government funded discretionary business rate reliefs
Outcomes:	The temporary business rates relief being introduced will limit the increase in bills, due to the 2026 revaluation, for eligible businesses

Benefits:	Eligible businesses will pay reduced business rate bills

e. What are the expected impacts?	
Are there any aspects, including how it is delivered or accessed, that could have an impact on the lives of people, including employees and customers.	<b>No</b>
Do you expect the impacts to be positive or negative?	<b>No impact expected</b>
Please provide an explanation for your answer:	
The impact will be to reduce business rate bills for businesses	

**If your answer to question e identified potential positive or negative impacts, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.**

f. Identify next steps as appropriate	
Stage Two required	<b>No</b>
Owner of Stage Two assessment	
Completion date for Stage Two assessment	

**Please move on to Stage 2 if required ([intranet link](#)).**