

<b>This report is public</b>	
<b>Non-Domestic Rate Discretionary Relief Policy and Response to Motion, “Supporting our High Streets”</b>	
<b>Committee</b>	Budget Planning Committee
<b>Date of Committee</b>	10 March 2026
<b>Portfolio Holder presenting the report</b>	Portfolio Holder for Finance, Property and Regeneration, Councillor Lesley McLean
<b>Date Portfolio Holder agreed report</b>	16 February 2026
<b>Report of</b>	Assistant Director Finance (Section 151 Officer), Michael Furness

## **Purpose of report**

To inform Budget Planning Committee of the reviewed policy for Non-Domestic Rate Discretionary Rate Relief policy and the response to the motion from Council on supporting our high street. This was submitted to the 3 March Executive for decision and is submitted to Budget Planning Committee for information.

### **1. Recommendations**

The Budget Planning Committee resolves:

- 1.1 To note the contents of the reviewed policy for Non-Domestic Rate Discretionary Rate Relief.
- 1.2 To note the response to Councils motion.

### **2. Executive Summary**

- 2.1 The Non-Domestic Rate Discretionary Rate Relief policy was last reviewed in 2024. It is good practice to review policies to ensure they remain relevant and in line with supporting the delivery of the Council’s policies.
- 2.2 Sections 43, 44a, 47 – 49 of The Local Government Finance Act 1988 deal with the Council’s discretionary powers to reduce the amount of Non-Domestic Rates payable.
- 2.3 The provision allows the discretion to help Non-Domestic Ratepayers where either the existing legislation does not provide a relief or in circumstances where The

Council has decided that the level of relief awarded is insufficient given the circumstances.

- 2.4 There is a financial implication to awarding reductions under Sections 43, 44a, and 47 – 49. The reliefs detailed in the policy are partly funded from our own funds.
- 2.5 The way the reliefs are funded are 50% by Central Government, 40% Cherwell District Council and 10% Oxfordshire County Council.
- 2.6 This policy covers the general criteria and exclusions along with the application process for the following reliefs: charitable rate relief top-up, Registered Community Amateur Sports Clubs, not for profit organisations, discretionary rural settlement relief, hardship relief, and Section 44a (partly occupied property) relief.
- 2.7 This policy provides direct support to the high street by enabling targeted discretionary rate relief for eligible small and locally based businesses operating within our town and village centres and finding themselves in hardship. This contributes to sustaining footfall, protecting local employment, and supporting the wider economic health of our high streets. The policy therefore forms an important part of the Council's approach to strengthening local commercial centres, while ensuring all awards remain lawful, transparent, and compliant with Subsidy Control requirements, meaning whilst not excluded, larger businesses and those spread over a wider geographical area are less likely to qualify.
- 2.7 The reliefs detailed in this policy are discretionary, and Non-Domestic Rate payers do not have a statutory right to an award.
- 2.8 Cherwell District Council recognises the vital role that strong and vibrant high streets play in supporting economic growth, employment, community wellbeing and placemaking across the district, including Banbury, Bicester and Kidlington.
- 2.9 The Council supports the intent of the motion and acknowledges the ongoing challenges faced by high streets, including changes in consumer behaviour, rising costs, and the legacy of wider economic disruption. Cherwell District Council has already taken, and continues to take, a range of targeted and place-based actions to support town centres and high streets, working closely with partners and stakeholders.
- 2.10 Current Cherwell District Council activity includes
  - Economic Development and Regeneration, Cherwell District Council is actively supporting high streets through regeneration, investment and strategic development, including:
  - Banbury Regeneration Programme, including town-centre public-realm improvements and investment in key sites to increase footfall, improve connectivity and enhance the visitor experience.
  - Bicester regeneration and growth initiatives, supporting the town centre alongside the delivery of major employment and housing development, including work linked to the wider garden-town principles.

- Delivery of public-realm enhancements, streetscape improvements and environmental upgrades where these contribute to town-centre vitality and economic resilience.
- Support for mixed-use town-centre development, encouraging a balance of retail, leisure, residential and community uses to support sustainable day- and evening-time economies.
- The 2026/27 Budget includes additional funding for the Regeneration and Growth team to further support for businesses and economic development in Cherwell.
- Business Support and Business Rates, the Council provides direct support to high-street businesses through, administration of business rates reliefs, including mandatory relief, discretionary relief, retail multipliers, where applicable, and government-funded support schemes that are detailed in the updated Discretionary Rate Relief policy for 2026-27.

2.11 At Autumn Budget 2024, the government announced its intention to introduce two lower multipliers for Retail, Hospitality and Leisure (RHL) properties with rateable values (RVs) below £500,000, ensuring lower levels of business rates than if the standard multiplier had been retained. These will commence from April 2026 and will give long-term certainty and support to the high street, in contrast to the previous annual Retail Hospitality and Leisure relief, which created a yearly cliff-edge. However, as part of the revaluation of rateable values from April 2026, a lot of the RHL values have increased meaning that even with the lower multiplier, business rates bills are likely to increase for a large proportion of RHL businesses nationally.

2.12 The government has set out its intention for these two new lower rates to be funded sustainably. To this end, the government also intends to introduce a higher multiplier for all properties with RVs of £500,000 and above.

2.13 In addition to this the government has announced a £150 million fund to support high streets most affected by decline. The investment will help revitalise local centres by improving neglected shopfronts, reopening empty units and supporting independent businesses. This forms the first phase of the new High Streets Strategy and builds on existing initiatives, including strengthened council powers over certain premises types, support for community pubs, and regeneration activity through the Pride in Place programme.

2.14 While the Council is committed to supporting high streets, all activity must be delivered within the context of the MTFs and wider budget pressures. The need to secure external funding where possible, clear evidence of value for money and measurable outcomes.

2.15 Any proposals arising from this motion would therefore require careful consideration within existing strategies, resources and governance arrangements.

## Implications & Impact Assessments

Implications	Commentary
--------------	------------

<b>Finance</b>	The financial implications are set out in the report. Discretionary rate relief is funded by Central Government 50%, Cherwell District Council 40%, and Oxfordshire County Council 10%. Lynsey Parkinson, Strategic Business Partner, 4 February 2026			
<b>Legal</b>	Finance have reviewed the policy having consideration for the following legislation: Section 43 Local Government Finance Act 1988 Section 44a Local Government Finance Act 1988 Sections 47 – 49 Local Government Finance Act 1998. Any discretionary award will need to be made in line with the provisions of the Local Government Finance Act 1988 and the councils own policy. Denzil Tubervill – Head of Legal Services, 4 February 2026			
<b>Risk Management</b>	There are no risk management issues arising directly from this report. Any arising risk will be managed through the service operational risk and escalated to the Leadership Risk Register as and when necessary. Celia Pardo-Teeling – Performance Team Leader 3 February 2026			
<b>Impact Assessments</b>	Positive	Neutral	Negative	Commentary
<b>Equality Impact</b>				This policy review has been completed in line with the guidelines and commitments established in our Equalities and Diversity Framework. The implementation of this policy will have a positive impact on people within the protected characteristics. Celia Pardo-Teeling – Performance Team Leader 3 February 2026.
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?	X			
<b>Climate &amp; Environmental Impact</b>				N/A

<b>ICT &amp; Digital Impact</b>				N/A
<b>Data Impact</b>				N/A
<b>Procurement &amp; subsidy</b>				N/A
<b>Council Priorities</b>	Support and facilitate a vibrant economy			
<b>Human Resources</b>	N/A			
<b>Property</b>	N/A			
<b>Consultation &amp; Engagement</b>	N/A			

## Supporting Information

### 3. Background

- 3.1 Sections 43, 44a and 47 - 49 of the Local Government Finance Act 1988 provide the Council with discretionary powers to reduce the amount of Non-Domestic Rates payable.
- 3.2 There are financial implications to awarding any relief other than those currently funded through Section 31 Local Government Finance Act 2003. Relief awarded under S43, S44a and S47 – 49 is funded by central government 50%, Cherwell District Council 40% and Oxfordshire County Council 10%.

### 4. Details

#### Discretionary Business Rates Relief Policy

- 4.1 The policy to be approved covers the following reliefs:
- 4.2 Charities are awarded 80% mandatory relief if they meet certain criteria. Charities can apply for a further 20% discretionary rate relief thus nullifying their rates liability. In general, top-up will only be considered for scouts/guides/cadets and other organisations for young people, organisations providing support in the form of advice, employment training and counselling, community schemes for those over retirement age including community transport and volunteer organisations, armed forces veterans' association, locally based leisure, and cultural organisation.
- 4.3 In general, charities will be excluded if their primary office is situated outside of the district. National charities will also be excluded unless they can prove they are suffering financial hardship.

- 4.4 Schools, including academies, free schools, grant maintained, faith and trust schools, along with education establishments, will be excluded if they receive central or local government support unless a special case for hardship can be shown.
- 4.5 Top-up of 20% will not be awarded to Housing Associations.
- 4.6 Community Amateur Sports Club qualify for 80% mandatory relief and can be considered for 20% top up. However, it is unlikely they will qualify if their main income is from the sale of food or drink.
- 4.7 Rate relief for not-for-profit organisations can be awarded up to 100% of the liability. The main objectives for these organisations must be related to relief of poverty, philanthropy or religion, education, social welfare, science, literature, fine arts, recreations or otherwise beneficial to the community. Organisations must be able to demonstrate how they meet the local needs and how they benefit local people, are open to all sections of the community as well as providing a valuable service to the community. The organisation must not discriminate against any section of the community and is not conducted or established for the primary purpose of making a profit.
- 4.8 Discretionary rural settlement can be granted up to 100%. The property must fall in a rural settlement (less than 3,000 residents), has a rateable value that doesn't exceed £16,500, the property is occupied by a business that benefits the local community, it is reasonable to grant a relief considering the interests of the Council Tax payer, and that applicants are demonstrate that the business is important to the maintenance of village life.
- 4.9 Discretionary rate relief, if approved, will be granted until the end of the following financial year.
- 4.10 Hardship relief can be considered where a ratepayer is enduring temporary financial difficulties. Consideration will be giving to the residents of Cherwell to ensure it is reasonable for the Council to grant the relief.
- 4.11 Section 44a – partly occupied property relief can be considered where part of a property is unoccupied for a temporary period. A backdated period cannot be considered, and a ratepayer must supply scaled drawings to advise which parts of the property are unoccupied and the period the part occupied period relates too. The period of relief will not exceed either 3 or 6 months depending on the type of property a claim has been made in respect of however all awards will terminate at the end of the financial year.
- 4.12 An organisation will be required to complete an application form and provide two years of audited accounts. In certain circumstances, a backdate of discretionary rate relief could be considered where delays for a relief are outside of an organisation's control.
- 4.13 The outcome of all applications will be notified to ratepayers. Unsuccessful applicants will be able to request a reconsideration of the decision.
- 4.13 A new Supporting Small Business(SSBR) relief will be introduced from 1 April 2026 to provide assistance to those businesses facing a significant increase in their rate

liability due to the ending of 40% Retail Leisure and Hospitality. The scheme will also provide relief for those businesses experiencing an increase in the rates bill due to the loss of Small Business Rate Relief and Rural Rate Relief following the national revaluation. This will be automatically applied to eligible ratepayers at the point of calculating the business rates charge, no application is required.

- 4.14 The government announced on 27 January 2026 eligible pubs and live music venues will benefit from a 15% business rates relief on top of the support announced at Budget 2025. Their bills will then be frozen in real terms for a further 2 years. The Ministry of Housing, Communities and Local Government (MHCLG) will shortly publish full guidance for local authorities. The government's policy intention is that pubs and live music venues should be eligible for the relief. The relief should apply to occupied properties only.
- 4.14 Any reliefs detailed in this policy which are not fully funded by the Government are funded by fifty percent to Central Government, forty percent by Cherwell District Council, and ten percent to Oxfordshire County Council.

### **Response to Motion**

- 4.15 The motion proposed at Full Council on 15 December 2025 by Councillor Dr Chukwudi Okeke was as follows:

*“Local hospitality businesses across North Oxfordshire — from family-run restaurants, pubs and cafés to small independent venues — face substantial and growing financial pressures due to rising operating costs, higher taxes and a stagnating economy. There is now a growing political consensus about the need to provide meaningful help to small independent retailers and hospitality businesses on our high streets. This Council notes that District councils also have certain discretionary powers to support vulnerable local businesses where urgent relief is justified.*

*This Council resolves to:*

- 1. Request that the Executive reviews any policies that are already in effect surrounding discretionary business rates relief, involving local independent business groups, together with the Overview & Scrutiny and/or Budget Planning committees (as appropriate) about any changes.*
- 2. Ensure that any such changes focus on local independent businesses facing genuine financial hardship, rather than national chains and/or large retailers.*
- 3. Further ensure that its discretionary policies surrounding business rates relief are better advertised to ensure that local businesses can benefit from Council support, where it is financially viable.*
- 4. Ask the Leader to urgently write to the Secretary of State for Business and Trade, copied to North Oxfordshire MPs, urging him to review the national business rates system as regards its impacts on local hospitality and high street businesses as a matter of urgency.*
- 5. Report back to members on progress surrounding the above steps without delay.”*

- 4.16 In response to the motion:

1. The Discretionary Business Rates Relief Policy (DBRRP) has been reviewed with an amended version proposed within this report with a view to operating within the approved budget of the council.

The policy has also been updated to ensure that it is flexible enough to adopt any national reliefs introduced to support businesses.

In addition to this policy, the council carries out considerable amounts of economic development work within its Growth and Regeneration team as set out in paragraph 2.9. Furthermore, the council's planning policy sets out the conditions by which further economic growth in the district can be achieved, subject to appropriate planning applications being received and being approved.

The most impactful way for the council to help to protect the high streets of Cherwell is to ensure the right conditions for economic growth are in place leading to more jobs in Cherwell and hence greater levels of disposable income to be spent in Cherwell.

2. The proposed DBRRP does include a particular focus on hardship and benefits to the local area – in particular around charitable organisations. Hardship will be taken into consideration but only where there are temporary conditions in place causing hardship. The council should not step in to support a failing business.

Furthermore, the council has a duty to consider whether subsidy control would apply in awarding reliefs. As such it is highly unlikely that national chains would benefit from the discretionary relief policy.

3. Once approved the policy will be updated on the council's internet site and shared via our corporate communication channels as well as ensuring the Development and Growth team promotes the policy with local businesses.

4. Following the announcement of the new business rates regime by the Chancellor in November 2025, the Government has subsequently introduced a further package of measures to support businesses facing significant bill increases as a result of the 2026 revaluation. This includes a £4.3 billion business rates support package, comprising an enhanced transitional relief scheme, expanded supporting small business relief, and sector-specific interventions, alongside permanently lower multipliers for eligible retail, hospitality and leisure properties from April 2026.

The Leader will be writing to the Secretary of State to outline concerns, emphasising that while the increase in Business Rates income is welcomed, the system remains highly sensitive to wider economic pressures. The correspondence will urge the Government to keep the Business Rates regime under review should local businesses begin to experience financial or operational challenges, ensuring it remains sustainable, supportive of economic growth, and responsive to changing conditions.

5. This report updates members on progress in implementing this motion.

## **5. Alternative Options and Reasons for Rejection**

5.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To not approve the discretionary rate relief policy. Members could choose not to agree the proposed policy, but it would mean that we wouldn't be able to continue to support local businesses, charities and voluntary organisations and would also reduce our financial flexibility in the future.

The local authority must have a system in place to allow a person to make the request.

## 6 Conclusion and Reasons for Recommendations

6.1 This report is submitted to Budget Planning Committee for information.

### Decision Information

<b>Key Decision</b>	N/A
<b>Subject to Call in</b>	N/A
<b>If not, why not subject to call in</b>	N/A
<b>Ward(s) Affected.</b>	All

### Document Information

<b>Appendices</b>	
<b>Appendix 1</b>	Discretionary Rate Relief Policy
<b>Background Papers</b>	n/a
<b>Reference Papers</b>	n/a
<b>Report Author</b>	Jacey Scott Head of Revenues and Benefits
<b>Report Author contact details</b>	<a href="mailto:jacey.scott@cherwell-dc.gov.uk">jacey.scott@cherwell-dc.gov.uk</a> 01295 221548
<b>Executive Director Approval (unless Executive Director or Statutory Officer report)</b>	Report of Statutory Office, S151 Officer