

# Supporting Small Business Relief 2026/27



## About the Scheme

The scheme is intended to support properties losing some or all of their Small Business Rate Relief, 40% Retail Hospitality and Leisure Relief or 2023 Supporting Small Business Relief as a result of the 2026 revaluation and is to be known as the '2026 Supporting Small Business Relief scheme' (2026 SSBR). The scheme will run for the years 2026/27 to 2028/29.

This document sets out the criteria used to determine properties eligible for the 2026 Supporting Small Business relief scheme. Epsom & Ewell Borough Council's scheme mirrors the guidance issued by central government. The council may review and amend the scheme and the amount of relief within each year to reflect any changing circumstances or advice from central government.

<b>Abbreviations</b>	
2023 SSBR	Supporting small business rate relief 2023
2026 SSBR	Supporting small business rate relief 2026
BL	Base Liability
MFA	Minimal Financial Assistance
NCA	Notional Chargeable Amount
RHL	Retail, Hospitality and Leisure
RV	Rateable Value
SBRR	Small Business Rate Relief
SI	Statutory Instrument
SPEI	Services of Public Economic Interest
TR	Transitional Relief
UK	United Kingdom

## Introduction

At the 2025 Autumn Budget the Chancellor announced that the 2026 SSBR scheme will, generally, cap bill increases at £800 per year or the relevant caps within transitional relief (whichever is the greatest) for any business losing eligibility for certain reliefs, including Small Business Rate Relief and Retail Hospitality and Leisure Relief, due to the 2026 revaluation.

## How will the relief be provided?

For 2026/27 to 2028/29, the government will, in line with the eligibility criteria for the 2026 SSBR scheme, reimburse Epsom & Ewell Borough Council if we use our discretionary relief powers under section 47 of the Local Government Finance Act 1988, to grant 2026 SSBR.

## Who is eligible for the relief and how much relief will be available?

This section describes in principle the 2026 SSBR scheme. Epsom & Ewell will use the detailed guidance at section 2 to determine eligibility and calculate bills. 2026 SSBR will help those ratepayers who at the revaluation are seeing large increases in their bills as a result of losing some or all of their:

- a. Small Business Rate Relief (SBRR),

- b. 40% Retail Hospitality and Leisure Relief (RHL Relief), and/or
- c. 2023 Supporting Small Business Relief (2023 SSBR).

Charities and Community Amateur Sports Clubs, who are already entitled to mandatory 80% relief, are not eligible for 2026 SSBR.

To support eligible ratepayers, 2026 SSBR will ensure that the increase in the bills of these ratepayers is generally limited to £800 per year or the relevant caps within transitional relief, whichever is the greater.

The relevant % caps within transitional relief are set in the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2026 (2026 TR Regulations) based on the 1 April 2026 transitional rateable value (RV):

Year	RV 0 to 20,000	RV 20,001 to 100,000	RV 100,001 plus
2026/27	5%	15%	30%
2027/28	10%	25%	25%
2028/29	25%	40%	25%

For those ratepayers receiving 2023 SSBR relief on 31/3/26 (including those also receiving SBRR and/or RHL Relief on 31/3/26), any eligibility for 2026 SSBR will end on 31 March 2027. All other eligible ratepayers remain in 2026 SSBR for either 3 years or until they reach the bill they would have paid without the scheme [footnote 1]. A change of ratepayers will not affect eligibility for the 2026 SSBR scheme but eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club.

There is no second property test for eligibility for the 2026 SSBR scheme. However, those ratepayers who during 2025/26 lost entitlement to Small Business Rate Relief (because they failed the second property test) but have, under the rules for Small Business Rate Relief, been given a 12 month period of grace before their relief ended (or, from 27/11/25, 3 years) - can continue on the 2026 SSBR scheme for the remainder of their period of grace.

Relief will only apply where the eligible criteria is met. Each award will be a separate award under this scheme and apply to the bill year it is applied to only.

Details on eligibility and the value of the 2026 SSBR is at Section 2.

(Footnote 1) This will be the bill in the main transitional relief scheme or the ratepayer's full bill.

## Sequence of reliefs

Hereditaments (rated properties) eligible for charity or community amateur sports club relief or hereditaments which are unoccupied are not eligible for 2026 SSBR. And, for the avoidance of doubt, small business rate relief cannot be applied to further reduce the bill found under 2026 SSBR (to avoid the double counting of relief – see the detailed rules in section 2). For example:

- a non-RHL ratepayer eligible for Small Business Rate Relief whose rateable value has increased from £3,000 (paying £0 in 2025/26) to £14,000 would be paying the following in 2026/27 before 2026 SSBR:
  - Bill before reliefs: £6,188
  - Bill after transitional relief: £1,572
  - Bill after Small Business Rate Relief (@1/3) £1,048

- After 2026 SSBR the bill for 2026/27 would be reduced to £800. No further Small Business Rate Relief will be applied to the £800 bill. No addition for Transitional Relief supplement is made to a bill within 2026 SSBR.

The same principle applies to properties for which a Section 44A certificate has been granted (apportionment of rateable values for partly occupied properties). The presence of a section 44A certificate will not further reduce the bill found under 2026 SSBR.

All other discretionary reliefs, including those funded by section 31 grants, will be considered after the application of 2026 SSBR

### **Recalculations of relief**

As with other reliefs, the amount of 2026 SSBR awarded will be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or to the hereditament. This change of circumstances could arise during the year in question or during a later year.

All awards are subject to whether they meet the requirements to be reimbursed by central government.

Where relief has been found to have been awarded incorrectly or in error the relief will be removed and amended bills issued. If a change in circumstances that would affect the relief is not informed to the council within 28 days, Epsom & Ewell reserves the right to cancel all relief granted and refuse any further application.

### **Subsidy control**

The 2026 SSBR is likely to amount to subsidy. Any relief provided under this scheme will need to comply with the UK's domestic and international subsidy control obligations ( See: [gov.uk/government/collections/subsidy-control-regime](https://gov.uk/government/collections/subsidy-control-regime) )

To the extent that the council is seeking to provide relief that falls below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act allows an economic actor (e.g. a holding company and its subsidiaries) to receive up to £315,000 in a three-year period (consisting of the latest year with relief and the two previous financial years). MFA subsidies cumulate with each other and with other subsidies that fall within the category of 'Minimal or Services of Public Economic Interest (SPEI) financial assistance'. Any other subsidies claimed under the Small Amounts of Financial Assistance limit of the Trade and Cooperation Agreement are counted under the £315,000 allowance.

In cases where it is clear the ratepayer is likely to breach the MFA limit then Epsom & Ewell may automatically withhold the relief. Otherwise, Epsom & Ewell will include the relief in bills and ask the ratepayer, on a self-assessment basis, to inform the authority if they are in breach of MFA limit.

MFA subsidies above £100,000 are subject to transparency requirements. This is not cumulated per beneficiary but applies per subsidy award. This means that for every individual subsidy provided of more than £100,000, the council will record details of the subsidy on the government subsidy control database.

### **Application Process**

The scheme entitlement is established based on information already held within Epsom & Ewell Borough Council's business rates system. Therefore, awards will be applied automatically.

## Section 2: Detailed guidance for operation of the 2026 Supporting Small Business Relief (2026 SSB)

### Day 1 Eligibility for the Scheme

1. For 1 April 2026, a hereditament (rated property) will be eligible for 2026 SSBR where [Footnote 2]:
  - a. the chargeable amount for 31 March 2026 is calculated in accordance with:
    - i. paragraph 4 of Schedule 4ZA (SBRR not in transitional relief), or
    - ii. regulation 12(6) of, or paragraph 4(5) or 5(5) of the Schedule to, the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2022 SI 2022 No. 1403 (SBRR within transitional relief), or
    - iii. paragraph 5 of Schedule 4ZA by virtue of paragraph 8 of Schedule 4ZA (Rural Rate Relief), or
    - iv. section 47 by virtue of being eligible for schemes introduced by local authorities to deliver:
    - v. the 2023 Supporting Small Business Relief Scheme as set out in government guidance issued 21 December 2022, or
    - vi. the 2025/26 Retail, Hospitality and Leisure Scheme as set out in government guidance issued 16 January 2025, and
  - b. the hereditament for 1 April 2026 was occupied, and
  - c. the ratepayer for 1 April 2026 was not a charity or trustees for a charity or a community amateur sports club eligible for relief under paragraph 2 of Schedule 4ZA or regulation 12(5) of, or paragraphs 2(4), 3(4), 4(4) or 5(4) of the Schedule to, the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2026.
2. Where a hereditament meets these criteria then the rules for determining a chargeable amount set out at paragraphs 8 to 27 below will apply provided that the chargeable amount within the 2026 SSBR scheme is less than it would otherwise be absent the 2026 SSBR scheme.

(Footnote 2) Unless otherwise stated, references are to the Local Government Finance Act 1988

### Ceasing of eligibility for scheme after 1 April 2026

3. After 1 April 2026, 2026 SSBR will cease to apply where:
  - a. the chargeable amount for a day found under 2026 SSBR is the same as or more than the chargeable amount found in the absence of 2026 SSBR. This ensures that where, for example, the increase in the chargeable amount in 2026 SSBR would take the bill above the level it would otherwise have been then the hereditament will drop out of 2026 SSBR. It also ensures that where, for example, with effect from after 1 April 2026, the hereditament becomes eligible for 100% Small Business Rate Relief then they also fall out of 2026 SSBR, or
  - b. the ratepayer changes to a charity or trustees for a charity or a community amateur sports club eligible for relief under paragraph 2 of Schedule 4ZA or regulation 12(5) of, or paragraphs 2(4), 3(4), 4(4) or 5(4) of the Schedule of the Schedule to, the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2026, or
  - c. the hereditament for a day is unoccupied, or
  - d. in respect of days from the 1 April 2027 onwards the hereditament had its chargeable amount for 31 March 2026 found by section 47 by virtue of being eligible for Epsom & Ewell's scheme introduced to deliver the 2023 Supporting Small Business Relief

Scheme as set out in guidance issued by government on 21 December 2022. For the avoidance of doubt, such hereditaments which were also eligible for SBRR or RHL Relief on 31 March 2026 will also cease to be eligible for 2026 SSBR from 1 April 2027.

4. Furthermore, where the ratepayer during 2025/26 lost entitlement to small business rate relief because they failed the 2nd property test but have, under the rules for small business rate relief, been given a 12 month (or from 27/11/25 3 years) period of grace before their relief ended (and therefore was still entitled to small business rate relief on 31 March 2026), then eligibility for 2026 SSBR will cease at the end of that period of grace
5. Hereditaments which cease to be entitled to 2026 SSBR for a day cannot return to eligibility if their circumstances change from a later day. For example, if a property falls unoccupied it will not then be eligible for 2026 SSBR if it subsequently becomes occupied again.

### **Eligibility post 1 April 2026 by virtue of a regulation 17 certificate**

6. As with the transitional relief scheme, where the valuation officer issues a certificate of rateable value under regulation 17 of the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2026 certifying the correct rateable value at 1 April 2026 (in circumstances where they cannot by rule now amend the list for 1 April 2026) then eligibility for 2026 SSBR and the calculation of 2026 SSBR will be revisited using the regulation 17 certified value in place of the value shown in the list for 1 April 2026. As with the transitional relief scheme, this will have effect as regards the days referred to in regulation 17(4) (the effective date of when the list was altered to correct the inaccuracy and subsequent days) or regulation 17(5) (where no alteration has been made).
7. This ensures that those ratepayers whose compiled list 2026 rateable values are increased by the valuation officer but only from the date the list is altered may still be eligible for 2026 SSBR from that point onwards. This ensures those ratepayers are not penalised just because the increase in their rateable value was not backdated to 1 April 2026. This follows the same principle which exists in the transitional relief scheme.

### **Chargeable Amount under the 2026 SSB Scheme**

8. Where 2026 SSBR applies then the Ministry of Housing, Communities and Local Government will fund Epsom & Ewell to apply a chargeable amount under section 47 of the Local Government Finance Act 1988 for the period 1 April 2026 to 31 March 2029 found in accordance with the rules in Part 1 to Part 3 of the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2026 ("2026 TR Regulations") subject to the following changes.

### **Base Liability**

9. References in the 2026 TR Regulations to the Base Liability (BL) for 2026/27 will be taken to be the chargeable amount for 31 March 2026 x 365 for the hereditament adjusted as necessary for the assumption that:
  - i. section 47 did not apply for 31 March 2026 other than where the hereditament was eligible for the 2023 Supporting Small Business Relief Scheme or the 2025/26 Retail, Hospitality and Leisure Scheme,
  - ii. The ratepayer on 31 March 2026 was not a charity or a community amateur sports club, and
  - iii. the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2022 SI 2022 No. 1403 did not apply for 31 March 2026 (the 2023 Transitional Relief Scheme).

10. This ensures the starting BL for hereditaments eligible for 2026 SSBR include the SBRR, 2023 SSBR or 2025/26 RHL relief for 31 March 2026 but assumes there was no transitional relief or charity relief [footnote 3].
11. Where as a result of the subsidy control limits the amount of RHL relief awarded for 31 March 2026 for a hereditament is less than 40% then the 2026/27 BL for that hereditament should reflect the actual level of RHL relief awarded for 31 March 2026 [footnote 4].
12. Where a certificate has been issued under regulations 18 or 19 of the NonDomestic Rating (Chargeable Amounts) (England) Regulations 2026 then BL for 2026/27 will be found in line with the above but on the assumption that the rateable value in the rating list was the rateable values as certified.
13. References in the 2026 TR Regulations to BL for 2027/28 and 2028/29 will be taken to be references to “(Base Liability x Appropriate Fraction) or (Base Liability + 800) whichever is the greater” from the year immediately preceding the year concerned.

(Footnote 3) It is possible in theory that a hereditament eligible for RHL on 31/3/26 is occupied by charity/community amateur sports club but in different non-charity occupation on the 1/4/26. This rule will ensure in such a case then the BL would not include the charity relief.

(Footnote 4) This policy assumes that where subsidy control has reduced the level of RHL relief then this reduction has been made evenly across all days of 2025/26 and, therefore, reflected on 31 March 2026. If, in practice to comply with subsidy control, relief was awarded for only part of the year and not 31 March then we may adjust the BL for 2026/27 to reflect the level of RHL which would have been applicable for 31 March 2026 had the relief been awarded evenly across the year.

## **Recalculation of chargeable amount for 31/3/26 for the purposes of BL in the 2026 SSBR**

14. Where a hereditament which is eligible for 2026 SSBR was receiving transitional relief on 31 March 2026 it will be necessary, for the purposes of determining BL in the 2026 SSBR scheme, to recalculate the chargeable amount for 31 March 2026 on the assumption that transitional relief did not apply.
15. For those ratepayers receiving SBRR and/or RHL relief on 31/3/26 (but not 23 SSBR), this recalculation for 31/3/26 will give a different figure to the actual chargeable amount. This is because all of those reliefs apply a set percentage relief to the sum after transitional relief – i.e. they are “top down” reliefs.
16. The same is not true for those receiving 2023 SSBR on 31/3/26. 2023 SSBR is a “bottom up” calculation where the chargeable amount is found by increasing the liability for the previous year (in that scheme by £600). Transitional relief therefore has no bearing upon the final chargeable amount of a bill found by 2023 SSBR. In these cases, recalculating the 31/3/26 bill ignoring transitional relief gives the same result. The value of the 2023 SSBR will just compensate for the loss of transitional relief to deliver the same outcome for 31/3/26. This is as intended.

## **Calculation of Chargeable Amount**

17. References in the 2026 TR Regulations to “(Base Liability x Appropriate Fraction)” will be taken to be references to “(Base Liability x Appropriate Fraction) or (Base Liability + 800), whichever is the greater. This ensures the bill increase is the greater of £800 or the increase under the caps in the transitional relief scheme.

18. Regulations 12(6) & (7) of the 2026 TR Regulations will be assumed to have been omitted. This ensures SBRR is not also applied to the capped bill in 2026 SSBR. This avoids double counting of relief if the hereditament is in the SBRR taper.
19. No change is made to the meaning of Notional Chargeable Amount (NCA) from that in the 2026 TR Regulations. Therefore, as with the 2026 TR Regulations, the Transitional Relief Supplement in 2026/27 will be added to NCA. Again, as with the 2026 TR Regulations, there will be no separate addition to bills for hereditaments eligible for 2026 SSBR such that, for example, an eligible ratepayer losing their 100% SBRR on 1 April 2026 would under the 2026 SSBR scheme pay £800 in 2026/27 and not £800 plus the Transitional Relief Supplement.
20. Regulation 6 (special authorities) will apply as normal under 2026 SSBR.
21. For the avoidance of doubt, the rules for changes in rateable value with effect from after 1 April 2026 (regulation 13) will continue to apply as normal subject to the amendments above. This ensures that, for example, later increases in rateable value are paid in full in the normal way [footnote 5]. As with the main transitional relief scheme, references to the rateable value in the list will, if the hereditament is eligible for Improvement Relief, be taken to be references to the rateable value less the value of the Improvement Relief certificate.

(Footnote 5) In the 2026 TR Regulations, increases in rateable value above the level at 1 April 2026 are paid in full based on the applicable multiplier for the day plus in 2026/27 the Transitional Relief Supplement.

## Splits and mergers

22. Hereditaments will be eligible for 2026 SSBR where they have:
  - a. come into existence because of the circumstances described in paragraph 1 of the 2026 TR Regulations, and
  - b. where one of the hereditaments from which the new hereditament was formed in whole or in part was for the day immediately before the creation day eligible for 2026 SSBR.
23. The 2026 SSBR will not apply or cease to apply to splits and mergers in the circumstances described in paragraph 3 above (Ceasing of eligibility for the scheme after 1 April 2026).
24. The number of hereditaments eligible for 2026 SSBR which then split or merge is likely to be small and devising rules in particular for mergers with properties outside of 2026 SSBR would be complex. Therefore, as with the previous SSBR schemes, the government and the council has concluded it would be disproportionate to devise detailed rules to prescribe the chargeable amounts in the various circumstances which could arise from a split or a merger.
25. Instead, for hereditaments meeting the criteria above, the Ministry of Housing, Communities and Local Government will fund the council to apply a chargeable amount under section 47 of the 1988 Act found in accordance with the following principle:
  - a. that the protection offered by 2026 SSBR (that the bill will not rise by more than £800 p.a. or the transitional reliefs caps whichever is the greater) will continue to apply in principle to that part of the newly created hereditament which was immediately before the creation day in 2026 SSBR, and
  - b. that increases (or reductions) in overall rateable value arising from the split or merger are not subject to the protection of 2026 SSBR.

26. For simple splits of hereditaments previously eligible for 2026 SSBR, Epsom & Ewell will apportion the chargeable amount in the 2026 SSB scheme for the hereditament before the split in line with the change in rateable value from the split (i.e. in line with the principle in the Schedule of Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2026).
27. For mergers and reorganisations, Epsom & Ewell will estimate the degree to which, in line with the principle of the 2026 SSBR scheme, that part of the hereditament which was formerly eligible for 2026 SSBR should continue to receive support under the 2026 SSBR scheme.