

**REPORT TO:** Executive Board

**DATE:** 17 January 2019

**REPORTING OFFICER:** Strategic Director – Enterprise, Community and Resources

**SUBJECT:** Discretionary Non-Domestic Rate Relief

**PORTFOLIO:** Resources

**WARD(S):** Borough-wide

## **1.0 PURPOSE OF REPORT**

1.1 The purpose of this report is to consider an application for discretionary non-domestic rate relief under Section 47 of the Local Government Finance Act 1988 and Section 69 of the Localism Act 2011, from United Kingdom Research and Innovation (UKRI) in relation to their two business premises located at SciTech Daresbury.

**2.0 RECOMMENDATION: That the request for 80% discretionary rate relief from United Kingdom Research and Innovation (UKRI) for their premises at Daresbury Laboratory and Building Two, Daresbury Innovation Centre, Keckwick Lane, Daresbury, be refused.**

## **3.0 SUPPORTING INFORMATION**

3.1 Under the amended provisions of the Local Government Finance Act 1988 (section 69 of the Localism Act 2011), the Council is able to grant discretionary rate relief to any business ratepayer. This relief had previously only been available to organisations that were a registered charity, a community amateur sports club or a not-for-profit organisation.

3.2 From 1<sup>st</sup> April 2017 the Council became responsible for meeting the full cost of all mandatory and discretionary relief granted, as part of the Liverpool City Region 100% Business Rates Retention Pilot Scheme.

### **UKRI - Daresbury Laboratory and Building Two, Daresbury Innovation Centre, Keckwick Lane, Daresbury.**

3.3 An application for 80% discretionary business rate relief has been received from UKRI in respect of their two business premises at the SciTech Daresbury campus.

- 3.4 The SciTech Daresbury campus was previously operated by the Science and Technology Facilities Council (STFC) which was a registered charity. STFC therefore previously received 80% mandatory business rates relief in respect of their two business premises. From 1<sup>st</sup> April 2018 STFC was incorporated along with six other research councils into UKRI.
- 3.5 UKRI have not however been awarded registered charity status. They are still in negotiation with HMRC and the Charity Commission seeking to obtain registered charity status. UKRI argue that there has been no change in the research activities carried out in their premises at Daresbury, but they do suggest that there will be no resolution to this matter in the short term.
- 3.6 In the meantime, UKRI have paid the 2018/19 business rates in full, despite having applied for 80% discretionary rates relief to replace the mandatory rates relief previously received by STFC.
- 3.7 If 80% discretionary rate relief were to be awarded, consideration would need to be given to whether this might breach State Aid rules, as UKRI nationally are engaged in business activities through providing science parks/laboratories for rent by commercial organisations. Informal advice has been obtained which suggests that there won't be a State Aid issue, but this would need to be confirmed.
- 3.8 If awarded, the cost of 80% discretionary rate relief to the Council in 2018/19 for the two premises would be as follows and as also detailed in the Appendix;
- (i) Daresbury Laboratory £433,840
  - (ii) Building Two, Daresbury Innovation Centre £190,298

## **Conclusion**

- 3.9 Historically the Council has only provided discretionary rate relief of up to 20% as a top-up for registered charities, who automatically receive 80% mandatory rate relief. Given that UKRI have not been given registered charity status, it is proposed that the Council refuse their application for 80% discretionary rate relief.

## **4.0 POLICY IMPLICATIONS**

- 4.1 The Board is required by the regulations to consider each application on its own merit. Any recommendations provided are given for guidance only, are consistent with Council policy and, wherever possible, previous decisions.

## **5.0 FINANCIAL IMPLICATIONS**

- 5.1 The Appendix presents the potential annual costs to the Council of granting rate relief and the actual cost in the current financial year.

## **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **6.1 Children and Young People in Halton**

UKRI has an active outreach programme which informs people of all ages about how science impacts their everyday lives and inspires the next generation of researchers.

### **6.2 Employment, Learning and Skills in Halton**

None

### **6.3 A Healthy Halton**

None

### **6.4 A Safer Halton**

None

### **6.5 Halton's Urban Renewal**

None.

## **7.0 RISK ANALYSIS**

7.1 There are no key risks associated with the proposed action.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

8.1 The applicants offer their services to all sections of the community, without any prejudice.

## **9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>9.1</b>	<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
	Application forms and supporting evidence	Kingsway House, Caldwell Road, Widnes	Adel Tomkins Senior Rating Officer, Business Rates.

**APPENDIX**

<b>Ratepayer</b>	<b>Address</b>	<b>Annual Rates Liability</b>	<b>Mandatory Rate Relief Awarded</b>	<b>Annual Cost of Mandatory Rate Relief to HBC</b>	<b>Disc. Rate Relief Claimed</b>	<b>Annual Cost of Disc. Rate Relief to HBC</b>	<b>Actual Rates Liability 2018/19</b>	<b>Actual Cost of Mandatory Relief to HBC 2018/19</b>	<b>Actual Cost of Disc. Rate Relief to HBC 2018/19</b>
		£		£		£	£	£	£
UKRI	Daresbury Laboratory, Keckwick Lane, Daresbury, Warrington, WA4 4AB	542,300.00	0%	0.00	80%	433,840.00	542,300.00	0.00	433,840.00
UKRI	Daresbury Laboratory, Keckwick Lane, Daresbury, Warrington, WA4 4AB	237,872.50	0%	0.00	80%	190,298.00	237,872.50	0.00	190,298.00