

**REPORT TO:** Executive Board

**DATE:** 12 February 2015

**REPORTING OFFICER:** Strategic Director Policy and Resources  
Strategic Director Children and Enterprise

**PORTFOLIO:** Resources

**SUBJECT:** Discretionary Business Rates Relief Request -  
Unit 7, Christleton Court, Manor Park, Runcorn

**WARD(S)** Borough-wide

## **1.0 PURPOSE OF THE REPORT**

1.1 The purpose of this report is to inform the Board of a proposed development at Manor Park, Runcorn where a company is proposing to invest in the site and is requesting that the Council grant discretionary business rates relief.

## **2.0 RECOMMENDATION: That**

- 1) The Board considers whether it wishes to grant “in principle” 100% discretionary business rate relief for Unit 7, Manor Park, Runcorn for twelve months, based upon the economic and job creation opportunities outlined in the report and subject to the conditions detailed in paragraph 7.1; and**
- 2) Subject to recommendation 1 above, the Operational Director, Finance, in liaison with the Resources Portfolio Holder, be authorised to action the discretionary business rates relief once the premises have been added to the rating list and the Company have commenced operations from them.**

## **3.0 SUPPORTING INFORMATION**

3.1 Members will be aware that in April 2013 the Government introduced a Business Rates Retention Scheme. Under this Scheme the Council retains 49% of the business rates income it collects up to a baseline level and also 49% of any growth in business rates income above that baseline.

3.2 The Scheme therefore offers councils a financial incentive to promote economic growth. Councils can increase their business rates revenue in the longer term, by offering discretionary rate relief for an initial period to encourage businesses to either relocate to the

area, or encourage them to expand their existing business. The Council has historically considered applications for discretionary business rates relief on a case by case basis and where there are exceptional reasons for doing this.

- 3.3 KRSS Ltd are considering moving premises to Manor Park, Runcorn. The Company currently resides in a 9,000 square foot facility at Gemini Business Park, Warrington and is looking to move to a 15,000 square foot facility at Manor Park.
- 3.4 KRSS Ltd is a sales and service company associated with laboratory instruments used in the analytical chemistry and biomedical markets. Their main customers are hospitals, universities. Government Departments research institutions, pharmaceutical, food and environmental companies.
- 3.5 The Company currently employs 23 staff and expects to recruit a further 10 staff during 2015/16 as a result of its expansion plans at Manor Park.
- 3.6 The Company has submitted a request asking that the Council consider granting discretionary rate relief, to assist with their relocation and expansion plans.

#### **4.0 POLICY IMPLICATIONS**

- 4.1 The owners of the Manor Park premises were successful in having the premises removed from the business rates list by the Valuation Office Agency (VOA) whilst the premises have been vacant. As the property is not currently within the rating list it is not possible to award discretionary business rate relief at this stage. However, the Board could provide an “in principle” decision. This would be subject to KRSS Ltd completing the move to the Manor Park premises and the VOA including the premises in the rating list once more.

#### **5.0 FINANCIAL IMPLICATIONS**

- 5.1 When the property was previously in the business rates list the annual business rates totalled £29,402. If discretionary business rates relief were granted, the cost of such relief to the Council would be £14,406 (49%) per annum.

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

- 6.1 The Council has historically considered requests for discretionary business rates relief on a case by case basis and where there are exceptional reasons for doing this. The proposal from KRSS Ltd is regarded as an exceptional case, given the nature of the potential investment being made and the number of new jobs which the Company propose to recruit as a result. The Board is, therefore,

asked to consider whether it wishes to grant discretionary business rate relief “in principle” for this scheme.

## **7.0 RISK ANALYSIS**

7.1 To ensure that the Council would receive a reasonable return from granting discretionary business rates relief, the following criteria would be applied to this scheme:

- The Company will occupy a commercial building of more than 15,000 sq.ft;
- The Company will create at least 10 new sustainable jobs within twelve months of commencing operations from the Manor Park premises;
- All planning consents and other permissions will need to be in place;
- The Company will confirm that the business rates relief is State Aid compliant.

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

8.1 There are none under the meaning of the Act.