

**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

**WARD(S)** Borough-wide

## **1.0 PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to inform the Board of the following two requests for discretionary business rates relief;
- (i) the relocation of Halton Lea Post Office;
  - (ii) a proposed development at Manor Park, Runcorn by KRSS Limited.

## **2.0 RECOMMENDATION: That:**

- 1) The Board considers whether it wishes to grant 100% discretionary business rate relief for Unit 118, River Walk, Halton Lea for a period of six months;**
- 2) The Board considers whether it wishes to grant “in principle” 100% discretionary business rate relief for Unit 7, Christleton Court, Manor Park, Runcorn, initially for a period of six months, based upon the economic and job creation opportunities outlined in the report and subject to the conditions detailed in paragraph 5.2;**
- 3) Subject to recommendation 2, at the end of the first six month period, if satisfactory progress is evidenced towards the creation of at least ten new sustainable jobs within twelve months, a further six months relief be awarded as set out in paragraph 3.14;**
- 4) The Strategic Director Policy and Resources in liaison with the Resources Portfolio Holder, be authorised to action the initial six months and subsequent six months discretionary business rates relief in respect of Unit 7, Christleton Court, once the premises have been added to the rating list and subject to the conditions detailed in paragraphs 3.14 and 5.2.**

## **3.0 SUPPORTING INFORMATION**

### **Background**

- 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.

### **Unit 118, River Walk, Halton Lea**

- 3.3 The Post Office in Halton Lea Shopping Centre is currently located within the Tesco store. However, Tesco has announced the closure of its Halton Lea store.
- 3.4 In order to ensure the continued presence of the Post Office within the shopping centre, consideration is being given to a temporary relocation of the Post Office to Unit 118, River Walk. This would be until such time as permanent accommodation can be secured within the shopping centre.
- 3.5 To assist with maintaining the Post Office's presence within Halton Lea, a request has been received for the Council to provide discretionary business rate relief in respect of Unit 118, River Walk for six months.
- 3.6 The annual rates liability for Unit 118, River Walk is £25,883. If discretionary business rates relief were granted for six months, the cost of such relief to the Council would be £6,341.

### **Unit 7, Christleton Court, Manor Park.**

- 3.7 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 Unit 7, Christleton Court, Manor Park.
- 3.8 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.

- 3.9 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.
- 3.10 The Company has submitted a request asking that the Council consider granting discretionary rate relief, to assist with their relocation and expansion plans.
- 3.11 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.
- 3.12 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.
- 3.13 It is proposed that business rate relief is granted initially for six months. A further six months of relief would only be awarded if the Company are able to provide evidence to the Council of satisfactory progress towards the creation of at least ten new sustainable jobs during the first twelve months of operation from the Manor Park premises.

#### **4.0 IMPLICATIONS FOR THE COUNCIL’S PRIORITIES**

- 4.1 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.
- 4.2 The proposal regarding Unit 118, River Walk, Halton Lea is considered an exceptional case, given the economic and social benefits of retaining the Post Office within Halton Lea Shopping Centre and the urgency required following the announcement by Tesco. The Board is therefore asked to consider whether it wishes to grant 100% discretionary business rate relief for a period of six months for these premises.
- 4.3 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 100% discretionary business rate relief “in principle” for this scheme.

## **5.0 RISK ANALYSIS**

5.1 Unit 118, River Walk, Halton Lea: There are considered to be significant economic and social benefits from retaining the Post Office within Halton Lea Shopping Centre. Limiting rate relief to six months will assist with ensuring that permanent accommodation is identified for the Post Office at the earliest opportunity.

5.2 Unit 7, Christleton Court, Manor Park: To ensure that the Council would receive a reasonable return from granting discretionary business rates relief in respect of these premises, 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 use its best endeavours to 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.

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

6.1 There are none under the meaning of the Act.