

**REPORT TO:** Executive Board  
**DATE:** 16 June 2016  
**REPORTING OFFICER:** Strategic Director, Community and Resources  
**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 a request for discretionary business rates relief from KRSS Limited in respect of Unit 8, Christleton Court, Manor Park, Runcorn.

## **2.0 RECOMMENDATION: That**

- 1) The Board grants “in principle” 100% discretionary business rate relief for Unit 8, 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 3.8;**
- 2) Subject to recommendation 1, at the end of the first six month period, if satisfactory progress is evidenced towards the creation of at least six new sustainable jobs within twelve months, a further six months relief be awarded as set out in paragraph 3.8;**
- 3) The Strategic Director, Community 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 8, Christleton Court, once the premises have been added to the rating list and subject to the conditions detailed in paragraph 3.8.**

## **3.0 SUPPORTING INFORMATION**

### **Background**

3.1 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. 1% of the business rates collected is paid over to Cheshire Fire and

Rescue Services, with the remaining 50% being passed over to central government.

- 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 8, Christleton Court, Manor Park.**

- 3.3 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.
- 3.4 The Company relocated to Unit 7, Christleton Court, Manor Park Runcorn from Warrington in June 2015. Prior to the relocation the company sought discretionary rate relief from the Council. The Board granted an initial six months rates relief, with a further six months subject to meeting certain conditions including the recruitment of ten new posts. This they achieved and as a result have been awarded the full twelve months rates relief.
- 3.5 KRSS Ltd is continuing to expand and have established three distinct trading companies at the Runcorn site. They have also established a joint venture with the University of East Anglia, which has resulted in the creation of high technology research facility at Manor Park and created a bespoke training academy.
- 3.6 The Company now employs 33 staff and are seeking to occupy the adjacent Unit 8 Christleton Court in order to increase both their manufacturing and service capabilities and to service their growing markets globally. They have therefore, approached the Council seeking a further twelve months 100% discretionary rate relief in respect of Unit 8.
- 3.7 Officers of the Council have met with the Company to evaluate their growth plans and to agree a series of realistic and deliverable outputs which would be conditional upon the award of any potential discretionary business rates relief.
- 3.8 To ensure that the Council would receive a reasonable return from granting discretionary business rates relief in respect of Unit 8, Christleton Court, Manor Park, the following output criteria would be applied:-

- The Company will occupy a commercial building of more than 15,500 sq.ft;
- The Company will use its best endeavours to create at least 6 new sustainable jobs within twelve months of commencing operations from the expanded 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.

3.9 Unit 8 is not currently on the rating list as it is undergoing refurbishment. Once completed the Valuation Office Agency (VOA) will revalue the premises and add it to the rating list, upon which the Council will commence charging business rates.

3.10 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 their expansion into Unit 8 and the VOA including the premises in the rating list once more.

3.11 When Unit 8 was previously in the business rates list the annual business rates totalled £29,074. If discretionary business rates relief were granted, the cost of such relief to the Council would be £14,246 (49%) per annum.

3.12 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 Council officers of meeting the conditions set out in paragraph 3.8 above.

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

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

None specifically applicable.

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

KRSS Ltd’s expansion plans involve recruiting at least six new staff.

##### **4.3 A Healthy Halton**

None specifically applicable.

##### **4.4 A Safer Halton**

None specifically applicable.

4.5 **Halton's Urban Renewal**  
None specifically applicable.

**5.0 RISK ANALYSIS**

5.1 To ensure that the Council would receive a reasonable return from granting discretionary business rates relief in respect of these premises, the criteria set out in paragraph 3.8 above would be applied to this scheme:

**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.