

REPORT TO: Executive Board

DATE: 19 January 2017

REPORTING OFFICER: Strategic Director, Enterprise, Community & Resources

PORTFOLIO: Resources

SUBJECT: Request for Business Rates Relief

WARD(S) Daresbury

1.0 PURPOSE OF THE REPORT

1.1 The purpose of this report is to inform Members of a proposed investor development project at Whitehouse Vale, Runcorn where the company has requested Business Rates Relief whilst they refurbish the property.

2.0 RECOMMENDATION: That the request from PIN Properties be refused for the reasons outlined in the report.

3.0 SUPPORTING INFORMATION

3.1 A request for Business Rates Relief has been received from a Manchester based company called PIN Properties. The company has a number of units in the Borough, notably Christleton Court, Manor Park, Arkwright Road, Astmoor and 55-56 and 57-58 Brindley Road, Astmoor.

3.2 In considering that request it is important to remember that in the short term, the Council would lose revenue arising from the offer of business rates relief. In the longer term the Council would benefit from an empty industrial unit being brought back into use.

3.3 The previous owner of the Unit had already received 6 months 100% empty property relief which expired in June 2016 and, therefore, the current owners are not entitled to that empty property relief as the Council has already "granted" 6 months relief. Hence they are asking for discretionary rate relief instead. The units are as follows:

Unit 11b Aston Fields - annual business rates £13,792
Unit 12 Aston Fields – annual business rates £24,353
Unit 13 Aston Fields – annual business rates £24,577
Total rates liability £62,722.

3.4 Six months of 100% relief would, in total, be worth £31,361 of which currently the Council would meet 50% i.e. £15,680 and the Government would meet 50%.

3.5 Based on both the Council's previous decisions on rate relief, it is not recommended that relief be granted on this occasion for the following reasons:

- 1) the property has already benefitted from six months empty property relief;
- 2) there has been no evidence presented by the company of new jobs being created or safeguarded; and
- 3) there is no evidence that this scheme will not go ahead if relief is not granted.

5.0 **POLICY IMPLICATIONS**

5.1 There are no further policy implications arising from this report.

6.0 **FINANCIAL IMPLICATIONS**

6.1 The financial implications of granting relief are outlined within the report.

7.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

7.1 The attraction and retention of business is becoming more and more crucial to funding all of the Council's priorities, given the Government's intention to phase out Rate Support Grant. The granting of rate relief should be the exception and not the rule as the funding of all services will depend heavily on such income in the future.

8.0 **RISK ANALYSIS**

8.1 There is always a risk that a development may not take place if relief is not granted, however, this has to be balanced against the overall financial strategy of the Council and fairness to all current and future businesses in the Borough.

8.2 It is felt that relief should only be granted where there is clear added value in respect of additional jobs and or commercial floor space being created. In this case, it is understood that the development will take place irrespective of the Board's decision, as the work has already started.

9.0 **EQUALITY AND DIVERSITY ISSUES**

9.1 There are no equality and diversity issues arising from this report.

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

None under the meaning of the Act.