

REPORT TO: Executive Board

DATE: 21 September 2017

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.

2.0 RECOMMENDATION: That the request for 100% discretionary rate relief from Bamboo Bear Childcare Limited for the period from 1st November 2016 to 31st March 2018, be refused on the grounds set out in paragraph 3.8 below.

3.0 SUPPORTING INFORMATION

3.1 Under the amended provisions of the Local Government Finance Act 1988, 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 charity, a community amateur sports club or a not-for-profit organisation.

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

Bamboo Bear Childcare Limited (Trading as Butterflies Nursery) East Lane, Runcorn

3.3 An application for 100% discretionary rate relief has been received as outlined below, from Bamboo Bear Childcare Limited who operate an Ofsted registered nursery, trading as Butterflies Nursery in East Lane, Runcorn. Butterflies Nursery was established in November 2016 and provides nursery and childcare facilities for children aged 0-5 years old.

3.4 The Organisation is not a registered charity and therefore does not receive mandatory rate relief. It is located in a purpose built nursery

building and currently employs six staff, but is seeking to grow the business to employ up to thirteen staff in future.

- 3.5 Officers from the Economy, Enterprise, and Property Department have met with the owners of Bamboo Bear Childcare Limited. They were able to confirm that the business is developing well and has a commitment to providing quality childcare and recruiting and training local people. The Organisation cannot at this stage provide any audited accounts, as these will not be available until the end of the calendar year.
- 3.6 The Organisation moved into the East Lane premises on 1st November 2016. They recently submitted an appeal to the Valuation Office Agency for a reduction in the property's rateable value, the outcome of which is still awaited.
- 3.7 Bamboo Bear Childcare Limited has requested that they be granted 100% discretionary rate relief for 2017/18 and that this is also backdated to 1st November 2016. The cost to the Council of providing 100% discretionary rate relief from 1st November 2016 to 31st March 2018 would be £15,790. This would comprise £4,266 relating to the 2016/17 part year and £11,524 relating to 2017/18.
- 3.8 The Organisation is already established within the Borough and developing well. It has ambitions to recruit additional staff irrespective of the provision of discretionary rate relief. There is no indication that the granting of such rate relief will influence the Organisation's business plans. The Council does not currently provide discretionary rate relief to any other private childcare providers within the Borough and therefore granting relief in this instance may also set a significant precedent. It is therefore recommended that the request for 100% discretionary rate relief is refused.

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 potential cost to the Council of granting discretionary business rate relief is as presented above.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

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

The organisation provides childcare facilities for children aged 0-5 years.

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 applicant offers 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

9.1	Document	Place of Inspection	Contact Officer
	Application forms and supporting evidence	Kingsway House, Caldwell Road, Widnes	Louise Bate, Business Rates Manager