

## APPENDIX B

**Agenda Item No:** **Report No:**  
**Report Title:** Application for LDC Business Rates Discount Scheme  
**Report To:** Leader of the Council **Date:** 8 February 2017  
**Cabinet Member:** Cllr Andy Smith  
**Ward(s) Affected:** Lewes Bridge Ward  
**Report By:** Nazeya Hussain – Director of Regeneration and Planning

### Contact Officers-

**Name(s):** Peter Sharp  
**Post Title(s):** EZ Newhaven Programme Manager  
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### Purpose of Report:

This report puts forward an application for LDC's Business Rates Discount Scheme from a local business.

### Officers Recommendation(s):

- 1 To approve the application and authorise the Director of Corporate Services to apply a discount of 100% to the business rates payable for a period of 12 months as set out in this report.
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### Reasons for Recommendations

- 1 An existing business within Lewes District has applied for LDC's new Business Rates Discount Scheme, requesting up to 100% discount.
- 2 The application has been reviewed by the Regeneration & Investment and Finance teams, who have confirmed that the business makes a strong case for relief on the premises in question.
- 3 The business has completed a State Aid declaration form and the granting of a rates discount will not breach any related legislation.

### Information

#### 4 Background

- 4.1 Section 69 of the Localism Act 2011 amended Section 47 of the Local Government Finance Act 1988 with effect from 1 April 2012 to allow Lewes District Council to grant discretionary rate relief in any

circumstances provided it is in the interests of local council tax payers to do so.

- 4.2 The Business Rates Discount Scheme (BRDS) is LDC's innovative response to further encourage business relocation to – and growth of existing businesses within – the Lewes District area.
- 4.3 BRDS fits well with LDC's wider package of business support and engagement activities, which include the Lewes District Business Awards scheme and the Local Enterprise & Apprenticeship Platform (LEAP) project.
- 4.4 BRDA aims to encourage new business growth and creation of employment opportunities within Lewes District in line with local area priorities.
- 4.5 In setting the General Fund budget for 2016/17, the Council has allocated £50,000 as funding for BRDS, held within the Business Rates Equalisation Reserve pending its use.

## 5 Assessment of Regeneration Benefits

- 5.1 The Regeneration & Investment team has assessed the application on its potential positive impact on the local economy.
- 5.2 The application scored a total of 87%, broken down by weighted scoring criteria as below.

Category	Criteria	Score
Employment	Job Creation	100%
	Local Employment	100%
	Training Opportunities	50%
Sustainability	Eco-friendly	50%
Growth	Expansion / Relocation	100%
	Future Potential	100%
Vision	Location	100%
	Sector	100%
	Strategic Fit	100%
<b>TOTAL WEIGHTED SCORE</b>		<b>87%</b>

- 5.3 Bright-Tech Investments Ltd was originally formed in 1947 and has been based in Newhaven since formation. The company is one of the largest employers in Newhaven and now operates across five sites in the town, following significant expansion over the past decade.
- 5.4 The company has ambitious expansion plans, including an estimated £6 million investment in Newhaven over the next two years. This expansion will protect existing staff (approximately 130 FTE at present), as well as the creation of at least 25 new FTE positions. Bright-Tech Investments also propose to create new apprenticeship opportunities for local young people.

- 5.5 One of their existing sites is partially empty, and the company has been in receipt of Section 44 rate relief for the maximum permitted 6-month period. The company is keen to extend this relief to support their investment plans and so has applied to LDC's BRDS scheme.
- 5.6 The 2016/17 business rates liability for this particular site of Bright-Tech Investments is £78,029.00. It is considered that a 100% discount on business rates for a period of 12 months would support the company's expansion and employment creation plans and ensure a key employer is retained in Newhaven for the foreseeable future.
- 5.7 The company's proposed expansion plans are likely to create significant economic development benefits for Lewes District. It is considered important to support all businesses within the district, particularly those that have demonstrated a firm commitment to the locality and are willing to invest heavily in a key location such as Newhaven.

## **6 Assessment of Financial Implications**

- 6.1 The cost of Business Rates Discounts is shared between the Government and the local authorities in the area. This Council's share of the cost will be 40% (£31,211.60). This can be met from the funding allocated for BRDS in 2016/17 and 2017/18.

## **7 Assessment of Legal Implications**

- 7.1 Section 69 of the Localism Act 2011 amended Section 47 of the Local Government Finance Act 1988 with effect from 1 April 2012 to allow billing authorities to grant discretionary rate relief in any circumstances provided it is in the interests of the local council taxpayers to do so. The purpose of this new power is to give billing authorities the ability and scope to encourage, sustain and improve economic performance by having the power to lower the business rate burden.
- 7.2 The Council can set limits on the value of discounts it grants up to the maximum permitted by European State Aid Rules.
- (a)** The maximum De Minimis funding any single recipient can receive is €200,000 (cash grant equivalent) over a 3-year fiscal period. The sterling equivalent is calculated using the Commission exchange rate applicable on the written date of offer of the De Minimis funding.
- (b)** This ceiling takes into account all public assistance given as De Minimis funding over the previous 3 fiscal years and which can take various forms (grants, loans, subsidised contracts, etc). Aid given under an approved scheme does not have to be cumulated with De Minimis aid.
- (c)** There are exceptions to the De Minimis rule and legal advice would be taken on each application received.
- 7.3 The Levy and Safety Net Regulations (SI 2013/737) sets out formulae in Schedule 1 from which the funding shares of Lewes District Council,

East Sussex County Council, East Sussex Fire and Rescue Service and the Government can be derived.

- 7.4 Following assessment of the application from Bright-Tech Investments Ltd, Legal Services are satisfied that the granting of a 100% discount on business rates will not breach State Aid legislation and that the key criteria for the BRDS have been met sufficiently.

## **8 Risk Management Implications**

- 8.1 I have completed the Risk Management Checklist and this report does not require a risk assessment.

## **9 Equality Screening**

- 9.1 A full Equality Impact Assessment (ref AF36231) was completed in September 2014. I have been advised by LDC's Equalities Officer that an equality screening is not required for each individual application.

## **10 Background Papers**

- 10.1 Localism Act 2011: <http://www.legislation.gov.uk/ukpga/2011/20/contents>
- 10.2 Levy and Safety Net Regulations (SI 2013/737):  
<http://www.legislation.gov.uk/ukdsi/2013/9780111532973/contents>

## **11 Appendices**

- 11.1 Appendix A: BRDS – Key Assessment Criteria (Regeneration & Investment)
- 11.2 Appendix B: Completed Application & State Aid Declaration from Applicant (excluding company accounts)

## Appendix A: BRDS - Key Assessment Criteria

### BRDS CRITERIA – REGENERATION & INVESTMENT

- 1. Employment:** The changes to economic structure in recent years mean that the private sector will need to deliver the jobs and growth that our district needs in the future. Therefore, whilst job creation is important, there is also a need to focus on the amount of local staff employed by a particular business as well as the learning and skills development opportunities offered to staff by that business.

#### Category 1: Employment

Criteria	Rationale / Focus
Job Creation	<ul style="list-style-type: none"> <li>Does the business demonstrate appropriate job creation? (eg. based on HCA Employment Densities Guide or similar)</li> </ul>
Local Employment	<ul style="list-style-type: none"> <li>% of business's existing employees resident within a 10-mile radius</li> <li>Provision made / target for a set % of local staff in any expansion</li> </ul>
Training Opportunities	<ul style="list-style-type: none"> <li>Existing training programme for staff</li> <li>Actively recruit young people on to apprenticeships</li> <li>Actively recruit long-term unemployed on placements or back-to-work programmes</li> </ul>

- 2. Sustainability:** Economic development and growth must be sustainable to ensure that our district remains an attractive place to live and work. In effect, business growth must not have a detrimental effect on the physical capital of Lewes District.

#### Category 2: Sustainability

Criteria	Rationale / Focus
Eco-friendly	<ul style="list-style-type: none"> <li>What contribution does the business make to the quality of the environment (eg. recycling, resource efficiency, waste management)?</li> <li>What impact does business activity have on the environment?</li> </ul>

- 3. Growth:** BDRS is targeted at new opportunities for economic growth within Lewes District. This may be through the expansion of an existing business or through a business relocating from outside the local area. Therefore there will be a focus on those businesses presenting ambitious plans to help grow the local economy in a long-term sustainable manner.

#### Category 3: Growth

Criteria	Rationale / Focus
Expansion / Relocation	<ul style="list-style-type: none"> <li>Is the business relocating to Lewes District (from outside East Sussex)?</li> <li>Is the business expanding its existing premises?</li> </ul>
Future Potential	<ul style="list-style-type: none"> <li>Is the growth sustainable?</li> <li>Realistic and achievable cash flow forecasts</li> <li>Does the business invest in research and development to sustain its business model?</li> </ul>

- 4. Vision:** LDC has a clear vision for different areas of the district (eg. Newhaven as a Clean Tech Growth Centre). There is also a need to remediate and re-use a range of brownfield sites across the district to ensure development is contained within the existing urban footprint where possible.

#### Category 4: Vision

Criteria	Rationale / Focus
Location	<ul style="list-style-type: none"> <li>Is it a Brownfield / Greenfield site?</li> </ul>
Sector	<ul style="list-style-type: none"> <li>Does the firm operate in an identified priority sector.</li> </ul>
Strategic Fit	<ul style="list-style-type: none"> <li>Fit with LDC Regeneration Strategy or other priorities such as the Strategic Economic Plan(s).</li> </ul>

## Appendix B: Completed Application

### LEWES DISTRICT COUNCIL LOCAL BUSINESS RATES DISCOUNT SCHEME



To apply for the local discount scheme please complete this application form in BLOCK CAPITAL LETTERS and return it to the Lewes District Council together with copies of the following documents:-

- Accounts for the past two years for small businesses with a turnover of less than £6.5m. Any business with turnover greater than £6.5m will be required to submit audited accounts. In the case of a new business, estimates of annual income and expenditure. A comprehensive business plan incorporating a brief history of the business.
- A cash flow forecast for a minimum of the next twelve months.

If you require any assistance in completing this form, please contact the Regeneration and Investment Team on 01273 484 351 or via email at [Business.Relief@lewes.gov.uk](mailto:Business.Relief@lewes.gov.uk) .

#### Basic Information

Business / Organisation Name	Bright-Tech Investments Ltd
Registered Trading Name (If Different)	
Company Registration Number	07436631
VAT Number if Appropriate	GB 100199847

Contact Name	Chris Rasmussen
Position	Director
Alternative Contact(s)	Stephen Woolmer (CEO)
Company Address	Brightwell Industrial Estate, Norton Road Newhaven, BN9 0JF
Telephone	01273 513566

Mobile	07764 533061
Email	Chris.Rasmussen@btigroup.co.uk
Website	www.btigroup.co.uk

### Background Information

<p>1. Please detail briefly when your business was formed and its history to date (including major developments).</p> <p>Business originally formed in 1947 and purchased by the current shareholder family in the 1970's. Continuously based in Newhaven from formation to date. Rapid expansion through the last 10 years with operations across five sites in Newhaven.</p>
<p>2. What are your current business activities and what markets do you operate in?</p> <p>The design and manufacture of soap dispensers, laundry and dishwashing equipment, trade injection moulding and design &amp; manufacture of plastic injection moulding tooling. Sales worldwide with approx 62% of turnover exported.</p>
<p>3. What services does the business provide to Lewes District residents and what area does it serve?</p> <p>No direct service to Lewes district residents other than the employment of 130 full-time and (on average) 10 part-time people in Newhaven as well as substantial business rates paid to LDC per annum.</p>
<p>4. What are the growth plans for the business over the next two years? Please include:</p> <ul style="list-style-type: none"> <li>• Details of growth strategies and plans;</li> <li>• Details of market research undertaken and opportunities identified;</li> <li>• Amount of capital investment to be made;</li> <li>• Details of new products/services being developed;</li> <li>• Details of new markets to be targeted;</li> <li>• The consequences of not proceeding with the expansion project to your businesses;</li> </ul>
<p>There is insufficient space within this form to discuss points 1,2,4,&amp; 5 above except to say extensive work has been conducted on all four points which we would be very happy to share with LDC on a confidential basis during a face-to-face meeting.</p> <p>Our capital investment program for the next two years totals some £8 million of which £6 million will be invested in Newhaven (of which approx £1million has be spent since September 2016).</p> <p>We have of course considered all options including moving the entire operation out of the Lewes/Newhaven area (for example Hastings and Bexhill) and would appreciate support from LDC due to the level of private investment we are making in the town.</p>

5. Are you relocating or expanding within Lewes District? If so, will any additional jobs be generated?
As above, we are planning to expand in Newhaven with the protection of existing as well as creating new jobs. The exact number cannot currently be accurately identified but will be at least 25 new positions.
6. Do you own or lease the property? If you lease, how long is the lease on your property?
Of the five Newhaven sites, three are either group, shareholder or SASS pension fund owned, one is leased from Newhaven Port Authority and the other from Rookery Estates.
7. How did you hear about this Discount Scheme?
Via an e-mail from LDC's Nick Ducatel.

8. How many employees does your business have?
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	Current Employees
Full Time	130
Part Time	6

9. If you are planning to create new jobs within your business by moving to Lewes District please forecast these over a proposed timescale.
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	[Please enter year] 2017	[Please enter year] 2018	[Please enter year] 2019
Full Time	10	20	20
Part Time	1	1	1



10. Please state what type of jobs, apprenticeships or training opportunities you are planning to create.

Job Title	Qualification / NVQ Skills Level	Full Time or Part Time	Basic Annual Salary
Production Operative	Various	Both	£16-20k
Production Supervisor	Time-served	Full-time	£25-30k
Apprentice	NVQ/Day release	Full-time	£16-20k

11. Please state why your application would be in the interest of all taxpayers in the District?

The group has for many years supported the local economy and constantly reinvested in Newhaven to the benefit of the whole Lewes district. The business is now embarking on its largest ever investment program with approx. £6 million of wholly private money being spent in Newhaven over the next two years. We believe there is no other family owned business making a comparable investment in the town, especially against the backdrop of a very weak £ which whilst in helps exports also has a net detrimental effect as the business uses a large amount of energy to make plastics products which are of course derived from oil and the raw material for which we have to pay for un US\$ or €.

Thus whilst the group is profitable these profits are being squeezed through no fault of our own at a time when our cash is tight due to the investment we are committed to. We are therefore asking LDC to help with the cash requirement by allowing further relief on our empty building at Norton Rd. Newhaven.

12. Please state any other information which you consider relevant to support your application.

## The Agreement


I hereby declare that to the best of my knowledge and belief the information provided in this form is accurate and true and fairly and reasonably represents the circumstances of my business. I also confirm that I have taken all reasonable steps to ensure that I am in possession of all relevant information before making this declaration.

I understand that the provision of Business Rate Discount may constitute a State Aid within the meaning of Article 107 of the Treaty on the Functioning of the European Union (The TFEU). I confirm that I have completed and signed the State Aid compliance declaration at the rear of this document.

I understand that approval to receive a Business Rate Discount is subject to conditions and that I understand that any business seeking relief must meet the eligibility criteria before they are granted the appropriate discount.

I consent to the sharing of information relating to my business rates account and application for Business Rates Discount between those Council services that need to know the information and to make this application and supporting documents available as a public record.

I confirm that I am authorised to agree to the terms and conditions detailed above on behalf of the business. I further confirm that I am an authorised signatory within the business with full power and authority to make this declaration.

Signed  .....

Print Name **Chris Rasmussen** .....

Position **Director** .....

Date **13th January 2017** .....

Please note that your business may be included in any publicity regarding the scheme. Please note all business debts with Lewes District Council must be paid in full before any application can be considered.

## Confirmation of eligibility and state aid rules compliance

Business rates account number 101138541

### 1. Confirmation of eligibility to claim RETAIL RELIEF

I confirm that the business, whose account number I have detailed above is eligible for this relief.

It is wholly or mainly used for (specify which eligible criteria that it meets)

Manufacturing

I confirm that I am authorised to sign on behalf

of Bright-Tech Investments Ltd [Name of undertaking]

SIGNATURE: 

NAME: Chris Rasmussen

POSITION: Director BUSINESS: Bright-Tech Investments Ltd

ADDRESS: Norton Rd, Newhaven BN9 0JF

TEL NO: 01273 513566

DATE: 13th January 2017

### 2. Compliance with State Aid rules

Awards such as Retail Relief are required to comply with the EU law on State Aid<sup>1</sup>. If you have received any other De Minimis State Aid, including any other Retail Relief you are being granted for premises other than the one to which this bill and letter relates, you must confirm that the award of Retail Relief does not exceed the €200,000 an undertaking<sup>2</sup> can receive under the De Minimis Regulations EC 1407/2013.

In terms of declaring previous De Minimis aid, we are only interested in public support which is De Minimis aid (State Aid received under other exemptions or public support which is not State Aid does not need to be declared).

If you have not received any other De Minimis State Aid, including any other Retail Relief you are being granted for premises other than the one to which this bill and letter relates, please enter zero in the form below.

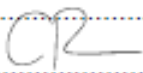
Under the European Commission rules, you must retain this letter for 3 years from the date on this letter and produce it on any request by the UK public authorities or the European Commission. (You may need to keep this letter longer than 3 years for other purposes). Furthermore, information on this aid must be supplied to any other public authority or agency asking for information on 'De Minimis' aid for the next three years.

Amount of De Minimis aid	Date of Aid	Organisation providing aid	Nature of aid
<u>£ Zero (nil)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>€</u>	<u>1 April 2014 – 31 March 2015</u>		<u>Rate Relief</u>
	<u>N/A</u>		<u>N/A</u>

<sup>1</sup> Further information on State Aid law can be found at <https://www.gov.uk/state-aid>

<sup>2</sup> An undertaking is an entity which is engaged in economic activity. This means that it puts goods or services on a given market. The important thing is what the entity does, not its status. Thus a charity or not for profit company can be undertakings if they are involved in economic activities. A single undertaking will normally encompass the business group rather than a single company within a group. Article 2.2 of the de minimis Regulations (Commission Regulation EC/1407/2013) defines the meaning of 'single undertaking'.

I confirm that I am authorised to sign on behalf of  
Bright-Tech Investments Ltd ..... [Name of undertaking]

SIGNATURE:  .....  
NAME: Chris Rasmussen .....

POSITION: Director ..... BUSINESS: Bright-Tech Investments Ltd .....

ADDRESS: Norton Rd. Newhaven BN9 0JF .....

TEL NO: .....

DATE: 13th January 2017 .....

## REFUSAL OF RETAIL RELIEF FORM – IF STATE AID RULES EXCEEDED

I confirm that I wish to refuse Retail Relief in relation to the above premises.

I confirm that I am authorised to sign on behalf of .....  
[Name of undertaking]

SIGNATURE: .....  
NAME: .....

POSITION: ..... BUSINESS: .....

ADDRESS: .....

TEL NO: .....

DATE: .....

Please complete the declaration and return it with your completed application form.

### Fair Processing Notice - How we collect and use information

We will use the information you give in this form, and in any supporting evidence you send us, to process and calculate your Business Rates (National Non-Domestic Rates - NNDR). We will normally keep your records for up to seven financial years, and then they will be destroyed securely.

We may pass the information to other agencies or organisations such as the HM Revenue and Customs, as allowed by law. We may check information you have provided, or information about you that someone else has provided, with other information we hold.

We may also get information about you from certain third parties, or give them information, to:

- make sure the information is accurate; and
- prevent or detect crime; and
- protect public funds.

These third parties include government departments, local authorities and private-sector companies such as banks and organisations that may lend you money.

We will not give information about you to anyone else, or use information about you for other purposes, unless the law allows us to. The Council is the data controller for the purposes of the Data Protection Act. If you want to know more about what information we have about you, or the way we use it, please ask us.

### Additional Information

For more information contact the Council's Information Management Team or visit the 'Privacy Notices Code of Practice' on the website of the Information Commissioner

[http://www.ico.org.uk/for\\_organisations/data\\_protection/topic\\_guides/~\(media/documents/library/Data\\_Prtection/Detailed\\_specialist\\_guides/PRIVACY\\_NOTICES\\_COP\\_FINAL.ashx](http://www.ico.org.uk/for_organisations/data_protection/topic_guides/~(media/documents/library/Data_Prtection/Detailed_specialist_guides/PRIVACY_NOTICES_COP_FINAL.ashx)