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To all Members of the

CABINET

AGENDA

Notice is given that a Meeting of the Cabinet is to be held as follows:

VENUE Room 008, Civic Office, Waterdale, Doncaster, DN1 3BU
DATE: Tuesday, 6th June, 2017
TIME: 10.00 am

ITEMS

1. Apologies for Absence
2. To consider the extent, if any, to which the public and press are to be excluded from the meeting
3. Public Questions and Statements

(A period not exceeding 20 minutes for questions and statements from members of the public and Elected Members to the Mayor of Doncaster, Ros Jones. Questions/Statements should relate specifically to an item of business on the agenda and be limited to a maximum of 100 words. As stated within Executive Procedure Rule 3.3 each person will be allowed to submit one question/statement per meeting. A question may only be asked if notice has been given by delivering it in writing or by e-mail to the Governance Team no later than 5.00 p.m. on Thursday, 1st June, 2017 before the meeting. Each question or statement must give the name and address of the person submitting it. Questions/Statements should be sent to the Governance Team, Floor 2, Civic Office, Waterdale, Doncaster, DN1 3BU, or by email to Democratic.Services@doncaster.gov.uk)

Jo Miller
Chief Executive

Issued on: Friday, 26th May, 2017

Governance Officer for this meeting: Amber Torrington
Tel. 01302 737462

4. Declarations of Interest, if any.
5. Decision Record Form from the Extraordinary meeting held on 16th May, 2017 for noting (previously circulated).

A. Reports where the public and press may not be excluded

Key Decisions

- | | | |
|----|---|--------|
| 6. | Disposal of land at Thellusson Avenue, Scawsby, (former Don View Residential care home) for the development of new affordable housing. | 1 - 8 |
| 7. | Business Investment Incentive Scheme (Appendix 1 to the report contains exempt information within paragraph 3 of Part 1 of Schedule 12A of the Local Government Act, 1972, as amended). | 9 - 18 |

Cabinet Members

Chair – Ros Jones, Mayor of Doncaster

Vice-Chair – Deputy Mayor Councillor Glyn Jones - Housing and Equalities

Cabinet Responsibility For:

Councillor Nigel Ball	Public Health, Leisure and Culture
Councillor Joe Blackham	Highways, Street Scene and Trading Services
Councillor Rachael Blake	Adult Social Care
Councillor Nuala Fennelly	Children, Young People and Schools
Councillor Chris McGuinness	Communities, Voluntary Sector and the Environment
Councillor Bill Mordue	Business, Skills and Economic Development
Councillor Jane Nightingale	Customer and Corporate Services

To the Mayor and Members of CABINET

Disposal of land at Thellusson Avenue, Scawsby, (former Don View residential care home) for the development of new affordable housing

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Cllr Glyn Jones (Portfolio Holder for Housing)	Roman Ridge	Yes

EXECUTIVE SUMMARY

1. The purpose of this report is to obtain approval to dispose of land at Thellusson Avenue, Scawsby, (former Don View residential care home) for the development of new affordable housing designed specifically for older people aged 50yrs plus.
2. Disposal of the site will be to the Councils preferred partner Housing Association, Johnnie Johnson Housing Trust (JJHT) via a long lease (125 years) at a peppercorn rent (£1).
3. The land at Thellusson Avenue has been valued at £444,000 (March 2016), therefore the decision requires Cabinet approval due to Financial Procedure Rule (FPR) C17 as it represents a disposal at less than best consideration where the estimated disposal value would otherwise be at or above £250,000.
4. Despite the land being disposed at less than best consideration, the disposal is considered a good value net result for the Council. If the Council were to sell the land with a view of using the receipt to fund additional new homes, the value would only facilitate approx. 3-4 units (typically c.£100k per unit), which does not represent value for money; whereas the route described within this report will enable c.£3.91m investment into the borough and c.36 units of affordable housing which have been designed specifically to meet the needs of older people.

EXEMPT REPORT

5. The report is not exempt.

RECOMMENDATIONS

6. It is recommended that the Mayor and Cabinet:
 - a) Approve the disposal of the land at Thellusson Avenue, Scawsby to JJHT for the delivery of new older people's affordable housing.
 - b) Approve the disposal on a 125 year lease at a peppercorn rent.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

7. Good quality, modern accommodation designed to meet the needs and aspirations of older people is a key Mayoral priority.
8. Disposing of the land will facilitate the provision of much needed affordable purpose built older peoples accommodation. The development will provide Doncaster residents with not only choice in terms of accommodation types but also choice of tenure.

BACKGROUND

9. The underpinning policy objective of the Councils Housing Strategy is the provision of good quality affordable housing for all sections of the community, including older people. The existing evidence base for Doncaster shows that there will be a long term growth of the population of older people and forecasts of increased demand for appropriate housing.
10. Thellusson Avenue is presently held within the General Fund, however remains vacant and required demolition prior to transfer. Demolition was undertaken as part of the Corporate Asset Disposal Programme via DMBC Assets and Property (Cabinet Decision U0421, Dec 2014) and was completed in March 2017. As a result Thellusson Avenue will be transferred to JJHT as a cleared site.
11. Thellusson Ave has been valued at £444,000 (March 2016). Despite the land being disposed of at less than best consideration, the benefit to the Council and locality is clear, as the disposal will facilitate c.£3.91m investment into the borough resulting in c.36 units of affordable housing. Conversely, if the Council were to sell the land with a view of using the receipt to fund additional new homes, the value would only facilitate approx. 3-4 units (typically c. £100k per unit). Therefore disposing of the land to JJHT in favour of their proposals would facilitate c. £3.91m investment into the borough along with the associated socio-economic benefits, such as council tax revenues, removal of management and maintenance costs to the Council; and the creation of local construction jobs, and an enhanced, improved local area.
12. The intended disposal route will be via a long lease (125 years) at a peppercorn rent (£1).
13. As part of the ongoing Affordable Housing Programme, Johnnie Johnson Housing Trust (JJHT), one of the Councils preferred partner housing associations, were approached to appraise the site for its potential

development suitability. JJHT, whose core business model is the delivery of older people's retirement living accommodation, deemed the site a viable option for new older peoples housing delivery.

14. Consequently, a development option has been drawn up in partnership with officers within Strategic Housing, proposing the following:
 - 36x2bed apartments
 - 18x Affordable Rent and 18x Affordable Shared Ownership
 - Total Scheme Cost: c.£3.91m - Funded via Homes and Communities Agency (HCA) Grant (c.£1.08m), and JJHT's own finance (c.£2.83m)

Any new schemes are subject to a satisfactory planning approval.

15. All new affordable housing schemes must have consideration of the impacts from welfare reform, namely the Local Housing Allowance (LHA) cap and under-occupation (bedroom tax) – which does not currently apply to pensioners. This site is no exception. Due regard will be given to affordability when setting rents and will be discussed with officers within Housing Benefit to ensure impacts of welfare reform are reduced. Proposed rent levels for the properties will be determined when proposals are firmed up but it is anticipated that they will be broadly in line with the Local Housing Allowance – currently £93.23 for a 2 bedroomed property.
16. It is anticipated that the majority of lettings will be made to people over retirement age. Where an applicant is below retirement age, a comprehensive financial assessment for potential new tenants will be carried out to ensure that rents are affordable and applicants will be fully apprised of the implications if they wish to take on a larger property than that which Housing Benefit will cover. JJHT are a responsible Registered Provider landlord with a significant number of affordable homes in management in Doncaster, and so it is imperative for them that their tenants are in a position to successfully sustain their tenancies.
17. Subject to this approval and subsequent additional viability appraisals the scheme may have to alter to include a number of one bed units into the overall unit mix. This could provide another mechanism to reducing the impacts of welfare reform by providing a number of smaller units for those applicants who are unable to afford a 2 bed unit.
18. The new homes are to be built using modern methods of construction, and will incorporate the Housing our Ageing Population Panel for Innovation (HAPPI) design principles, and Building for Life standards. In doing so ensures robust and sustainable design quality, to meet the needs of older people. The designs will incorporate a number of energy efficiency and sustainable design features such as energy efficient boilers.
19. Nominations will be via St Leger Homes (SLHD) waiting list and administered via the Choice Based Lettings (CBL) system. The Council will have Nominations Rights - 100% on first let and 75% thereafter and, should a Local Lettings Policy be implemented in the future, it would be implemented through this mechanism. Evidence for Doncaster shows there will be a long term growth of the population of older people and forecasts an

increasing demand for appropriate housing. Bidding data for each area suggests that there is a demand for housing designed specifically for older people aged 50yrs plus.

20. In September 2016, having worked closely with officers within Strategic Housing, JJHT submitted a bid for HCA funding from the Shared Ownership and Affordable Homes Programme 2016-21 (SOAHP); of which they were successful. Confirmation of the grant amount was received January 2017.
21. Shared Ownership is an affordable housing product under the SOAHP prospectus. Shared Ownership enables individuals to purchase a share in a new home while paying rent on the remaining unsold share.

OPTIONS CONSIDERED

22. **Option 1** - Dispose of the site to JJHT as detailed in the body of the report.
This option will enable the council to pursue the aspiration of developing additional older people's housing provision in the borough.

Option 2 - Sell the site for receipt.

If the Council were to sell the site with a view of using the capital receipt to fund additional new homes, the value would only facilitate approx. 3-4 units (typically c.£100k per unit). Furthermore, if the site was sold to a private developer the council could not guarantee that affordable units designed specifically for older people, of which there is a need for both within this locality, would be built.

Option 3 - Do Nothing.

If it is decided not to transfer the site to JJHT, then it would remain within the Corporate Asset Disposal Programme and options for its future use / or alternative disposal routes will be determined via the Assets Board.

REASONS FOR RECOMMENDED OPTION

23. This option enables the Council to work towards its aspiration for providing additional suitable older peoples accommodation, for which there is a current and expected future demand. It demonstrates that the council is able to provide greater choice and control to its residents who require this type of housing. This option has been agreed with Elected Members, Housing Portfolio Holder and the local Neighborhood Manager as the preferred option.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

24.

	Outcomes	Implications
	<p>All people in Doncaster benefit from a thriving and resilient economy.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Be a strong voice for our veterans</i> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	<p>Creation of new sustainable affordable housing for older people. During the development process additional jobs will be created for local people and local trades / suppliers.</p>
	<p>People live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	<p>Modern older peoples housing to enable older people to maintain their independence for longer, along with health and wellbeing benefits.</p> <p>New housing is designed to be more cost efficient for residents.</p>
	<p>People in Doncaster benefit from a high quality built and natural environment.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	<p>Accommodation will be designed in line with a range of industry best practice design guidance, to ensure quality developments are built.</p>
	<p>All families thrive.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	<p>New homes will enable older people to remain close to existing family, friends and local community.</p>
	<p>Council services are modern and value for money.</p>	<p>Modern older people's accommodation support older people to live more independently unlike traditional sheltered / residential provision which is more costly.</p>
	<p>Working with our partners we will provide strong leadership and governance.</p>	<p>The preferred option is the preferred one for all stakeholders.</p>

RISKS AND ASSUMPTIONS

25. Asset management implications are present. Vacant sites require regular maintenance and security. If left unused for a long period of time the site could potentially attract periodic anti-social behavior; causing a nuisance to the surrounding residents, which in turn would increase these costs to the Council.
26. If the site is not transferred to JJHT, the site will remain within the Corporate Asset Disposal Programme and options for its future use / or alternative disposal route will be determined via the Assets Board.

LEGAL IMPLICATIONS

27. Section 1 of the Localism Act 2011 provides the Council with the general power of competence, meaning that “a local authority has power to do anything that individuals generally may do.”

Thellusson Ave is presently held within the General Fund and Under s.123 of the Local Government Act 1972 the Secretary of State’s consent is required for the disposal of general fund land for less than the best consideration reasonably obtainable. Under Circular 06/03 the Secretary of State has given their consent to the disposal of non-housing/HRA land by local authorities for less than the best consideration reasonably obtainable provided that:

- (i) The difference between the consideration being received and full open market value does not exceed £2 Million

And

- (ii) the council is satisfied that the purpose of the disposal will contribute to the promotion or improvement of the economic, environmental or social well-being of the area.

The provision of Affordable Housing is considered to promote the social well-being of an area.

FINANCIAL IMPLICATIONS

28. Disposal via a 125 year lease on a peppercorn rent (£1) represents a disposal at less than best consideration. Where the estimated disposal value would otherwise have been at or above £250k, Financial Procedure Rules (FPR’s) require the Property Officer to prepare a report to Cabinet requesting approval to proceed with the disposal.

The site is currently split over four assets on the finance asset register with a net book value of £360k; they are all general fund assets. By giving up the land on a peppercorn rent, the Council is foregoing a potential capital receipt of up to £444k. The capital receipt would have been from a general fund asset and would have been used to fund current and future capital projects; it would not have to be used exclusively for additional new homes.

The disposal is of a cleared site. The Council has allocated £208k estimated budget (ODR) (actual spend £173k) of resources for the demolition of the buildings on site which took place in March 2017. This has already been included in the Council's capital programme and was dealt with by a separate ODR on the basis that it would realise £46k on-going revenue savings for holding costs. This has been factored into the Appropriate Assets savings target. A small proportion of that budget would still relate to the holding of a cleared site and would not be realised until the site is leased or otherwise disposed of. It is recognised that the clearance cost would have been incurred as part of overall scheme costs if the council had not already invested in this.

JJHT is a not-for-profit housing association who will be providing social housing on site. The development does not contain any properties for commercial sale; in essence the Council is providing land in order to receive the benefit of affordable housing units in the Borough. As such there should be no consequences in relation to state aid and there is no profit element to the viability of the development to demand a capital receipt from JJHT if used for this purpose.

Responsibility for the running of the completed development will fall to JJHT, so there are not expected to be any future revenue implications to the Council in relation to the affordable housing units in respect of running costs. Although the report refers to the units being accommodation to meet the needs of older people Project Officers have advised that this is purely an affordable housing scheme and that there are no additional care costs or rent issues that would create an additional cost to the Council, provided that rents are charged within the Local Housing Allowance (LHA) cap.

The Government has recently announced that the LHA cap for general needs social sector housing is due to be implemented in April 2019. This will set the maximum level of Housing Benefit (or housing cost element of Universal Credit) payable on these tenancies to the LHA levels in force at the time a claim is made. The current LHA rates for 1 and 2 bedroom accommodation are £78.08 and £93.23 respectively.

Under current rules, where there is a shortfall between the rent charged and the amount of Housing Benefit/Universal Credit payable, the tenant would be eligible to apply for Discretionary Housing Payments. The Council receives some Government funding for this currently although this is awarded on a year-by-year basis with no guarantees for future years.

As JJHT are a provider for older peoples housing it is recognised that they are fully aware of the implications of welfare changes on potential tenants.

HUMAN RESOURCES IMPLICATIONS

29. None.

TECHNOLOGY IMPLICATIONS

30. None.

EQUALITY IMPLICATIONS

31. The Public Sector Equality Duty (PSED) Due Regard Statement was created by the Equality Act 2010. The duty came into force in April 2011 and places a duty on public bodies and others carrying out public functions. The aim of the PSED is to embed equality considerations into the day to day work of public authorities, so that they tackle discrimination and inequality and contribute to making society fairer. 'Due Regard' is a legal term that requires proportionality and relevance. The weight given to the general duty will depend on how that area of work affects discrimination, equality of opportunity and good relations.

All housing developments supported by DMBC will be accessible depending on individual need. Such assessments will not discriminate against any applicant in any way and particularly due to any of the protected characteristics of the Equality Act 2010.

All DMBC Housing Association partners must maintain a commitment to the Act.

CONSULTATION

32. Consultation has been undertaken with Elected Members, the Local Neighbourhood Manager, Housing Portfolio Holder, and Housing Governance Board.

BACKGROUND PAPERS

33. None.

REPORT AUTHOR & CONTRIBUTORS

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Peter Dale
Director of Regeneration and Environment

To the Chair and Members of the Cabinet

Business Investment Incentive Scheme

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Bill Mordue – Cabinet Member for Business, Skills and Economic Development	All	No

EXECUTIVE SUMMARY

1. This report provides a review of the progress and work currently being undertaken to deliver the Business Investment Incentive Scheme (the scheme) which was approved by Cabinet in October 2014.
2. As agreed by Cabinet a Steering Group would provide an annual progress report to confirm the scheme's value to the local economy and demonstrate value for money to the taxpayers.
3. The principles of the discretionary scheme are:
 - An increase in the Business Rate base and/or
 - The creation of skilled, quality jobs for local residents
4. A £1.5m funding pot from council reserves has been allocated to the scheme to encourage investment and local job creation through a package of incentives.
5. As of 8th March 2017, fifteen schemes have been approved to legal agreement and contracting; £857,503 of the funds have been committed with future projects already in the pipeline requiring a potential further commitment of £692,300. If all the outcomes of the contractually committed funds are achieved, investment made by the Council will realise:
 - A forecast of £1,114,707 additional business rate income per annum
 - 564 new jobs for Doncaster residents [95 attracting a salary of £23k plus]
 - Over £39m worth of initial new investment into the borough

EXEMPT REPORT

- 6 THIS REPORT IS NOT EXEMPT HOWEVER THERE ARE A NUMBER OF FINANCIAL AND COMMERCIAL MATTERS CONTAINED WITHIN EXEMPT APPENDIX 1 WHICH ARE COMMERCIALY SENSITIVE INFORMATION. ALTHOUGH THE NAMES OF THE COMPANIES ARE NOT INCLUDED THE APPENDIX IS NOT FOR PUBLICATION BECAUSE IT CONTAINS EXEMPT INFORMATION PROTECTED BY PARAGRAPH 3 OF PART 1 OF SCHEDULE 12 (A) OF THE LOCAL GOVERNMENT ACT 1972 (AS AMENDED) INFORMATION RELATING TO THE FINANCIAL OR BUSINESS AFFAIRS OF ANY PARTICULAR PERSON (INCLUDING THE AUTHORITY HOLDING THAT INFORMATION).

RECOMMENDATIONS

It is recommended that the Mayor and Cabinet

7. Review and consider the success of the scheme in its current form and financial commitment.
8. Consider continuing the scheme in principal including allocation of reserves where appropriate and when current reserves are fully committed.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

9. Increased revenue for DMBC through Business Rates
10. Job creation for Doncaster residents centred around quality, skilled jobs paying a minimum living wage to local residents
11. Increased economic growth within the borough

BACKGROUND

12. This is a discretionary scheme which seeks to provide the framework for DMBC officers to offer developers, investors and businesses a financial incentive to invest and grow in Doncaster.
13. The scheme is not looking to incentivise displacement or movement of business within Doncaster unless this would result in an expansion in the Business Rate base (increased revenue through business rates), safeguard the company in Doncaster and create new jobs for local residents, especially those of a skilled nature.
14. The Scheme does not apply to investors/developers/businesses locating on or within Enterprise Zones as defined by the Sheffield City Region Local Enterprise Partnership.
15. The scheme has proved instrumental for investors considering Doncaster as a place to invest and they have welcomed the support that Doncaster Council has offered.

16. The scheme, along with the collaborative work across teams, has helped bring major investment opportunities to Doncaster – maximising redevelopment opportunities as well as job creation and bringing properties in to use.
17. The scheme has been used to support investors across all areas of the borough. Appendix 1 to the report, provides cases studies highlighting some of the investments that have been supported, the extent of the support and the outcomes for the business. For confidentiality purposes the names of the companies are not included. This information is not for publication, as it contains exempt information under Paragraph 3 of Part 1 of Schedule 12 (a) of the Local Government Act 1972 (as amended) information relating to the financial or business affairs of any particular person (including the authority holding that information).
18. If all the outcomes of the committed funds are achieved the investment made by the Council has or will realise,
- A forecast £1,114,707 additional business rates income per annum
 - 564 jobs for Doncaster residents [95 will be skilled and attracting a salary of £23k plus]
 - Over £39m worth of initial new investment

	Proposed Grant	Estimated uplift in Business rate liabilities per annum	Estimated business rate liability retained by DMBC per annum	No. of jobs	Of which are Skilled £23k+	Initial Investment from the business
15 projects	£857,503	£1,114,707	£557,350	564	95	£39,005,400
Pipeline (at ODR/EOI stage)	£692,300	£511,400	£255,700	264	192	£7,200,000
Totals	£1,549,803	£1,626,107	£813,050	828	287	£46,205,400

OPTIONS CONSIDERED

19. None this a review report

REASONS FOR RECOMMENDED OPTION

20. Based on the evaluation of the scheme so far, the projects that are currently 'in the pipeline', the amount of appetite expressed in such a short period of

time, the potential return on investment and the success of the scheme the recommendation is to continue the scheme

IMPACT ON THE COUNCIL'S KEY OUTCOMES

	Outcomes	Implications
	<p>All people in Doncaster benefit from a thriving and resilient economy.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Be a strong voice for our veterans</i> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	<p>The scheme seeks to address this priority directly</p>
	<p>People live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	
	<p>People in Doncaster benefit from a high quality built and natural environment.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	<p>Creating Jobs – incentivising living wage</p>
	<p>All families thrive.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	
	<p>Council services are modern and value for money.</p>	
	<p>Working with our partners we will provide strong leadership and governance.</p>	

RISKS AND ASSUMPTIONS

21. The funds would need to be committed for 3 years to enable new builds to complete, realise the business rate uplift and evidence the jobs.
22. The scheme has been running since November 2014, it should be noted that the commitment of the funds is subject to a verification process and the figures that we have used are maximum costs which could be reduced if the appropriate evidence is not produced by the investor.
23. The commitments are estimated figures as grants for the projects will not be paid out until evidence for each element is provided by the investor; for the new builds and expansions this will be until the build is in the rating list and there is a Business Rate liability attributed to the premises; and for the job creation until the jobs have been filled for 12 months.
24. There is difficulty in estimating actual Business Rates that will be payable in the future when developers apply and so it is difficult to accurately forecast what the commitment to the investor should be; Any changes in Business Rates (through government policy) will also affect the grant committed.

LEGAL IMPLICATIONS

25. The Localism Act 2011 provides the Council with the so called general power of competence which allows a Local authority to do anything which an individual may generally do.
26. The incentives on offer are discretionary in nature and the Council has no obligation to provide them.
27. The Council will need to carefully consider the operation of this initiative in order to minimise the risk of challenge.
28. The Council will need to carefully consider the application of State Aid rules and consider whether businesses should be required to contractually commit to the delivery of outputs in advance of the provision of business incentives
29. It would be prudent for the Council to enter into a legal agreement with the recipients of the business incentives.

FINANCIAL IMPLICATIONS

30. The overall scheme and £1.50m funding were approved by Cabinet on 15th October 2014 key decision K1255 and 30th June 2015 key decision K1290, which addressed the criteria for awarding grants and the main financial implications of operating the scheme. This included Business Doncaster's responsibilities in relation to State Aid, administration of the grant in line with Financial Procedure Rules, and review of the scheme on an annual basis.

Delegation of authority to approve individual awards was undertaken by a further Executive Decision N807 implemented 29th July 2015.

31. To date £0.86m remains committed to projects via Officer Decision Record and represents the maximum available to the beneficiary depending on evidence returned. This leaves £0.64m for further awards. Project Officers are currently working on a portfolio of pipeline awards estimated at £0.69m, which is £0.05m in excess of the uncommitted pot. Future awards will need to be tailored to the available monies unless further funding can be identified or actual payments relating to existing awards are lower than the committed funds.

32. The component grants within the committed monies are as follows: -

Speculative Build	Job Creation	Project Set Up	Property Renovations	Total
£0.50m	£0.17m	£0.07m	£0.12m	£0.86m

33. The intention is that the businesses supported will operate long enough so that awards are ultimately off-set by the uplift in business rates generated from the new development encouraged by the scheme. The Council is currently able to retain 49% of business rates (this is expected to rise to 100% in 2019/20), so the larger grants under the Speculative Build heading are paid over a two year period after completion of the development, with the majority expected to be defrayed in 2017/18 and 2018/19 financial years. This means that for the greater proportion of the investment the Council will already have received the equivalent value in additional business rates by the time the grant is paid.

34. Of the other grants awarded £0.20m has been made without a Speculative Build element alongside, which means that those projects do not lead to uplift in business rates. The intention is that these will be compensated for by the continued receipt of additional business rates from the other developments in the scheme. The balance of awards that do not lead to uplift in business rates must be carefully managed so that the other outputs are judged sufficient value for money against the length of time before the investment is compensated for by the return in business rates from other projects. The total estimated value of retained business rates to be generated by the current commitment is £0.56m. This means that the full value of £0.86m relating to all awards is still expected to be compensated for within two years from completion of the developments. If the pipeline awards are approved as shown in the table above then the entire pot of £1.50m would also be compensated for by an estimated £0.81m per annum uplift in retained business rates within a similar two year period.

35. When considering the potential for the continuation of the scheme it should be noted that the Council is expected to be able to retain 100% of business rates from 2019/20, so any awards made (provided they are not solely job related) will be compensated for more quickly. Sufficiency of reserves for earmarking any further resources will need to be considered as part of the Finance and Performance Improvement Report: 2016/17 Quarter 4, once the 2016/17 outturn position is known.

HUMAN RESOURCES IMPLICATIONS

36. None

TECHNOLOGY IMPLICATIONS

37. None

EQUALITY IMPLICATIONS

38. Decision makers must consider the Council's duties under the Public Sector Equality Duty at s149 of the Equality Act 2010. The duty requires the Council, when exercising its functions, to have 'due regard' to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the act, and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic.

39. There are no specific equality implications arising from the process.

CONSULTATION

40. Input into the report has been sought from the Director of Regeneration and Environment

41. This report significant implications in terms of the following:

Procurement		Crime & Disorder	
Human Resources		Human Rights & Equalities	
Buildings, Land and Occupiers		Environment & Sustainability	
ICT		Capital Programme	

BACKGROUND PAPERS

42. None

REPORT AUTHOR & CONTRIBUTORS

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Peter Dale, Director

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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