

OFFICER DECISION RECORD

This form should be used to:-

- (1) record Executive decisions taken by officers which are non key decisions
- (2) record other non Executive decisions taken by officers

Decision Ref. No:

RE16 0024

Box 1

DIRECTORATE: Regeneration and Environment

DATE: 18 April 2016

Contact Name: Tim Hazeltine

Tel. No.: 01302 862465

Subject Matter: Inward Investment Incentive Scheme

Fellowes Manufacturing (UK) Ltd

Box 2

DECISION TAKEN:

Business Doncaster have had a relationship with Fellowes manufacturing for many years and in this instance were asked by the local management team to help put together a property and support offer that would retain the business in town.

To offer a grant of £144,600 in recognition of the additional Business Rates generated by the construction of a major new factory and office. Subject to the following two points being adhered to;

- 1) That the property being vacated by Fellowes at West Moor Park is a large and prominent building within the well-established and growing M18 junction4 development and this award is subject to this property not being demolished in the next 3 years.
- 2) This award is also being made on the basis that that the Business Rates uplift element of the scheme will not be used to support any other new occupiers moving to the iPort

This ODR seeks authority to make a decision based on the terms of the application and subject to a payment schedule to be determined in line with the guidance conditions.

Furthermore this ODR seeks to authorise the Assistant Director of Development to sign off the resultant Funding Agreement with the company.

Box 3**RELEVANT BACKGROUND CONSIDERATIONS**

Due to changes in the company business processes Fellowes found themselves approaching the end of their lease at Armthorpe in a building with 20,000 sq.ft too much office space and an inefficient layout representing a considerable additional overhead cost. Their parent company took this lease end as an opportunity to review wider aspects of their European operations with a suggestion that they keep a Doncaster office presence but relocate the manufacturing operation to Holland.

Business Doncaster worked with Fellowes local management team to identify suitable local property options that might come close to their requirements and timetable. This resulted in a short list of 3 Doncaster options and the offer of support through the Business Incentive Scheme seemed to be sufficient for the firm to stop considering the idea of relocating the manufacturing activities to Holland.

Fellowes have now agreed to take a 145,000 sq.ft speculatively constructed unit at Rossington iPort (subject to a number of alterations) and expect to move in during November.

With empty property rates being paid on their former unit at Armthorpe DMBC will benefit from an overall increase in business rates income to the tune of circa £400,000 p.a. once Fellowes move into the this brand new property at Rossington

Retaining this business in Doncaster could be considered to have elements of safeguarding, which was specified as outside of the criteria for awards in the body of the Cabinet report approving the overall scheme (key decision K1255 taken 15th October 2014). However, in this instance new business rates are being generated and the appendices to the report allow for the policy to be flexibly applied if, in the opinion of the Council, an investment or application is judged to be of significant importance to the development of the local economy. The grant has been determined on that basis, i.e. speculative build only.

Box 4**CONSULTATIONS UNDERTAKEN:**

DMBC Chief Executive
DMBC Regeneration Cabinet Member
DMBC Assistant Director of Development
DMBC Business Rates Team
DMBC Head of Service Improvement and Policy
DMBC Head of Service. Business and Commerce

Box 5**OPTIONS CONSIDERED & REASONS FOR THE DECISION:**

This is a well-established Doncaster business which was initially based at Kirk Sandall before expanding into a purpose built property at Armthorpe in 2001 and making Doncaster their European headquarters. More recently the company have been reviewing property options and were known to be considering sites elsewhere in the UK as well as the possibility of relocating their manufacturing activities to Holland

The options for Business Doncaster to consider were;

- 1) Not make any offer of support through the Business Incentive scheme and hope that the company still choose to locate here, or
- 2) Prepare an appropriate support package through the Business Incentive scheme and use it to demonstrate how much we value what the company can bring to the local economy in the hope that this will sway their location decision in our favour.

Box 6**LEGAL IMPLICATIONS:**

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.

The incentives on offer are discretionary in nature and the Council has no obligation to provide them.

These Grants are within the overall Scheme approved by Cabinet in October 2014.

A formal legally binding grant agreement will need to be put in place to ensure that the Councils interests are protected.

The Company will certify that they are below the De Minimis level for State Aid as part of the legal documentation which will be completed.

The report author should ensure that the recipient contractually commits to the delivery of outputs

**Name: Debra Buckingham Signature: Debra Buckingham Date: 16.05.16
Signature of Assistant Director of Legal and Democratic Services (or
representative)**

Box 7**FINANCIAL IMPLICATIONS:**

This award is considered to be the twelfth proposal from the £1,500,000 pot for the Inward Investment Incentive Scheme.

The maximum cost to the Council of awarding these grants is expected to be: -

| Grant | £ |
|-------------------|----------------|
| Speculative Build | <u>144,600</u> |

If this ODR is approved then the total value of formal commitments from the pot will be £861,053; leaving £638,947 remaining for further grants. Decisions relating to other awards may be progressing at the same time and should be considered in chronological order when assessing affordability against the overall funding.

The overall scheme and funding was approved by Cabinet 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.

It should also be noted from those reports that the intention behind the scheme is that the businesses supported will operate long enough so that the grant awarded is ultimately off-set by the uplift in business rates generated (the larger elements such as the speculative build grant are protected to ensure they are not paid out until this is achieved). In this case the Council estimates it will achieve a business rates uplift of c. £400k per annum, though this may not be realised immediately as it could be offset by a similar reduction in rates on the previously occupied property in Armthorpe for a period up to 6 months if that remains empty and qualifies for short term rate relief.

A further executive decision was implemented 29th July 2015 to delegate the approval of individual Inward Investment Incentive bids to the Director of Regeneration & Environment, or in his absence, the Assistant Director of Development, in consultation with the Director of Finance & Corporate Services or, in his absence, the Assistant Director of Finance and Performance.

**Name: Dave Rosser Signature: 27th April 2016
Signature of Assistant Director of Resources (Finance)
(or representative)**

Box 8

HUMAN RESOURCES IMPLICATIONS:

There are no HR implications in relation to tis ODR.

Name: Claire Rudd **Signature:** _____ **Date:** 28/04/016
Signature of Director of People and Performance Improvement (or representative)

Box 9

INFORMATION NOT FOR PUBLICATION:

It is in the public's interest to be aware of this decision record under the Freedom of Information Act 2000, therefore this decision will be published in full, redacting only signatures

Name: __Joan L'Amie_____ **Signature:** _____ **Date:**
_____07/06/16_
Signature of FOI Lead Officer for service area where ODR originates

Box 10

Signed: Peter Dale **Date:** 22.08.16
_____ _____
Director of Regeneration and Environment

Signed: S Mawson **Date:** 5 Sept 2016
_____ _____
Assistant Director of Finance

- This decision can be implemented immediately
- A record of this decision should be kept by the originating Directorate's Business Assistant for accountability and published on the Council's website 'How do I?' section via 'Access decisions made by the Council'.
- A copy of this decision should be sent to the Directorate FOI Lead Officer to consider 'information not for publication' prior to being published on the Councils Website.