

## OFFICER DECISION RECORD

For staff restructures, please also complete an RA1 form to update the HR Portal. This is attached at Annex 2.

Decision Ref. No:

RE17 0043

### Box 1

**DIRECTORATE:** Regeneration and Environmental

**DATE:** 7<sup>th</sup> March 2017

**Contact Name:** Sue Harrison

**Tel. No:** 01302 862474

**Subject Matter:** Business Investment Incentive Scheme – Mobile Installation Solutions

### Box 2

#### DECISION TAKEN:

To award the following grants to Mobile Installation Solutions in relation to the Inward Investment Business Incentive Scheme: -

Job Creation Grant £2,700

Project Set Up Grant £5000

Property Renovation £10000

### Box 3

#### REASON FOR THE DECISION:

Mobile Installation Solutions Ltd has been trading in Doncaster since its inception in 2006 and is a high growth company contributing to Doncaster's GVA. By supporting their growth now, it is hoped that the Council will benefit in the future through new business rates and additional jobs when their expansion plans to buy land and build their own accommodation come to fruition.

They moved from a 1000 sq ft building unit in March 2015 to their existing unit which is 25000 sq ft and doubled their staff from 20 to 54 FT. They have already outgrown their current unit in its current state.

Ideally the company would like to move to larger, new premises but they are finding that although they can find a new building in Doncaster, they cannot find one with the parking storage facilities for the fleet vehicles in a fully secured area that would satisfy their insurers.

The Directors now live outside of Doncaster so the company have considered a move outside the area but as the workforce is local, they would ideally like to stay here.

Until the business grows to a level where they can afford to invest in land and a new build, they are considering the option of re-vamping the internal area of their current unit and putting in additional machinery in order to support their current growth plans. They have negotiated a potential deal with their existing landlords to rent the adjacent premises and additional car parking for their fleet vehicles.

The internal renovations will include putting in new shutter doors to accommodate delivery of a new contract, moving their storage facilities upstairs; creating new office space and a meeting room where the storage facilities are now, moving the operations around to accommodate new equipment including a press brake, punch brake, wood CNC, a powder coating facility, and guillotine. In addition they will need to install a new fuse board to boost their current power supply.

This project will be an investment of £300k and it will create at least another 10FT jobs in the short-term and double the company's turnover to an estimated £5m in the next 3 years.

This proposal will ensure that a growing manufacturing/ engineering company stays in Doncaster contributing to our business rates and providing skilled, semi-skilled and apprenticeships roles to Doncaster residents.

#### **Box 4**

#### **OPTIONS CONSIDERED & REASONS FOR RECOMMENDED OPTION:**

A number of options were considered including not offering the company any incentives. However it was felt that the nature of the investment would be good for Doncaster in terms of retaining a growing, long standing Engineering Company and offer support for the new skilled jobs and apprentice positions it will create. It was felt that these could become part of the Advanced Apprenticeship programme offering local residents graduate apprenticeship opportunities.

The deal that the Steering Group would like to offer Mobile Installation Solutions is:

- A Job Creation Grant of **£2,700** for 2 new full time permanent skilled jobs with a salary of more than £23k per annum, 3 new jobs paid minimum living wage and up to £23kper annum and 5 new apprentice posts. The total grant will be paid when the jobs have been created for a minimum period of 1year and will be subject to the company providing written evidence of the staff appointed residing at a Doncaster postcode.
- A maximum of a **£5,000** grant for the start-up cost element of the project offered as part of the Inward Incentive scheme that will include the purchase and installation of a press brake, punch brake, CNC machine, powder coating facility and guillotine. This offer will be subject to the company providing satisfactory evidence of the expenditure and will be given on a match funded basis subject to the maximum of £5000 as per the scheme' s criteria.
- A maximum of **£10,000** grant for the renovation element of the scheme will include a new fuse board, internal walls being moved and additional power points to service the production floor layout. This offer will be subject to the company providing satisfactory evidence of the expenditure and will be given on a match funded basis subject to the maximum of £10,000 as per the scheme' s criteria.

The Cabinet report approving the overall scheme (key decision K1255 taken 15th October 2015), proposed a Job Creation Grant ranging from £100 to £500 per FTE depending on salary, a maximum Renovation Grant of £10k and a maximum Project Start Up Grant of £5k.

The company has certified the amount received in state aid in the current and two previous financial years. This amount, together with the aid sought from Doncaster Council is below the state aid De Minimis limit of €200,000. DMBC will notify the company in writing of the final amount of aid provided in Euros and British Pound Sterling (BPS) for the purpose of recording aid.

A legal funding agreement will be drawn up to reflect this ODR and will be signed off by DMBC Legal Department and signed by the Company.

The company is expecting to make the capital spend and renovations by the summer of 2017.

The new jobs created will be claimed between the budget years of 2017/18 with all

claims being made within 2 years of the agreement.

The renovation/project set up grant is expected to be paid within the 2017/2018 financial year.

The Council's Strategy and Performance Unit will oversee the validation of evidence provided by recipients of grant in respect of the duration of the jobs created and the eligibility of the postholders.

#### **Box 5**

##### **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 Council's 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 output

**Name: Debra Buckingham Signature: Debra Buckingham Date: 15.03.17  
Signature of Assistant Director of Legal and Democratic Services (or representative)**

#### **Box 6**

##### **FINANCIAL IMPLICATIONS:**

This award is considered to be the twenty-third proposal from the £1,500,000 pot for the Inward Investment Incentive Scheme. This supercedes a previous decision regarding the same Company due to changes to their Expression of Interest.

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

Grant

£

Job Creation	2,700
Project Set Up	5,000
Property Renovation	10,000
Total	<u>17,700</u>

If this ODR is approved then the total value of formal commitments from the pot will be £886,603; leaving £613,397 remaining for further grants. The uncommitted balance of the pot has increased since the last decision due to the withdrawal of some of the schemes previously considered. 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 were 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 there will be no uplift in business rates; therefore, the award on its own represents an overall expense, though this would ultimately be expected to be compensated for by the uplift in business rates from other awards within the scheme.

The proposed grants include an element of safeguarding, which was outside the criteria laid out in the body of the Cabinet report approving the overall scheme. However, the appendices to that 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 grants above have been determined on that basis.

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 Chief Financial Officer & Assistant Director of Finance.

**Name: Bev Crossley Signature: B Crossley Date: 10/03/2017**  
**Signature of Chief Financial Officer & Assistant Director of Finance**  
**(or representative)**

**Box 7**

**HUMAN RESOURCE IMPLICATIONS:**

There are no HR implications in relation to this ODR and the proposed Grant.

**Name:** Claire Rudd

**Signature:** C Rudd

**Date:** 07/03/2017

**Signature of Assistant Director of Human Resources and Communications (or representative)**

**Box 8**

**PROCUREMENT IMPLICATIONS:**

There are no direct procurement implications associated with this report however there is a need to ensure that the grant funding of such project offers the best return on investment with maximum outputs in line with the scope within this report, are within the De Minimis levels for state aid and a legal funding agreement will be drawn up to reflect this ODR

**Name:** S Duffield

**Signature:** S Duffield

**Date:** 08/03/17

**(or representative)**

**Signature of Assistant Director of Finance & Performance (or representative)**

**Box 9**

**ICT IMPLICATIONS:**

There are no ICT implications associated with this decision

**Name:** Peter Ward (ICT Strategy Programme Manager)

**Signature:**

**Date:** 08/03/17

**Signature of Assistant Director of Customers, Digital & ICT (or representative)**

**Box 10**

**ASSET IMPLICATIONS:**

There are no implications arising from the recommendations of this report that impact on the use of DMBC assets.

**Name:** Gillian Fairbrother (Assets Manager, Project Co-ordinator)

**Signature:** By email

**Date:** 7<sup>th</sup> March, 2017

There are no implications arising from the recommendations of this report that impact on the use of DMBC assets.

**Assistant Director of Trading Services and Assets  
(or representative)**

**Box 11**

**RISK IMPLICATIONS:**

Mobile Installation Solutions is a high growth business that is currently also working with the SCR Growth Hub Advisor. They are finding it difficult in Doncaster to find premises that have the parking for the fleet vehicles. If we do not show them that we support and value their growth, there is a real risk that they will move out of the area to a neighbouring authority.

The Council would then lose the 54 existing jobs of the existing workforce as well as the 10 that they intend to create as part of this project.

**Box 12**

**EQUALITY IMPLICATIONS:**

There are no equality implications as this scheme is open to all indigenous business who are growing, investing and creating new jobs.

**Name: \_Sue Harrison\_ Signature: S Harrison\_ Date: \_07/03/2017\_**  
**(Report author)**

**Box 13**

**CONSULTATION**

**Officers**

DMBC Business Rates team

DMBC Head of Service Strategy and Performance

DMBC Head of Service. Major Projects and Transportation

DMBC Assistant Director of Development

Steering Group Members for the Inward Investment Business Incentive Scheme

**Members**

**Under the Scheme of delegation, officers are responsible for day to day**

**operational matters as well as implementing decisions that have been taken by Council, Cabinet, Committee or individual Cabinet members. Further consultation with Members is not ordinarily required. However, where an ODR relates to a matter which has significant policy, service or operational implications or is known to be politically sensitive, the officer shall first consult with the appropriate Cabinet Member before exercising the delegated powers. In appropriate cases, officers will also need to consult with the Chair of Council, Committee Chairs or the Chair of an Overview and Scrutiny Panel as required. Officers shall also ensure that local Members are kept informed of matters affecting their Wards.**

**Please list any comments from Members below:**

**Box 14**

**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: Joan L'Amie Date: 28<sup>th</sup> March 2017  
Signature of FOI Lead Officer for service area where ODR originates**



