

OFFICER DECISION RECORD 1 FORM

This form should be used to record Officer Decisions in Excess of £100k (but below the key decision threshold), or where required by Financial, Contract or other Procedure Rules or following formal delegation from Cabinet or a Cabinet Member or a Council Committee.

Decision Reference No: PLACE23 0877

BOX 1

DIRECTORATE: Place

DATE: 4/9/2023

Contact Name: Lisa Whalley

Tel. No.: 01302 736736 / 07974 062253

Subject Matter: Business Investment Incentive Scheme – [REDACTED]

BOX 2**DECISION TAKEN**

To award the following maximum grant to [REDACTED] in relation to the Business Investment Incentive Scheme: -

Job Creation Grant £ [REDACTED]

Project Set Up Grant £ [REDACTED]

BOX 3**REASON FOR THE DECISION**

[REDACTED] is an SME business with a head office based in Harrogate, with an additional 2 clinics, one based in Morley, Leeds and the other based on the outskirts of Hull close to Alanby. They are looking to set up a 3rd clinic to capitalise on the demise of their main competitor in South Yorkshire and they have been looking at various premises here in Doncaster as well as Rotherham and Sheffield. They are looking to address the growing enquiry demand within our region; to further develop partnerships with the NHS locally, who want to contract out this specialist service and trial new technologically advanced treatment methods, to not only address the shortfall in current delivery, but to support huge reductions in future rehabilitation timelines.

[REDACTED] provide Intensive Outpatient Neurological Rehabilitation and launched the UK's first Intensive Neurological Rehabilitation centre augmented with Robotics and Virtual Reality technology in April 2018. [REDACTED] was quickly recognised by the Financial Times, Google and leading European policy makers for technological innovation, leading digital change and challenging an industry sector with a disruptive business model in the field of rehabilitation.

Following the success of the Leeds clinic, [REDACTED] decided to expand its services and open a second Intensive Neurological Rehabilitation Centre at its clinic in Hull, in December 2020.

There is a long-term plan for the Doncaster site, with a potential lease of 10 years with a 5 year break clause. The Doncaster site will initially start with a small workforce of up to 9 jobs being created in year one, although plans are being developed to expand the team by the end of year 3 to a potential team of 20, creating even more highly skilled jobs.

The company was incorporated in December 2017 and started trading in June 2018 with its first clinic being in Morley in Leeds. The second clinic was subsequently set up in the city of Hull, on the outskirts close to Analby.

Turnover YE 30.06.22 £■■■■

Turnover YE 30.06.23 ■■■■

Forecast YE 30.06.24 £■■■■

Forecast YE 30.06.25 £■■■■

A creditsafe report will be produced.

Current headcount is 29 which includes 2 imminently being recruited for the Doncaster site who will work at a temporary location to meet the local demand. The new clinic will add an additional 7 posts on top of these 2 by end of quarter 1 2024. Headcount expected to reach 20 within the next 3 years.

12 roles expected to be over the £■■■■ salary

8 roles expected to be under the £■■■■ salary.

The business is engaging with SYMCA and Business Doncaster as part of exploring various aspects of the regional business support offer and have been introduced to the regional university Sheffield Hallam and Business Doncaster's Advance team to support workforce recruitment and skill development needs.

The business was founded by ■■■■ who is a majority shareholder and person of significant control, along with her partner ■■■■

Both clinics provide a range of upper and lower limb robotics and virtual reality technology. The ■■■■ centres were the first in the UK with these particular devices, giving the clinic International Reference Centre Status for treatment, teaching and research. Since April 2018, ■■■■ have been opening their doors to other rehabilitation facilities from around the world as well as supporting NHS and private hospitals/clinics, such as Circle Health Birmingham to implement Intensive Robotics led rehabilitation to help improve neurological rehabilitation services across the UK.

The potential new investment in Doncaster will be between £■■■■ during the first year of landing. These costs cover;

■■■■ in state-of-the-art robotic equipment

Creation of highly skilled jobs for Doncaster resident's majority of salaries between £■■■■ in year 1 and up to 20 within the next 3 years.

Additional revenue to support Doncaster's supply chain, contracts will vary in value depending on services being contracted

Investment to facilitate a new Doncaster clinic

In addition to their current workforce across Leeds and Hull, the company intends to create 9 new jobs over the next 6 months which include:

1 x Clinical Manager

1 x Clinical Lead

4 x Therapists

2 x Therapy Assistants

1 x Admin Assistant

As a result of this potential investment, Business Doncaster discussed the possibility of offering support using the Business Investment Incentive Scheme to ensure that the company invested here as opposed to Rotherham or Sheffield, where other medical research connections and gaps in current provision had been highlighted. Business Doncaster will also work with the company to develop their local supply chain activity to support our circular economy. There has already been a list of Doncaster companies sent to the Finance Director who has started to making contact with these companies and hold initial conversations regarding contract opportunities. The supply chain opportunities which have been prioritised are:

- Serviced IT Maintenance
- Website Development and Management
- Daily Catering
- Daily Cleaning and Laundry
- Overnight Accommodation

BOX 4

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

A number of options were considered including not offering the company any incentives, however the nature of the investment would be good for Doncaster in terms of our vision to support companies who are forward thinking and keen to bring state of the art robotic technology to the city of Doncaster. This company are challenging current methods of rehabilitation through the use of robotics and have been able to evidence the methods they are using, can massively reduce rehabilitation timescales.

████ will be the first company to bring the latest models of robotic equipment to the Doncaster site. This equipment will put Doncaster on the map for neurological rehabilitation technology. Sarah the company Director has been instrumental in developing a strong relationship with the global manufacturer and will be introducing the manufacturer to Mexborough hospital, who are keen to invest in the same equipment as part of a future working collaboration between the hospital and █████ It is intended █████ will offer the long-term outpatient care, following NHS patients being treated through in-patient provision.

There will be various investments made by █████ when landing in Doncaster to include:

5-10 years of business rates

5-10 years commitment to leasing a minimum of 3500sq ft of space to set up the new clinic

Creation of up to 20 highly skilled jobs within the first 3 years of landing in Doncaster.

Supply Chain opportunities for Doncaster companies

The deal that we would like to offer █████ is:

A Job Creation Grant of up to £████ has been agreed for 12 higher skilled jobs paying in excess of £████, with a further 8 jobs paying between £████.

The total grant will be paid when the jobs have been created for a minimum period of 1 year and will be subject to the company providing written evidence of the staff appointed residing at a Doncaster postcode.

A maximum of a £████ grant towards the start-up costs of a neurological rehabilitation robotic clinic project, valued in excess of £████, offered as part of the Business Incentive Scheme. 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 £████ as per the scheme's criteria.

The Cabinet report approving the overall scheme (key decision K1255 taken 15th October 2015) and amended by an Executive Decision taken on 16th March 2021, proposed a First Time Occupier Grant based on new business rates generated for the Council, Job Creation Grant ranging from £████ per FTE depending on salary and a maximum Project Start Up Grant of £████.

The company has certified the amount received in subsidy aid in the last 3 financial years. This amount, together with the aid sought from Doncaster Council is below the subsidy control limit of £████

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 (end of 2023).

The new jobs created will be claimed between the budget years of (2024/2025) with all claims

being made within 3 years of the agreement.
The project set up grant is expected to be paid within the (2023/2024).

BOX 5

LEGAL IMPLICATIONS

The Localism Act 2011 provides the Council with a general power of competence which allows a Council 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 by key decision K1255 taken on 15th October 2015) and amended by an Executive Decision taken on 16th March 2021.

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

The report author has undertaken a subsidy analysis of the proposed grants.

The report author should ensure that the recipient contractually commits to the delivery of the outputs set out in this decision record.

Name: Phil Crawley Date: 26 September 2023

Signature of Assistant Director of Legal and Democratic Services (or representative)

BOX 6

FINANCIAL IMPLICATIONS:

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

Grant £■■■

Job creation grant £■■■

Project Set Up

£■■■

Total ■■■

If this ODR is approved then the total value of formal commitments from the pot will be £■■■; leaving £■■■ remaining for further grants. The value of applications that are currently in legal contract is £■■■. Decisions relating to other awards are 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 and subsequently revised by key decision 16th March 2021. The original 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 significant uplift in the business rates base; 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 final decision for approving this proposal will be made by the Director of Place, or, in their absence, the Assistant Director of Development; in consultation with the Chief Financial Officer.

Name: Cheryl Slade **Date:** 15.09.23

Signature of Chief Financial Officer and Assistant Director of Finance (or representative)

BOX 7

OTHER RELEVANT IMPLICATIONS (not required for BIIIS)

Name: _____ **Signature:** _____ **Date:** _____

Signature of Assistant Director (or representative)

ANY IMPLICATIONS SENT TO DEPARTMENTS SHOULD GENERALLY BE SUBMITTED AT LEAST 5 WORKING DAYS IN ADVANCE TO ENSURE THESE CAN BE GIVEN THE RELEVANT CONSIDERATION.

BOX 8

EQUALITY IMPLICATIONS: (To be completed by the author).

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

BOX 9

RISK IMPLICATIONS: (To be completed by the author)

Business Doncaster is supporting the company as a significant inward investor and in earlier discussions, we discussed the potential for a grant to ensure that the investment was made here as opposed to other areas of the region that were under consideration, Rotherham and Sheffield. They are a growth company in need of support, who will offer much needed employment opportunities including some skilled, well-paid posts that Doncaster residents can access. This incentive will ensure that they grow here as opposed to Rotherham or Sheffield.

BOX 10

CONSULTATION

Please detail any consultation undertaken in respect of this decision
BIIS Steering Group Members which include officers from:
Business Doncaster
Business Rates
Finance
Legal
PIC
(Any others as part of the process?)

BOX 11
INFORMATION NOT FOR PUBLICATION:

Information in box 1, box 2, box 3 paragraph 1, 2, 3, 4, 6, 7, 8, box 4 paragraph 2, 3, 4, 5 and financial information contained in box 6 should be redacted under section 43 of the Freedom of Information Act 2000 because this is deemed commercially sensitive information. Signatures should also be redacted under section 40 of the Freedom of Information Act 2000, as the information is deemed personal sensitive information and exempt from publication.

Name: Andrea Rowbotham **Date: 28th Sept 23** _____
Signature of FOI Lead Officer for service area where ODR originates

BOX 12
BACKGROUND PAPERS

Please confirm if any Background Papers are included with this ODR NO

(If YES please list and submit these with this form)

**BOX 13
AUTHORISATION**

Name: Dan Swaine Date: 06.10.23

Director for PLACE _____

Does this decision require authorisation by the Chief Financial Officer or other Officer

YES

If yes please authorise below:

Name: **Faye Tyas** Date: **09.10.23**

Assistant Director of Finance & Technology & Chief Financial Officer

Consultation with Relevant Member(s)

Where an officer decision has been taken in consultation with the Mayor, Cabinet Member or Committee Chair this should be recorded on this ODR.

Name: _____ Signature: _____ Date: _____

Designation _____

e.g. Mayor, Cabinet Member or Committee Chair/Vice-Chair.

Declaration of Interest YES/NO

If YES please give details below:

Any Cabinet Member or Committee Member (where the decision has been delegated by a Council Committee) who has been consulted on an officer decision must declare any interest they have in respect of the decision, and this should be recorded on the ODR form. Where there is no interest this should also be recorded. This is not applicable for general Member consultation or consultation with ward Members.

PLEASE NOTE THIS FORM WILL BE PUBLISHED ON THE COUNCIL'S WEBSITE IN FULL UNLESS IT CONTAINS EXEMPT OR CONFIDENTIAL INFORMATION.

Once completed a PDF copy of this form and any relevant background papers should be forwarded to Governance Services at Democratic.Services@doncaster.gov.uk who will arrange publication.

It is the responsibility of the decision taker to clearly identify any information that is confidential or exempt and should be redacted before publication.