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Date: 10/11/2025

Dear Member

**GROWTH, ECONOMIC DEVELOPMENT AND COMMUNITIES CABINET COMMITTEE -
TUESDAY, 11 NOVEMBER 2025**

Please find enclosed the paper for an additional agenda item 11 – 25/00102- Discovery Park Technology Investment Fund (DPTIF)- for consideration at the meeting on Tuesday 11 November 2025. These reports were not available when the main agenda was published.

This item has been added as a late item with the agreement of the Vice-Chair to ensure Committee consideration may be undertaken prior to any decision-making.

Agenda Item No

11 **25/00102- Discovery Park Technology Investment Fund (DPTIF) (Pages 1 - 14)**

Yours sincerely

Benjamin Watts
Deputy Chief Executive (Monitoring Officer)

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From: **Paul King, Cabinet Member for Economic Development and Coastal Regeneration**

Simon Jones - Corporate Director of Growth, Environment & Transport

To: Growth, Economic Development and Communities Cabinet Committee, 11 November 2025

Subject: **Discovery Park Technology Investment Fund (DPTIF)**

Key decision: 25/00102

Classification: **Unrestricted**

Past Pathway of report: 22/00070: KCC Equity Investments: New Investment Trust

Future Pathway of report: For Cabinet Member Decision

Electoral Division: All

Summary: Kent County Council is proposing to end the current Partnership for the management of the Discovery Park Technology Investment Fund (DPTIF), an equity scheme established in 2015 using Regional Growth Fund monies.

The end of this Partnership will allow KCC to transfer the shares of the six remaining companies within the DPTIF investment portfolio into KCC's beneficial ownership. The purpose of this action is to ensure financial savings to KCC and allow KCC to retain the shares for future growth potential or exit strategy.

Recommendation:

The Cabinet Committee is asked to consider and endorse or make recommendations to the Cabinet Member for Economic Development and Coastal Regeneration on the proposed decision as set out in the attached Proposed Record of Decision.

1. Background Information

- 1.1 There are three equity schemes/portfolios into which KCC historically invested the former Regional Growth Fund (RGF) and Kent and Medway Business Fund (KMBF) monies. Please note these are not KCC's own funds but UK Government funds invested under contract by KCC.
- 1.2 Initially the intention was for the KCC-administered former RGF schemes to be operated on a loan only basis but with the agreement of the UK Government, KCC was later able to offer equity investments. The first equity investments were made about a year after the first loans, under the KCC Bespoke RGF Equity Fund (KBREF) scheme. These equity investments were often made alongside loan investments. In 2015 the Discovery Park Technology Investment Fund (DPTIF) was

created and KCC entered a partnership with NAREC (now NCL Technology Ventures Ltd) to administer the funds for a 10-year period. In 2018, a further equity fund was introduced, the Kent Life Sciences Fund (KLSF) with a £5m budget and operated in the same way as DPTIF.

- 1.3 DPTIF focused on innovative early stage, high-growth companies initially based in Discovery Park. Managed by NCL under a 10-year partnership arrangement, this ends on the 14 December 2025. DPTIF is a third-party arrangement whereby all the shares, contracts, payments, and responsibility for selling the shares, lie with NCL outside KCC. KCC cannot unilaterally buy, sell or trade the DPTIF shares. As part of the establishment of DPTIF several companies were formed: Discovery Park Technology Investments (GP) Limited; Discovery Park Technology Investments (SLP) Limited; and Discovery Park Technology Investments LP. NCL have provided quarterly reports to the KMBF Investment Advisory Board (IAB) on all companies within the portfolio.
- 1.4 The DPTIF to date has invested £5,202,500 of equity investment into nine companies within the DPTIF portfolio. DPTIF provided equity investments to companies predominantly in the life science sector to support those companies' growth.
- 1.5 The original allocated budget for DPTIF has been fully committed by the fund managers and there are no remaining funds available for future equity investments.
- 1.6 Table 1 lists the five companies that are still actively trading within the DPTIF portfolio, with an initial investment value of £3,536,500. Four companies (TC Biopharm Limited, Alert Technology Ltd, Flute Office Limited, Avvinity Therapeutics Limited) have entered administration with a total loss to the Fund of £1,666,000. As confirmed in paragraph 3.9 any financial losses from investments to companies within the former DPTIF portfolio will be a loss to the Fund not to KCC. Due diligence was undertaken on all investments by the portfolio manager NCL and reported to the KMBF IAB.

Active Discovery Park Technology Investment Fund (DPTIF) Companies (Table 1)	
Companies	Original Investment £
Centauri Therapeutics Limited	734,000
Coomtech Ltd	1,452,500
Emoquo Limited	350,000
Revol Biotherapeutics Limited	500,000
Viramal Limited	500,000
TOTAL	3,536,500

- 1.7 All proceeds from the future sale of shares from companies currently within the former DPTIF portfolio will be returned to KCC, ring fenced as per RGF requirements and re-invested in local companies via the KMBF.

2. Background, Options & Risks

- 2.1 DPTIF investments are currently managed on behalf of KCC via legal agreements with NCL but given that the partnership is now coming to an end, a number of options were considered for the future of the fund.

2.2 Options - The following options were considered

- **Option 1: Continue the DPTIF Partnership:** Not recommended at this stage for the following reasons:
 - There is no indication that the sums expended on the Partnership management fees would result in a significant increase in the value of KCC's investment portfolio.
 - This therefore would not support KCC's economic drivers to increase growth, productivity, innovation, and job creation/protection.
- **Option 2: Close the DPTIF Partnership and sell the shares held by the Partnership:** Not recommended at this stage for the following reasons:
 - Due to the prevailing economic conditions selling the shares at this time could result in a significant reduction in the value of KCC's investment portfolio.
 - This therefore would not support KCC's economic drivers to increase growth, productivity, innovation, and job creation/protection.
- **Option 3: Close the DPTIF Partnership and transfer the shares held by the Partnership to KCC:** This is the **recommended option** for the following reasons:
 - Transferring the shares will provide the opportunity to sell the shares at the optimum time for the value of KCC's investment portfolio.
 - This would support KCC's economic drivers to increase growth, productivity, innovation, and job creation/protection.

2.3 Risks – The main risk of the transfer is that the shares could lose their value at a later date, but it is important to note that any future diminution in value would be written off against the Fund and not against KCC's base budget. It is not possible for KCC to mitigate this risk fully as all these investments were made in high-risk early-stage high technology companies. However, it is possible to ensure a degree of mitigation by undertaking detailed due diligence (via an independent valuation of the companies within the former DPTIF portfolio); closely monitoring the companies including offering them business support when required at a lower cost option for KCC; close monitoring on the share value and advise on the appropriate time to exit. A detailed report on the progress of each company within the former DPTIF portfolio will be submitted to KCC for discussion at the KMBF IAB every quarter.

3. Financial Implications

- 3.1 This Decision does not commit KCC to further additional investment in the former DPTIF portfolio companies.
- 3.2 The capital costs of loan and equity investments are sourced from current and future recycled loan and equity investments from the KMBF/RGF schemes.
- 3.3 The annual cost to KCC of administering the KMBF/RGF loan and equity schemes are funded from two sources: a) a management charge of up to 10% levied from the fund on the value of all investments made to companies; and b) an administrative charge of 10% levied from the companies on the value of all loans since November 2023. This makes the scheme self-funding, meaning that the combined

administration and management charges cover the direct costs of the loan and equity schemes

- 3.4 The current cost of managing DPTIF is £142,500 per annum via a management fee paid to NCL, KCC's external partner. In the future the annual monitoring cost will be reduced to no more than £50,000, paid to a KCC contractor (Jenson Funding Partners LLP). As mentioned above these fees are drawn from the recycled KMBF/RGF investments and come at no cost to KCC.
- 3.5 The shares will be transferred to KCC with nil consideration but may be subject to HMRC stamp duty. The cost of any duties will be drawn from the recycled KMBF/RGF investments and come at no cost to KCC.
- 3.6 In future the day-to-day monitoring of the portfolio of shares held by KCC will be carried out by a contractor appointed via KCC's Standard Procurement procedure, and KCC will cover staff and ongoing monitoring costs, funded by KMBG/RGF monies.
- 3.7 By retaining the shares in the former DPTIF portfolio companies, this will enable these investments to mature and increase the chances that KCC will be able to sell its shares in future for a higher amount and then be able to re-invest this income in local companies via the KMBF.
- 3.8 With the end of the DPTIF Partnership the companies formed as part of the creation of this partnership (Discovery Park Technology Investments (GP) Limited; Discovery Park Technology Investments (SLP) Limited; Discovery Park Technology Investments LP) will be dissolved.
- 3.9 Any financial losses from investments to companies within the previous DPTIF portfolio are a loss to the Fund not to KCC.
- 3.10 There are no additional KCC costs related to this decision.

4. Legal implications

- 4.1 KCC has an existing partnership agreement with NCL to manage the DPTIF until 14 December 2025. After this date KCC will enter a) a short-term management arrangement with NCL until the transfer of funds is completed (estimated to be 3-5 months); b) a short-term arrangement with an independent adviser to support the share valuation and to advise KCC during transfer of shares (2-3 months).
- 4.2 The KCC Business Investment Team – within KCC Economy - is also working alongside colleagues from both the KCC Office of General Counsel (OGC - legal expertise) and KCC Finance (debt mitigation) in relation to the equity investments. A detailed report from legal counsel has been commissioned via OGC from Bevan Brittan prior to this key decision on the process for winding down the fund and the transfer of shares to KCC.
- 4.3 Once the share transfer is completed, the future sale of those shares will be subject to KCC's Officer Scheme of Delegation. After independent financial advice, a Share Sale Approval Form will be prepared, signed by the Strategic Programme Manager, the Director for Growth and Communities and the Corporate Director for Growth,

Environment and Transport. This form is used to instruct KCC's appointed legal services to prepare the necessary sale documents.

- 4.4 KCC Internal Audit oversee all the loan and equity investment procedures and processes and advise on other matters related to the use of the funds.
- 4.5 The ability for KCC to continue to offer equity alongside loans to local businesses in Kent & Medway area has been granted by the Government until March 2032.

5. Policy Framework

- 5.1. This proposed decision is consistent with the current strategic plan priority; Levelling Up and is aligned with the strategic direction of travel in the planned new Strategic Statement; particularly the ambition to 'support local businesses to attract investment'. Decision making will continue to progress in line with the new Strategic Statement once enacted
- 5.2 The decision also supports the following priority in Securing Kent's Future – Budget Recovery Strategy, Objective 3 - Full cost recovery on discretionary spend.
- 5.3 The decision aligns with objectives in the Kent & Medway Economic Framework to 'support the conditions for [business] growth'.

6. Equalities implications

- 6.1 An Equality Impact Assessment (EqIA) has been undertaken, and this is attached to this report. No negative impacts on protected characteristic groups were identified.

7. Data protection

- 7.1 The existing privacy notice covers the operation of the KMBF, and no new data protection issues arise due to the contents of this paper.

8. Recommendation

The Cabinet Committee is asked to consider and endorse or make recommendations to the Cabinet Member for Economic Development and Coastal Regeneration on the proposed decision as set out in the Proposed Record of Decision.

9. Appendices

- Appendix A – Proposed Record of Decision
- Equality Impact Assessment

10. Contact details

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KENT COUNTY COUNCIL –PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

Paul King
Cabinet Member for Economic Development & Coastal
Regeneration

DECISION NO:

25/00102

For publication Discovery Park Technology Investment Fund

Key decision: YES

Subject Matter / Title of Decision: Discovery Park Technology Investment Fund

Decision: As Cabinet Member for Economic Development and Coastal Regeneration, I

- (i) AGREE to end the current DPTIF Partnership and transfer the existing shares into the beneficial ownership of Kent County Council
- (ii) DELEGATE authority to the Director of Growth and Communities to take relevant actions to transfer the shares and cease the operation of the DPTIF, including but not limited to entering into contracts or other legal agreements, as necessary to implement this decision

Reason(s) for decision:

Kent County Council is proposing to end the current Partnership for the management of the Discovery Park Technology Investment Fund (DPTIF), an equity scheme established in 2015 using Regional Growth Fund monies.

The end of this Partnership will allow KCC to transfer the shares of the five remaining companies within the DPTIF investment portfolio into KCC's beneficial ownership. The purpose of this action is to ensure financial savings to KCC and allow KCC to retain the shares for future growth potential or exit strategy

Background (brief)

DPTIF focused on innovative early stage, high-growth companies initially based in Discovery Park. Managed by NCL under a 10-year partnership arrangement which ends in December 2025. The DPTIF to date has invested £5,202,500 of equity investment into nine companies within DPTIF portfolio. DPTIF provided equity investments to companies predominantly in the life science sector to support their growth, five of the companies are still active. All proceeds from the future sale of shares from companies currently within the former DPTIF portfolio will be returned to KCC, ring fenced as per Regional Growth Fund requirements and re-invested in local companies via the Kent & Medway Business Fund

Financial Implications

This Decision does not commit KCC to further additional investment in the former DPTIF portfolio companies. The capital and revenue costs of the equity investments are sourced from current and future recycled loan and equity investments from the KMBF/RGF schemes so there is no direct cost to KCC. The current cost of management fees will be reduced by approximately by £90,000 per annum. By retaining the shares in the former DPTIF portfolio companies this will enable these investments to mature and increases the chances that KCC will be able to sell its shares in future for a higher amount and then be able to re-invest this income in local companies via the KMBF.

Legal Implications

There is a requirement for KCC to confirm its decision to end the DPTIF Partnership. KCC has sort

external legal advice on ending of the DPTIF Partnership and will engage independent advice on the valuation and transfer of the shares.

Equality Impact Assessment

An Equality Impact Assessment (EqIA) has been undertaken for the Kent & Medway Business Fund

Data Protection Impact Assessment

The existing privacy notice covers the operation of the KMBF loan and equity investments, and no new data protection issues arise due to the contents of this paper.

Cabinet Committee recommendations and other consultation:

The proposed decision will be discussed by members of the Growth, Economic Development and Communities Cabinet Committee at their meeting on 11 November.

Any alternatives considered and rejected:

Continue the DPTIF Partnership as there is no indication that the sums expended on the Partnership management fees would result in a significant increase in the value of KCC's investment portfolio and, therefore would not support KCC's economic drivers to increase growth, productivity, innovation, and job creation/protection.

Close the DPTIF Partnership and sell the shares held by the Partnership as in prevailing economic conditions selling the shares at this time could result in a significant reduction in the value of KCC's investment portfolio and, therefore would not support KCC's economic drivers to increase growth, productivity, innovation, and job creation/protection.

Any interest declared when the decision was taken, and any dispensation granted by the Proper Officer:

.....
signed

.....
date

EQIA Submission – ID Number

Section A

EQIA Title

The Kent and Medway Business Fund -2023

Responsible Officer

Susan Berdo - GT GC

Type of Activity

Service Change

No

Service Redesign

Service Redesign

Project/Programme

No

Commissioning/Procurement

No

Strategy/Policy

No

Details of other Service Activity

No

Accountability and Responsibility

Directorate

Growth Environment and Transport

Responsible Service

Economy

Responsible Head of Service

Steve Samson - GT GC

Responsible Director

Stephanie Holt-Castle - GT GC

Aims and Objectives

The Kent and Medway Business Fund (KMBF) was established in 2017 as a vehicle to deliver investment in new and existing small and medium sized enterprises (SMEs) in Kent and Medway, delivering sustainable employment over the long term, creating and adopting innovative products, processes and services and improve their productivity.

The objective of the scheme is not to replace commercial sources of finance or offer operating subsidies. Rather it will support projects with strong business cases for which commercial finance is unavailable on viable terms (for example, because the product or technology involved is untested). The scheme will offer two types of investments, KMBF Standard Loans which will provide finance for up to 50% of project costs for investments between £100,000 and £500,000, and the KMBF Small Business Boost Loans (KMBF SBB) which will provide no more than 70-80% of finance for KMBF investments of between £26,000 and £99,999, with the remaining balance funded through private sources, including bank lending.

Loans will be generally offered interest-free although arrangement charges will be levied to pay for administration costs.

Section B – Evidence

Do you have data related to the protected groups of the people impacted by this activity?

Yes

It is possible to get the data in a timely and cost effective way?

No
Is there national evidence/data that you can use?
Yes
Have you consulted with stakeholders?
Yes
Who have you involved, consulted and engaged with?
<p>To deliver the scheme, Kent County Council works closely with all the Kent City, District and Borough Councils and with the Unitary Authority of Medway Council.</p> <p>The scheme will be run in line with KCC's Equality & Diversity Policy Statement. As such we are committed to promoting equality, valuing diversity and combating unfair treatment. Equality and freedom from discrimination are fundamental rights and we seek to demonstrate leadership and commitment in promoting these rights.</p> <p>KCC is in regular contact with local trade bodies for the business community and the local chambers of commerce, independent business advisors, Locate in Kent, and the Federation of Small Businesses. KCC manages the Kent and Medway Growth Hub from whom it receives some referrals to the scheme. All referrals are recorded and include some Equality data, in line with the Department for Business & Trade (DBT) Framework. The Growth Hub maintain extensive data sets to include business information for Kent and Medway, to which KCC have access. The Growth Hub report on a regular monthly basis as part of their contractual obligations</p> <p>We are committed to ensuring that current and potential business applicants, their employees and job applicants will not be discriminated against on the grounds of social circumstances, gender, race, disability, sexuality, age, religion/belief or any other protected characteristic.</p> <p>Only limited data on protected characteristics is currently gathered by the application process, specifically age and gender and this is cross referenced to data held at Companies House. This data has been compared with the data reported in the House of Commons Research Briefing on Business Statistics dated 6 December 2022, which confirmed national statistics regarding leadership of businesses by gender and ethnicity.</p> <p>The Office of National Statistics does not currently gather data regarding the age of business leaders or directors, so it is difficult to find comparative data on this factor. However the Global Entrepreneurship Monitoring United Kingdom Monitoring Report 2021 states that those aged 25-34 are more likely to be involved in early-stage entrepreneurial activity than all other age groups, though the difference between other ages groups between 18 and 44 is not significant. In this regard, the new KMBF scheme will offer loans to both established, early stage and start-up businesses.</p> <p>KCC now uses a voluntary equality and diversity survey at pre-application stage to gather anonymous data regarding applicant's protected characteristics. The response rate to this survey is currently 22.2%, the results indicate that the make-up of the applicants' businesses in terms of gender leadership and ethnicity are broadly in line with the national statistics recorded in the House of Commons Research Briefing, and that the applicants by age are also broadly comparable to national statistics.</p>
Has there been a previous Equality Analysis (EQIA) in the last 3 years?
Yes
Do you have evidence that can help you understand the potential impact of your activity?
Yes
Section C – Impact
Who may be impacted by the activity?

Service Users/clients Service users/clients
Staff No
Residents/Communities/Citizens Residents/communities/citizens
Are there any positive impacts for all or any of the protected groups as a result of the activity that you are doing?
Yes
Details of Positive Impacts
<p>The revised scheme will target all sectors of the business community and information and application forms will be easy to access. There are multiple possible referral routes (the Business & IP Centre, business associations (FSB, IoD), chambers of commerce and the Growth Hub, business community groups) to reach the Kent & Medway business community. The project has strict perimeters in which it can operate. Businesses that are eligible for support have to be located within the eligible area - Kent and Medway.</p> <p>The revision of the Standard Loan Scheme and the Small Business Boost Scheme have been supported by a range of web accessible marketing collateral which includes appropriate imagery reflecting the county business demographic. Hard copies of all documentation are available and alternative versions of the application documents can be made available when requested. The delivery team have consulted with industry professionals to ensure the widest possible reach and ensure that representation is multi-faceted. Any physical engagement events will take into account meeting times to suit a range of needs and will ensure that there is full disability access to enable maximum engagement and opportunity. This new marketing collateral will be used as part of a wider marketing communications strategy to improve awareness and reach of the Kent & Medway Business Fund.</p> <p>The scheme will make available services and make any possible steps to accommodate any circumstances or adjustment that is required to accommodate business directors with any of the protected characteristics. All online communications material is subject to a digital accessibility check to ensure that it meets the WCAG 2 recommendations (Web Content Accessibility Guidelines)</p> <p>With regard to the equality & diversity data that the Kent & Medway Business Fund currently gathers the make-up of these businesses in terms of whether they are female led, male led or equally led are broadly in line with national statistics (source: House of Commons), though KCC will use targeted promotional activities to make direct engagements with members of the Kent Population with protected characteristics. KCC will continue to use existing tools to gather equality & diversity data in their latest forms, while ensuring ongoing compliance with data protection policies in order to ensure that individual's data is kept private and anonymised.</p> <p>All funding decisions are based on the business case and financial viability only. Support is provided to the Investment Advisory Board (including training if required) who make funding recommendations (the final decision lies with KCC) to ensure compliance with our equality duties.</p> <p>It is a legal requirement of the scheme's funding agreement with the UK government to promote equality & diversity though opportunities for addressing equality issues outside of the eligible areas and activities defined within this contract are restricted. The programme management team are in a good position to promote equal opportunities and can provide examples of good practice.</p>
Negative impacts and Mitigating Actions
19.Negative Impacts and Mitigating actions for Age
Are there negative impacts for age?

No
Details of negative impacts for Age
Not Applicable
Mitigating Actions for Age
Not Applicable
Responsible Officer for Mitigating Actions – Age
Not Applicable
20. Negative impacts and Mitigating actions for Disability
Are there negative impacts for Disability?
No
Details of Negative Impacts for Disability
Not Applicable
Mitigating actions for Disability
Not Applicable
Responsible Officer for Disability
Not Applicable
21. Negative Impacts and Mitigating actions for Sex
Are there negative impacts for Sex
No
Details of negative impacts for Sex
Not Applicable
Mitigating actions for Sex
Not Applicable
Responsible Officer for Sex
Not Applicable
22. Negative Impacts and Mitigating actions for Gender identity/transgender
Are there negative impacts for Gender identity/transgender
No
Negative impacts for Gender identity/transgender
Not Applicable
Mitigating actions for Gender identity/transgender
Not Applicable
Responsible Officer for mitigating actions for Gender identity/transgender
Not Applicable
23. Negative impacts and Mitigating actions for Race
Are there negative impacts for Race
No
Negative impacts for Race
Not Applicable
Mitigating actions for Race
Not Applicable
Responsible Officer for mitigating actions for Race
Not Applicable
24. Negative impacts and Mitigating actions for Religion and belief
Are there negative impacts for Religion and belief
No
Negative impacts for Religion and belief
Not Applicable
Mitigating actions for Religion and belief
Not Applicable

Responsible Officer for mitigating actions for Religion and Belief
Not Applicable
25. Negative impacts and Mitigating actions for Sexual Orientation
Are there negative impacts for Sexual Orientation
No
Negative impacts for Sexual Orientation
Not Applicable
Mitigating actions for Sexual Orientation
Not Applicable
Responsible Officer for mitigating actions for Sexual Orientation
Not Applicable
26. Negative impacts and Mitigating actions for Pregnancy and Maternity
Are there negative impacts for Pregnancy and Maternity
No
Negative impacts for Pregnancy and Maternity
Not Applicable
Mitigating actions for Pregnancy and Maternity
Not Applicable
Responsible Officer for mitigating actions for Pregnancy and Maternity
Not Applicable
27. Negative impacts and Mitigating actions for Marriage and Civil Partnerships
Are there negative impacts for Marriage and Civil Partnerships
No
Negative impacts for Marriage and Civil Partnerships
Not Applicable
Mitigating actions for Marriage and Civil Partnerships
Not Applicable
Responsible Officer for Marriage and Civil Partnerships
Not Applicable
28. Negative impacts and Mitigating actions for Carer's responsibilities
Are there negative impacts for Carer's responsibilities
No
Negative impacts for Carer's responsibilities
Not Applicable
Mitigating actions for Carer's responsibilities
Not Applicable
Responsible Officer for Carer's responsibilities
Not Applicable

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