

KENT COUNTY COUNCIL – RECORD OF DECISION

DECISION TAKEN BY:

Derek Murphy, Cabinet Member for Economic Development

DECISION NO:

23/00088

For publication

Key decision: YES

Subject Matter / Title of Decision: Kent & Medway Business Fund 2023

Decision:

As Cabinet Member for Economic Development, I agree to:

- (i) Reopen the Kent & Medway Business Fund (KMBF) in October 2023 and continue to provide loan finance to businesses until March 2032;
- (ii) Approve the KMBF Scheme Governance and decision-making arrangements; and
- (iii) Delegate authority to the Director of Growth and Communities to take relevant actions, including but not limited to entering into contracts or other legal agreements, as necessary to implement this decision.

Reason(s) for decision:

The Government allocated £55 million from the Regional Growth Fund (RGF) to KCC between 2011 and 2014 to provide business loan finance. On 31 March 2023 KCC's current contracts with government pertaining to the RGF funds originally allocated expired, and the scheme closed.

The Business Investment Team had submitted a formal Business Case to the Head of Regional Growth Fund to support the retention of the recycled KMBF/RGF loan repayments on 25 January 2023. On 12 June 2023 the Head of Regional Growth Fund, DLUHC, provided written confirmation allowing KCC to continue managing the recycled KMBF/RGF investments to provide loans to local businesses until March 2032.

Cabinet Committee recommendations and other consultation:

The proposal was considered and endorsed by Members of the Growth, Economic Development and Communities Cabinet Committee at their meeting on 26 September.

Any alternatives considered and rejected:

- **Close down the scheme:**
 - KCC's on-going management cost of the existing investment portfolio would not be covered as there would be no new loan expenditure, therefore recovering KCC management costs would have required special approval from DLUHC.
 - This would not support KCC's economic drivers to increase growth, productivity, innovation, and job creation/protection.
- **Commissioning the scheme out to a 3rd party provider.**
 - It is unclear if doing so would offer up any significant savings (scheme administration),

improve investment performance over time, or reduce bad debt; nor ensure complete alignment during any procured contract term to KCC's priorities.

- Within the RGF Evaluation and throughout the approval with DLUHC the internal administration of the scheme was highly commended.

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

None

DP Murphy

10 October 2023

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signed

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date