

TEMPLATE FOR ENTRY TO FORWARD PLAN OF KEY DECISIONS

Responsible Cabinet Member – Mark Dance, Cabinet Member for Regeneration and Economic Development

Reference No:

Key **YES**

Section 1 – the decision needed, how it relates to Bold Steps for Kent (BS4K) and the Corporate Objectives of the Council/ What is the impact, costs and risks involved. With this proposed decision.

Title:

Sturry Road, Canterbury: Decision to enter credit agreement to secure Growing Places Fund investment

The Decision needed: (The title of the decision or narrative of the decision needs to be self explanatory so it is clear what the decision is being sought)

Decision

A Decision is required such that, subject to due diligence, Kent County Council shall agree to enter into credit agreements to secure investment from the Growing Places Fund to deliver commercial development at Sturry Road, Canterbury.

Background

Growing Places Fund (GPF) is a Government scheme which provides loan finance to unlock development sites where these will create new jobs and homes. In the South East, the Fund is administered by the South East Local Enterprise Partnership (LEP), for which Essex County Council acts as the accountable body.

Following a call for projects and appraisal, the LEP has given indicative approval to allocate up to £629,000 to bring forward a commercial site at Sturry Road, Canterbury.

In order to secure this funding, it is proposed that KCC will enter into:

- a) A credit agreement with Essex County Council to draw down the GPF funding; and
- b) A subsidiary credit agreement with the private sector owners of the development.

This shall be subject to final due diligence.

How the decision relates to BS4K and Corporate Objectives

This Decision contributes to delivery of the following Delivering Bold Steps priorities:

- Priority 8: Respond to key regeneration challenges, working with our partners. This specifically prioritises actions to unlock key sites, where these will lead to jobs and housing

Impact/costs and risks of proposed decision

Impact

The proposed Decision will mean that KCC will be able to draw down Growing Places Fund investment of up to £629,000. It is anticipated that this will unlock 4,000 sq m commercial floorspace and facilitate the creation of 40 jobs (gross) by 2015.

Risks

GPF funding is repayable. The primary risk is that KCC will be liable to repay the GPF loan to the Accountable Body, even if the private sector organisation is unable to repay the subordinate loan to KCC. This will be mitigated through due diligence, the robust drafting of the credit agreements, and project monitoring.

State Aid risks will be mitigated through the charging of an appropriate rate of interest, with all repayments (less costs to KCC) repaid to the GPF fund.

Costs

There will be some costs to KCC in managing the credit agreement. These will be recovered through interest payments and/ or through recharges to the central GPF fund, with costs and recovery mechanisms considered in development of the credit agreement.

Section 2 – Who is taking the final decision and when

Who is taking the Decision

Mark Dance, Cabinet Member for Regeneration and Economic Development

Date:

July 2013

If Key Decision - reason (see note on what constitutes a Key Decision)

Technically, this Decision does not constitute a Key Decision. However, it is proposed that it is taken alongside a number of other Decisions to enter into agreements to draw down Growing Places Fund. Cumulatively, these will incur expenditure of over £1 million and result in impacts on two or more electoral wards.

Reason if this decision has been delayed/withdrawn from a previous plan

Not applicable

Notify all Members of the Council

Yes

Section 3 – Who is to be consulted? If no please provide reasons?

Please state if there are any additional legal requirements to consult other than those stated in the Local Government Act 1999 - Best Value Duty.

There are no additional legal consultation requirements.

Aims and level(s) of consultation (*KCC consultation levels attached*)

KCC has taken the advice of the members of the South East Local Enterprise Partnership Board, who have been involved to Level 3 (Make Choices).

Key consultee groups

South East Local Enterprise Board members (including business representatives and local authority leaders).

In addition, Canterbury City Council has been consulted as part of the project appraisal process.

Start and finish dates of consultation.

Summer 2012 – March 2013

Equalities Impact Assessment included in the consultation documentation. Please state where this can be found.

No – an Equalities Impact Assessment has not yet been prepared. It is anticipated that there will be few equalities impacts arising from this Decision. However, there may be combined impacts arising from the series of proposed Decisions to enter into credit agreements for GPF for a number of projects. It is therefore proposed that a single Equalities Impact Assessment will be undertaken for all related Decisions prior to the proposed Decision for this project being taken.

Date of publication of consultation outcomes and updated Equalities Impact Assessment

There is no separate consultation outcomes report. However, the discussion at the East LEP Board has been published at www.southeastlep.com.

Informing Only (Who and when)

Not applicable.

Has the matter already been discussed by a Cabinet Committee? If not when will be it discussed by the Cabinet Committee and the date of the meeting

Yes. KCC's approach to Growing Places Fund has been discussed by the Economic Development Cabinet Committee on 5 July 2012 and 21 September 2012.

In addition, the proposed Decision will be discussed by ED Cabinet Committee on 14 June.

Is the matter referred to in your Business Plan or Medium Term Capital Programme?

Yes – Referred to in Economic Development Unit Divisional Business Plan 2013/14

Which Members and electoral Divisions are affected by this proposed decision? Is it All Members?

The development is located in on the boundary of Canterbury City North East (Graham Gibbens) and Herne and Sturry (Alan Marsh).

There may also be some impacts elsewhere in Canterbury (Canterbury West (John Simmonds), Canterbury City South East (Michael Northey), Canterbury City South

West (Martin Vye)).

Section 4 – Responsible Officer – Who to contact for more information.

Your name, Your Service, Your phone number and email address:

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Support documents

None