
By: John Simmonds, Deputy Leader and Cabinet Member for Finance & Procurement
Andy Wood, Corporate Director of Finance & Procurement

To: Governance and Audit Committee Trading Activities Sub Committee - 3 March 2014

Subject: East Kent Opportunities LLP

Classification: Unrestricted

Summary: To provide an annual report on East Kent Opportunities LLP as requested by the Governance and Audit Committee Trading Activities Sub Committee.

FOR ASSURANCE

INTRODUCTION

1. This report is the annual review of East Kent Opportunities LLP which is a Joint Arrangement that is Not an Entity (JANE).
2. This report provides an update on East Kent Opportunities LLP. Its Annual Report and Financial Statements for 2012/13 are attached at **Appendix 1** for Members' review and consideration.

UPDATE ON EAST KENT OPPORTUNITIES

3. Background

Kent County Council (KCC) and Thanet District Council (TDC) wished to bring forward the economic development and regeneration of the sites known as Eurokent and Manston Business Park. A Member Agreement was signed on the 22 August 2008 and a joint arrangement vehicle was set up, the East Kent Opportunities LLP (EKOLLP), which was incorporated on the 4 March 2008. KCC and TDC have 50:50 ownership, control and economic participation in the joint arrangement. KCC and TDC contributed 38 acres of land each to EKOLLP. The land was valued for stamp duty land tax (SDLT) at £5.5m (KCC contribution) and £4.5m (TDC contribution). The powers used are the 'well-being powers' provided to local authorities in Part I of the Local Government Act 2000.

4. Current Position

The current position and outlook for EKO and, therefore, KCC's interest therein is showing an increasingly positive view:

- i. EKO LLP and Rosefarm Estates Ltd (the owners of the northern commercial/retail/leisure area of Eurokent) submitted a joint mixed use planning application in Autumn 2011. This was refused permission on the 16th October 2013 by Thanet District Council's Planning Committee, on the basis of Local Plan Policy H1 and that the land is designated in the local plan as solely for employment use. EKO and Rosefarm are now pursuing an appeal under Section 78 of the Town and Country Planning Act 1990 (as amended), on the basis of encouraging advice from Queen's Counsel, and in accordance with the Government's National Planning Policy Framework where there is emphasis on the need for new homes and in the knowledge that TDC has an emerging new Local Plan.
- ii. If the Appeal is successful, then EKO will be in a position to begin seeking development partners for early phased release of the Eurokent site later this Summer.
- iii. In the meantime, EKO is accommodating the development of the new Laleham Gap (Special Educational Needs) School on EKO land at Eurokent, adjacent to the Marlowe Academy, which is being pursued in conjunction with KCC Property Group and Department for Education with Government funding. This collaboration is as a result of a land swap agreement between KCC and EKO which means that EKO will ultimately acquire the existing school site in Cliftonville for residential redevelopment.
- iv. The loan agreement for the Eurokent Link Road is also being reviewed with a view to 50% of the cost being shared with Thanet District Council and the remaining being re-profiled to a later date to allow EKO to realise an income stream from the Eurokent site post planning appeal decision.
- v. Manston Business Park has also seen an increase in activity with the sale of one plot to facilitate expansion plans for an existing major occupier. These works are almost complete with a further plot to be leased to the same company to allow a connecting roadway between two of their operational sites
- vi. Another plot (Plot 5) at Manston Business Park is under development with TCS Ltd and two sister companies that are moving into Kent from the West Country and creating local jobs. This includes company HQ and operations facilities as well as additional speculative incubator / light industrial units for hire by other businesses. This particular company has benefited from Expansion East Kent funding. Several other live enquiries are being dealt with.

5. East Kent Opportunities LLP's Annual Report and Financial Statements for 2012/13 are attached at Appendix 1, and the key points can be summarised as follows:

- i. In 2012-13, in the EKOLLP accounts, the net assets of the joint arrangement are £10m with an operating loss before members' remuneration and profit shares available for discretionary division among members of £0.20m.
- ii. The accounts have been approved by the EKO Management Committee and lodged with Companies House.

6. Members are recommended to note the contents of this report for assurance, and to note East Kent Opportunities LLP's Annual Report and Financial Statements for 2012/13, attached at **Appendix 1**.

Theresa Bruton, E&E, Regeneration Projects
Bev Gibbs, BSS, Finance & Procurement
3 March 2014