

Executive Decision

From: Director of Economic Development, David Smith
To: Cabinet Member for Economic Development, Mark Dance
Decision No: 14/00133
Subject: **Approval of Equity Investment from the TIGER Fund**

Key decision

Equity Investment value is over £1million

Classification: **Unrestricted with exempt appendices**
Appendices exempt from publication under paragraph 3 of schedule 12A of the Local Government Act 1972 "Information relating to the financial or business affairs of any particular person (including the authority holding that information)."

Past Pathway of Paper: North Kent Approval Panel

Electoral Division: North Kent

Summary: To seek endorsement of the recommendations of the North Kent Approval Panel, and formal agreement to approve an Equity Investment application to the TIGER this.

Recommendation(s):

It is recommended that the Cabinet Member agree to implement the recommendation of the North Kent Approval Panel and grant an equity investment to the Company set out in the exempt report, subject to the conditions also contained therein, of £1,174.072million from the TIGER Fund.

1. Introduction

1.1 The TIGER programme aims to provide financial support to businesses seeking to invest in projects that will create higher-value employment through the development of new products, services and processes. TIGER seeks to respond to the gap in economic outcomes between the Thames Gateway and the South East's other growth areas by providing targeted funding to companies where this will secure additional private sector finance and support the sustainable job creation. Should this application be successful it will have been deemed to meet the aims of the project.

Geographically, the programme focuses on North Kent (Dartford, Gravesham, Medway and Swale) with the addition of Thurrock.

2. Financial Implications

- 2.1 Although the decision involves the purchase of shares to the value of £1.174.072m, if agreed, there is no financial impact for Kent County Council as the TIGER Fund monies were allocated as the result of a successful bid to the Regional Growth Fund and ring-fenced for the TIGER project only.
- 2.2 Furthermore the award is in the form of equity investment and all monies will be recovered from the applicant and will be set out in the terms and conditions of the equity agreement.

3. Bold Steps for Kent and Policy Framework

- 3.1 TIGER helps to secure two of the main aims of the Council's medium term strategy, Bold Steps for Kent by tackling disadvantage and helping the Kent economy to grow.

4. The Report

- 4.1 An application from a business eligible to apply according to the criteria set out in the TIGER Fund has been received. The applicant is seeking to secure equity investment to the value of £1,174.072m.
- 4.2 The application has been subject to an independent appraisal from PWC and the consequent report has been considered by the North Kent Approval Panel in line with the governance of the TIGER Fund as agreed by the Department for Business, Innovation and Skills.
- 4.3 The Panel also received a presentation from the business owners, and had an opportunity to put questions and receive answers.
- 4.4 The Panel has recommended that the equity investment be approved.

5. Governance:

- 5.1 The Equity Investment application has been considered by the appropriate advisory body in line with the TIGER fund governance requirements, approved by the Department for Business, Innovation and skills and agreed by Cabinet member decision; the North Kent Approval Panel. The advisory body has recommended that the equity investment be accepted. Relevant documentation is attached; it is exempt from publication in accordance with Paragraph 3 of Part 1 Schedule 12a of the Local Government Act 1972.
- 5.2 All members have been given the opportunity to comment on the proposed decision before it was taken by the Cabinet Member. *Any comments received will be given due regard by the Cabinet Member when taking the decision and will be published as part of the Record of Decision or accompanying documentation.*
- 5.3 The Growth, Economic Development and Communities Cabinet Committee will receive, as part of its regular updates, information pertaining to this and other grants, loans and equity investment made and performance against targets.
- 5.4 The Executive Scheme of Delegation for Officers set out in Appendix 2 Part 4 of the Constitution (and the directorate schemes of sub-delegation made thereunder)

provides the governance pathway for the implementation of this decision by officers. In this instance, Director of Economic Development (on behalf of the Corporate Director of Growth, Environment and Transport) will be the lead officer seeking to ensure that all such steps as are necessary to implement the decision.

5. Conclusions

- 5.1 The North Kent Approval Panel has recommended that the proposal be fully funded, with the following conditions:
- All jobs to be maintained within the TIGER area
 - External advice to be taken on the valuation and proposed share allocation.
 - KCC officers to negotiate a share allocation of around 10% and the detail to be brought back to the panel.
 - All legal costs to be covered by the company
- 5.2 Officers consider that all the conditions have been met and evidence is attached.
- 5.3 The equity investment is considered to meet the criteria for approval and as such will support sustainable job creation in North Kent.

6. Recommendation(s):

The Cabinet Member is asked to: agree to implement the recommendation of the North Kent Approval Panel and grant an equity investment to the Company set out in the exempt report, subject to the conditions also contained therein, of £1,174.042million from the TIGER Fund.

Governance:

The Executive Scheme of Delegation for Officers set out in Appendix 2 Part 4 of the Constitution (and the directorate schemes of sub-delegation made thereunder) provides the governance pathway for the implementation of this decision by officers. In this instance, the Director of Economic Development (on behalf of the Corporate Director for Growth, Environment and Transport) will take all such steps as are necessary to implement the decision.

7. Background Documents

- 7.1 All documentation relevant to the decision maker is included as appendices to this report

Appendix - UNRESTRICTED – Proposed Record of Decision

Appendix 1 – EXEMPT - Independent Appraisal Report

Appendix 2 – EXEMPT – Company presentation

Appendix 3 – EXEMPT - Notes from the meeting of the NKAP (Advisory Panel)

Appendix 4 – EXEMPT - Signed form - acknowledgement of recommendations

Appendix 5 – EXEMPT – Condition satisfaction

Appendix 6 – EXEMPT – Condition Satisfaction

Appendix 7 – EXEMPT – Condition Satisfaction

Appendix 8 – EXEMPT – Condition Satisfaction

8. Contact details

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