

## Executive Decision

From: Director of Economic Development, David Smith

To: Cabinet Member for Economic Development, Mark Dance

Decision No:

Subject: **Approval of Loan from the TIGER Fund**

### **Key decision**

*Loan 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

**Future Pathway of Paper:** N/A

**Electoral Division:** North Kent

**Summary:** To seek endorsement of the recommendations of the North Kent Approval Panel, and formal agreement to approve a loan application to the TIGER Fund from a North Kent business and enter necessary contractual relations to facilitate this.

### **Recommendation(s):**

It is recommended that the Cabinet Member agree to implement the recommendation of the North Kent Approval Panel and grant a loan to the Company set out in the exempt report, subject to the conditions also contained therein, of £1,025,750 million 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 (mainly on an interest-free loan basis) 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 loan of £1,025,750 m, 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 a loan and all monies will be recovered from the applicant and will be set out in the terms and conditions of the loan 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 a Loan to the value of £1,025,750m to be repaid between March 2016 and March 2021.
- 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 loan be approved.

## **5. Governance:**

- 5.1 Grants and Loans under £1million in value and recommended for approval by the Panel, are delegated for decision to the Director of Economic Development in consultation with the Cabinet Member for Economic Development. Owing to the value of this loan it is required that a Cabinet Member Decision be taken in accordance with the rules established for the scheme.
- 5.2 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 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:
  - An option of taking security for part of the funding to be explored with the company but is not a mandatory requirement.

- Specific eligible costs to be confirmed as some costs incorporated within the proposal are ineligible.
- Company to agree early repayment if financial viable.
- Evidence of total match funding to be submitted (as detailed at presentation)

5.2 Officers consider that all the conditions have been met.

5.3 The loan is considered to meet the criteria for approval and as such will and 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 a loan to the Company set out in the exempt report, subject to the conditions also contained therein, of £1,025,750million 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 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 1 - A copy of presentation by the applicant
- Appendix 2 - A copy of the appraisal report by independent appraisers Pricewaterhouse Cooper (PwC)
- Appendix 3 - Risk identification and action table
- Appendix 4 – Extract from Minutes of 6h August North Kent Panel meeting

Background documents

- A copy of Full Application Form

## 8. Contact details

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