

*(Please don't add page numbers or an item number).*

From: Barbara Cooper Corporate Director, Growth Environment and Transport

To: Mike Hill Cabinet Member for Community and Regulatory Services

Decision No: 17/00119

Subject: **Javelin Way Development**

Classification: Unrestricted

**Electoral Division:** Ashford Central

**Summary:**

The County Council owns 2.32 acres of surplus land adjacent to the Ashford Highways depot in Ashford. The Jasmin Vardimon Company (JVC) has identified this site as the best location outside London for a new Creative Laboratory and has been successful in securing a £3m grant from Arts Council England (ACE).

ACE is seeking a match funding contribution from KCC and the proposal will be to fund this contribution from the sale and disposal of an adjacent industrial enabling development.

**Recommendation:**

As Cabinet Member for Community and Regulatory Services I agree to:

Enter into legal agreements including, but not limited to, a Memorandum of Understanding and Collaboration Agreement with Jasmin Vardimon Company.

Authorise the Director of Infrastructure to enter into all necessary legal agreements for the construction of the enabling development and the Jasmin Vardimon Creative Laboratory.

Authorise the Director of Infrastructure to enter into all necessary legal agreements for the sale and/or lease of the enabling development units and/or the Jasmin Vardimon Creative Laboratory.

Permit the project subject to KCC's VAT partial liability exemption position not being breached or in breach.

**1. Introduction**

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- 1.1 Jasmin Vardimon Company (JVC) is seeking new premises having outgrown its current location at the Stour Centre in Ashford. JVC has been successful with a bid to Arts Council England (ACE) for a capital project of £6m to be funded by a grant of £3m from ACE and match funding to be found by KCC. ACE has awarded JVC National Portfolio Organisation status, which guarantees ACE revenue funding for at least 4 years.
- 1.2 The new JVC Creative Laboratory is one of the “Big 8” regeneration projects in Ashford identified in the KCC Ashford District Deal. The Javelin Way development consists of two developments: the JVC facility and adjacent commercial enabling development of 29 units.
- 1.3 Units on the enabling development are anticipated to generate a 20% return to KCC. This return will be used to fund the construction of the JVC facility. Ashford Borough Council (ABC) has undertaken to assist with site planning. KCC would retain the freehold of the Creative Laboratory with JVC taking a 25 year lease.
- 1.4 Completion of this project will result in the following outcomes:
  - 1.4.1 Delivery of commercial units creating a stable income stream and or capital receipts to KCC.
  - 1.4.2 Economies of scale by bringing forward both the Creative Laboratory and commercial units in tandem.
  - 1.4.3 Maximised land value through seeking planning and building on the current site.
  - 1.4.4 New production and education spaces that assure JVC long term financial sustainability and delivers 45 jobs and freelance opportunities in Ashford. ;
  - 1.4.5 Create a facility that grows JVC’s resilience and sustainability in order to lower their reliance on grants from KCC and ABC.

## **2. Financial Implications**

- 2.1 Funding for the project comes from £3m grant from ACE, £180k of banked S106 funds and sales from the enabling development. In order to forward fund the delivery of the project, KCC is seeking to secure a loan from SELEP of up to £1.597m at 2% interest below the Public Works Loan Board maturity rate with the remainder coming from an internal KCC loan from the Property and Infrastructure Fund.
- 2.2 Were the project to fail to meet their agreed repayment schedule, the interest charged by SELEP will default back to the market rate.

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### **3. Policy Framework**

3.1 The project is in line with KCC strategic objectives including:

- Securing Jasmin Vardimon within Kent which will ensure Kent's residents benefit from greater social and cultural opportunities. Having considered alternative locations across Kent, JVC believe that this option provides the best possible location to deliver the service."
- Delivery of both the enabling industrial units and the Jasmin Vardimon Creative Laboratory will ensure training opportunities for young people, create new jobs and support Kent's business growth.

### **4. The Report**

4.1 Options which were considered are as follows:

- Option 1: JVC remains, in the short term, at their current location within the Stour Centre. The space requirements of the Company cannot be accommodated within the limitations of the building. The long term plans of Ashford Borough Council are expanding the leisure and recreation offer at the Centre so JVC would have to relocate. If JVC relocates, it would be outside Kent and the KCC land at Javelin Way would continue to incur revenue maintenance costs until sold.
- Option 2: Build the enabling development and the Creative Laboratory. JVC element would be funded by both ACE, SELEP and KCC (covered by capital receipts from enabling development). As the capital receipts from the industrial units will be back loaded forward funding is required. The outcome would see KCC retaining the JVC freehold. This outcome delivers a viable community asset; brings forward the enabling development; minimises development costs to KCC while delivering economies of scale; ensures maximised capital receipts from the site; secures a long term revenue stream, increase business rates for both ABC/KCC and secures an internationally recognised dance company for Kent.
- Option 3: Sale of the surplus land at Javelin Way: the balance of the match funding would be a call on KCC's capital budget.

3.2 Option 2 is being pursued as it delivers the greatest benefits to KCC.

3.3 KCC would enter into a 25 year lease with JVC. Should JVC become insolvent at any time, previous experience would see KCC and ACE negotiate on a final outcome for the facility to the benefit of the partners.

3.4 There are no equality issues as part of this project and a full Equality Impact Assessment is available upon request.

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3.5 The recommendation will see the Director of Infrastructure being authorised to enter into contract for the build and sale of the enabling development units including any leases.

## **5. Conclusions**

5.1 The opportunity has arisen to deliver a Creative Laboratory and industrial units in Kent which would support the growth agenda, enhance Kent's cultural offer, create jobs and training opportunities in Ashford. The project is seeking to be self funding with up front funding coming from KCC and SELEP. The outcome would deliver a top 8 priority for Ashford Borough Council and be in line with a number of KCC strategies.

## **6. Recommendation**

### **Recommendation:**

As Cabinet Member for Community and Regulatory Services I agree to:

Enter into legal agreements including, but not limited to, a Memorandum of Understanding and Collaboration Agreement with Jasmin Vardimon Company.

Authorise the Director of Infrastructure to enter into all necessary legal agreements for the construction of the enabling development and the Jasmin Vardimon Creative Laboratory.

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Permit the project subject to KCC's VAT partial liability exemption position not being breached or in breach.

## **7. Background Documents**

7.1 Appendix A: Proposed Record of Decision

ACE application:

<https://democracy.kent.gov.uk/ecSDDisplay.aspx?NAME=SD5260&ID=5260&RPID=18481401>

Options layouts:

<https://democracy.kent.gov.uk/ecSDDisplay.aspx?NAME=SD5259&ID=5259&RPID=18481403>

## **8. Contact details**

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