
By: John Simmonds, Cabinet Member for Finance
Andy Wood, Corporate Director of Finance

To: Governance and Audit Committee – 24 April 2018

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 including an update on recent activity.

FOR ASSURANCE

INTRODUCTION

1. This report is the annual review of East Kent Opportunities LLP.
2. This report provides an update on East Kent Opportunities LLP. The hyper-link to the Annual Report and Financial Statements is included as an appendix to the report. The hyper-link is :- [East Kent Opportunities LLP](#)

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 EKOLLP and, therefore, KCC's interest therein continues to show an increasingly positive view having achieved a number of milestones since 2013:

- i. During 2016-17, EKOLLP was approached by Homes England (then the Homes and Communities Agency) who were interested in purchasing a large parcel of the land at Eurokent for residential development. This resulted in a 22 acre land sale to them that was completed on 31 March 2017. There are currently parties

interested in purchasing the remaining two areas of Eurokent and negotiations are ongoing.

- ii. The old Laleham School site in Cliftonville had detailed planning permission for redevelopment for some 70 family dwellings. The site was marketed and a sale completed with a developer purchaser in 2016-17.
 - iii. The loan for the Eurokent Link Road has been repaid in 2017-18. This was possible due to the sale of the old Laleham Gap School site and the funds from the sale of land at Eurokent to Homes England.
 - iv. Manston Business Park has continued to see increasing development activity and occupancy. Further plots (Plots 3a, 3b, 3c) were sold in 2016-17 to Manyweather Properties and have been developed for SME workspace for both freehold sale and rental, providing an extensive range of opportunities. With flexible and adaptable units for SME companies the plots developed have a high percentage of occupiers and pre-sales. Further land sales to the same developer are allowing more phases (Plot 7a) of similar accommodation. Due to the growing demand further provision of roadways and services, particularly Foul Sewage provisions with Southern Water, remains under consideration.
 - v. Next steps for the company will include:
 - i. Continued marketing for the final two plots of land at the Eurokent site as EKOLLP explores its wider market potential; and
 - ii. Continued marketing and final negotiations for land sales at Manston Business Park.
5. East Kent Opportunities LLP's Annual Report and Financial Statements for 2016-17 are attached at Appendix 1, and the key points can be summarised as follows:
- i. In 2016-17, in the EKO LLP accounts, the net assets of the joint arrangement are £8.2m. 2015-16 was restated in the 2016-17 accounts. This was due to an error in the revaluation of the fixed assets. The restated net assets of the joint venture were £10.8m. The operating loss before members' remuneration and profit shares available for discretionary division among members of £0.27m.
 - ii. The accounts have been approved by the EKOLLP Management Committee and lodged with Companies House and they give a true and fair view of the state of the LLP's affairs.

6. RECOMMENDATION

Members are recommended to note the contents of this report for assurance.

Nigel Smith, GET, Economic Development
Bev Gibbs, ST, Finance
6 April 2018

