

Escalate

Background Information

The Escalate Programme for West Kent and parts of East Sussex was launched in December 2013. As at 31 March 2015, KCC has committed £5,510,000 to 40 companies and the programme is no longer accepting any new applications.

This annex provides full details of the funding awarded to companies within the districts of West Kent and three districts of East Sussex from the Escalate Programme.

1. Funding Awarded

1.1 The table below shows total funding committed, a breakdown per local authority, the number of jobs to be created and private sector investment (matched funding).

Escalate Programme	Funding per Local Authority £	Private Investment £	No of Companies	No of Jobs to be Created	Saved Posts	Total Number of Jobs
Maidstone	2,720,588	3,058,832	12	159	109	268
Rother	136,250	136,250	3	18	3	21
Sevenoaks	594,000	710,472	6	34	18	52
Tonbridge & Malling	698,510	697,798	7	55	18	73
Tunbridge Wells	1,158,250	1,397,250	11	151	21	172
Wealden	200,000	200,000	1	6	4	10
Total	**5,507,598	6,200,602	40	423	173	596

***£10,000 uncommitted within Tiger and £2,402 contribution to marketing*

Total Funding Committed	£5,507,598	£6,200,602	40	423	173	596
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2. Defrayment of Funds

2.1 Each company applying to the programme provides a profile for the drawdown of funds. This drawdown would be dependent on the needs of the businesses and the companies' plans for growth. The profile for the defrayment of funds is as follows:-

Funds defrayed as of close of programme March 2015	= £5,510,000*
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* Includes £2,402 contribution to marketing

3. Profile for Repayment of Funds

3.1 All repayment of loans, and returns on equity investments, will be reinvested into future financial support programmes, for businesses. The table below provides details of the repayment profile. The total amount to be repaid by March 2021 is £4,284,682. One company was awarded equity investment in the sum of £250,000.

3.2 There are two loan repayment periods per financial year i.e. March and September. The cumulative estimated amount to be repaid by March 2019 was £3,381,222. The actual amount repaid to date is £3,310,219, which represents an achievement of 97.9%. The target figure is subject to change, due to contract variations and applicants deciding to repay their loan in full earlier than anticipated, to allow early release of KCC charges.

2014/15 Target and Actual	2015/16 Target and Actual	2016/17 Target and Actual	2017/18 Target and Actual	2018/19 Target and Actual
Target = £131,760 Actual = £131,760	Target = £820,351 Actual = £820,351	Target = £817,115 Actual = £817,115	Target = £821,249 Actual = £821,249	Target = £790,747 Actual = £700,473
TOTAL TO DATE Target = £3,381,222 Actual = £3,310,219 97.9%				
2019/20 Targets		2020/21 Targets		Total Repayment due by 2021: £4,284,682
£543,262		£308,198		

4. Monitoring Returns (January 2019 to March 2019)

4.1 The monitoring returns for the Escalate Programme for the period January 2019 to March 2019, have resulted in 60% being allocated Green status (performance fully met as per loan agreement), or Amber status (slight slippage but in the main delivery of job outputs as per loan agreement), as follows:

No of companies	No of companies reporting on	No of companies in Green Risk Status	No of companies in Amber Risk Status	No of companies in Red Risk Status
40	10 8 bad debt 5 loans repaid 17 monitoring cycle complete	2 (20%)	4 (40%)	4 (40%)
Combined Loan Value				
£5,507,598	£1,260,465	£100,250	£992,216	£168,000

It is important to note there are three categories with the **RED** status in this current quarter – see table below:-

Breakdown of Red Risk Status 33%	Category A Non-Payment of Debt	Category B Nil Return of Monitoring Form	Category C Significant Shortfall on Milestones / Targets
No of Companies	0	1	3
Combined Loan Value		£59,000	£109,000
Actions to be Taken		Follow up email	Companies under review

The action taken on 4 companies in Red Status in the current quarter is as follows:-

Category A =	N/A
<i>Action taken:</i>	N/A
Category B =	1 company – nil return of monitoring form
<i>Action taken:</i>	The company have received follow up emails and site visits have been undertaken, scheduled or planned.
Category C =	3 companies: <ul style="list-style-type: none"> • Behind on job targets.
<i>Action taken:</i>	Currently in discussion with companies to reach resolution.

Cumulative Bad Debts	No of Companies	Percentage Number of Companies Supported	Loan Value	Loan Recovered	Overall Defrayed Funds
Previous Bad Debt	8	20%	£1,021,590	£200,937	£5,507,598
Current Quarter Bad Debt	0	0%	£0	£0	Total unrecovered bad debt: £820,653
Total Bad Debt	8	20%	£1,021,590	£200,937	Represents % of Overall Defrayed Funds: 14.9%

4.2 The contracted targets for creating and safeguarding jobs have been verified from the monitoring returns covering the period January 2019 to March 2019. The evidence gathered includes employment contracts and payroll reports. The full details of jobs created and safeguarded are below:-

Job Status	Target to Date	Actuals to Date	Percentage against Target
Jobs Created	410	307	74% (Green)
Jobs Safeguarded	173	150	87% (Green)