

**From: Barbara Cooper - Corporate Director of Growth, Environment & Transport**

**To: Mike Whiting - Cabinet Member for Economic Development**

**Decision No: 20/00083**

**Subject: Local Growth Fund Round 3b Third Party Scheme – East Malling Advanced Technology Horticultural Zone**

**Classification: Unrestricted**

**Past Pathway of Paper:** Growth, Economic Development & Communities Cabinet Committee – 25 September 2020

**Future Pathway of Paper:** For Cabinet Member Decision

**Electoral Division:** Malling Central

**Summary:** As the end of the Growth Deal (March 2021) approaches, a number of projects throughout the South East Local Enterprise Partnership (SELEP) region have experienced difficulty with delivery and £33.396m of funding has been returned to SELEP for reallocation to projects which can demonstrate deliverability by March 2021. Through this process NIAB East Malling Research successfully bid for £1.6m for the East Malling Advanced Technology Horticultural Zone. As this scheme is being delivered by an external partner (NIAB East Malling Research), the County Council will transfer the LGF along with the associated spend and project management responsibilities on to the third party for the delivery of the scheme.

A legal agreement has been drafted between KCC and NIAB EMR which needs to be signed before the LGF can be drawn down and transferred to the delivery partners. This transfers the responsibilities for the project management of the East Malling Advanced Technology Horticultural Zone to NIAB EMR, as set out in the Service Level Agreement between KCC and Essex County Council as the Accountable Body for SELEP.

**Recommendation(s):**

The Cabinet Member for Economic Development is asked to agree to approve the progression, via KCC's Local Growth Fund arrangements, for the East Malling Advanced Technology Horticultural Zone, allowing it to progress to the stages of development and delivery.

To facilitate this:

- to confirm that KCC will act as the accountable body for the project;
- to enter into a Local Growth Fund (LGF) funding agreement; and

- to enter into legal agreements with the relevant third parties delivering the schemes to transfer the conditions of the LGF spend and project management to them; and
- to delegate authority to Corporate Director of Growth Environment and Transport, in consultation with the Corporate Director of Finance, Strategic and Corporate Services to enter into relevant legal agreements and take other actions necessary to implement this decision

## **1. Introduction**

- 1.1 In the Growth Deal announcements in July 2014 (Round One), January 2015 (Round Two) and February 2017 (Round Three), the Government allocated £570 million from the Local Growth Fund to capital projects across the South East Local Enterprise Partnership (SELEP) area.
- 1.2 In total, through the three rounds, £128m Local Growth Fund was allocated towards the delivery of 25 Highways and Transportation projects and 6 non-transport projects in Kent.
- 1.3 As the end of the Growth Deal (March 2021) approaches, a number of projects throughout the SELEP region have experienced difficulty with delivery. This has resulted in £33.396m of funding being returned to SELEP for reallocation to projects that can deliver by the end of March 2021. Through this process, an allocation of £1.6m has been allocated to NIAB EMR for the East Malling Advanced Technology Horticultural Zone.
- 1.4 Through the Service Level Agreement with Essex County Council as the Accountable Body for SELEP, Kent County Council is responsible for the programme management of all Local Growth Fund projects in Kent. There are, however, specific projects for which third party organisations are responsible for delivery.
- 1.5 The East Malling Advanced Technology Horticultural Zone is a third party LGF scheme which will be delivered by an external partner; NIAB East Malling Research (NIAB EMR).
- 1.6 This report provides an overview of the project and outlines the required decisions to allow the East Malling Advanced Technology Horticultural Zone to progress.

## **2. Financial Implications**

- 2.1 The scheme is fully externally funded with no implications to either the revenue or capital budgets for KCC.
- 2.2 The County Council supported NIAB EMR in developing a funding bid for Local Growth Fund (LGF) Round 3b and this has successfully secured an £1,683,600 contribution towards delivery of the East Malling Advanced Technology Horticultural Zone project.
- 2.3 The match funding for the scheme is being provided by NIAB EMR as set out in the approved business case.

2.4 KCC costs in developing the legal agreement with NIAB EMR and administering the LGF will be recouped in full as set out in the Legal Agreement.

### **3. Policy Framework**

3.1 The scheme has a strong fit with all three objectives of 'Increasing Opportunities, Improving Outcomes: Kent County Council's Strategic Statement (2015-2020)'

3.2 The new infrastructure, services and high-tech plant growing facilities will generate additional research and development spend in the region, creating enhanced training and high-skilled employment opportunities. In addition, a total of 40 jobs will be safeguarded which will assist in Kent communities feeling the benefits of economic growth by being in-work, healthy and enjoying a good quality of life.

### **4. The Report**

4.1 The Advanced Technology Horticultural Zone at East Malling, would be the first step towards delivering the vision of a cutting-edge Innovation Campus for horticulture in Kent. This campus will secure the long-term delivery of world-class research, innovation and knowledge exchange for the UK horticultural industry. Accelerating investment at East Malling will ensure that NIAB EMR and its partners remain at the cutting edge of research and innovation and are able to secure future public and private sector funding. Access to the most advanced facilities is essential to attract and retain high-calibre staff, provide the 'know-how' that is needed by industry to deliver sustainable growth and productivity gains. It will also look to ensure that Kent and Medway remains a world-class leader in horticultural innovation and drives the sector to enhance the provision of fresh produce.

4.2 The County Council supported NIAB EMR in developing the funding bid for Local Growth Fund (LGF) Round 3b and this has successfully secured an £1,683,600 contribution towards the delivery of the Advanced Technology Horticultural Zone project. As part of the bidding process; NIAB EMR prepared a business case which demonstrated that the Advanced Technology Horticultural Zone will provide a high value for money solution to secure the long-term delivery of world-class research, innovation and knowledge exchange within the County.

4.3 Through the Service Level Agreement with Essex County Council as the Accountable Body for SELEP, Kent County Council is responsible for the programme management of all Local Growth Fund projects in Kent. Where projects are delivered by third parties; a legal agreement is prepared to transfer KCC's responsibilities as set out in the Service Level Agreement; on to the delivery partners.

4.4 A legal agreement has been drafted between KCC and NIAB EMR which will be signed before the LGF can be drawn down and transferred to the delivery partner for the delivery of the project. This agreement transfers the responsibilities for the programme management of the Advanced Technology Horticultural Zone project to NIAB EMR.

4.5 NIAB EMR; as the delivery partner; is responsible for the production and ongoing review of an Equalities Impact Assessment for the project.

4.6 Through the decisions outlined above, any further decisions required to allow the scheme to proceed through to delivery will be taken by the Corporate Director for Growth, Environment & Transport under the Officer Scheme of Delegations, following prior consultation with the Cabinet Member.

## 5. Conclusions

5.1 The Advanced Technology Horticultural Zone is an important scheme which has been prioritised for Growth Deal funding by both the Kent & Medway Economic Partnership and SELEP. The scheme, which is to be delivered by NIAB EMR and is fully externally funded, will look to secure the long-term delivery of world-class research, innovation and knowledge exchange for the UK horticultural industry. A legal agreement will be signed prior to the funding being transferred on to NIAB EMR.

## 6. Recommendation(s)

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

The Cabinet Member for Economic Development is asked to agree to approve the progression, via KCC's Local Growth Fund arrangements, for the East Malling Advanced Technology Horticultural Zone, allowing it to progress to the stages of development and delivery.

To facilitate this:

- to confirm that KCC will act as the accountable body for the project;
- to enter into a Local Growth Fund (LGF) funding agreement; and
- to enter into legal agreements with the relevant third parties delivering the schemes to transfer the conditions of the LGF spend and project management to them; and
- to delegate authority to Corporate Director of Growth Environment and Transport, in consultation with the Corporate Director of Finance, Strategic and Corporate Services to enter into relevant legal agreements and take other actions necessary to implement this decision

## 7. Background Documents

Appendix A – The Proposed Record of Decision

Appendix B – Equalities Impact Assessment

Appendix C - The approved business case for the Advanced Technology Horticultural Zone is available to view here:

<https://www.southeastlep.com/app/uploads/2019/09/Full-Business-Case-Advanced-Technology-Horticulture-Zone-EMT-NIAB-EMR-03-June-2020.pdf>

## **8. Contact details**

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