

From: Roger Gough, Leader of Kent County Council

Stephanie Holt-Castle, Director, Growth and Communities
Chris Seamark, GBF Programme Manager
Sarah Nurden, KMEP Manager

To: Growth, Environment and Communities Cabinet Committee – 13
January 2022

Subject: **Further investment of Getting Building Funding (GBF) in
third-party projects**

Decision No: 21/00120

Past Pathway of Paper: N/A

Future Pathway of Paper: For decision by Leader of Council

Electoral Division: Tunbridge Wells South and Dover Town

Summary: In 2020, the Government made a call to Local Enterprise Partnerships for shovel-ready schemes that were able to spend in the next 18 months, as a way to stimulate economic recovery and help mitigate the impact that COVID-19 has had on employment levels.

The Government subsequently awarded £85m of Getting Building Funding (GBF) to the South East Local Enterprise Partnership (SELEP), with which SELEP has funded thirty-six projects from across East Sussex, Kent, Medway, Thurrock, Southend, and Essex.

On 19th November 2021, the SELEP Accountability Board removed one of East Sussex's GBF projects from this programme. This meant £3.5m of GBF became available to be reallocated to alternative projects on SELEP's GBF reserve project pipeline.

The Amelia Scott project in Tunbridge Wells and the Techfort Project in Dover are on SELEP's GBF reserve project pipeline.

A key decision is therefore required to enable grant agreements to be entered into by Kent County Council, should the SELEP Accountability Board award funding to these third-party projects.

Recommendation(s):

The Cabinet Committee is asked to consider and endorse, or make recommendations to the Leader of the Council on the proposed decision to

Agree that the Getting Building Funding (GBF) will be used to support the Kent-based third-party projects that are awarded GBF by the South East Local Enterprise Partnership's Accountability Board.

Act as the accountable body for third-party projects within Kent's administrative boundaries that are selected by the SELEP to receive GBF grant funding.

Delegate to the Section 151 Officer the authority to sign on KCC's behalf a grant agreement or equivalent, where this is required to draw down funds following business case approval.

The Proposed Record of Decision is attached at Appendix A.

1. Introduction

- 1.1 In June 2020, the Government made a call to Local Enterprise Partnerships (LEP) for shovel-ready schemes that were able to spend in the next 18 months, as a way to stimulate economic recovery and help mitigate the impact that COVID-19 has had on employment levels.
- 1.2 Consequently, the South East Local Enterprise Partnership (SELEP), via the Kent and Medway Economic Partnership (KMEP), wrote to local stakeholders (including KCC) asking for their shovel-ready scheme suggestions. All forthcoming proposals were then submitted to Government, via SELEP, on 18th June 2020. The accumulated total of these SELEP suggestions equalled £573m.
- 1.3 On 3rd July 2020, the Government informed the South East Local Enterprise Partnership (SELEP) that it would receive £85million of 'Getting Building Fund' (GBF) to deliver 'shovel-ready' schemes. GBF is capital grant funding.
- 1.4 The Government asked SELEP to prioritise its original scheme suggestions for inclusion within the £85m funding envelope. The SELEP Strategic Board met on 16th July 2020 to make its decision.

2. Kent-based schemes already awarded Getting Building Funding

- 2.1 At its meeting on 16th July 2020, the SELEP Strategic Board confirmed seven Kent-based projects would be included within the £85m ask of Government. Of these, three are delivered directly by Kent County Council, and the remaining four being delivered by third-party promoters.
- 2.2 The names of these projects are:
 - Digitally Connecting Rural Kent & Medway
 - Thanet Parkway Railway Station
 - Javelin Way Development
 - First + Second Floors, Building 500, Discovery Park
 - The Meeting Place, Swanley
 - New Performing & Production Digital Arts Facility
 - Romney Marsh Employment Hub
- 2.3 The seven GBF projects were discussed with the Growth, Economic Development, and Communities Cabinet Committee in 2020, before the Leader took the following Kent County Council key decisions:
 - [Decision 20/00085](#) and
 - [Decision 20/00086](#)

- 2.4 In December 2020, a further £323,204 of GBF became available for reallocation by SELEP to a new GBF project. This is because one of the original SELEP GBF projects reduced its GBF ask by that sum.
- 2.5 At its meeting in December 2020, the SELEP Strategic Board decided to provisionally award the £323,204 to the St George's Creative Project in Gravesham. A full business case for the project was subsequently presented to and endorsed by the SELEP Accountability Board in February 2021.
- 2.6 This project was discussed with the Growth, Economic Development, and Communities Cabinet Committee in January 2021, before the Leader took the following Kent County Council key decision to enable the project to progress:
- [Decision 21/00005](#)
- 2.7 All eight Kent-based projects are under construction currently, and due to spend 100% of their GBF by 31 March 2022.

3. SELEP's creation of a GBF reserve pipeline & reallocation of funding

- 3.1 In March 2021, the SELEP Strategic Board decided it should create a reserve pipeline of GBF projects from the original proposals submitted in June 2020. This would be helpful in the event of an existing GBF project not being able to progress to completion.
- 3.2 The GBF reserve pipeline created by the SELEP Strategic Board in March 2021 is as follows:

Position on SELEP's GBF reserve pipeline	Project	Local Authority Area	GBF value
1	Princess Alexandra Hospital - Relocation of post graduate medical centre	Essex	£500,000
2	The Amelia Scott	Kent	£1,400,000
3	TechFort	Kent	£1,009,000
4	Seven Sister Country Park Visitor Infrastructure Uplift	East Sussex	£200,000
5	Food Street	East Sussex	£225,000
6	Station Approach Braintree Station Access	Essex	£2,000,000

- 3.3 On 19th November 2021, the SELEP Accountability Board removed one of East Sussex's GBF projects from the programme (Fast Track Business Solutions for the Hastings Manufacturing Sector), as it has not yet been able to secure planning permission. This meant £3.5m of GBF became available to be reallocated to alternative projects on SELEP's GBF reserve project pipeline.
- 3.4 Consequently, there should be sufficient funding for Princess Alexandra Hospital, The Amelia Scott, and the TechFort projects to be awarded GBF by SELEP.

4. The Amelia Scott, Tunbridge Wells

- 4.1 Tunbridge Wells Borough Council submitted a full business case seeking £1.4m of GBF for the Amelia Scott project to the SELEP Accountability Board for its consideration on 19th November 2021.
- 4.2 The Amelia Scott is a transformative project in the heart of Royal Tunbridge Wells town centre. The project is transforming two dilapidated grade-two buildings to be fit-for purpose and creating a new integrated and expanded building that will deliver a range of services including an enhanced library, museum, 'Gateway' (for customer services), visitor information, registration services and education space. Amongst other things, the project will deliver:
- 4,137sqm of new or improved learning/training floorspace, including 1,121sqm of additional floorspace for museum and library use;
 - An integrated set of buildings that will be a showcase for learning, culture and the arts attracting nearly half a million 480,000 visits each year and 18,000 learners on the site (and over 4,000 formally accredited qualifications) per annum;
 - A return of £5.58 in local economic activity for each £1 in subsidy for services and a huge boost for the local economy as a Town Centre that relies heavily on tourism and retail struggles to recover from the Covid pandemic.
- 4.3 The Amelia Scott is already part-way through construction, having been funded by Tunbridge Wells Borough Council, Kent County Council, the National Lottery Heritage Fund, and an Arts Council England grant. The £1.4m of GBF will be used to complete the fit-out of the building, to prepare it for opening in May 2022. All the GBF will be spent prior to the end of March 22, in accordance with the Government's requirement.
- 4.4 The SELEP Accountability Board decided to award the £1.4m of GBF to the Amelia Scott at its November meeting.

5. Techfort, Dover

- 5.1 Techfort Ltd were advised following the SELEP Accountability Board that £1.009m of GBF is now provisionally ring-fenced for their project. In order to formally secure this funding, Techfort Ltd must submit a full business case for the SELEP Accountability Board's consideration at their next meeting in February 2022.
- 5.2 The vision of Techfort Ltd is "to redevelop UK's most impressive fortress (the Dover citadel) into a cutting-edge and world-renowned technology hub. The technology campus will house within it an exciting co-working environment with advanced and unprecedented facilities, supporting an ecosystem of start-ups and early-stage technology firms and large corporates to create, strategise, launch, expand and achieve their full business potential. The primary goal is to deliver a world class campus that drives innovation and entrepreneurship, providing a place for the UK's creative minds to work, collaborate, network, learn and grow into successful businesses."

6. Legal and Financial Implications

- 6.1 SELEP requires Kent County Council to enter into a grant agreement with Essex County Council (which is SELEP's accountable body) for all schemes awarded GBF by SELEP within KCC's administrative boundary. The grant agreements give Kent County Council the legal and financial responsibility for ensuring the proper use and administration of the funding in accordance with the terms and conditions. For all third-party projects (such as The Amelia Scott and Techfort), a back-to-back grant agreement between Kent County Council and the third-party project promoter would then be signed.
- 6.2 A proposed record of decision is appended to this paper to allow this grant agreement to be entered into.
- 6.3 If Kent County Council chooses to not enter into a grant agreement for the GBF projects selected by the SELEP Strategic Board, the GBF funding could be either (i) retained by central government or (ii) reallocated to other projects by the SELEP Strategic Board.
- 6.4 The Government has specified that the GBF must be spent by 31 March 2022 or there is a potential that the funding will be clawed back by Government. Appropriate project management oversight is being directed to the GBF projects to minimise this risk, and GBF is paid to project promoters in arrears.

7. Policy Framework

- 7.1 The GBF investment will help Kent County Council to deliver against its objectives within Strategic Plan that was endorsed by County Council on 10 December 2020. Specifically, the capital grant investment will help deliver against these priority actions to help address the economic challenge:
- Work with our partners to deliver essential support for local businesses
 - Promote Kent's key business sectors and visitor economy and promote confidence among visitors and residents that our county is 'open' within Government guidelines
 - Work with partners to enable the necessary physical, social, and cultural infrastructure to make Kent an attractive place to live, work and invest in.
 - Work with partners to support and reimagine Kent's high streets and town centres as economic, social, and cultural centres.
 - Explore opportunities to maximise investment in building retrofit programmes, supporting the local retrofit industry
 - Develop a pipeline of 'shovel-ready' infrastructure projects to act as a catalyst for the construction industry.

8. Equalities Information & Data Protection

- 8.1 Each project must produce an Equalities Impact Assessment as part of the development of these business cases required for SELEP Accountability Board

approval. A Data Protection Impact Assessment is not required, as personal data is not included in the grant agreements or project business cases.

9. Conclusions

9.1 This key decision is required to enable grant agreements to be entered into so that additional Government funding may be secured for these projects. Due to the terms and conditions of the Government's Getting Building Fund, this funding can only be spent on these specific projects.

10. Recommendation(s)

The Cabinet Committee is asked to consider and endorse, or make recommendations to the Leader of the Council on the proposed decision to

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Act as the accountable body for third-party projects within Kent's administrative boundaries that are selected by the SELEP to receive GBF grant funding.

Delegate to the Section 151 Officer the authority to sign on KCC's behalf a grant agreement or equivalent, where this is required to draw down funds following business case approval.

The Proposed Record of Decision is attached at Appendix A.

Appendices and background documents:

- Appendix A – Proposed Record of Decision
- Equality Impact Assessment:
<https://democracy.kent.gov.uk/documents/s108634/SELEPEqIA.doc.pdf>

Report Authors

Sarah Nurden
Kent and Medway Economic Partnership
Strategic Programme Manager
sarah.nurden@kent.gov.uk
03000 415618

Chris Seamark
GBF Programme Manager
Christopher.Seamark@kent.gov.uk
03000 413454

Relevant Director

Stephanie Holt-Castle
Director of Growth & Communities
Stephanie.Holt-Castle@kent.gov.uk
03000 412064