

KENT COUNTY COUNCIL –RECORD OF DECISION

DECISION TO BE TAKEN BY:

Derek Murphy, Cabinet Member for Economic Development

DECISION NO:

23/00028

For publication Yes

Key decision: YES

Subject Matter / Title of Decision: Kent and Medway Business Fund Delegated Authority

Decision:

As Cabinet Member for Economic Development, I agree that Kent County Council:

- (i) continue to manage, monitor, and recover outstanding investments from recipients of the Kent and Medway Business Fund (KMBF) and Regional Growth Fund (RGF) – former Expansion East Kent, Tiger and Escalate investments, after the expiry of the former delegated authority on 31 March 2023;
- (ii) divert the existing KMBF pipeline applications to the Innovation Investment Initiative (i3) fund, to continue to support economic growth within the county and to include the generation of income through administration and management fees to allow for the continuation of managing, monitoring, and recovery all outstanding investments;
- (iii) delegate the authority to the Director of Growth and Communities to enter into the relevant contracts and legal agreements required to implement this decision and to continue to manage and recover outstanding investments from recipients of KMBF\RGF funding after 31 March 2023; and
- (iv) before the end of 2023, to bring proposals to the Growth, Economic Development and Communities Cabinet Committee for new arrangements related to the recycled KMBF\RGF investments based on the outcome of on-going negotiations with the Government.

Reasons for urgency:

This Key Decision would allow KCC to continue to offer funding for companies beyond the 31 March 2023 by transferring the pipeline of KMBF applications to the existing i3 programme, which has an existing Key Decision in place whilst HM Treasury complete its consideration of KCC's application to extend current contracts for loan funding.

Reason(s) for decision:

Kent County Council (KCC) has two contracts with the Department for Business, Energy & Industrial Strategy (now the Department for Business and Trade) funded from the Government's Regional Growth Fund.

The contracts enable KCC to offer grants, loans, and equity finance to enable businesses in Kent and Medway to create new jobs and increase business investment. These contracts ended on 31 March 2023. An application has been made to extend the contracts on 7 February 2023 but this is awaiting final approval by HM Treasury.

This report concerns a proposal to divert existing KMBF pipeline applications to the Innovation Investment Initiative to enable KCC to continue to support eligible companies whilst HM Treasury complete its consideration of KCC's application to extend both contracts.

Cabinet Committee recommendations and other consultation:

The proposal is being discussed at the Growth, Economic Development and Communities Cabinet Committee on 16 May.

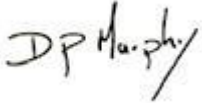
Any alternatives considered and rejected:

(1) Close the scheme/cease all activity. This may take several months and could have significant negative financial impacts on local companies where investments have been made and delay actions to recover debt as well as cause a reputational risk to KCC and is therefore not recommended.

(2) Continue the scheme as usual. This in contravention to the advice provided by Department of Levelling-up and Housing and Communities Contract Manager and is therefore not recommended.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

None



05/05/2023

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signed

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date