

## KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

### DECISION TO BE TAKEN BY

**Mike Whiting**

**Cabinet Member for Economic Development**

### DECISION NO:

19/00095

**For publication**

### **Key decision\***

Yes –

**Subject: Discovery Park: Growing Places Fund**

### **Decision:**

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

- a. Be the administration and funding-decision authority for the £5.3 million allocation from SELEP's Growing Places Fund.
- b. Draw down capital funds of £5.3 million from the Growing Places Fund;
- c. Make available loan finance of up to £5.3 million to support works at Discovery Park to build a spine road and associated infrastructure to enable the building of 500 new homes;
- d. That authority be delegated to the Director of Economic Development to take appropriate actions, including but not limited to, entering into legal agreements as necessary to implement this decision.

Provided that:

1. KCC is able to agree a satisfactory loan agreement from Essex County Council, (the Accountable Body for SELEP's Growing Places Fund); and
2. The receipt of a satisfactory application for loan finance for the works at Discovery Park subject to the rules of the Growing Places Fund and the findings of an independent financial appraisal.

### **Reason(s) for decision:**

Discovery Park was designated as an Enterprise Zone in 2011 following Pfizer's decision to partially exit from its major research and development facility at Sandwich. Since then, the Park has successfully grown as a centre for high-value businesses, especially in the life science and pharmaceutical sectors. At present, there are around 3,500 people employed on the site, working in 160 companies. The site is in the private ownership of companies in the Midas Group. Developments at Discovery Park in Dover district is an economic priority for both Kent and for the South East LEP.

Recognising the strategic importance of Discovery Park, the South East LEP Board originally agreed in 2013 to allocate £4.6 million from the Growing Places Fund to support capital investment within the Discovery Park boundaries. This was then subject to a previous KCC Key Decision (13/00034) dated 22 December 2015. However, KCC was not able to conclude a loan arrangement with the previous owners of Discovery Park. The new owners of Discovery Park (the Midas Group) have expressed an interest in applying for a Growing Places Fund loan but now estimate the level of GPF Loan required as £5.3 million. Note that the level of funding allocated may be lower when the full application, costings, business plan and supporting documents are independently financially appraised.

**Cabinet Committee recommendations and other consultation:**

The proposal has been previously discussed and approved by South East LEP Board in 2013 and Member of Growth, Economic Development and Communities Cabinet Committee in 2015.

**Any alternatives considered:**

The alternative would be for Kent County Council not to act as an agent for SELEP for the £5.3m Growing Places Fund loan. There is no evidence that this would be a more effective way of achieving the outcome of securing investment in Discovery Park, and there is a risk if the funding allocation is returned to SELEP that it is no longer ring-fenced for investment in Discovery Park or the wider Kent area.

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

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signed

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date

Name: