

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

To: Michael Payne - Cabinet Member for Highways and Transport

Decision No: 20/00024

Subject: Local Growth Fund Round 3b Third Party Scheme – Kent and Medway Medical School

Classification: Unrestricted

Electoral Division: Canterbury South, Canterbury City South, Canterbury North, and Canterbury City North

Summary:

As the end of the Growth Deal (March 2021) approaches, a number of projects throughout the SELEP region have experienced difficulty with delivery; and to date £33.396m of funding has been returned to SELEP for reallocation to projects which have demonstrated deliverability by March 2021. Through this process, two allocations have been made available for the Kent and Medway Medical School (KMMS). This scheme is being delivered by external partners (The University of Kent and Canterbury Christchurch University) and the County Council will transfer the LGF along with the associated spend and project management responsibilities on to the third parties for the delivery of the scheme.

A legal agreement has been drafted between KCC and The Universities which needs to be signed before the LGF can be drawn down and transferred to the delivery partners. This transfers the responsibilities for the programme management of the KMMS as set out in the Service Level Agreement between KCC and Essex County Council as the Accountable Body for SELEP, to the Universities.

Recommendation(s):

The Cabinet Member for Highways and Transport is asked to enter into a funding and legal agreement with the third party delivering the scheme to enable the scheme funding to be spent by the end of March 2020. Specifically this comprises approval for:

- i) KCC to act as the accountable body for the project;
- ii) KCC to enter into a Local Growth Fund (LGF) funding agreement;
- iii) KCC to enter into legal agreements with the third parties delivering the schemes to transfer the conditions of the LGF spend and project management to them;
- iv) The Corporate Director for Growth, Environment & Transport, under the Officer Scheme of Delegations and in consultation with the Corporate Director for Finance

and Procurement, 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 projects having their LGF allocations removed and to date £33.396m of funding has been returned to SELEP for reallocation to projects which have demonstrated deliverability by March 2021. Through this process, two allocations have been made available for the Kent and Medway Medical School (KMMS).
- 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 KMMS is a third party LGF scheme which will be delivered by external partners; The University of Kent and Canterbury Christchurch University.
- 1.6 This report provides an overview of the project and outlines the required decisions to allow the KMMS 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 the Universities in developing a funding bid for Local Growth Fund (LGF) Round 3b and this has successfully secured an £8m contribution towards delivery of the Kent and Medway Medical School project.
- 2.3 The match funding for the scheme is being provided by the Universities as set out in the approved business case.

- 2.4 KCC costs in developing the legal agreement with the Universities and administering the LGF will be recouped in full as set out in the Legal Agreement (Clause 19).

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 state-of-the-art Medical School will provide enhanced training and academic opportunities for young people and mature students in Kent. In addition, it will attract Medical students into Kent and retain them to fill the GP gap which is currently prevalent within the County. This will give all residents of Kent (and particularly older and vulnerable residents) a better opportunity to stay healthy and live independently.

4. The Report

- 4.1 The Kent and Medway Medical School will be the first medical school in Kent, providing an innovative centre for medical education and research to develop the health and social care workforce. It will respond to the acute need for medical professionals in an area of rapid housing and population growth, and will drive productivity and innovation in the health economy. It will also contribute to the development of the 'medical corridor' envisaged by the Thames Estuary 2050 Growth Commission.
- 4.2 The County Council supported the Universities in developing the funding bid for Local Growth Fund (LGF) Round 3b and this has successfully secured an £8m contribution towards delivery of the Kent and Medway Medical School project. As part of the bidding process; The Universities prepared a business case which demonstrated that the KMMS will provide a high value for money solution to improve health care training within the County. The business case outlines the options which were considered when developing the project; and the reasons for selecting the preferred project.
- 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 The Universities which needs to be signed before the LGF can be drawn down and transferred to the delivery partners for the delivery of the project. This transfers the responsibilities for the programme management of the KMMS to the Universities. To draw down the funding the legal agreement must be signed by 31 March 2020.

- 4.5 The Universities; as the delivery partners; are responsible for the production and ongoing review of an Equalities Impact Assessment for the project. A copy of this will be provided to KCC prior to the LGF being transferred.
- 4.6 There are no implications for the council's property portfolio arising from the KMMS project.
- 4.7 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 KMMS is a fully externally funded scheme which will be delivered by The University of Kent and Canterbury Christchurch University. A legal agreement will be signed prior to the LGF being transferred to the Universities; which transfers all of the LGF spend and programme management responsibilities on to the Universities.

6. Recommendation(s)

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- iv) The Corporate Director for Growth, Environment & Transport, under the Officer Scheme of Delegations and in consultation with the Corporate Director for Finance and Procurement, to enter into relevant legal agreements and take other actions necessary to implement this decision.

7. Background Documents

- 7.1 The approved business case for the KMMS is available to view here:

<https://www.southeastlep.com/app/uploads/2000/01/KMMS-Full-Business-Case.pdf>

8. Contact details

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