

From: Barbara Cooper, Corporate Director, Growth, Environment and Transport

To: Growth, Economic Development and Communities Cabinet Committee – 25 September 2020

Subject: **Investment of Getting Building Funding in KCC-delivered projects**

Decision No: 20/00086

Past Pathway of Paper: N/A

Future Pathway of Paper: For decision by Leader of Council

Electoral Division: All

Summary:

On 10th June 2020, under the programme banner of Getting Building Funding the Government made a call to Local Enterprise Partnerships (LEP) for shovel-ready schemes that were able to stimulate economic recovery and help mitigate the impact that COVID-19 has had on employment levels but also spend any allocation by March 2021. .

The SELEP Strategic Board confirmed seven Kent projects to be included within the £85m ask of Government. Three of these projects are to be delivered directly by Kent County Council and are covered by Decision 20/00085. Four projects are to be delivered by third-party promoters and are the subject of this report.

This key decision is therefore required to enable grant agreements to be entered into, so that additional Government funding may be secured for these third-party projects from the Getting Building Fund.

Recommendation(s): The Cabinet Committee is asked to consider, endorse or make recommendations to the Leader of the Council as shown at Appendix A, that the Leader of the Council agrees to:

Agree that the Getting Building Funding (GBF) will be used to support the third-party projects that the South East Local Enterprise Partnership's Strategic Board prioritised to receive GBF at its board meeting on 16 July 2020.

Act as the accountable body for third-party projects within Kent's geographical 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.

1. Introduction

- 1.1 Getting Building Funding was announced by Government on 10th June 2020. The funding is part of the Government's plan to deliver upgrades to local infrastructure and boost skills and help fuel a green economic recovery by investing in shovel-ready housing and infrastructure projects, creating jobs and supporting economic recovery.
- 1.2 The South East Local Enterprise Partnership (SELEP) confirmed seven projects within Kent which have been approved by Government for funding.

2. Financial Implications

- 2.1 Kent County Council must enter into a grant agreement with SELEP (via 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 grant agreement.
- 2.2 For third-party promoted schemes, KCC will need to make a back-to-back grant agreement with the project promoters, so they can draw down the SELEP capital grant for the amounts specified:

Project Title	GBF award	Project Promoter
First + Second Floors, Building 500, Discovery Park	£2,500,000	Discovery Park Ltd
The Meeting Point, Swanley	£1,490,000	Sevenoaks District Council
New Performing & Production Digital Arts Facility at North Kent College	£12,625,000	North Kent College
Romney Marsh Employment Hub	£3,536,466	Folkestone & Hythe District Council

- 2.2 The GBF capital grant funding is provided by the Government via SELEP. It is not KCC funding and can only be spent on these capital projects
- 2.3 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. Appropriate project management oversight is being directed to these projects to minimise this risk.

3. Policy Framework

- 3.1 The GBF investment will help Kent County Council to deliver against its objectives within Increasing Opportunities, Improving Outcomes: Kent County Council's Strategic Statement (2015-2020). Specifically, the capital grant investment will help deliver these outcomes:
 - Kent communities feel the benefits of economic growth by being in-work, healthy and enjoying a good quality of life.
 - Kent business growth is supported by having access to a well skilled local workforce with improved transport, broadband and necessary infrastructure.

- Kent County Council supports well planned housing growth so Kent residents can live in the home of their choice.

4. The Report

- 4.1 On 10th 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, to stimulate economic recovery and help mitigate the impact that COVID-19 has had on employment levels.
- 4.2 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.
- 4.3 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.
- 4.4 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 (join these 2 paras) and confirmed seven Kent projects to be included within the £85m ask of Government. Three of these projects are to be delivered by directly by Kent County Council and are covered by Decision 20/00085. Four projects are to be delivered by third-party promoters. These third-party schemes are:

Project Title	GBF award	Project description
First + Second Floors, Building 500, Discovery Park	£2,500,000	The refurbishment of the ground floor of Building 500 to create world-class research and development space. 50,000 sq.ft. of individual biology and chemistry laboratories together with associated write-up(correct wording?) space, and new plant-room equipment will be delivered to attract the companies to this world-class and world-leading science park.
The Meeting Point, Swanley	£1,490,000	Provision of a new high-quality, sustainable, mixed use development at a key gateway to Swanley town centre, which will set high standards and help kick-start urban renewal essential. The project will fund the creation of a business hub co-working space of 250 square metres and the delivery of 17 new quality homes.
New Performing & Production Digital Arts	£12,625,000	Construction of a new two-storey 2,826 square metre, state of the art,

Facility at North Kent College		performing and production digital arts facility within North Kent College's Dartford campus, to replace old, dilapidated and historic accommodation that is unfit for modern education purposes and very expensive to maintain.
Romney Marsh Employment Hub	£3,536,466	Construction of a business centre and will create up to 700 jobs over ten years by bringing forward some six hectares of land for employment uses in the Romney Marsh area.

- 4.6 Business cases will be presented to the SELEP Accountability Board for their approval of the funding award. Each project must also produce an Equalities Impact Assessment A Data Protection Impact Assessment is not required, as personal data is not included in the grant agreements or project business cases.
- 4.7 Subject to the necessary approvals being granted, SELEP will require 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. A back-to-back grant agreement between Kent County Council and the third-party project promoter would then be signed.
- 4.8 If Kent County Council were to choose 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 not necessarily within Kent.

5. Conclusions

- 5.1 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.

6. Recommendation(s)

The Cabinet Committee is asked to consider, endorse or make recommendations to the Leader of the Council as shown at Appendix A, that the Leader of the Council agrees to:

Agree that the Getting Building Funding (GBF) will be used to support the third-party projects that the South East Local Enterprise Partnership's Strategic Board prioritised to receive GBF at its board meeting on 16 July 2020.

Act as the accountable body for third-party projects within Kent's geographical 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.

Appendices and background documents:

- Appendix A – Proposed Record of Decision
- EqlA

Report Author

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

Relevant Corporate Director
Barbara Cooper, Corporate Director, Growth, Environment and Transport
Barbara.cooper@kent.gov.uk
03000 415981