

This Report will be made public on 9 April 2024



Report Number **C/23/104**

To: Cabinet
Date: 17 April 2024
Status: Non-Key Decision
Responsible Officer: Ewan Green, Director of Strategy & Resources
Cabinet Member: Cllr Jim Martin, Leader of the Council and Cabinet Member for Otterpool Park and Planning Policy

SUBJECT: EAST KENT SPATIAL DEVELOPMENT COMPANY

SUMMARY: This report provides an overview of the role and objectives of East Kent Spatial Development Company Limited (EKSDC) and an update on current activities within the Folkestone & Hythe district.

REASONS FOR RECOMMENDATIONS:

The purpose of the report is to provide Members with oversight of EKSDC activity and the opportunity to raise any matters for consideration of the Council's appointed board director and the company Chief Executive.

RECOMMENDATIONS:

1. To receive and note report C/23/104.
2. To raise any matters for consideration of the Council's appointed board director and the company Chief Executive.

1. BACKGROUND

1.1 EKSDC is a local authority-controlled development company operating across the East Kent and surrounding area. It aims to deliver sustainable projects based on the following criteria:

- Regeneration projects that create employment outputs
- Demonstratable market failure (only delivering where the market will not)
- Projects need to provide return on investment.
- Meeting the aims and objectives of member organisations.

1.2 There are 7 members of the company, each with an equal shareholding:

Canterbury City Council
Dover District Council
Folkestone and Hythe District Council
Thanet District Council
Kent County Council
University of Kent
Locate in Kent

1.3 The Council is represented on the EKSDC Board by Cllr Adrian Lockwood (as appointed by the Leader of the Council). An officer Steering Group supports the Board, and the Council is represented on this group by either the Director of Strategy and Resources or the Chief Offer: Place and Growth.

1.4 The Council previously entered into a joint venture agreement with East Kent Spatial Development Company (EKSDC), the company has a strong balance sheet with a net worth of £7.6m and the Directors have a reasonable expectation that the company has adequate financial resources to continue in operational existence for the foreseeable future.

1.5 Further information on the role and activity of the company can be found in the appendices and via: <https://eksdc.co.uk/>

2. Folkestone and Hythe Activity

2.1 There have been 2 two significant EKSDC development projects delivered in the Folkestone and Hythe area:

1.Bouverie House Business Centre, Folkestone (£1.2M)

Bouverie House business centre was opened in April 2021. Prior to EKSDC purchasing the lease it had stood as an uncompleted empty building for 13 years. The EKSDC funded the purchase of the lease and 50% of the fit-out costs, the remaining 50% coming from the European Regional Development Fund. The building consists of 21 offices amounting to just over 6000 sqft.

2.Romney Marsh Business Hub (£1.64M)

The Romney Marsh Business Hub is a joint venture between the EKSDC and Folkestone and Hythe District Council with additional funding being provided by Magnox. The building opened in 2022 and has been very

successful. Also operating out of the centre is the Magnox-funded Business Support Manager providing services across the whole of Romney Marsh. The building comprises 15 offices amounting to some 6000 sqft of office space.

- 2.2 Officers are currently investigating potential new projects for EKSDC to consider in the Folkestone and Hythe area.

3. RISK MANAGEMENT ISSUES

- 3.1 There are no risk management issues directly arising from this report.

4. LEGAL/FINANCIAL AND OTHER POLICY MATTERS

4.1 Legal Officer's Comments (NM)

There are no legal implications arising directly from this report.

4.2 Finance Officer's Comments (OO)

There are no immediate financial implications as a result of this report. However, the East Kent Spatial Development Company annual report for the year ended 31 March 2023, the company made a profit after tax of £1,498,985 (2022: £64,556 loss). The company has £2,640,286 (2022: £2,151,598) included in cash at the bank and anticipate holding some £2.9m million in the financial year ending April 2024.

As a consequence, the EKSDC Directors believe that the company is well place to manage its business risks successfully despite the current uncertain economic outlook.

4.3 Diversities and Equalities Implications (EG)

There are no equality and diversity issues directly arising from this report.

4.4 Climate Change Implications (EG)

There are no climate implications directly arising from this report.

5. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting:

Ewan Green, Director of Strategy and Resources
Telephone: 07783 659864
Email: ewan.green@folkestone-hythe.gov.uk

The following background documents have been relied upon in the preparation of this report:

Appendices

**Appendix 1 East Kent Spatial Development Company Ltd
Report for Folkestone and Hythe**

**Appendix 2 East Kent Spatial Development Company Ltd
Accounts 2022-2023**