

# Reinvestment of Growing Places Funding (GPF)

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# What is GPF?

- Created by MHCLG and DfT in 2011
- Aims to unlock economic growth, create jobs, and build houses
- Helps to 'kick start' development at stalled sites
- Operates as a recycled capital loan scheme
- Regenerates funds based on repayment schedules

# How has GPF been used previously?



£1.5m loan for Workspace Kent programme - loaning funds to businesses to create incubator spaces (e.g. £700k loan to MS).



£600k loan to NIAB EMR for Wine Innovation Centre in Tonbridge & Malling



£1.597m loan for Javelin Way development in Ashford - producing industrial units and new dance production facility



Jasmin Vardimon

# Sandgate Road, Folkestone - NUE Commercial

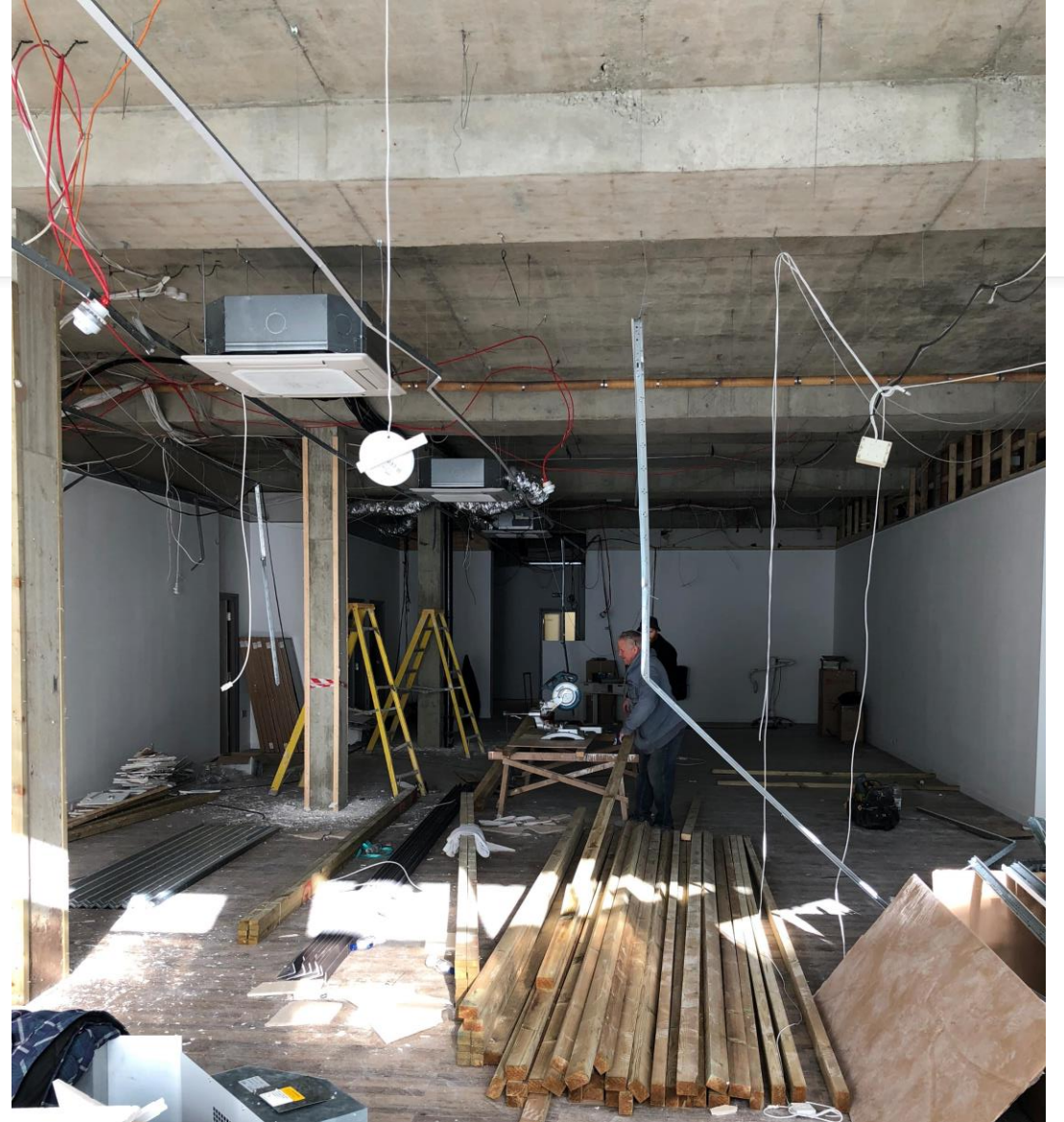
£5.5m loan (split over three programmes) to No Use Empty to return empty properties to use - both commercial and residential - across K&M

Restaurant

RESTAURANT

PAPA'S  
RESTAURANT









£3.5m loan to KCC to build Herne Relief Road and roundabouts – supporting the construction of c. 2,500 new homes in Canterbury



Wind Farm at Kentish Flats – Operational since 2005



Hydrogen Production facility – Electrolyzers, compressors and supporting infrastructure



Specialised tube trailer for storage and distribution



Hydrogen Refuelling System

£3.47m loan to Ryze Hydrogen to build a 17.5MW zero carbon hydrogen production system in Herne Bay.

This is the only GPF scheme that KMEP has invested in that has not come to fruition due to a change of management at Vattenfall resulting in them no longer being willing to enter into a Power Purchase Agreement (PPA) with Ryze Hydrogen Limited for the wind power from the offshore wind farm.

# Disaggregation of Funds

- Now SELEP is closing, **new GPF arrangements are needed.**
- SELEP Accountability Board Decisions
  - £14.802m of GPF allocated to Kent County Council
  - £2.523m of GPF allocated to Medway Council
- Up to **£6.47m** is available to reinvest in Kent from 25/26 onwards (subject to the repayments being made in line with their repayment schedules)





# Medway Council's Role

- Medway Council's GPF Allocation
  - Medway Council will allocate its own share of the GPF within its boundaries
  - Decisions will be reflected to KMEP
  - No formal role of KMEP in the spend of Medway's GPF
- Medway Council's Role in KMEP Discussions
  - Medway Council will not participate in KMEP discussions on allocating KCC's GPF share

# Governance Arrangements

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- KMEP as the formal Local Growth Board
  - Brings together private-sector business leaders
  - Includes further education principals and higher education vice-chancellors
  - Involves all local council leaders
- KMEP's Advisory Role for Kent County Council
  - Advises on the ongoing re-allocation of GPF in Kent
  - Utilizes the knowledge, expertise, and skills of KMEP board members
  - Aims to make informed decisions for beneficial economic impact by making recommendations to KCC on:
    - a) eligibility criteria and b) prioritisation of GPF applications





# Proposed GBF Eligibility Criteria

- Strategic Fit

- Technical Criteria

# Strategic Fit Criteria



- Does the project align with 8 high-growth sectors:
  - Advanced manufacturing
  - Clean energy industries
  - Creative industries
  - Defence
  - Digital and technologies
  - Financial services
  - Life sciences
  - Professional and business services
- Does the project align with Kent's sector strengths:
  - Advanced manufacturing
  - Clean energy industries
  - Creative industries
  - Digital and technologies
  - Life sciences
  - Professional and business services
  - Health
  - Tourism & Hospitality
  - Retail
  - Education
  - Construction
  - Transport & Logistics
  - Agriculture and horticulture

# Technical Criteria



- Expected Benefits
  - Delivers **new jobs, learners, houses, and/or commercial floorspace**
  - Substantial project outcomes outweighing costs
  - Robust analysis of jobs, homes, and skills benefits
- Pace of Benefit Realisation
  - Immediate benefits post-project completion
  - Low risk of benefits not materialising
- Need for Intervention
  - Strong demonstration of public sector intervention need
  - Evidence of added value from additional investment
- Viability
  - Full justification of project costs and assumptions
  - Secured additional funding sources
- Deliverability
  - Evidence shows delivery constraints (e.g. land acquisition and planning approval) pose a low risk to project delivery.

# Contribution to Revolving Fund

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- Commitment to Loan Repayment
  - 3-year loan repayment schedule
  - No concerns raised through company credit checks
  - Appropriate due diligence conducted



# Value of GPF Loans

- Conversations with economic development officers
- Proposal for GPF contribution between £300k and £2million
- KMEP Board to express preference to KCC on loan value

# Charging of Interest



- Historical Interest Rate
  - GPF loans charged at two percent below PWLB Fixed Loan Maturity Rate or zero percent
- Proposal to KMEP
  - Continuation of the low-interest rate approach
  - Helps maintain the value of the fund
- Determination of Interest Rate
  - Rate decided on the day of credit agreement finalisation
  - Agreement between Kent County Council and the applicant
- Loan Repayment Schedule
  - Set out in the credit agreement
  - Full PWLB interest rate charged from point of default
- Management Fee
- Security against loan





# Timelines and Process

- KMEP's Recommendations
  - Presented to KCC Cabinet Member for Economic Development
- Key Decision in January
  - Decision by KCC Cabinet Member to launch open call for new GPF projects
  - Anticipated launch on 1st February 2025
  - Advertisement on KMEP website and by partners
- Open Call Duration
  - Lasts one month
  - GPF applications submitted by 1st March 2025
- KMEP Board Meeting in Spring 2025
  - Consider GPF applications

# KMEP Board Meeting

- KMEP Board Meeting in Spring 2025
  - Consideration of GPF applications
- Red-Amber-Green Assessments
  - Presented by KMEP secretariat
- Project Ranking
  - KMEP board ranks projects in order of priority
- Recommendations to Kent County Council
  - Presented by KMEP board

# Repayment Schedule

Project	SELEP loan award	Repayment due on 31 March 25
<b>Live Margate</b>	£5,000,000	£1,500,000
<b>Javelin Way development project</b>	£1,597,000	£500,000
<b>Green Hydrogen Generation Facility</b>	£3,470,000	£3,470,000
<b>No Use Empty Commercial Phase II</b>	£2,000,000	£750,000
<b>Wine Innovation Centre</b>	£600,000	£250,000
<b>Total repayment due in Kent area</b>		£6,470,000