



Date: **19 February 2024**
Our ref: **Extraordinary Cabinet/Agenda**
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CABINET

29 FEBRUARY 2024

An extraordinary meeting of the Cabinet will be held at **7.00 pm on Thursday, 29 February 2024** in the Council Chamber, Council Offices, Cecil Street, Margate, Kent.

Membership:

Councillor Everitt (Chair); Councillors: Whitehead, Albon, Duckworth, Keen and Yates

AGENDA

Item
No

Subject

1. **APOLOGIES FOR ABSENCE**
2. **DECLARATIONS OF INTEREST** (Pages 3 - 4)
To receive any declarations of interest. Members are advised to consider the advice contained within the Declaration of Interest advice attached to this Agenda. If a Member declares an interest, they should complete the [Declaration of Interest Form](#)
3. **PURCHASE OF 2 X MECHANICAL SWEEPER VEHICLES** (Pages 5 - 8)
4. **CHANGES TO THE STATUTORY INSTRUMENT GOVERNING THE LEVEL OF FINES FOR FLY TIPPING & BREACH OF DUTY OF CARE** (Pages 9 - 18)
5. **APPROVE LEASE ARRANGEMENTS FOR 53-57 HIGH STREET MARGATE TO DELIVER THE MARGATE LEVELLING UP FUND PROJECT** (Pages 19 - 44)
6. **MARGATE REGENERATION PROGRAMME** (Pages 45 - 70)
7. **BUDGET MONITORING REPORT NO.3, 2023/24** (Pages 71 - 92)

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Do I have a Disclosable Pecuniary Interest and if so what action should I take?

Your Disclosable Pecuniary Interests (DPI) are those interests that are, or should be, listed on your Register of Interest Form.

If you are at a meeting and the subject relating to one of your DPIs is to be discussed, in so far as you are aware of the DPI, you **must** declare the existence **and** explain the nature of the DPI during the declarations of interest agenda item, at the commencement of the item under discussion, or when the interest has become apparent

Once you have declared that you have a DPI (unless you have been granted a dispensation by the Standards Committee or the Monitoring Officer, for which you will have applied to the Monitoring Officer prior to the meeting) you **must**:-

1. Not speak or vote on the matter;
2. Withdraw from the meeting room during the consideration of the matter;
3. Not seek to improperly influence the decision on the matter.

Do I have a significant interest and if so what action should I take?

A significant interest is an interest (other than a DPI or an interest in an Authority Function) which:

1. Affects the financial position of yourself and/or an associated person; or
Relates to the determination of your application for any approval, consent, licence, permission or registration made by, or on your behalf of, you and/or an associated person;
2. And which, in either case, a member of the public with knowledge of the relevant facts would reasonably regard as being so significant that it is likely to prejudice your judgment of the public interest.

An associated person is defined as:

- A family member or any other person with whom you have a close association, including your spouse, civil partner, or somebody with whom you are living as a husband or wife, or as if you are civil partners; or
- Any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors; or
- Any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000;
- Any body of which you are in a position of general control or management and to which you are appointed or nominated by the Authority; or
- any body in respect of which you are in a position of general control or management and which:
 - exercises functions of a public nature; or
 - is directed to charitable purposes; or
 - has as its principal purpose or one of its principal purposes the influence of public opinion or policy (including any political party or trade union)

An Authority Function is defined as: -

- Housing - where you are a tenant of the Council provided that those functions do not relate particularly to your tenancy or lease; or
- Any allowance, payment or indemnity given to members of the Council;
- Any ceremonial honour given to members of the Council
- Setting the Council Tax or a precept under the Local Government Finance Act 1992



If you are at a meeting and you think that you have a significant interest then you **must** declare the existence **and** nature of the significant interest at the commencement of the matter, or when the interest has become apparent, or the declarations of interest agenda item.

Once you have declared that you have a significant interest (unless you have been granted a dispensation by the Standards Committee or the Monitoring Officer, for which you will have applied to the Monitoring Officer prior to the meeting) you **must:-**

1. Not speak or vote (unless the public have speaking rights, or you are present to make representations, answer questions or to give evidence relating to the business being discussed in which case you can speak only)
2. Withdraw from the meeting during consideration of the matter or immediately after speaking.
3. Not seek to improperly influence the decision.

Gifts, Benefits and Hospitality

Councillors must declare at meetings any gift, benefit or hospitality with an estimated value (or cumulative value if a series of gifts etc.) of £25 or more. You **must**, at the commencement of the meeting or when the interest becomes apparent, disclose the existence and nature of the gift, benefit or hospitality, the identity of the donor and how the business under consideration relates to that person or body. However you can stay in the meeting unless it constitutes a significant interest, in which case it should be declared as outlined above.

What if I am unsure?

If you are in any doubt, Members are strongly advised to seek advice from the Monitoring Officer or the Committee Services Manager well in advance of the meeting.

If you need to declare an interest then please complete the declaration of [interest form](#).

Purchase of 2 x Mechanical Sweeper Vehicles

Extraordinary Cabinet	29 February 2024
Report Author	Matt Elmer, Head of Cleansing Services
Portfolio Holder	Cllr Steve Albon, Cabinet Member for Cleansing and Coastal Services
Status	For Decision
Classification:	Unrestricted
Key Decision	Yes
Reasons for Key	An Executive Decision that involves incurring expenditure anticipated to be £250,000 or above
Ward:	All wards

Executive Summary:

To enhance our street cleansing provision, Cabinet will be asked to approve the purchase of two 7.5 tonne mechanical sweepers that have been built into the fleet replacement plan.

These vehicles are used predominantly for cleansing of roads as they are too heavy to be used on pavements and will be particularly beneficial in the autumn and winter.

These vehicles will double the current provision, and replace the current equivalent vehicle which is being hired rather than owned by the council.

Recommendation(s):

Cabinet is asked to approve the following:

1.The purchase of two 7.5 tonne mechanical sweepers at a cost of approximately £175 K per vehicle.

Corporate Implications

Financial and Value for Money

The vehicles have been modified to our specifications and are within the allocated budget and as a result we will be exploring purchase, via an appropriate framework. Purchase of these vehicles will also mean that the current hired variation which is being used at a cost of £700 per week (£36,400 per annum) can be returned, generating a reduction in spend associated with vehicle hire.

Each sweeper has an estimated useful life of 7 years, as such a purchase price of c.£175k per vehicle compares favourably with the £255k cost of hiring a vehicle over the same period of time. The maintenance of these vehicles will be undertaken by our in house workshop and so would not exceed standard budgeted maintenance costs.

Legal

S.111 Local Government Act 1972 and S.1 Localism Act 2011 permits a Council to do anything calculated to facilitate the delivery of its powers, functions and duties and this includes entering into contracts and service arrangements necessary to deliver those functions.

Procurement of these two vehicles will be subject to compliance with public procurement legislation and the Council's contract standing orders.

The purchase of these vehicles will support the Council to meet its duties under the Pollution Control Act 1974 and the Environment Act 1990 to clean its highways and to ensure that land is kept clear of litter and refuse.

Risk Management

The introduction of a second sweeping vehicle would greatly improve the standard of street cleansing, this would assist in ensuring we meet our cleansing service standards.

Purchasing these vehicles will also give us control over availability and maintenance of them rather than this being outsourced.

Corporate

As well as the operational benefits, this proposal is firmly aligned with the Corporate Plan objective to keep our district safe and clean. This will see us deliver against an agreed budget allocation.

Equality Act 2010 & Public Sector Equality Duty

The proposal has limited relevance to the duty in respect of the protected characteristics. It is the officer's assessment that the duty is not engaged by this proposal.

An equalities screening tool has been completed and there is no requirement for an EQiA as there are no equalities implications arising.

Corporate Priorities

This report relates to the following corporate priorities: -

- To keep our district safe and clean
- To protect our environment
- To work efficiently for you

1.0 Introduction and Background

- 1.1 The vehicles are scheduled to work seven days a week throughout Thanet, during the standard working shift (6am-2.15pm).
- 1.2 To maintain the vehicles working life and performance, key components such as the filter system must be thoroughly cleaned after each use, this has an impact on the daily productivity.
- 1.3 The proposed vehicles are both diesel powered. Electric versions have been trialled and were less operationally efficient and effective. The relatively small market for such vehicles and lack of observational data on service life raised concerns in terms of maintenance, part availability and whole life cost.

2.0 Current Situation and Proposed Works

- 2.1 The single hired vehicle is currently covering as best it can the scheduled work of two vehicles. This obviously means large parts of the working day is taken up with either cleaning or tipping of the vehicle, a problem exacerbated by the fact only one of the two expected vehicles is operating.

3.0 Options

- 3.1 Cabinet is asked to consider the following options, with **Option 3** being recommended for approval.

Option 1 – Do not approve. This would mean continuing with the current service provision and the associated operational/reputational/financial risks of continuing to use the hired vehicle. **Not recommended.**

Option 2 – Approve one new vehicle. A potential compromise solution; could either replace the hired vehicle and continue to provide half the expected service, or operate two vehicles one owned and the other hired. A single vehicle will not be able to keep up with the road sweeping schedule. Continuing to hire a vehicle is not economically viable as there is a burden on revenue funds. **Not recommended.**

Option 3 – Approve the planned and budgeted purchase of two vehicles for an estimated £175k per vehicle, which exceeds the £250,000 threshold for a key decision, via an agreed framework. This decision will allow Cleansing Services to operate a full service with vehicles owned and maintained by the council. **Recommended.**

Contact Officer: Matt Elmer, Head of Cleansing
Reporting to: Mike Humber, Director of Environment

Annex List

None

Corporate Consultation

Finance: Matt Sanham, Head of Finance and Procurement

Legal: Ingrid Brown (Head of Legal and Democracy & Monitoring Officer)

Agenda Item 4

Changes to the statutory Instrument governing the level of fines for fly tipping & Breach of Duty of care

Extraordinary Cabinet	29th February 2024
Report Author	Eden Geddes Enforcement & Multi-agency Task Force Manager
Portfolio Holder	Cllr Keen, Cabinet Member for Neighbourhoods
Status	For Decision
Classification:	Unrestricted
Key Decision	Yes
Reasons for Key	Significant effect on communities
Ward:	All

Executive Summary:

Having a clean and well-maintained environment remains important to the council. We will be clear with our residents on what we will do and what our asks of residents are – cultivating a shared responsibility approach. Delivering a clean and accessible living environment, maintaining an emphasis on prevention but where necessary we will use an enforcement approach.

The Environmental Offences (Fixed Penalties) (Amendment) (England) Regulations 2023 that came into force on the 31st July 2023 has given local authorities the option to increase the fines issued under fixed penalty notices for fly tipping and waste and duty of care. This report requests the cabinet consider a proposed increase in the level of fines.

Recommendation(s):

That Cabinet agree to the following:

1. To increase the penalty limit for fly tipping offences from £400 to £1000;
2. To increase the early payment option for fly tipping from £300 to £400;
3. To increase the penalty limit for breaches of care notices in relation to waste from £400 to £600;
4. To increase the early payment option for breaches of care notices from £300 to £400.

Corporate Implications

Financial and Value for Money:

Infrastructure in relation to the issue of FPNs is in place and changes will come from within existing budgets and resources. There will be some impact on the time of internal services such as finance in order to change payment setups, however this is considered normal business.

There may potentially be future legal costs for enforcement of Fixed Penalty Notices via court process however this will be covered within the existing Enforcement legal budget.

Legal:

The relevant legislation is set out in the body of this report. The Environmental Offences (Fixed Penalties) (Amendment) (England) Regulations 2023 came into force on the 31st July 2023 and allow the Council to increase fixed penalty fines in the manner proposed in this report.

Risk Management:

The council operates a robust process around the issue of penalty notices as an alternative to prosecution.

The issue of Penalty notice is a remedy offered as an alternative to prosecution. There is a low risk of error in the issue of these types of penalty notices which may have a disproportionate impact upon different groups within society. Legislative guidance around the issue of penalty notices of this type allows for a mechanism for appeal and an ability to challenge the issue at a judicial level if the issue of an FPN is either believed incorrect or issued in error.

Corporate

The recommendations support The Council's Core Business Objectives in areas of Environment: Maintain strong enforcement action in the areas of planning, building control and parking. Strengthening our already tough response to fly-tipping.

Equality Act 2010 & Public Sector Equality Duty

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.

Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

This report relates to the following aim of the equality duty: -

- *To foster good relations between people who share a protected characteristic and people who do not share it.*

It is not felt that the adoption of the new guidance under the statutory instrument should have any negative impact in respect of protected characteristics and the public sector equality duty.

An equalities Impact screening has been undertaken and there are no significant matters arising from this proposal at this time. The council is sensitive to socio-economic and inclusion impacts upon individuals. FPNs represent proportionate enforcement against illegal activity as a remedy opposed to criminal prosecution. Individual economic activity can adversely be impacted by the issue of an FPN. An FPN can be declined and decided via alternate legal process or payment of an FPN can be facilitated via the sundry debtors

system to reduce the economic impact.

Corporate Priorities

This report relates to the following corporate priorities: -

- To keep our district safe and clean
- To protect our environment
- To work efficiently for you

1.0 Introduction and Background

- 1.1 The Environmental Protection Act 1990 allows local authorities to offer Fixed Penalty Notices (FPN's) for: Depositing or knowingly causing or permitting the deposit of waste on land where no environmental permit is in place, commonly known as fly-tipping. Householders who fail to comply with their duty of care when passing their waste to a third party and those who; drops, throws, deposits or leaves anything so as to cause defacement in any land open to the air.
- 1.2 The government has developed a national action plan targeting elements of anti-social behaviour. Contained within the plan are a number of changes to existing ASB legislation envisaged to strengthen police and local authority responses to varying incidences of anti social behaviour. A number of these are relevant to the council's street scene enforcement activities.
- 1.3 An FPN may only be issued once for fly tipping offences and is issued as an alternative to prosecution. By paying the FPN an individual may discharge their liability for the offence removing a requirement for a prosecution. The FPN remedy is a preferred alternative to a criminal prosecution undertaken by the authority due to cost and the current backlog within the court system which currently delays hearings by 12- 24 months.
- 1.4 The council operates a sundry debtors system where those who have admitted the offence but struggle to pay the balance of the FPN may be able to discharge the debt over a number of months. This approach is only undertaken after careful consideration.
- 1.5 Compliance and education will always be the preferred approach and the council have previously supported the Keep Britain Tidy's crime not to care campaign and Kent Resource Partnerships Lets Scrap Fly Tipping campaign and annual duty of care "Your rubbish, your responsibility" campaigns. Despite this, year on year Thanet as well as the rest of the UK are experiencing increased fly tipping, dumped rubbish and duty of care breaches.

2.0 The current situation

- 2.1. As of the 10th July 2023, the Government has introduced a statutory instrument (SI) increasing the upper limits for various fixed penalty notices (FPNs), which includes an option to change fly-tipping fines that more than doubles the maximum penalty for offenders.
- 2.2 Under the changes, the upper limit for fines in relation to fly-tipping has risen from £400 to £1000.

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The maximum fine for those who breach their duty of care as to household waste has risen from £400 to £600.

- 2.4 A Fixed Penalty Notice (FPN) is a notice issued to a person who has committed an offence. FPNs may be issued on the spot or through the post. An FPN is issued as an alternative to prosecution. By paying the FPN an individual may discharge their liability for the offence and no further action will be taken.
- 2.5 Currently of the 12 Kent districts, Maidstone & Canterbury have raised the FPN to the maximum rate of £1000. Throughout 2022 the councils Street Scene Enforcement team investigated over 5000 reports 2881 of which were fly tipping complaints. This equates to almost 8 fly tipping incidents a day.

Types of comparable FPN fines issued by Street Scene Enforcement and Other areas of the council:

- Littering – Section 87/88, Environmental Protection Act 1990 – £100
- Fly Tipping – Section 33, Environmental Protection Act 1990 – £400 (early payment £300)
- Household Waste Duty Of Care – Section 34, Environmental Protection Act 1990 – £400 (early payment £300)
- Breach of Community Protection Notice – Anti Social Crime and Policing Act 2014 – £100
- Breach of Public Space Protection Order – Anti Social Crime and Policing Act 2014 – £100
- Failure to comply with a waste receptacle notice. £110 (early payment fee of £75)
- Failure to produce waste documents. – Section 34 (5) Environmental Protection act 1990 – £300 (early payment fee of £200)
- Failure to produce authority to transport waste – 5/5B Control of pollution act 1989 – £300 (early Payment fee of £200)
- Abandoned vehicles – Section 2, The Refuse Disposal (Amenity) Act 1978 – £200 (early payment fee of £120)
- Smoking in a smoke-free place – Section 7, Health Act 2006 – £50 (early payment fee of £30)
- Failure to display a 'no smoking' sign in a smoke-free place – Section 6, Health Act 2006 – £200 (early payment fee £150)

Throughout 2022 the council's Street Scene Enforcement team investigated 2881 fly tipping complaints and issued 82 penalty notices.

3.0 Potential Options

3.1 Option 1 - To approve the recommendations for Increasing the penalty limit for both fly tipping and duty of care offences. Throughout 2022 the council investigated 2881 fly tipping complaints. This equates to almost 8 fly tipping incidents a day. Increasing the upper limit to the maximum allowed is in line with government guidance and is envisaged to be a strong deterrent as well as contributing to offsetting clearance costs. Our nearest Neighbours in Canterbury agreed the level of increase in December 2023. Anecdotally other councils across Kent seem likely to increase level throughout 2024.

3.2 Option 2 - To amend the recommendations for Increasing the penalty limit for both fly tipping and duty of care offences. Guidance for councils sets the upper

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threshold for penalty limits but affords flexibility for setting levels. ONS data for 2021-20122 for fly tipping incidents by district indicate that Thanet is 07th in the county as to volume. There is a concern that by taking a decision to apply penalty rates at a lower threshold than other districts could be perceived by those engaging in fly tipping that Thanet presents a lower financial risk for undertaking illicit activities.

3.3 Option 3 - To reject the proposed increases and recommendations. There is no requirement placed upon the council to increase the level of FPN rates. For 2022 FPN/prosecution approach had around a 78% success rate. However, fly tipping volumes continue to increase and if we do nothing this is likely to reduce compliance whilst volumes increase.

4.0 Preferred Option

Option 1, set out above, is recommended.

This option is recommended as it is to be considered reasonable and proportionate. The current level of fines are not acting as the intended deterrent. The early payment for fly tipping will be on par with the previous maximum penalty amount. The increase in the duty of care fine is proportionate and the early repayment is set to match the fly tipping as a strong deterrent. This option is also pursuant with the corporate priority of keeping our district safe and clean and has the advantage of keeping us in line with what ultimately will be the direction most if not all districts will take.

In a previous CMT briefing the requirement for a communications plan was discussed. This will be developed around a zero tolerance approach to fly tipping offences in the district.

Contact Officer: *Eden Geddes (Enforcement & Multi Agency Task Force Manager)*

Reporting to: *Penny Button (Head of Neighbourhoods)*

Annex List

Annex 1: Customer impact assessment

[w Sept 2023 Fly Tipping Customer Impact Assessment.docx PSPO Town.docx](#)

Corporate Consultation

Finance: *Chris Blundell (Director of Corporate Services - Section 151)*

Legal: *Ingrid Brown (Head of Legal and Democracy & Monitoring Officer)*

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Customer Impact Screen



Topic	Changes to the statutory Instrument governing the level of fines for fly tipping & Breach of Duty of care
For decision by (name and date)	Cabinet - TBC
Date of screening assessment	01/09/23
Date of this assessment	01/09/23
Author	Eden Geddes (Enforcement & Multi Agency Task Force Manager)

	Negative Impact				Benefits				Evidence
protected characteristics	H i g h	M e d	I o w	N o n e	N o n e	I o w	M e d	H i g h	<ul style="list-style-type: none"> Briefly describe initial thoughts on who will be affected and how (positively & negatively) What evidence/data have you used to inform your judgement? Highlight which protected characteristics will require full analysis based on the screening process, including details of issues you need to explore further – if full analysis is not required please explain why.
Age				X	X				All enforcement activity in relation to Fly-Tipping/ Duty of care has been taken against adults so no age related perceived negative impact
Gender (Sex)				X	X				There is nothing to suggest this order will directly impact or benefit this protected characteristic;
Disability				X	x				FPNs not issued to any individual known to lack capacity. If subsequently capacity concerns are raised. FPN withdrawn.
Race									There is nothing to suggest this order will directly impact or benefit this protected characteristic;
Sexual Orientation				X	x				There is nothing to suggest this order will directly impact or benefit this protected characteristic;
Gender Reassignment				X	x				There is nothing to suggest this order will directly impact or benefit this protected characteristic;
Pregnancy & Maternity				X	x				There is nothing to suggest this order will directly impact or benefit this protected characteristic;
Marriage & Civil Partnership				X	x				There is nothing to suggest this order will directly impact or benefit this protected characteristic;
Socio-economic / social inclusion			X			x			FPNs represent proportionate enforcement against illegal activity as a remedy opposed to criminal prosecution. Individual economic activity can adversely be impacted by the issue of an FPN. An FPN can be declined and decided via alternate legal process or payment of an FPN can be facilitated via the sundry debtors system to reduce the economic impact.

It is important to remember that the screening and full analysis processes should begin at the start of a piece of work. Analysis at the end of a project, after a decision is made or when the report is going to Members will not satisfy the Public Sector Equality Duty. Attach this screening document and full impact assessment as an annex to your report to Members.

Customer Impact Assessment

Topic	There is nothing to suggest this order will directly impact or benefit this protected characteristic;
For decision by (name and date)	TBC
Date of screening assessment	01 09 2023
Date of this assessment	01 09 2023
Author	Eden Geddes (Enforcement & Multi Agency Task Force Manager)
Assessment Team	

Detailed analysis

Stakeholders/interested parties	Members of the public living, working or visiting the designated areas. Business and property owners. Ramsgate Town Council, Margate charter of trustees, Margate Town Team, Ramsgate Town Team. Ward Councillors. Police and Crime Commissioner. Kent Police.
Consultation & Engagement	TDC CMT/ TDC Cabinet
Data sources and evidence	N/A
Protected Characteristic(s) affected	No tangible impact based upon any protected characteristics
Impacts Identified	N/A
Mitigation options, reasonable adjustments and potential solutions	N/A

Final recommendation for this issue	The impact assessment relates to activities in relation to enforcement activities. The purpose of the activity is to promote compliance wherever possible.
Aims of the Duty furthered by this recommendation	N/A

Approve lease arrangements for 53-57 High Street Margate to deliver the Margate Levelling Up Fund project

Extraordinary Cabinet	29 February, 2024
Report Author	Louise Askew, Head of Regeneration and Growth
Portfolio Holder	Cllr Ruth Duckworth
Status	For Decision
Classification:	Unrestricted
Key Decision	No
Previously Considered by	Cabinet - 17 June, 2021 Cabinet - 28 April, 2022 Cabinet - 13 October, 2022
Ward:	Margate Central

Executive Summary:

The Margate Digital Campus is to be hosted within 53-57 High Street Margate, a building which is owned by a Joint Venture agreement between Thanet District Council and Homes England. Following previous decisions, this paper sets out the terms in which the lease arrangements are to be made with East Kent Colleges Group in the leasing of 53-57 High Street.

Recommendation(s):

It is recommended that Cabinet:

1. Agree that the grant agreement at Annex 1 between the Council and East Kent Colleges Group be signed by the Section 151 Officer, with the seal to be witnessed by two authorised officers.
2. Approve the proposed Lease to East Kent Colleges Group of 53-57 High Street, Margate on 125 year term at a peppercorn rent, and approve that the appointed Joint Venture Steering Group members confirm consent to the same. The approval is required under the Joint Venture Agreement dated 14 December 2007 between the South East England Development Agency and Thanet District Council.
4. Authorise the Head of Regeneration and Growth in consultation with the Head of Property to finalise the terms.
5. Authorise the Head of Legal and Democracy to negotiate and complete the necessary legal formalities and all necessary deeds and agreements arising from or ancillary to the grant of the lease of the property.

Corporate Implications

Financial and Value for Money

The Margate Digital project, funded through the Levelling Up Fund has already received budget approval and has been incorporated into the council's capital programme. This project is required to be fully funded from external grant funding allocations and there is currently no scope for Council investment in this scheme.

For all the Government funded programmes, we have already received part of this funding, to commence delivery. In addition, all future Department for Levelling up Housing and Communities (DLUHC) funding will be drawn down in advance of any works being undertaken. The Section 151 Officer is required to scrutinise and approve regular monitoring returns to DLUHC. These returns will cover actual and forecast spend, alongside programme delivery and output metrics.

The council is required to provide regular monitoring and evaluation returns to central government and this information will be provided by East Kent Colleges Group. An outcome of being part of the Simplification Pathfinder Pilot is that the council will have a streamlined approach to the monitoring and evaluation requirements.

The Joint Venture Agreement between Thanet District Council and Homes England requires any income derived from the site to be used to offset the councils costs, excluding overheads, with the balance to be sent to Homes England. This clause does not differ on whether the asset is sold, or leased out. This is because the original grant used to purchase the building was provided from South East England Development Agency (SEEDA) (now transferred to Homes England). In this context, Thanet District Council would not receive any revenue income if the building was leased out on a commercial basis, and/or if it was sold at a market price. As the council did not provide any funding for the purchase of the property the disposal value is returned to Homes England. This is a public sector owned asset which provides significant opportunity for regeneration purposes in the heart of the town centre.

Legal

The Council has the power under Section 123 of the Local Government Act 1972 (the Act) to grant the lease referred to in this report and will meet its obligations under Section 123 of the Act as to best consideration as the estimated undervalue is below £2 million and the lease will support a number of regeneration and levelling up initiatives in the District. The nature of funding for Further Education Colleges means they are over-reliant on government policy that does not provide opportunity for investment of the scale of the proposed use without project match funding, with strict criteria and outcomes applied to them.

Subsidy control implications have been considered with advice from the Department for Levelling Up, Housing and Skills suggesting that Further Education activities are primarily funded through public funds/ central government so are not considered to be economic activities for the purposes of the Act. This project is therefore considered to be exempt from subsidy checks as higher educational facilities are outside of the scope.

Risk Management

Through the development of the application to the Levelling Up Fund East Kent colleges Group were required to put together a robust risk assessment, through the monitoring and evaluation process back to central government there has been a requirement for this to be maintained and kept up to date. The College has established the apparatus and experience for reviewing and managing the various key risks of delivering large capital programmes across their portfolio of sites.

The council is still responsible for ensuring that there are effective and adequate risk management and control systems in place to manage the major risks to which the external funding programmes are exposed, as it remains the accountable body for the funding.

This project will derisk the council as we will no longer be liable for the building and all building maintenance and management requirements that go with it.

Key risks, and mitigation measures

Significant Inflation pressure c20-30% increases

- Continue to lobby central government on the impact of the increase in costs of materials and labour and the subsequent inflationary increases.
- Possible value engineering required.
- Possible cancellation of projects if unaffordable
- Constant reviews of other investment opportunities/funding sources.
- A risk/contingency allowance is included within the cost plan.

Availability of materials and labour

- A risk/contingency allowance is included within the cost plan.
- Suitable contract terms between the client and the main contractor will be included at the point of agreeing the Main Works Contract.
- Cost/delay likelihood expected to be known far in advance of commencing on site.
- Constant reviews of the market and supply chain will be undertaken to establish lead in times and general market concerns and issues.
- Possible value engineering required.

Capacity of East Kent Colleges Group to support delivery of significant spend within programme timescales

- Review use of extra external resources to add capacity to existing teams within the council.
- Utilise funding for fees within the projects to add capacity.
- Use a design and build contractor to reduce potential challenges down the line.

Third party management of a project with the council as the Accountable Body

- Ensure there are requirements set out in the grant agreement for regular meetings/reporting on delivery.
- The council should sign off any changes to the scheme
- The council is required to approve the final works.

Corporate

The Margate Levelling Up Fund Project delivers against the Council's corporate priority four by creating a thriving place. Introducing an education campus into the heart of the high street encourages the rejuvenation of our towns, creating new opportunities to gain skills and therefore employment. Proving the campus will encourage footfall and bring people to the town centre for other reasons than just retail, providing a hub of activity.

Equality Act 2010 & Public Sector Equality Duty

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.

There are no direct equalities considerations arising from this decision. The decision to enter into a lease will not directly impact either adversely or positively, those with a protected characteristic. The decision is however likely to have a positive impact on residents in the area including those with protected characteristics, providing both training and employment opportunities.

Corporate Priorities

This report identifies delivery against Priority Four - to create a thriving place, in the councils newly adopted Corporate Plan 2024-28. Its approval with support delivery against the multi-million pound Levelling Up Fund regeneration scheme being delivered in Margate.

1.0 Introduction and Background

- 1.1 53-57 High Street was formerly home to Marks and Spencers in Margate High Street and was purchased through grant provision from the South East England Development Agency (SEEDA). A joint Venture Agreement (JVA) was entered into between Thanet District Council and SEEDA, with a Joint Venture Board put in place. The JVA allowed for a pooling of resources to undertake targeted acquisitions, with the council holding the relevant title interest in trust, on behalf of the JVA. The site was passed to Homes England, who are now responsible for the legacy left by SEEDA in terms of the regeneration opportunity provided by this site. The legal title for the property is in the name of Thanet Council, and Homes England have the benefit of a restriction on title to protect the terms of the Grant Agreement and the requirement to enter into the Joint Venture Agreement as a term of that Grant Agreement.
- 1.2 To date, efforts to undertake significant redevelopment of the property have not been successful. The site assembly, undertaken within the JV, was predicated on a retail-led regeneration masterplan which ultimately stalled due to a number of factors relating to commercial viability driven by previous economic recessions and changing town centre demographics. Due to both sporadic occupation, falling demand and

high running costs, the building has declined in condition, making the prospect of any meaningful, long-term solution more challenging. While the council has an obligation to keep the property in reasonable repair, without an income from the property, this has been limited to reactive maintenance to fulfil compliance requirements.

- 1.3 In 2021 the JV Steering Group approved the use of £750,000 of Towns Fund monies awarded to Thanet District Council by the Department for Levelling Up, Housing and Communities. This funding allowed works such as asbestos strip out, roof and fire escape improvements and general electric works to take place.
- 1.3 The building provides the public sector the opportunity to utilise one of its assets to support a number of regeneration and levelling up initiatives in Margate, and in particular one of the most deprived wards in the country. The property was purchased through grant funding for regeneration purposes, with any income gained from the property going to Homes England, with a limited amount provided to the council to cover our costs (exclusive of overheads), if the building were to be leased on a commercial basis. The council would not retain any funding from a sale of the property on the basis of the JVA.
- 1.4 The Council submitted the bid for the Margate Digital Campus on behalf of East Kent Colleges Group in support of the Council's corporate priority for 'creating a thriving place', including encouraging the rejuvenation of our high streets and providing opportunities to people for skills and training, particularly young people. This was approved at a Cabinet meeting on 17 June, 2021. The Government's priorities and aspirations for town centres is to see improvements within town centres, including the repurposing of empty commercial properties, to help create jobs and build stronger and more resilient local economies.
- 1.5 Through the submission of the Margate Digital project to the Levelling Up Fund, the council was awarded £6.3m of capital funding for East Kent Colleges Group to deliver the project. Margate Digital is an educational and industry training campus primarily aimed at 16- to 19-year-olds. The Colleges Group is proposing to deliver more than 2,000m² of cutting edge, industry relevant training space with aims to work with more than 200 learners. The Campus will offer a range of qualifications including T Levels, HNDs and HNCs. It will be a specialist industry-focused college purposefully positioned in Margate. It should be noted that Margate currently has no further education facilities. Students from the most deprived town in Thanet need to travel to Broadstairs/Ramsgate or out of the area to places like Canterbury to pursue their education.

2.0 Lease Arrangements

- 2.1 In October 2022 Cabinet approved a lease to East Kent Colleges Group for the building in order to deliver the Margate Digital Campus. This was for a ten year lease at a peppercorn rent, with the ability to review the lease at year eleven. It was considered that given the transformational benefits the establishment of a college in the town could bring to the area on the basis of regeneration returns from the proposed project. Periodic rent reviews based on an agreed formula for assessing the performance of the project against the business plan was proposed through the Heads of Terms.

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- 2.2 Shortly after the decision was made the Office for National Statistics ('ONS') reclassified further education corporations, sixth form college corporations and designated institutions in England ('Colleges'), as public sector bodies, forming part of central government. This decision was a significant change for the sector. Prior to it, colleges were classified as private sector bodies and had been since 2012. The decision came after a review from the ONS of the classification of all sectors of the economy, and as a result of it colleges are officially part of central government once again. This change has impacted the way in which colleges manage their money, and in this instance, lease buildings. Capital investment can only be made in an asset owned by a college in freehold or on a long lease. The Department for Education expects a long-term lease to be 125+ years at a peppercorn or nominal rental. East Kent Colleges Group has been advised that it is highly unlikely that the tenure arrangements in commercial leases would satisfy the Department for Education's value for money requirements.
- 2.3 The way further education colleges are funded also means that the government sets the price and contract limits for different types of provision. The funding model does not allow for any headroom that enables colleges to afford to lease premises for this scale of provision. The East Kent Colleges Group does not own anything in Margate, and has no way of investing in projects without capital funding approaches like the successful Levelling Up Fund (LUF) project. Using an asset already owned in the public sector makes sense.
- 2.3 This proposal would see the East Kent Colleges Group enter into a new 125-year lease at a peppercorn rent, for 53-57 High Street, Margate. The lease would be upon fully repairing and insuring (FRI) terms, handing control for the significant maintenance of the property from the council to East Kent Colleges Group. The lease would allow for the use of the property for education and ancillary purposes only. A sublet would be allowed within the property, with approval from the council, and for organisations that fit with the education terms of the planning approval.
- 2.4 The council has a statutory duty to dispose of land at the best price reasonably obtainable in accordance with Section 123 of the Local Government Act 1972. Due to the nature of funding for Further Education Colleges, the financial model means they are over-reliant on government policy that does not provide opportunity for investment of the scale of Margate Digital without project match funding, and with strict criteria and outcomes applied to them. East Kent Colleges Group expects that the eventual growth in student numbers at the Margate Digital campus will enable the project to start to break-even by year eight or nine of opening the provision. The College are planning to then have an overt income to reinvest back into Margate Digital by year ten of operating; therefore, creating a sustainable model for the offer. Within the Heads of Terms for the lease arrangement a provision will be included that should the College start to make 'profit' from the provision in Margate, through open book accounting, the council and Homes England may require to see a return on the original investment - a repayment of grant funding. This will happen in year ten.
- 2.5 Officers have been in negotiation with Homes England, East Kent Colleges Group, Department for Levelling Up, Housing and Communities and the Department for Education since the changes came into force that impacted this project. Originally it was thought that it would require a Secretary of State decision, however due to the nature of the output from the funding, and the use of the building, Homes England

were able to approve the decision internally. This now requires the council to approve the lease arrangement, before the Joint Venture Steering Group members meet to complete the decision making process.

- 2.6 Decision making was supported by East Kent Colleges Group high level business plan for the Margate Digital Campus. The proposals have been reviewed in detail by appointed valuation consultants, Thomas Lister. The 20-year projections are based upon an initial intake of 90 students, rising to an estimated capacity of 220 students by year eight. Income for the campus is provided by way of fee income from a variety of courses including adult learning courses. The anticipated revenue also includes operating and service charge contributions from leasing out space within the building. Negotiations are taking place on the type of operation that could happen within the building to support the campus.
- 2.7 Following analysis of the proposed terms, Thomas Lister has, on behalf of the JV partners, concluded that the property could potentially secure a capital value in the region of £390,000 on an existing use basis, assuming a Freehold or Long Leasehold (FRI) disposal. If the property was let in its current condition, it would likely be for a short-term, internal repairing basis with break options in favour of the tenant due to the unstable retail market. The above options would not make the most of this key asset in the heart of the town centre. They do not take into account the Levelling Up Fund allocation and would unlikely provide the regeneration benefit required in Margate town centre. If the property continued to be occupied with secondary retail on Internal Repairing and Insuring (IRI) basis only, it would leave the council with a large ongoing management and maintenance responsibility. Still with no financial benefit at the end of any lease arrangements, or sale.
- 2.8 With regard to using the property solely for the purposes of education (and associated ancillary uses), Thomas Lister concluded that the assumptions made in relation to the potential income that could be gained as an education provision and the impact of the requirements from the Department for Education, any occupier seeking to operate the building on an educational basis would have the same challenges. Noting that the value would revert at the end of the Lease or should East Kent Colleges Group surrender the Lease at any point during the term.
- 2.9 On the basis of the above Thomas Lister confirmed that the proposed grant of a new lease to East Kent Colleges Group, subject to the user clause restricting the use for education purposes only, at a peppercorn rent represents Best Consideration in accordance with the requirements of Section 123 of the Local Government Act 1972 and Section 10 of the Housing and Regeneration Act 2008.
- 2.10 Should the Colleges Group seek to use the property for any other purposes than that contained within the user clause of the Lease, there would be a very clear Landlord's consent process required which would see the JV partners consider the merits of the proposal, which would include both impact/compliance on the funding provisions relating to the Levelling Up Fund, and impact on value in terms of rental.

3.0 Options

- 3.1 The only alternatives are to either give the funding back to central government, or for the council to deliver the Margate Digital campus themselves. There are currently no

other Further Education or Universities in Thanet that could add a new campus to their provision. The council is not in the position to deliver an education campus, and therefore the only option is to provide East Kent Colleges Group with a lease in order that they can deliver the scheme they put forward for the Levelling Up Fund programme, which was awarded the grant funding.

4.0 Next Steps

- 4.1 The annexed grant agreement will be signed by both parties - Thanet District Council and East Kent Colleges Group.
- 4.2 Using the Heads of Terms the lease will be finalised for signing by Thanet District Council and East Kent Colleges Group.
- 4.3 Joint Venture Steering Group members meet to complete the decision making process.

Contact Officer: *Louise Askew - Head of Regeneration and Growth*
Reporting to: *Bob Porter - Director of Place*

Annex List

Annex 1: Draft Grant Agreement

Background Papers

[Margate Digital Levelling Up Fund bid](#)

Corporate Consultation

Finance: Chris Blundell (Director of Corporate Services - Section 151)

Legal: Ingrid Brown (Head of Legal and Democracy & Monitoring Officer)

DATED	2024
(1) THANET DISTRICT COUNCIL AND (2) EKC Group	
GRANT AGREEMENT Levelling Up Fund - Margate Digital Campus	

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AGREEMENT DETAILS

DATED: _____ **2024**

Funder:	Thanet District Council (the “Funder”)	
Funder’s address	Council Offices, P.O.Box 9, Cecil Street, Margate, CT9 1XZ	
Recipient	EKC Group (UKPRN 10006570) (the “Recipient”)	
Recipient’s address	Ramsgate Road, Broadstairs, Kent CT10 1PN	
Grant	<p>The total Levelling Up Fund grant of £6,163,533 to be paid to the Recipient in accordance with this Agreement.</p> <p>£24,000 for removal of the remaining asbestos from a previous scheme to be paid in accordance with this Agreement. Quote to be confirmed for final amount.</p>	
Grant Period	<p>The period for which the Grant is awarded starting on the Commencement Date and ending on 31 March 2026. Grant Monitoring will be for three years after this period.</p>	
Project	<p>The Levelling Up Fund (LUF) proposal known as MargateDigital as outlined in the attached LUF Bid. Funding is provided to form part of the necessary capital investment required for delivery of the LUF Bid.</p>	
Outcome	<p>All objectives included through the LUF Application including, among others the following:</p> <ul style="list-style-type: none"> ▪ Creation of 2,000 sq m of cutting-edge, industry-relevant training space; ▪ Delivery to more than 200 16-19 and adult learners in the first year of operation, with further growth over subsequent years; ▪ Delivery of a range of technical qualifications, including specialised T Levels in Animation, Architecture, Programming, Coding, Graphics, Marketing, TV and Film; ▪ Offer of seamless progression to Level 4 and 5 provision by introducing new Higher Technical Qualifications, supported by a government-backed brand and quality mark to meet the higher-level skills of industry; and ▪ Investment of £7,026,078 in the area (£6,306,078 from the Levelling Up Fund and £720,000 from East Kent Colleges Group), a significant proportion of which will be for specialist equipment. 	
Grant Payment Timetable	Amount of Grant Payable	Date of (or trigger for) Payment
	2023-24 Q4	£ 89,456.72
	2024-25 Q1	£ 1,080,000.00
	2024-25 Q2	£ 1,800,000.00
	2024-25 Q3	£ 1,400,000.00
	2024-25 Q4	£ 1,000,000.00
	2025-26 Q1	£ 674,076.28
	2025-26 Q4	£ 120,000.00
Grant Budget	Item of Expenditure	Budget (in UK Sterling)
	Project Management	£ 66,960

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	Design Fees	£ 348,755		
	Enabling works – Pre-Contract - Demolition / Site Preparation or Remediation etc	£ 225,119		
	Construction Phase – Cost of refurbishment / conversion	£ 5,495,057		
	Materials/Equipment via Match funding	£ 720,000		
	Other Fees/Costs	£ 27,642		
Funder Representative	Name: Chris Blundell Title: Director of Corporate Services and Section 151 Officer Email: chris.blundell@thanet.gov.uk Telephone: 01843 577722			
Recipient Representative	Name: Dan Shelley Title: Chief Infrastructure and Transformation Officer Email: dan.shelley@eastkent.ac.uk Telephone: 07879 406892			
Commencement Date	The date when both parties have executed this Agreement.			
Additional Funding/Matched Funding	<p>The Recipient is providing £720,000 in matched funding from the Department for Education’s Specialist Equipment Allocation to fund industry specialist equipment required.</p> <p>The Recipient will also access revenue funding from its Further Education and Adult Education Budget, provided by the Education and Skills Funding Agency. This will cover programme delivery costs and additional student support monies when appropriate. This revenue funding will ensure that the investment is fully utilised in the years after the building restoration and fit out.</p> <p>The Recipient shall inform the Funder as soon as practicable of any change to the terms of any Additional Funding or Matched Funding in relation to the Project.</p> <p>The Funder will not in any circumstance be required to pay the Grant to the Recipient and the Recipient has no right to the Grant unless and until the Recipient has confirmed in writing that it has received evidence in writing from the Recipient that any required Additional Funding/Matched Funding has been received by the Funder and that additional funding (and any terms thereof) is to the satisfaction of the Funder at its sole discretion.</p>			
Special Terms	<p>In the Conditions:</p> <p><u>Special Term A</u> Insert at clause 1 Definitions the following as a new row under “Know-How”:</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 30%;">LUF Application</td> <td>the Levelling Up Fund Application Form approved by Department for Levelling Up, Housing and Communities, Department for Transport and HM Treasury and the subsequent project management update (and associated Annex 1), both as attached at Schedule 2.</td> </tr> </table> <p><u>Special Term B</u></p>		LUF Application	the Levelling Up Fund Application Form approved by Department for Levelling Up, Housing and Communities, Department for Transport and HM Treasury and the subsequent project management update (and associated Annex 1), both as attached at Schedule 2.
LUF Application	the Levelling Up Fund Application Form approved by Department for Levelling Up, Housing and Communities, Department for Transport and HM Treasury and the subsequent project management update (and associated Annex 1), both as attached at Schedule 2.			

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	Clause 6.9 added: This clause is inserted into the Agreement Conditions: “6.9 In addition and as a separate obligation (if deemed required by the Funder) to the other reporting obligations contained in this clause 6, the Recipient shall support the Funder and provide any information or reporting as required by the Funder in order for the Funder to discharge its reporting obligations as contained in the LUF Application including, but not limited to, Annex 1 of the project management update.	
Monitoring and Evaluation requirements	Number of full-time equivalent (FTE) permanent jobs created directly through the projects	Target 8
	Number of full-time equivalent (FTE) permanent jobs safeguarded directly through the projects	Target 2
	Number of full-time equivalent (FTE) permanent jobs facilitated directly through the projects	Target 51
	Amount (m2) of new educational space created	Target 2341
	Student FTEs progressing to HE per year	Target 8
	Student FTEs progressing to employment per year	Target 86
	Number of students enrolling/completing FE and HE courses	No target
	Deliver Local Impact Evaluation	No target
	Provision of match funding	£720,000

1. This Agreement is made up of these Agreement Details and the Agreement Conditions.
2. If there is any conflict or ambiguity between the terms of the Agreement Details and the Agreement Conditions, the Agreement Details shall have priority and prevail over the Agreement Conditions.

This DEED has been entered into on the date stated at the beginning of it.

EXECUTED as a DEED by affixing
 the common seal of **THANET**
DISTRICT COUNCIL in the
 presence of:

.....
 Authorised officer

.....
Authorised officer

EXECUTED as a DEED by EKC Group
(being a body corporate established
under the Further & Higher Education
Act 1992) by the affixing of the seal of
its governing body, in the presence of:

.....
Signature of Chair or duly authorised member of said
governing body

.....
Member of said governing body

**GRANT AGREEMENT
AGREEMENT CONDITIONS**

RECITALS

- (A) The Funder has agreed to pay the Grant to the Recipient to assist it in carrying out the Project.
- (B) This Agreement sets out the terms and conditions on which the Grant is made by the Funder to the Recipient.
- (C) These terms and conditions are intended to ensure that the Grant is used for the purpose for which it is awarded.

AGREED TERMS

1. DEFINITIONS

In this Agreement the following terms shall have the following meanings:

Agreement	means this agreement between the Funder and the Recipient in accordance with the Agreement Details and these Agreement Conditions.
Agreement Conditions	these terms and conditions set out in clause 1 to 29.
Agreement Details	means the front cover table attached to these Agreement Conditions which set out the specific details of this Agreement.
Bribery Act	the Bribery Act 2010 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning the legislation.
Data Protection Legislation:	all applicable data protection and privacy legislation in force from time to time in the UK including the UK GDPR; the Data Protection Act 2018 (and regulations made thereunder); and the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) as amended and the guidance and codes of practice issued by the Information Commissioner or other relevant regulatory authority and applicable to a party.
Drawdown Request	The notice to be provided to the Funder by the Recipient detailing, among others and as determined by the Funder acting reasonably, details of the relevant land/property, the business case for the relevant land/property, the strategic reason for the site, benefits and outcomes expected, costs incurred and a cash flow forecast.
Drawdown Request Consent	Means the written approval of the Funder's Section 151 Officer and Senior Responsible Officer in respect of a Drawdown Notice.
Governing Body	the governing body of the Recipient including its directors or trustees.
Ineligible Expenditure	each of the ineligible items contained in Schedule 1.
Intellectual Property Rights	all patents, copyrights and design rights (whether registered or not) and all applications for any of the foregoing and all rights of confidence and Know-How however arising for their full term and any renewals and extensions.

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Know-How	information, data, know-how or experience whether patentable or not and including but not limited to any technical and commercial information relating to research, design, development, manufacture, use or sale.
Prohibited Act	<ol style="list-style-type: none"> 1. offering, giving or agreeing to give any gift or consideration of any kind as an inducement or reward for: <ol style="list-style-type: none"> a. doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of this Agreement or any other contract with the Funder; or
	<ol style="list-style-type: none"> <ol style="list-style-type: none"> b. showing or not showing favour or disfavour to any person in relation to this Agreement or any other contract with the Funder; 2. entering into this Agreement or any other contract with the Funder where a commission has been paid or has been agreed to be paid by the Recipient or on its behalf, or to its knowledge, unless before the relevant contract is entered into particulars of any such commission and of the terms and conditions of any such contract for the payment thereof have been disclosed in writing to the Funder; <ol style="list-style-type: none"> 1. committing any offence: <ol style="list-style-type: none"> 1.1. under the Bribery Act; 1.2. under legislation creating offences in respect of fraudulent acts; or 2. at common law in respect of fraudulent acts in relation to this Agreement or any other contract with the Funder; or 3. defrauding or attempting to defraud or conspiring to defraud the Funder.
UK GDPR	has the meaning given to it in section 3(10) (as supplemented by section 205(4)) of the Data Protection Act 2018.

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2. PURPOSE OF GRANT

- 2.1. The Recipient shall use the Grant only for the delivery of the Project as set out under the Purpose of Grant in the Agreement Details section, and in accordance with the terms and conditions set out in this Agreement. The Grant shall not be used for any other purpose without the prior written agreement of the Funder.
- 2.2. The Recipient shall not make any significant change to the Project without the Funder's prior written agreement.
- 2.3. Where the Recipient intends to apply to a third party for other funding for the Project (including any additional or matched funding), it will notify the Funder in advance of its intention to do so and, where such funding is obtained, it will provide the Funder with details of the amount and purpose of that funding.
- 2.4. The Recipient agrees and accepts that it shall not apply for duplicate funding in respect of any part of the Project or any related administration costs that the Funder is funding in full under this Agreement.

3. PAYMENT OF GRANT

- 3.1. Subject to clause 12, the Funder shall pay the Grant to the Recipient in accordance with the Spend Profile set out in Annex 1, and the Grant Drawdown Process (Annex 2), subject to the necessary funds being received in cleared funds from Government when payment falls due.
- 3.2. No Grant shall be paid unless and until the Funder is satisfied that such payment will be used for proper expenditure in the delivery of the Project.
- 3.3. The amount of the Grant shall not be increased in the event of any overspend by the Recipient in its delivery of the Project.
- 3.4. The Recipient shall promptly repay to the Funder any money incorrectly paid to it either as a result of an administrative error or otherwise. This includes (without limitation) situations where either an incorrect sum of money has been paid or where Grant monies have been paid in error before all conditions attaching to the Grant have been complied with by the Recipient.

4. USE OF GRANT

- 4.1. The Grant shall be used by the Recipient for the delivery of the Project in accordance with any agreed spend profile. The agreed Grant Spend Profile is set out above within the Grant Funding Profile section that is in Annex 1, and can be updated on a quarterly basis with (prior written) agreement from the Funder.
- 4.2. Where the Recipient has obtained funding from a third party in relation to its delivery of the Project (including without limitation funding for associated administration and staffing costs), the amount of such funding shall be included in the Grant Budget together with a clear description of what that funding shall be used for.
- 4.3. The Recipient shall not use the Grant to:
 - 4.3.1. make any payment to members of its Governing Body;
 - 4.3.2. make any payment in any way in relation to any of the Ineligible expenditure;
or
 - 4.3.3. pay for any expenditure commitments of the Recipient entered into before the Commencement Date, unless this has been approved in writing by the Funder.

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- 4.4. The Recipient shall not spend any part of the Grant on the delivery of the Project after the Grant Period.
- 4.5. The Recipient shall not enter into any contracts or permit any payments to third parties funded in whole or part by the Grant unless those contracts or payments are made in accordance with the prevailing procurement regime in effect in the UK, as well as any minimum requirements set by the Funder. Guidance will be provided separately and annexed to the Grant Agreement.
- 4.6. Should any part of the Grant remain unspent at the end of the Grant Period (end March, 2026), the Recipient shall ensure that any unspent monies are returned to the Funder/the funding will not be allocated to the Recipient or, if agreed in writing by the Funder, the Recipient shall be entitled to retain the unspent monies/transferred unspent monies to use for purposes as agreed between the parties.
- 4.7. Any liabilities arising at the end of the Project including any redundancy liabilities for staff employed by the Recipient to deliver the Project must be managed and paid for by the Recipient using the Grant or other resources of the Recipient. There will be no additional funding available from the Funder for this purpose.

5. ACCOUNTS AND RECORDS

- 5.1. The Grant shall be shown in the Recipient's accounts as a restricted fund and shall not be included under general funds.
- 5.2. The Recipient shall keep separate, accurate and up-to-date accounts and records of the receipt and expenditure of the Grant monies received by it.
- 5.3. The Recipient shall keep all invoices, receipts, and accounts and any other relevant documents relating to the expenditure of the Grant, Additional Funding or Matched Funding for a period of at least seven years following receipt of any monies to which they relate. The Funder shall have the right to review, at the Funder's reasonable request, the Recipient's accounts and records that relate to the expenditure of the Grant and shall have the right to take copies of such accounts and records.
- 5.4. The Recipient shall provide the Funder with a copy of its annual accounts within six months (or such lesser period as the Funder may reasonably require) of the end of the relevant financial year in respect of each year in which the Grant is paid.
- 5.5. The Recipient shall comply and facilitate the Funder's compliance with all statutory requirements as regards to accounts, audit or examination of accounts, annual reports and annual returns applicable to itself and the Funder.

6. MONITORING AND REPORTING

- 6.1. The Recipient shall closely monitor the delivery and success of the Project throughout the Grant Period to ensure that the aims and objectives of the Project are being met and that this Agreement is being adhered to.
- 6.2. The Recipient shall on request provide the Funder or its auditors with such further information, explanations and documents as the Funder may reasonably require in order for it to establish that the Grant has been used properly in accordance with this Agreement.
- 6.3. The Recipient shall permit any person authorised by the Funder or its auditors such reasonable access to its employees, agents, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the Recipient's fulfilment of the conditions of this Agreement and shall, if so required, provide appropriate oral or written explanations from them.

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- 6.4. The Recipient shall permit any person authorised by the Funder to visit the Recipient once every quarter to monitor the delivery of the Project. Where, in its reasonable opinion, the Funder considers that additional visits are necessary to monitor the Project, it shall be entitled to authorise any person to make such visits on its behalf.
- 6.5. The Recipient shall provide the Funder with a final report on completion of the Grant Period which shall confirm whether and to what extent the Project has been successfully and properly completed in accordance with the Outcomes and include details on how funding received was allocated across the Project.
- 6.6. The Recipient shall provide the Funder with a financial report and an operational report on its use of the Grant or any Matched Funding and delivery of the Project every quarter through the monitoring and evaluation process outlined in Annex 3, and in such formats as the Funder may reasonably require. The Funder will provide a template format for such a report which details reporting requirements and timelines for reporting.
- 6.7. The Recipient shall keep informed of any changes to funding terms of any third-party funding (for example any Additional Funding or Matched Funding) and will, as part of the financial report and operational report, disclose any changes to the Funder. Where the Funder becomes aware of any such changes in funding terms it shall inform the Recipient where it is practicable and permissible to do so.
- 6.8. Along with its first quarterly financial report, the Recipient shall provide the Funder with a risk register and insurance review in the format provided by the Funder. The Recipient shall, amongst others, address the health and safety of its staff in the risk register.
- 6.9. The Funder will award the funding as allocated by the Department of Levelling Up, Housing and Communities [or its successor body(ies)], which will be dependent on the Recipient completing the Monitoring and Evaluation documentation correctly, and spending the funding as allocated in the previous period. If the profiled funding allocation is not spent, at their discretion the Department of Levelling Up, Housing and Communities may not provide further funding until the previous allocation is spent.

7. PUBLICITY

- 7.1. The Recipient and Funder will agree a communications strategy to be appended to this agreement that will take guidance from HM Government's Towns Fund Communications and Branding Guidance.
- 7.2. The Recipient agrees to participate in and cooperate with promotional activities (including any use of required logos) relating to the Project that may be instigated, organised or otherwise required by the Funder.
- 7.3. The Funder may acknowledge the Recipient's involvement in the Project as appropriate without prior notice or the Recipient's consent.
- 7.4. The Recipient shall comply with all reasonable requests from the Funder to facilitate visits, provide reports, statistics, photographs and case studies that will assist the Funder in its promotional and fundraising activities relating to the Project.

8. INTELLECTUAL PROPERTY RIGHTS

- 8.1. The Funder and the Recipient agree that all rights, title and interest in or to any information, data, reports, documents, procedures, forecasts, technology, Know-How and any other Intellectual Property Rights whatsoever owned by either the Funder or the Recipient before the Commencement Date or developed by either party during the Grant Period, shall remain the property of that party.

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- 8.2. Where the Funder has provided the Recipient with any of its Intellectual Property Rights for use in connection with the Project (including without limitation its name and logo), the Recipient shall, on termination of this Agreement, cease to use such Intellectual Property Rights immediately and shall either return or destroy such Intellectual Property Rights as requested by the Funder.

9. CONFIDENTIALITY

- 9.1. Subject to clause 10 (Freedom of Information), each party shall during the term of this Agreement and thereafter keep secret and confidential all Intellectual Property Rights or Know-How or other business, technical or commercial information disclosed to it as a result of this Agreement and shall not disclose the same to any person save to the extent necessary to perform its obligations in accordance with the terms of this Agreement or save as expressly authorised in writing by the other party.
- 9.2. The obligation of confidentiality contained in this clause shall not apply or shall cease to apply to any Intellectual Property Rights, Know-How or other business, technical or commercial information which:
- 9.2.1. at the time of its disclosure by the disclosing party is already in the public domain or which subsequently enters the public domain other than by breach of the terms of this Agreement by the receiving party;
 - 9.2.2. is already known to the receiving party as evidenced by written records at the time of its disclosure by the disclosing party and was not otherwise acquired by the receiving party from the disclosing party under any obligations of confidence; or
 - 9.2.3. is at any time after the date of this Agreement acquired by the receiving party from a third party having the right to disclose the same to the receiving party without breach of the obligations owed by that party to the disclosing party.

10. FREEDOM OF INFORMATION

- 10.1. The Recipient acknowledges that the Funder is subject to the requirements of the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations 2004 (EIRs).
- 10.2. The Recipient shall:
- 10.2.1. provide all necessary assistance and cooperation as reasonably requested by the Funder to enable the Funder to comply with its obligations under the FOIA and EIRs;
 - 10.2.2. transfer to the Funder all requests for information relating to this Agreement that it receives as soon as practicable and in any event within two (2) working days of receipt;
 - 10.2.3. provide the Funder with a copy of all information belonging to the Funder requested in the request for information which is in its possession or control in the form that the Funder requires within five (5) working days (or such other period as the Funder may reasonably specify) of the Funder's request for such information; and
 - 10.2.4. not respond directly to a request for information unless authorised in writing to do so by the Funder.

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- 10.3. The Recipient acknowledges that the Funder may be required under the FOIA and EIRs to disclose information without consulting or obtaining consent from the Recipient. The Funder shall take reasonable steps to notify the Recipient of a request for information (in accordance with the Secretary of State's section 45 Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of the FOIA) to the extent that it is permissible and reasonably practicable for it to do so but (notwithstanding any other provision in this Agreement) the Funder shall be responsible for determining in its absolute discretion whether any information is exempt from disclosure in accordance with the FOIA and/or the EIRs.

11. DATA PROTECTION

- 11.1. Both Parties will comply with all applicable requirements of and all their obligations under the Data Protection Legislation which arise in connection with the Agreement.

12. WITHHOLDING, SUSPENDING AND REPAYMENT OF GRANT

- 12.1. The Funder's intention is that the Grant will be paid to the Recipient in full. However, without prejudice to the Funder's other rights and remedies, the Funder may at its discretion withhold or suspend payment of the Grant and/or require repayment of all or part of the Grant if:
- 12.1.1. the Recipient uses the Grant or any Additional Funding or Matched Funding for purposes other than those for which it has been awarded;
 - 12.1.2. the delivery of the Project does not start within 6 months of the Commencement Date/or in line with the spend profile Date (or in line with the agreed Grant Spend Profile, if sooner) and the Recipient has failed to provide the Funder with a reasonable explanation for the delay;
 - 12.1.3. the Funder considers that the Recipient has not made satisfactory progress with the delivery of the Project or the Outcomes, linking with the delivery set out in the spend profile;
 - 12.1.4. the Funder is required, by way of direction or instruction from Government, to reduce or reclaim funding which was used by the Funder to pay the Grant;
 - 12.1.5. the Recipient is, in the reasonable opinion of the Funder, delivering the Project in a negligent manner;
 - 12.1.6. the Recipient obtains funding from a third party which, in the reasonable opinion of the Funder, undertakes activities that are likely to bring the reputation of the Project or the Funder into disrepute;
 - 12.1.7. the Recipient negligibly provides the Funder with any materially misleading or inaccurate information;
 - 12.1.8. the Recipient commits or committed a Prohibited Act;
 - 12.1.9. any member of the Governing Body, employee or volunteer of the Recipient has (a) acted dishonestly or negligently at any time and directly or indirectly to the detriment of the Project or (b) taken any actions which, in the reasonable opinion of the Funder, bring or are likely to bring the Funder's name or reputation into disrepute;
 - 12.1.10. the Recipient ceases to operate for any reason, or it passes a resolution (or any court of competent jurisdiction makes an order) that it be wound up or dissolved (other than for the purpose of a bonafide and solvent reconstruction or amalgamation);
 - 12.1.11. the Recipient becomes insolvent, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has been presented for

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its winding up, or it enters into any arrangement or composition for the benefit of its creditors, or it is unable to pay its debts as they fall due;

- 12.1.12. the Recipient fails to comply with any of the terms and conditions set out in this Agreement and fails to rectify any such failure within 30 days of receiving written notice detailing the failure; or
- 12.1.13. where applicable, the Recipient fails to provide the Funder with evidence that it has obtained any applicable Additional Funding or Matched Funding or the Funder is otherwise not satisfied with the terms of such Additional Funding or Matched Funding.
- 12.1.14. The Funder may retain or set off any sums owed to it by the Recipient which have fallen due and payable against any sums due to the Recipient under this Agreement or any other agreement pursuant to which the Recipient provides goods or services to the Funder.
- 12.1.15. Should the Recipient be subject to financial or other difficulties which are capable of having a material impact on its effective delivery of the Project or compliance with this Agreement it will notify the Funder as soon as possible so that, if possible, and without creating any legal obligation, the Funder will have an opportunity to provide assistance in resolving the problem or to take action to protect the Funder and the Grant monies.

13. ANTI-DISCRIMINATION

- 13.1. The Recipient shall not unlawfully discriminate within the meaning and scope of any law, enactment, order, or regulation relating to discrimination (whether in race, gender, religion, disability, sexual orientation, age or otherwise) in employment or otherwise.
- 13.2. The Recipient shall take all reasonable steps to secure the observance of clause 13.1 by all servants, employees or agents of the Recipient and all suppliers and subcontractors engaged on the Project.

14. HUMAN RIGHTS

- 14.1. The Recipient shall (and shall use its reasonable endeavours to procure that its staff shall) at all times comply with the provisions of the Human Rights Act 1998 in the performance of this Agreement as if the Recipient were a public body (as defined in the Human Rights Act 1998).
- 14.2. The Recipient shall undertake, or refrain from undertaking, such acts as the Funder requests so as to enable the Funder to comply with its obligations under the Human Rights Act 1998.

15. LIMITATION OF LIABILITY

- 15.1. The Funder accepts no liability for any consequences, whether direct or indirect, that may come about from the Recipient running the Project, the use of the Grant or from withdrawal of the Grant. The Recipient shall indemnify and hold harmless the Funder, its employees, agents, officers or subcontractors with respect to all claims, demands, actions, costs, expenses, losses, damages and all other liabilities arising from or incurred by reason of the actions and/or omissions of the Recipient in relation to the Project, the non-fulfilment of obligations of the Recipient under this Agreement or its obligations to third parties.
- 15.2. Subject to clause 15.1, the Funder's liability under this Agreement is limited to the payment of the Grant.

16. WARRANTIES

- 16.1. The Recipient warrants, undertakes and agrees that:

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- 16.1.1. it has all necessary resources, approvals, powers and expertise to deliver the Project (assuming due receipt of the Grant);
- 16.1.2. it has not committed, nor shall it commit, any Prohibited Act;
- 16.1.3. it shall at all times comply with all relevant legislation and all applicable codes of practice and other similar codes or recommendations, and shall notify the Funder immediately of any significant departure from such legislation, codes or recommendations;
- 16.1.4. it shall comply with the requirements of the Health and Safety at Work etc. Act 1974 and any other acts, orders, regulations and codes of practice relating to health and safety, which may apply to employees and other persons working on the Project;
- 16.1.5. it has and shall keep in place adequate procedures for dealing with any conflicts of interest;
- 16.1.6. it has and shall keep in place systems to deal with the prevention of fraud and/or administrative malfunction;
- 16.1.7. all financial and other information concerning the Recipient which has been disclosed to the Funder is to the best of its knowledge and belief, true and accurate;
- 16.1.8. it is not subject to any contractual or other restriction imposed by its own or any other organisation's rules or regulations or otherwise which may prevent or materially impede it from meeting its obligations in connection with the Grant;
- 16.1.9. it is not aware of anything in its own affairs, which it has not disclosed to the Funder or any of the Funder's advisers, which might reasonably have influenced the decision of the Funder to make the Grant on the terms contained in this Agreement; and
- 16.1.10. since the date of its last accounts there has been no material change in its financial position or prospects.

17. INSURANCE

- 17.1. The Recipient shall effect and maintain with a reputable insurance company a policy or policies in respect of all risks which may be incurred by the Recipient, arising out of the Recipient's performance of the Agreement, including death or personal injury, loss of or damage to property or any other loss (the Required Insurances).
- 17.2. The Required Insurances referred to above include (but are not limited to):
 - 17.2.1. public liability insurance with a limit of indemnity of not less than five million pounds (£5,000,000) in relation to any one claim or series of claims arising from the Project; and
 - 17.2.2. employer's liability insurance with a limit of indemnity of not less than five million pounds (£5,000,000) in relation to any one claim or series of claims arising from the Project.
 - 17.2.3. The Recipient shall (on request) supply to the Funder a copy of such insurance policies and evidence that the relevant premiums have been paid.

18. DURATION

- 18.1. Except where otherwise specified, the terms of this Agreement shall apply from the date of this Agreement until the anniversary of expiry of the Grant Period or for so long as any Grant monies remain unspent by the Recipient, whichever is longer.
- 18.2. Any obligations under this Agreement that remain unfulfilled following the expiry or termination of the Agreement shall survive such expiry or termination and continue in full force and effect until they have been fulfilled.

19. TERMINATION

The Funder may terminate this Agreement and any Grant payments on giving the Recipient three months' written notice (**Termination Notice**) should it be required to do so by financial restraints or for any other reason.

Upon receipt of a Termination Notice, the Recipient shall review its contractual obligations and undertake all endeavours to reduce and mitigate any contractual obligations and financial liabilities that would continue after termination. The Funder and the Recipient will work collaboratively to mitigate and reduce any reliance on the Grant to fund continuing contractual obligations and financial liabilities.

20. ASSIGNMENT

The Recipient may not, without the prior written consent of the Funder, assign, transfer, sub-contract, or in any other way make over to any third party the benefit and/or the burden of this Agreement or, except as contemplated as part of the Project, transfer or pay to any other person any part of the Grant.

21. WAIVER

No failure or delay by either party to exercise any right or remedy under this Agreement shall be construed as a waiver of any other right or remedy.

22. NOTICES

All notices and other communications in relation to this Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, e-mailed, or mailed (first class postage prepaid) to the address of the relevant party, as referred to above or otherwise notified in writing. If personally delivered or if e-mailed all such communications shall be deemed to have been given when received (except that if received on a non-working day or after 5.00 pm on any working day they shall be deemed received on the next working day) and if mailed all such communications shall be deemed to have been given and received on the second working day following such mailing.

23. DISPUTE RESOLUTION

- 23.1. In the event of any complaint or dispute (which does not relate to the Funder's right to withhold funds or terminate) arising between the parties to this Agreement in relation to this Agreement the matter should first be referred for resolution to the Funder Representative or any other individual nominated by the Funder from time to time.
- 23.2. Should the complaint or dispute remain unresolved within 14 days of the matter first being referred to the Funder Representative or other nominated individual, as the case may be, either party may refer the matter to the Director of Law and Democracy and the Section 151 Officer of the Funder and the Chair of the Recipient with an instruction to attempt to resolve the dispute by agreement within 28 days, or such other period as may be mutually agreed by the Funder and the Recipient.

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23.3. In the absence of agreement under clause 23.2, the parties may seek to resolve the matter through mediation under the CEDR Model Mediation Procedure (or such other appropriate dispute resolution model as is agreed by both parties). Unless otherwise agreed, the parties shall bear the costs and expenses of the mediation equally.

24. NO PARTNERSHIP OR AGENCY

This Agreement shall not create any partnership or joint venture between the Funder and the Recipient, nor any relationship of principal and agent, nor authorise any party to make or enter into any commitments for or on behalf of the other party.

25. JOINT AND SEVERAL LIABILITY

Where the Recipient is not a company nor an incorporated entity with a distinct legal personality of its own, the individuals who enter into and sign this Agreement on behalf of the Recipient shall be jointly and severally liable for the Recipient's obligations and liabilities arising under this Agreement.

26. SUBSIDY CONTROL

The Funder is required to ensure that it abides by legal obligations on public authorities under the domestic subsidy control regime. This allows public authorities to award subsidies in a way which minimises any negative impacts to competition and investment, as well as promoting the effective and efficient use of public money. The Recipient is required to familiarise themselves with the key features of the subsidy control regime.

27. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

This Agreement does not and is not intended to confer any contractual benefit on any person pursuant to the terms of the Contracts (Rights of Third Parties) Act 1999.

28. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the law of England and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

29. ENTIRE AGREEMENT

This Agreement (together with all documents attached to or referred to within it) constitutes the entire agreement and understanding between the parties in relation to the Grant and supersedes any previous agreement or understanding between them in relation to such subject matter

Schedule 1 – Ineligible Expenditure

Any and each of the following:

- Costs incurred prior to commencement date of the offer letter
- Payments for activity of a political nature
- Payments for activity of a religious nature
- Payments or benefits to countries currently under economic sanctions
- Depreciation, amortisation and impairment of assets
- Provisions
- Contingent liabilities
- Contingencies
- Profit made by the applicant
- Dividends
- Investments (excluding assets on the basis of delivering the outputs)
- Interest charges (excluding interest payments on the purchase of assets on the basis of delivering the outputs)
- Costs involved in winding up a company (except if agreed for exceptional reasons, subject to the trust having no remaining revenue monies to fund and grant funding being available).
- Payments for unfair dismissal
- Payments into private pension schemes
- Payments for unfunded pensions
- Compensation for loss of office
- Bad debts
- Payments for gifts and donations
- Entertainments
- Reclaimable VAT
- Statutory fines and penalties
- Criminal fines and damages
- Legal expenses in respect of litigation
- Alcohol
- Travel that is not the most economical form of transport to a meeting/destination
- Overnight accommodation not sought at the most economical rates.

Schedule 2 – LUF Application

Annexes

Annex 1 - Grant Spend Profile

Annex 2 - Grant Drawdown template

Annex 3 - Monitoring and evaluation templates

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Margate Regeneration Programme

Extraordinary Cabinet	29 February 2024
Report Author	Bob Porter (Director of Place)
Portfolio Holder	Councillor Ruth Duckworth. Cabinet Member for Regeneration and Growth
Status	For Decision
Classification:	Unrestricted
Key Decision	No
Previously Considered by	Cabinet - 8 June, 2021 Cabinet - 21 September, 2023
Ward:	Margate Central and Cliftonville West

Executive Summary:

This report provides Cabinet with an update on the progress of the council's Margate Regeneration programme, as approved by Cabinet on 21 September 2023 as part of the Simplification Pathfinder Pilot.

The [Simplification Pathfinder Pilot](#) Investment Plan has now been approved by the government. It includes all of the 19 projects identified in the draft Investment Plan considered by Cabinet on 21 September 2023, and allocates just over £51m of government grant funding across the Margate and Ramsgate programmes.

This report provides a project by project update, highlighting where there has been positive progress and where issues have emerged that need to be resolved. The nature of the council's regeneration programme is highly complex and diverse. For that reason, this report only deals with the Margate projects. The Margate programme includes nine separate projects, with a total of £28.5m of government grant funding.

The Margate Levelling Up Fund project - Margate Digital is the subject of a further decision report, elsewhere on this agenda.

Each of the Margate projects is complex involving a range of property, construction, service delivery and partnership issues requiring key decisions to be taken by the Cabinet a number of milestones through each project timeline. This report sets out, for each project, the decisions that will be required over the coming months and provides an indicative timeline for these decisions. All major programmes and projects, particularly those involving construction, need key decisions to be made at critical decision gateways as details about deliverables, design, costs and timelines become clearer. For a number of reasons, set out in the report, this is particularly the case for the projects in this programme.

Where there are individual projects with particular budget pressures, these are highlighted in this report. And although this report doesn't recommend any budget virements at this stage, it does indicate that budget virements may be required within the Margate programme to ensure that the projects considered to have the highest priority are delivered in full and the linked outcomes are delivered. To this effect, officers will continue dialogue with the government (DLUHC) about the need to propose variations to the approved Simplification Pathway Pilot Investment Plan.

Recommendation(s):

It is recommended that Cabinet:

1. Notes the progress achieved in the delivery of the approved Margate regeneration projects in this report.
2. Notes that further reports will be received, authorising specific procurement activities as each respective project reaches that stage, and setting out the project deliverables, timelines and costs.
3. Notes the proposed monitoring and reporting arrangements, set out in section 6.
4. Note that there will be a future decision report required for the reallocation of funding, following the announcement relating to the funding allocation to the Destination Dreamland project.
5. Refer this report to the Overview and Scrutiny Panel and subsequently consider any recommendations made by the panel.

Corporate Implications

Financial and Value for Money

The projects identified in this paper have already received budget approval and have been incorporated into the council's capital programme. The projects are required to be fully funded from external grant funding allocations and there is currently no scope for Council investment in these projects.

In accordance with the council's key decision framework, further Cabinet approval will be sought before the tendering of any individual contract associated with these projects with a value of £250,000 or above.

For all the Government funded programmes, we have already received part of this funding, to commence delivery. In addition, all future Department for Levelling Up, Housing and Communities (DLUHC) funding will be drawn down in advance of any works being undertaken. The Section 151 Officer is required to scrutinise and approve regular monitoring returns to DLUHC. These returns will cover actual and forecast spend, alongside programme delivery and output metrics.

The council is required to provide regular monitoring and evaluation returns to central government. An outcome of being part of the Simplification Pathfinder Pilot is that the council will have a streamlined approach to the monitoring and evaluation requirements. The three

programmes - Future High Street Fund, Town Deal and Levelling Up have been amalgamated into one programme of reporting. Officers have received draft return documents and are waiting for the final versions from central government.

Legal

This report is for noting and as such there are no legal implications arising. There are however significant legal issues arising out of each of the individual projects and it is noted that specialist legal advice will be sought at the relevant time. This will include advice in respect of State Aid/Subsidy Control, Procurement, Property and Contracts.

Risk Management

Through the development and delivery of previous regeneration projects, the council has established the apparatus and experience for reviewing and managing the various key risks of delivering large capital programmes, including those which rely on ongoing management, improving heritage buildings, and enhancing protected coastal environments.

The council is responsible for ensuring that there are effective and adequate risk management and internal control systems in place to manage the major risks to which the external funding programmes are exposed.

As part of the development of the projects robust risk registers were developed. The registers are live documents. The Risks identified in the Risk Register as "High" are reviewed regularly, and those that provide a risk to the Council will be on the Council's corporate risk register.

Through the monitoring and evaluation process for the three programmes the most significant risks have been reported back to the Department of Levelling Up, Housing and Communities on a quarterly basis in the monitoring and evaluation reports.

Key risks, and mitigation measures

Significant Inflation pressure c20-30% increases

- Continue to lobby central government on the impact of the increase in costs of materials and labour and the subsequent inflationary increases.
- Possible value engineering required.
- Possible cancellation of projects if unaffordable
- Constant reviews of other investment opportunities/funding sources.
- A risk/contingency allowance is included within the cost plan.

Availability of materials and labour

- A risk/contingency allowance is included within the cost plan.
- Suitable contract terms between the client and the main contractor will be included at the point of agreeing the Main Works Contract.
- Cost/delay likelihood expected to be known far in advance of commencing on site.

- Constant reviews of the market and supply chain will be undertaken to establish lead in times and general market concerns and issues.
- Possible value engineering required.

Commitment of private sector partners

- Continued engagement with potential private sector partners.
- Development of design proposals that are attractive to the market and can be scaled to meet changing requirements of the sector.
- Possible value engineering required.
- Management of appropriate processes - procurement, operational and property based processes in order to ensure the council is working with the right private sector partners, with relevant and robust due diligence processes are in place.

Current market conditions

- Market testing will be carried throughout each design stage to ascertain cost trends.
- Early contractor engagement to ensure the supply chain is being actively managed.

Failure or underperformance of contractors

- Use of established procurement routes, robust contracts and pre-market engagement.

Capacity of the council to support delivery of significant spend from projects within programme timescales

- Review use of extra external resources to add capacity to existing teams within the council.
- Utilise funding for fees within the projects to add capacity.
- Hold workshops to review priorities across the council in terms of delivery.

Reliance of some of the projects on further funding bids

- Engage with third party funders to ensure that the project is likely to meet the requirements needed for their funding.
- Engage early with third party stakeholders in the development of funding bids where other organisations engagement is required.
- Ensure time is set aside for project managers to fully engage with funders with specific queries, and in order to complete the bid.
- Identify a 'Plan B' in order to deliver the government funding and the outputs, potentially in a different way.
- Keep DLUHC involved in the process through regular meetings.

Corporate

The projects that were part of the former funding programmes - Ramsgate Future High Street Fund, Margate Town Deal, and Ramsgate and Margate Levelling Up Fund projects all support the council's corporate priority for Growth, by encouraging regeneration. It will also enhance the environment through a variety of activities including traffic management, greening activities, as well as supporting our communities through new job opportunities and providing improved wellbeing.

Equality Act 2010 & Public Sector Equality Duty

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.

Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

This report relates to the following aim of the equality duty: -

- *To advance equality of opportunity between people who share a protected characteristic and people who do not share it.*

This report is to note and not for decision. As such there are no equalities implications arising.

Corporate Priorities

This report identifies delivery against Priority Four - to create a thriving place, in the council's newly adopted Corporate Plan 2024-28. It provides an update on our multi-million pound regeneration schemes being delivered in Margate.

1.0 Introduction and Background

1.1 On 6 September 2019 the government invited 101 places in England to develop proposals for a Town Deal. In March 2021 Thanet District Council and the Margate Town Deal Board received Heads of Terms from the Department for Levelling Up, Housing and Communities (DLUHC) with an in principle offer of up to £22.2m to deliver the Margate Town Investment Plan. The funding was to deliver ten projects across four interventions:

- Scaling Margate's Production and Skills,
- Coastal Wellbeing,
- Active Movement,
- Connections and Diversifying Heritage Assets.

The projects included a range of schemes that were either being delivered directly by the council and those being delivered by third parties.

1.2 This funding represents a significant step up in the scale of the council's regeneration capital programme. At the time of all the regeneration bid submissions and funding awards the council was not adequately resourced to deliver a programme at this scale. Therefore it has been essential for the council to employ additional project management officers and appoint construction design teams to deliver the programme. The council's Regeneration and Growth Service is also simultaneously delivering a £22.5m programme of investment in Ramsgate.

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- 1.3 Since the Heads of Terms agreement from DLUHC the Town Deal Board/Thanet District Council had up to a year to develop Green Book compliant Business Cases for each identifiable project. Seven business cases were developed in total, with the council successfully bidding for a further £70,000 of capacity funding to support the development of these business cases. Margate was one of the first places to submit a business case Summary Document, which was swiftly approved by DLUHC. The business case Summary Documents for all interventions were approved by October, 2022. Since then considerable work has been completed to develop the projects from government business cases into deliverable capital projects. This includes updating costs and delivery timelines. Across the array of regeneration capital funding awarded by central government, the national picture of delivery and challenges is reflected here in Thanet. The national programme has been under considerable cost and delivery pressure as a result of a number of factors, including:
- A period of unexpectedly high inflation, linked to unforeseeable global events, has reduced the real value of the funding by around 25%. Government has replied to a request from the Leader to the effect that there will be no compensatory additional funding.
 - The need for many organisations to recruit the project management resources needed to deliver a national programme at scale. These resources were originally scarce, and are now significantly more so, as councils across the country seek to take on resources to deliver their projects.
- 1.4 In 2023 the government's Simplification Pathway Pilot recognised these issues and provided for streamlined project reporting, greater flexibility in the use of grant resources and extended delivery timelines for ten councils included within its pilot programme, which included Thanet.
- 1.5 On 21 September 2023 Cabinet approved a single investment plan, as part of this government's Simplification Pathway Pilot. The investment plan was subsequently approved by the government in December 2023. The report considered by Cabinet on 21 September 2023 set out the background to the Simplification Pathway Pilot and the additional flexibilities that the pilot provided to the council in the delivery of the programme. It acts as the baseline for the projects we are pursuing, and any decisions required, or variations made, refer to this plan as the starting point for such decisions.
- 1.6 The report considered by Cabinet in September also set out proposals for a new Regeneration Partnership Board, further details are in section 6 of this report.
- 1.7 The September report identified the range of projects within the Margate programme, as set out below:
- Margate Levelling Up Fund - Margate Digital Campus
 - Margate Town Deal Intervention 1 - Scaling Margate's Creative Production and Skills
 - Margate Creative Land Trust including participation and engagement activities
 - Theatre Royal including participation and engagement activities
 - Margate Town Deal Intervention 2 - Coastal Wellbeing
 - Access Walpole
 - Testing New Uses, participation and skills programme for wellbeing, including beach facilities

- Improved Coastal Environment
- Margate Town Deal Intervention 3 - Active Movement and Connections
- Margate Town Deal Intervention 4 - Diversifying Heritage Assets
 - Margate Winter Gardens
 - Destination Dreamland

- 1.8 These projects are at various stages of development and all involve a complex range of property, construction, service delivery and stakeholder issues. Although the projects have all been subject to a government approval process these are, however, subject to change as greater detail about the projects is developed as they progress through concept, feasibility, design and delivery stages, using the published Royal Institute of British Architects (RIBA) stages as a guide. A summary of the RIBA stages is attached at Annex 1.
- 1.9 As projects progress through RIBA stages more accurate cost estimates are possible. The current estimates of cost, across the programme, are considered in section 3 of this report and a summary is provided at Annex 2. Inflation has been a significant factor in the programme since funding was first allocated, and as a result all projects have seen significant cost increases over this period.
- 1.10 In the development of sustainable projects, Officers are developing the projects with the clear objective of not committing the council's own funding to the capital delivery of any of the projects, unless there is a business case that justifies that investment based on projected income arising from the project. Officers are also working through sustainable business models to ensure that projects do not negatively impact the councils ongoing revenue budgets.
- 1.11 It will be evident, from all these parameters, that it may not be possible to deliver all projects to the original proposal, where projects are rescope, or as a last resort there is a need to cease a project - funding will be transferred to other projects in the programme. When agreeing the Investment Plan last September, the Leader also made it clear that the Cabinet would not be prepared to approve the transfer of funds from projects in Margate to Ramsgate, or vice versa.
- 1.12 Section 2 of this report reviews each project in turn and provides members with clarity about what is being delivered, and a high level project highlights. Many of the projects still have key decisions to be made before the council can commit to delivery and to incurring expenditure, and where this is the case, the report provides information about what decisions will be required and when these are likely to be needed. Any decisions that are considered to be key decisions, under the council's constitution will be taken by Cabinet, following discussion at the Overview and Scrutiny Panel. Reports recommending that projects proceed to the next stage, including procurements and the start of construction work, will set out the key project deliverables, timelines and milestones and costs.

2.0 Project Updates

This section of the report provides a brief description of each project within the Margate programme and an update on the current progress of each project.

- 2.1 Margate Levelling Up Fund - Margate Digital Campus

The Council submitted the bid for the MargateDigital Campus on behalf of East Kent College Group in support of the Council's corporate priority for Growth, including encouraging the rejuvenation of our high streets and providing opportunities to people for skills and training, particularly young people. The Government's priorities and aspirations for town centres is to see improvements within town centres, including the repurposing of empty commercial properties, to help create jobs and build stronger and more resilient local economies.

The Creative Industries is a growth sector in Thanet, which was clearly identified in the Margate Town Investment Plan. The Margate Digital campus will directly deliver outcomes that provide support for the creative industries through education and skills provision, and economically improving the high street.

Council Officers have been engaging with Homes England on the proposal to lease 53-57 High Street to East Kent College Group to deliver this project.

A decision report is being considered by Cabinet on 29 February, 2024 in order to move delivery of the project forward.

2.2 Scaling Margate's Production and Skills - Margate Creative Land Trust

Through the Margate Town Deal £6,700,000 has been allocated to a project to set up a Creative Land Trust in Margate. The aim of the funding is to set up the operation of the organisation; purchase physical space in Margate and provide affordable rents; and deliver community programmes to support inclusive and sustainable practice in the creative industries, ensuring that Margate's residents benefit from the town's creative economy.

Their remit is to support the creative sector in Margate by providing affordable work-space for creative practice, providing enterprise and business support, as well as delivering community programmes that build the capacity of the sector.

A successful application was made to the Charity Commission and in May 2022 a proactive recruitment campaign saw a full Board of Trustees engaged to lead the Trust. Since then the Margate Creative Land Trust has recruited 2.4 FTE including the Executive Director, Operations and Finance Manager and the Acquisition and Development Manager. A new approach to their engagement and communications has resulted in the development of a more comprehensive role as Community Engagement Lead, to help them deliver a responsive programme of outreach and support, and a Marketing & Communications Lead, who will help drive brand recognition alongside the development of exciting, innovative creative content that better reflects the work of the Trust.

The Margate Creative Land Trust has a board of eight trustees in place who actively supports the work of the Trust. They will shortly be advertising for a dedicated Treasurer for the Board. The Board has a Property, and a Finance & Resource Sub Committee.

Last year a survey was launched with 176 completed surveys for their Creative Spaces research. This is being used alongside their ongoing mapping of the

workspace sector in Margate to understand the offer and benchmark rental costs. This networking has enabled them to build a wider, deeper appreciation of the range of creative practitioners currently working across Margate and the wider Thanet district. This will help inform their investment decisions and provide the evidence they require. Analysis of their survey is available on the Margate Creative Land Trust website.

Over the summer of 2023, the Trust ran a call out to invite Margate residents and creatives to join a Community Panel. The aim of the Community Panel is to enhance their engagement work within the locality, addressing issues around inclusivity and ensuring that opportunities within the creative sector are widely disseminated across Margate, enabling the Trust to reach communities that are not necessarily engaging with creative and cultural activities. The first meeting was in December 2023, with ten panel members in attendance. The panel has representation across all ages and from a range of backgrounds, with expertise in developing creative work and projects with young people, working to deliver inclusive and engaging creative programmes, place-based initiatives and creative practitioners and freelancers. The first meeting of 2024 takes place in February,

The Trust has met with 14 workspace providers over the last year to enable their understanding of the pressures and challenges faced by artists and creative businesses working in the sector. The Trust is focused on ensuring that they support established workspace providers and work collaboratively with them. The development of their property portfolio aims to not crowd out existing providers in Margate, rather, the work of the Trust should add value to what currently exists.

The Margate Creative Land Trust has investigated over 40 properties. A due diligence process and business planning model has been established so that any property or land purchases can be been appropriately analysed and valued. The Trust has a shortlist of four properties that they are closely examining and intend to make a purchase on one of these sites before the end of this financial year. In addition to making an initial property purchase, they are continuing to pursue opportunities for a modular and meanwhile scheme in Margate.

Officers continue their engagement with the Margate Creative Land Trust and receive quarterly monitoring and evaluation returns, with updates on their progress.

2.3 Scaling Margate's Production and Skills - Theatre Royal Margate

Through the Margate Town Deal £2,200,000 has been allocated to a project to restore and secure a future for the Theatre Royal Margate. 19 Hawley Square, which is adjacent to the Theatre is included in the project in order to secure a sustainable future for the Theatre, to try to prevent it being reliant on subsidy. Previously [Cabinet](#) agreed that this funding will help unlock other public and private match funding in order to develop a hub of performing arts in Margate. Authority was given to market the proposal for the Theatre Royal and 19 Hawley Square in order to identify an operator/commercial partner. Returning to a Cabinet meeting with lease terms and auxiliary documentation for final approval. In December 2023 officers initiated a Prior Information Notice (PIN), testing interest from operators in the marketplace, in order to understand the level and type of interest from operators in running the Theatre.

At the same meeting approval was provided to submit an expression of interest to the Arts Council England for the Cultural Development Fund, which was unfortunately unsuccessful, and to submit a Development Phase Grant to the National Lottery Heritage Fund. An expression of interest to the National Lottery Heritage Fund was successful with the deadline for the Development Grant application on 29 February, 2024. Authority was given to commission works to the building, these works have been reviewed and scaled back to those that are most urgent, in order to ensure that there is enough match funding from the Town Deal programme for the Lottery bid. The works are currently going through the council's procurement processes.

In March 2023 a specialist project manager was recruited who has developed [a new vision](#) for the Theatre Royal and 19 Hawley Square in order to deliver the Town Deal and National Lottery outputs, and support the sustainability of the Theatre Royal. The vision is:

Theatre Royal Margate and 19 Hawley Square 245 years of performance heritage conserved, restored and modernised with the ambition of becoming a '*Nationally Significant Performing Arts Cluster in Margate*'. Combining heritage, performance and sustainability to create a circular theatre production economy, raising the profile of the performing arts and creating the environment to enable;

- **Participation;** hyperlocal (Margate/ Thanet) employment, engagement and training of young people in performing arts and creative careers
- **Programming;** providing a unique heritage stage for local, national and international performances and multi arts programming
- **Producing;** using homegrown talent and locally made high quality theatre productions with national and international reach

Over 50,000 people have engaged with the online communications about the project since March 2023. In December 2023 we hosted a public engagement event and a two week online survey. 175 attended the event and 200 surveys have been completed, with a further 19,123 engaging online. The engagement exercise was also used to test the view of stakeholders in relation to closing the road between the Theatre and 19 Hawley Square, with a view to supporting the Theatre's activities - this has been included in the discussions with the National Lottery Heritage Fund about the Theatre's bid. Using early market engagement (PIN) and operator questionnaires, over 16 operators have engaged, which has resulted in seven questionnaires being returned to the council. This allows the council to understand operators' approach and parameters to deliver the new vision. An operator options appraisal and business case is being prepared with experts Bonnar Keenlyside utilising Theatre's Trust funding (£10,000) from Resilient Theatres; Resilient Communities grant also secured in 2023. The same funding supported a heritage significance statement to support heritage understanding and the imminent application to the National Lottery Heritage Fund for £4,500,000. It is estimated that the total project cost is currently £6,704,000.

The timeline for delivery will follow the National Lottery Heritage Fund process and we expect decisions for the development grant in July 2024 (following submission in February, 2024). The second round application deadline is May 2025, with a decision expected in September 2025. Reaching RIBA stage 3 and/or 4, and achieving

planning permission and listed building consent will be required in that period.

Future cabinet decisions will be required in relation to the final decisions for model of operation for the Theatre, for the second stage Lottery application and for procuring works to the building, in line with the councils Key Decision making set out in the Constitution. Officers are also in discussion with Arts Council England on a proposal for the Cultural Development Fund.

2.4 Coastal Wellbeing

The Coastal Wellbeing intervention consists of a range of projects in close geographic proximity along a stretch of Cliftonville coastline. Whilst they each bring their own outcomes, the overarching aim is that these projects collectively create new opportunities for the local communities to engage in health and wellbeing activity, connect with the coastline, with the aim of improving health inequalities in the area. This Margate Town Deal intervention is considered to be one project when reporting back to central government.

2.4.1 Access Walpole will deliver several projects at Walpole Bay to enhance access and connections to the coast, bringing the sea and all its benefits back to the people who live in or visit this area. This will include the reinstatement of the grade II listed Cliff lift. All surveys have been undertaken and technical specifications being finalised ahead of procurement of works and a Listed Building Consent application. There will be two stages of works; internal mechanical and electrical works which will take place this summer, followed by external structural works in the autumn. High level cost estimates suggest that the structural works will require a Key Decision by Cabinet ahead of procurement, which will be programmed into the Forward Plan. The intention is for the ongoing maintenance and day to day running of the lift to be incorporated in any lease arrangements with concession or commercial opportunities that are created at the bay through the Town Deal funding. Alongside the lift, Access Walpole will likely see refurbishment of the steps between the upper and lower promenade, improvements to the tidal pool and traffic management solutions implemented along the Hodges Gap promenade to create a pedestrian dominant space, which will host a new Wellbeing Pavilion.

2.4.2 Testing New Uses, participation and skills programme for wellbeing, including beach facilities includes capital and revenue investment to enable the testing and experimentation of commercial and health and wellbeing opportunities. Sitting at the centre of the Testing New Uses project is a new Wellbeing Pavilion on the lower promenade at Walpole Bay. The pavilion will accommodate a cafe and a bookable wellbeing space, which the whole community will have access to. This will provide a hub to support enterprise, community, health and wellbeing, and education activity. Alongside this, the facility will provide new beach facilities including toilets and showers for the ever growing number of all year round sea swimmers and visitors.

Curl La Tourelle + Head Architecture has been appointed as architects to RIBA Stage 3 for the Wellbeing Pavilion. RIBA stage 2 completed in January 2023 and the design team are currently undergoing a cost review and value engineering exercise and preparing for Planning as Stage 3 commences. The plans for the project will be going through the newly set-up Design Review Panel in the development of the scheme

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ready for Planning. Officers are developing plans for the procurement of contractors and design teams post RIBA Stage 3.

Early Stage 2 costs are showing a funding shortfall due to the cost of inflation pressures and the need to design out flood risk and crime on the designated lower promenade site. It is expected that funding from across the Coastal Wellbeing intervention could be reallocated within the intervention to support delivery of the Wellbeing Pavilion. A Cabinet decision will be required for the reallocation of any funding between projects.

Considerations are being given to the operational management model of the Wellbeing Pavilion as the design progresses, with sustainable delivery models in mind to include the day to day running of the lift, public toilets, commercial cafe and community space.

There has been a lot of public and stakeholder interest in the Walpole Bay projects, in October 2023 the council hosted a public engagement event and exhibition which over 400 people attended. 670 surveys were also completed in a two week period which has helped to inform decisions around the early design and site location for the Wellbeing Pavilion. There are many interested parties, sometimes with conflicting views that need to be considered, as well as statutory stakeholders such as the Environment Agency, Natural England and Historic England in relation to the tidal pool. It is important that the projects deliver the ambition of the Town Investment Plan to improve health and wellbeing, and particularly those who are currently least likely to access the opportunities available from our coastline.

The Testing New Uses, Participation and Skills Programme is being delivered with revenue funding to ensure that the capital investment benefits the communities we are trying to reach. The project has funded a Coastal Wellbeing Coordinator who is working with stakeholders and voluntary sector organisations serving the neighbouring communities, to help build capacity and secure funding for their organisations. Following a successful Coastal Wellbeing activity pilot in 2023, there will be another activity programme running from Easter 2024. The programme of activity will be informed by the community via surveys, and engagement activity, and learning from the previous pilot.

This project provides an opportunity to experiment and test what can work in this area, informing what could be replicated and built upon across the town and district in the future.

The council is in the study phase of a bid to the Environment Agency for Walpole Bay. Study funding will now be used to produce a business case in order to secure the capital funding needed for delivery of the c£300,000 Coastal Erosion Protection Scheme, which will be considered as match funding for the Town Deal Testing New Uses project. If the business case is completed in summer 2024 the construction phase for the scheme would be autumn 2024, or spring 2025.

- 2.4.3 The Skatepark Project will create a regionally significant skatepark for Margate, something for the people of Margate to be proud of and give a safe community space to young people. Designed to cater for absolute beginners up to experienced skateboarders, the new recreation facility will regenerate the site on Ethelbert

Crescent. £750,000.00 has been allocated from the Town Deal and a further £59,000.00 from Thanet District Council to deliver the capital project. The scheme will include a concession with ancillary spaces and a toilet. This will provide an opportunity to support the management and maintenance of the skatepark. The project proposers for the skatepark have already commissioned and engaged on a high level design for the park. The council is now completing an early market engagement exercise with prospective contractors, this will take place during February 2024. A prospectus has been developed and through a formal process the council will be inviting interested parties to complete a pre-market engagement questionnaire. This information will be used in the development of the specifications and briefs in the contractor procurement process.

Ahead of the procurement process a Key Decision will be required through Cabinet. Officers are assessing in more detail the impact of inflationary pressure on delivery against the high level design for the skatepark. Working with the project proposers, officers are developing a plan for the ongoing management and maintenance of the skatepark and what the requirements will be.

The project will require Planning approval and officers have sought advice from Conservation and Planning to inform the design of the scheme.

2.5 Active Movement and Connections

The total Town Deal funding allocation for Active Movement and Connections is currently £5,300,000 to include; toilet provision and a wayfinding strategy and implementation for the town alongside, public realm and highway interventions.

2.5.1 Toilets

The indicative budget allocated to deliver toilet facilities in the town is currently £400,000. Following a series of surveys and investigative works, the ambition is to reinstate the Marine Terrace subterranean toilets; the current facility requires remedial works and significant improvements, including structural and drainage works. It currently does not provide accessible access under the Equality Act 2010. Thus, feasibility of a single new build accessible toilet will be considered at promenade level. While the reinstatement of the subterranean toilets is a Town Deal project with funding, the aim is to deliver the scheme in line with the council's wider Public Toilets Refurbishment and Renewal Project.

A Cabinet decision will be required ahead of procurement of the works with the ambition that the toilets will be in use for summer 2025.

2.5.2 Wayfinding

There is also an allocation of funding within the intervention for new and improved wayfinding in the town to promote better pedestrian movement, to promote discovery, and better connect the areas of investment. It is anticipated that a wayfinding evaluation and implementation is procured in spring 2024. A Cabinet decision is unlikely to be required ahead of procurement due to the budget and contract value being under the required threshold.

2.5.3 Highways Scheme

A package of highway initiatives were shortlisted for inclusion in the Active Movement and Connections Business Case, which was supported by the former Margate Town Deal Board. The initiatives included footpath and junction improvements designed to improve connectivity and to give more priority to pedestrians, and a light touch reconfiguration of Cecil Square. An early cost estimate in 2022 indicated £4,800,000 to deliver this package as the highway element within the Active Movement and Connections intervention. The Summary Document submission to DLUHC indicated that through detailed design the number of interventions would likely be reduced, as detailed design costs were identified.

Although the above package option was agreed for the Business Case, there was discussion at the Margate Town Deal Board as to whether the proposals were spread over a too wide geographical area; the funding might have more impact if focused in Margate Town Centre/High Street/Old Town. The Town Investment Plan aimed to help and encourage people to move between Margate Central, the Old Town and Cliftonville West.

An alternative stand alone scheme for a focussed investment to reimagine Cecil Square has since been proposed. The current potential scheme proposes significant changes to the square including improvements to traffic signalling and reducing the dominance of cars in the Square. The proposal includes very high level designs, based on some traffic modelling. However, further traffic studies and survey work is required before moving to the next steps of model testing the high level designs and moving to a detailed design and engagement stage. A high level cost estimate for the potential Cecil Square proposal was provided by Allen Dadswell in November 2022. Depending on whether Thanet District Council, or Kent Council Council delivered the scheme, the proposals look like they will cost in the region of £5,500,000. If the council delivers the scheme itself the cost will be slightly higher on the basis that as a district council, not responsible for highways, we do not have in-house expertise for highways schemes.

Engagement has taken place with Kent Council Council as the Highway Authority regarding deliverability of the proposed scheme and these need to continue. Further surveys (core and services) will need to be undertaken if we decide to pursue the potential Cecil Square scheme as proposed. The project design will need to be refined and costs, and assumptions will need to be updated based on survey findings, design and further inflation. Discussions with highway engineering and public realm specialists have suggested that the overall proposal could be phased, with some public realm improvements being considered first, whilst developing a master plan for any potential future funding to deliver.

Whether the package of small projects or the potential Cecil Square proposal are taken forward, this would be subject to further prioritisation due to budget constraints, investigation by Highways, including but not limited to a technical approval process, safety audits, topographical data, equalities impact audit and policy alignment.

Any scheme involving reconfiguration of Cecil Square will require full engagement with stakeholders, including but not limited to Stagecoach, businesses in and around

Cecil Square and Margate's various communities. A discussion is needed regarding the next steps at the new Regeneration Partnership Board.

2.6 Diversifying Heritage Assets - Margate Winter Gardens

The Margate Winter Gardens project has an allocation of £300,000 of revenue funding, to enable the council to bring in external expertise to help complete an appraisal of the Winter Gardens, market the building and help secure a viable, sustainable long-term delivery model for the venue. In the initial Margate Town Investment Plan was an ask for £4,000,000 capital funding for investment in the building. DLUHC requested further information about the delivery of the original investment requirement and what it would include and a long term plan for the future. At that time the council did not have a long term plan with a potential operator/partner, and therefore did not have a detailed understanding about all the costs. With limited funds in order to progress the required work to understand the current condition of the building, be able to articulate its demand and show its financial sustainability and viability, at a time when all of the Town Deal projects were being reprioritised due the offer from central government being lower than the funding asked for. The request to DLUHC was changed for revenue funding that could support this work.

The Winter Gardens is subject to a number of Cabinet Decisions, the most recent made in [March 2023](#). Cabinet approved the engagement of a specialist marketing agency and that the Director of Place, in consultation with the Cabinet member for Economic Development would approve the marketing particulars for the Winter Gardens and the evaluation matrix to be used to assess operator and/or JV submissions. The council committed to take a further report to be considered by Cabinet following the completion of the marketing and evaluation exercise, setting out detailed proposals.

The council has so far spent or committed £162,03 of the £300,000 funding allocated completing a wide range of surveys and reports on the heritage venue and appointing specialist marketing agents, leaving £137,997 for further legal costs and any other requirements for this field of work. This funding will remain with the project if further work is required to secure an operator, and if further information is required. The surveys and reports completed for the Winter Gardens include the below, all of which are available for review by prospective partners.

- Unexploded ordnance risk assessment
- Asbestos air sampling survey
- Laser survey for measured drawings
- Topographical survey
- Electromagnetic and GPR survey
- Utility, and other searches
- Detailed drainage survey
- Flood risk scoping assessment (FRSA)
- Energy Performance Certificate (EPC)
- Ecology - Japanese Knotweed survey
- Heritage Significance Statement
- Architectural Review

The council also commissioned an evening and night time review of Margate and Thanet to help inform decisions about the future role of The Winter Gardens.

A two stage marketing campaign was launched in December 2023 with Colliers as the agent. Open days have been held for potential interested organisations at the venue. Interested parties have been invited to submit Expressions of Interest by 22 February 2024, as the first stage of the process. As part of the marketing campaign there is a data room which holds a raft of information about the building, its condition and opportunities and constraints. The council recognises that the building/site needs significant investment and that any potential partner may need support with that.

At the time of publishing this report the expressions of interest stage is still open and officers hope to be able to review these as soon as they have been consolidated by the Marketing Agent.

2.7 Diversifying Heritage Assets - Destination Dreamland

Following the recent acquisition of Sands Heritage Ltd by LN Gaiety Holdings, a subsidiary of Live Nation, Dreamland has informed officers that they will no longer be accepting the £4,000,000 allocation from the Margate Town Deal for the Destination Dreamland project.

The Destination Dreamland project planned to provide investment in one of Margate's most iconic heritage destinations with the aim of securing its long-term viability and vitality. The ambition was that restoring the cinema building would show that Dreamland is open for business: re-activating the ground and first floor spaces would deliver significant social and economic value. The project was also the only one within the Margate Town Investment plan that brought in significant private sector match funding.

The aim of the investment was to address the significant viability challenges that plague heritage buildings nationally. Often referred to as the heritage deficit. The building has been vacant for a significant number of years, with the listed status and size of the building putting off private investors due to challenges with commercial viability. The funding looked to unlock the first floor of the cinema building, providing spaces for hospitality and catering, enabling exhibition and pop up spaces. Further funding for the ground floor aimed to provide meanwhile space for local Charity, People Dem Collective - providing a transitional space as the Charity do the work needed to secure permanent premises. The proposal was that for two years People Dem Collective would use part of the ground floor for a new cultural centre to celebrate the black and brown community in Margate/Kent.

In January 2021 Dreamland provided a dedicated space for People Dem Collective on the seafront for them to operate from. It is understood that these premises have been provided during the last three years free of charge. Officers are engaging with the team at People Dem Collective to understand their position and any work they have been doing to identify a more permanent position for their charity.

The £4,000,000 from the Margate Town Deal will need to be reallocated, there is no intention for the council to hand the project funding back to central government. This is particularly supported by the fact that the council is part of the Simplification

Pathfinder Pilot, with more flexibility in moving the funding around. This is picked up in section 3 of this report.

3.0 Cost and funding implications

- 3.1 The report to Cabinet in September 2023 identified that there has been significant inflation related pressures on projects within national Levelling Up and Regeneration programmes. Although reasonable assumptions were included for inflation and contingencies they have not matched the unforeseeable levels of inflation at 20-30% for some of the projects. Every place in receipt of DLUHC capital funding is in the same position as Thanet in terms of the financial challenges and pressures on their projects. This includes the significant impact of the inflationary pressure on capital projects. The inflationary pressure has also impacted on the cost of living and affected the viability of the business plans of some of the schemes and their deliverable outputs, which also needs to be considered. These assumptions were reset as part of the approved Simplification Pathway Pilot Investment Plan, but will need further review if there are any significant changes to the programme.
- 3.2 There are a number of options for how these significant increases in costs can be dealt with, as follows:
- Value Engineering: A process to review the size, scale, design and materials proposed for construction projects. Easier to achieve with new build projects than for refurbishment projects, particularly where buildings may be listed. Where buildings are reduced in scale it is also necessary to consider whether they will still enable the same level of outputs to be achieved.
 - Seeking additional external funding: the council is submitting a National Lottery Heritage Fund bid for the Theatre Royal and is in talks with the Arts Council on the Cultural Development Fund. Small funding bids to support the Coastal Wellbeing revenue project have also been successful with UK Cycling to date.
- 3.3 There is currently no scope for the council to directly contribute to any of the costs of project delivery, unless supported by a clear business case that investment would be self-funding. Therefore, if the options of value engineering and external funding are insufficient to deliver the programme within the available resources the council will also need to consider the reallocation of funding between projects to ensure that priority projects are resourced to completion. This will inevitably involve some projects being either reduced in scale or removed from the programme in their entirety.
- 3.4 As identified above, the Destination Dreamland Project is not going to be delivered through the Town Deal funding. This leaves £4,000,000 of capital funding that requires reallocation and delivery by the deadline of March 2026. This will require a further report and likely key decision to reallocate the funding. Further work is required to inform this decision making. A report to reallocate the funding will need to consider the below:
- The funding cannot be reallocated to a new project that does not already have government approval through the Town Deal process. New projects would require a Green Book compliant business case to be approved by central government.
 - Clarification will need to be sought on the movement of money between the themes/between different projects from central government.

- The money will not be moved from Margate to Ramsgate.
 - The outputs being delivered by the Destination Dreamland project will need to be delivered where the funding moves to.
 - Further information will be sought from central government on the Project Adjustment Request process as Thanet is now in the Simplification Pathfinder Pilot - and the timelines for this process, should it be required.
 - The reallocation of funding will need to be delivered by March 2026.
 - It will need to acknowledge that there will be a lot of third party organisations who will want to be considered for this funding and that there is no process in place to reallocate it to a new project.
- 3.5 Annex 2 to this report identifies the current approved budget for the Margate programme, which details the original grant allocations. Below is an outline of where some of the cost pressures/opportunities are likely to be for the Margate programme:
- The reallocation of the funding originally for the Oval Bandstand and Lawns project - £475,000. Future proposals for decision include keeping this funding within the Coastal Wellbeing Intervention.
 - Theatre Royal - there are challenges on the basis that the overall project is subject to accessing third party funding from the National Lottery Funding. Officers are also reviewing a bid to the Cultural Development Fund.
 - Inflationary pressure and extra cost pressure from the need to design out flood risk and crime is impacting on the designs for the Wellbeing Pavilion. The project is subject to value engineering, but the team are keen for the site to retain some flexibility and provide a quality environment.
 - The current budget allocation within the Active Movement and Connections Intervention allocated to the public realm and highways element will not cover the whole of the projects put forward in the Town Investment Plan or the subsequent proposal for Cecil Square. A further report and decision will be required to take this scheme forward.
- 3.6 Decisions about these potential changes will need to be considered by Cabinet through future reports. Within the terms of the Simplification Pathfinder Pilot the council is permitted to vire up to £5,000,000 between projects, without the need to obtain consent from central government. Virements above this level would require an approved project adjustment. Officers have been in touch with contacts at the DLUHC to discuss, in particular the reallocation of the funding from the Destination Dreamland Project. In addition, it is important to note that the flexibility to vire funding between projects only applies to existing projects: the allocation of any funding to new projects would require the sign off of a new business case by government. Any proposal to vire money between projects will require a Cabinet decision.

4.0 Programme Timeline and Milestones

- 4.1 Clear project milestones and timelines will be required for all projects so that the council is able to monitor and report on the progress of project delivery.
- 4.2 Where key dates are known for the next key activities that need to be delivered, these are set out within the project level summaries, included in section 2 above.
- 4.3 Each project that proceeds to a delivery stage will have key milestones and timelines defined at the outset. This information, as well as key information about project

deliverables and project costs, will be detailed in the key decision reports that will be needed to authorise the procurement of construction projects.

5.0 Project Monitoring and Reporting Arrangements

5.1 The Simplification Pathway Pilot Investment Plan effectively combined the three previous programmes (Levelling Up Fund, Town Deal and Future High Streets Fund) across both Margate and Ramsgate programmes into a single investment plan.

5.2 Under the Simplification Pathfinder Pilot the existing projects, approved by Cabinet in September 2023 were reprofiled against the intervention themes for the Pilot. These themes are:

- Enhancing sub-regional and regional connectivity
- Unlocking and enabling industrial and commercial development
- Strengthening the visitor and local service economy
- Improving the quality of life of residents
- Employment and education

The council is required to provide the monitoring and evaluation information to the government in relation to project delivery and outputs across these themes rather than for individual projects. These arrangements were detailed in [Annex 1](#) of the report considered by Cabinet in September.

5.3 As the accountable body for the delivery of the overall Investment Plan, it is essential that there is also project level monitoring and reporting of key project based information, including progress against agreed project timelines, changes to project deliverables and costs performance against budget. Officers will continue to monitor project and programme level information through the established internal Project Delivery Board and key performance and monitoring information will be reported to the Overview and Scrutiny Panel and the Cabinet quarterly.

5.4 Key performance and monitoring information will also be reported to the new Regeneration Partnership Board, whose [Terms of Reference](#) were agreed by Cabinet in September. Progress on the establishment of the new Regeneration Partnership Board is provided in section 7, below.

5.5 Central government has recently provided an outline of the monitoring and evaluation requirements for the amalgamated programme. A detailed Monitoring and Evaluation (M&E) form will be completed during Quarter two and Quarter four of each year, and a light-touch RAG (Red, Amber, Green) rating report will be completed for Quarter one and Quarter three. Guidance for completing the M&E questions is expected to be provided when the final version of the returns are sent to the council, with their deadlines.

5.6 The light touch M&E return requires programme level RAG rating on the council's ability to spend in line with the current spending profile and the current portfolio-level delivery progress. An explanation is required with this. The second part to the return is a RAG rating for each project against spend and delivery risk.

5.7 The detailed M&E return requires a more detailed update on progress, with information on the delivery of our portfolio of projects, which includes spend and

delivery RAG ratings for each project, issues, and key upcoming milestones. A section on Outputs and Outcomes about what the portfolio is delivering - and what the projects are forecasting to deliver. This will be against each intervention theme. The return requires an update on the top five risks and mitigations across the portfolio. Information on the portfolio finances will include committed and forecasted spend at both portfolio and project level, and plans for uncommitted funding, or underspend.

6.0 Regeneration Partnership Board

6.1 Prior to Christmas 2023 the council received notification that the proposed Investment Plan, as part of the Simplification Pathfinder Pilot, had been approved by Ministers. This was welcome news, meaning that the council is now able to move forward with setting up the new Regeneration Partnership Board, to provide the council with oversight on the delivery of the regeneration projects across the district. At the Cabinet meeting on the 21 September 2023, Cabinet approved the recommendation to set-up a new Partnership Board with the recruitment of Board members to be in consultation with the Leader of the Council.

6.2 The role of the Thanet Regeneration Partnership Board is to:

- Uphold the Seven Principles of Public Life (the Nolan Principles) as detailed Code of Conduct;
- Oversee delivery of the government funded projects ensuring the accountable body is in compliance with government agreements;
- Maintain commercial confidentiality where required;
- Working together - Board Members should take collective responsibility for how they are performing, and may discuss improvement actions they could take;
- Identify additional and appropriate opportunities to service the interests of the delivery of the externally funded programmes;
- Bring other perspectives constructively to the discussion;
- Where relevant, support with their own skills and connections;
- Through their oversight mitigate any risks, particularly financial, legal and reputational; and
- Ensure all publicity rules and obligations are met including the government's requirements for branding and recognition.

6.3 Board Members

Brian Horton - Director, Horton Strategic and Chair of the Thanet Regeneration Partnership Board

Chris Butler - Managing Director, Thanet Earth

Zoë Carassik - Chief Executive Officer, Pie Factory Music

Colin Carmichael - Chief Executive, Thanet District Council

Cllr Ruth Duckworth - Cabinet Member for Regeneration and Property, Thanet District Council

Cllr Rick Everitt - Leader of the Council, Thanet District Council

Sir Roger Gale - Member of Parliament for Thanet North

Lesley Game - Thanet County Councillor, Kent County Council

Cllr David Green - Ramsgate Town Councillor, Ramsgate Town Council

Craig Mackinlay - Member of Parliament for Thanet South
Frank Martin - Director, Locomotive Storage Limited
Bob Porter - Director of Place, Thanet District Council
Rebecca Smith - Chief Executive Officer, Social Enterprise Kent CIC
Cllr Rob Yates - Mayor of Margate, Margate Charter Trustees

- 6.3 The council will have a section on its website that will include a biography of each of the Board members and their declarations of interest. Agendas and minutes of the meetings will also be published, with any other relevant documents and links. The first meeting is on 1 March, 2024.

7.0 Next Steps

- 7.1 It is proposed that this report is presented to the Overview and Scrutiny Panel for their consideration, at the earliest opportunity. Any comments and recommendations made by the Overview and Scrutiny Panel will then be referred back to Cabinet for their consideration.
- 7.2 Further reports will be presented to Cabinet setting out the project deliverables, timelines and milestones and project costs for all projects in the programme. Where appropriate, these key decisions will be needed to authorise project expenditure. Recommendations will take into account the overall cost of the programme, compared to the available funding.

Contact Officer: *Bob Porter, Director of Place*
Reporting to: Colin Carmichael (Chief Executive)

Annex List

Annex 1: Summary of RIBA stages: [Annex 1 - RIBA Plan of Work](#)
Annex 2: Financial Summary

Background Papers

[Margate Town Investment Plan, Stakeholder Engagement report and Evidence Atlas](#)
[Margate Levelling Up Fund bid](#)
[Theatre Royal vision](#)

Corporate Consultation

Finance: Chris Blundell (Director of Corporate Services - Section 151)
Legal: Ingrid Brown (Head of Legal and Democracy & Monitoring Officer)

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Annex 1

The Stages of the Royal Institute of British Architects (RIBA) Plan of Work

The RIBA Plan of Work consists of eight stages, numbered 0 to 7. Each stage represents a phase in the project lifecycle and is designed to ensure that all aspects of the project are considered and addressed.

1. RIBA Stage 0: Strategic Definition – In this stage, the project’s objectives, constraints, and requirements are defined. Stakeholders are identified, and their needs and expectations are considered.
2. RIBA Stage 1: Preparation and Brief – The project brief is developed, outlining the client’s requirements, project scope, and key performance indicators. A feasibility study may be conducted to assess the project’s viability.
3. RIBA Stage 2: Concept Design – Initial design concepts are developed, and the preferred design solution is chosen. This stage includes preliminary cost estimates and risk assessments.
4. RIBA Stage 3: Spatial Coordination – The chosen design concept is developed into a coordinated architectural, structural, and services design. This stage includes the preparation of planning applications, building regulations submissions, and detailed cost estimates.
5. RIBA Stage 4: Technical Design – Technical details are finalised, including specifications, schedules, and drawings. The design is coordinated with other disciplines, and any necessary adjustments are made.
6. RIBA Stage 5: Construction – The project is constructed according to the technical design, with regular site inspections and progress reports to ensure quality and compliance with the design.
7. RIBA Stage 6: Handover and Closeout – The project is handed over to the client after construction. Any defects or issues are rectified, and final documentation is provided.
8. RIBA Stage 7: In Use – The performance of the completed project is monitored and evaluated. Feedback is collected to inform future projects and improve the design process.

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Project	Original Town Deal Grant Allocation	Total spent and committed as at Jan 2024	Current Cost Estimates	Revised Town Deal Grant Allocation	Match Funding	Notes [To include, but not limited RIBA stages, failed projects, proposed changes, aborted costs etc
Margate Creative Land Trust - Capital	£6,000,000	£161,901	£6,000,000	£6,000,000		The Margate Creative Land Trust has a drawdown process to access the grant funding, this is for both the revenue and capital elements. There is a specific set of information required for the drawdown of funding to purchase an asset/land.
Margate Creative Land Trust - Revenue	£900,000	£377,826	£700,000	£700,000		
Margate Theatre Royal - Capital	£2,000,000	£37,838	£6,704,122	£2,000,000	£3,914,182	A bid to the National Lottery Heritage Fund is being made. The match funding identified is Lottery funding. Potential to consider an application to the Cultural Development Fund is being developed.
Margate Theatre Royal - Revenue		£103,229		£200,000	£589,940	
Coastal Wellbeing - Testing New Uses - Capital (Walpole Bay Wellbeing Pavillion)	£700,000	£59,663	£739,000	£700,000		RIBA Stage 2 - Construction budget currently set to £475k (£700k is total project costs inc. surveys proff fees etc) potential to be allocated additional funding. Current gap in funding for delivery to be considered.
Coastal Wellbeing - Testing New Uses - Revenue programme	£500,000	£138,897	£500,000	£500,000		Programme being put together against the budget.
Coastal Wellbeing - Access Walpole (tidal pool, steps, traffic management, lift and kiosk)	£1,100,000	£36,370	£1,100,000	£1,100,000		Awaiting kiosk costs and traffic management to populate. Not proposing a move of funding potential to include a kiosk to supplement the lift management/maintenance Match funding through Environment Agency project for Walpole Bay c£300,000
Coastal Wellbeing - Skatepark	£750,000	£2,800	£750,000	£750,000		Will be Design and Build to budget. Reviewing size of kiosk in relation to conservation requirements and business model.
Coastal Wellbeing - Oval Bandstand	£500,000	£25,000	£25,000	£25,000		Aborted project. Reallocation of £475,000 required.
Active Movement and Connections - toilets	£400,000	£12,344	£400,000	£400,000		Will commission to budget
Active Movement and Connections - wayfinding	£200,000	£0	£200,000	£200,000		Will commission to budget
Active Movement and Connections - highways	£4,700,000	£18,439	£5,582,350	£4,700,000		Based on high level cost estimate for Cecil Sq proposal, June 2023. Previous indicative costs for package of highway and public realm interventions was £4.7m in 2022. Cost estimates do not include having completed any survey works or any extra project management costs. Current high level costs for a scheme at Cecil Square are considerably over the available funding, this may also increase once detailed surveys and designs are completed. Potential for phasing.
Heritage Assets - Winter Gardens	£300,000	£162,003	£300,000	£300,000		Potential underspend to be reallocated
Heritage Assets - Dreamland	£4,000,000	£0	£0	£0	£4,000,000	£4,000,000 to be re-allocated. Reviewing inflationary cost pressures for each of the projects across the Town Deal and engagement with central government. This project had £4,000,000 private sector match funding - this will be considered in the reallocation of the Town Deal funding, will need to understand governments requirement for match funding.
<i>Programme Management</i>	<i>£150,000</i>	<i>£150,000</i>	<i>£150,000</i>	<i>£150,000</i>		<i>Fully committed</i>
Sub total	£22,200,000	£1,286,310	£23,150,472	£17,725,000	£8,504,122	
Potential for reallocation				£4,475,000		£4m Dreamland and £475k Oval Bandstand.
Total	£22,200,000	£1,286,310	£23,150,472	£22,200,000	£8,504,122	
Project	Original Grant Allocation	Total expenditure as at Jan 2024	Current Cost Estimates	Original Grant Allocation	Match Funding	Notes [To include, but not limited RIBA stages, failed projects, proposed changes, aborted costs etc
Margate Digital - Margate Levelling Up Fund	£6,306,078	£142,505	£7,026,078	£6,306,078	£720,000	East Kent Colleges Group will be designing to budget and the match funding will be spent on facilities in the building

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Budget Monitoring Report No.3, 2023/24

Extraordinary Cabinet	29 February 2024
Report Author	Chris Blundell, Director of Corporate Services - Section 151
Portfolio Holder	Cllr Rob Yates, Portfolio Holder for Corporate Services
Status	For Decision
Classification:	Unrestricted
Key Decision	No
Ward:	All Wards

Executive Summary:

This report provides the 2023/24 third budget monitor for General Fund revenue and capital forecasts against budget, as well as the Housing Revenue Account.

At the end of quarter 3 there was a forecast **£1.334m** overspend on General Fund revenue service budgets.

The HRA is currently forecasting a surplus against the budget of **£1.478m**.

Recommendation(s):

- 1) That Cabinet notes the following:
 - i) The General Fund revenue budget 2023/24 forecast position.
 - ii) The General Fund Capital Programme 2023/24 forecast position.
 - iii) The Housing Revenue Account position.
- 2) That Cabinet recommends to Council for approval the supplementary budgets for:
 - i) The £275k requirement for the removal of waste at the Dane Park Depot is funded from the risk reserve as set out in section 3.2 of this report and previously reported to Cabinet in January.
- 3) That Cabinet agrees to the capital programme budget adjustments, numbered (i) and (ii), as set out in section 6.4 and Annex 1 to this report.
- 4) That Cabinet recommends to Council for approval the supplementary capital budgets, numbered (i) and (ii), as set out in section 6.5 and Annex 1 to this report.
- 5) That Cabinet recommends to Council for approval the supplementary budget for the new HRA scheme for Newington, as set out in section 8.5 to this report.

Corporate Implications

Financial and Value for Money

The financial implications have been reflected within the body of the report. There remain some residual impacts from the Covid pandemic upon the Council's finances, however this has moved to epidemic now and therefore is largely considered to be treated as business as usual.

Legal

The Council is required by law to set a balanced budget for each financial year. During the year there is an ongoing responsibility to monitor spending and ensure that finances continue to be sound.

Section 151 of the 1972 Local Government Act requires a suitably qualified named officer to monitor and control the Council's finances in order to provide a balanced budget. This report demonstrates the Council's compliance in respect of this duty.

Corporate

Corporate priorities can only be delivered with robust finances and this report gives Members the opportunity to review the Council's current position.

Equality Act 2010 & Public Sector Equality Duty

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.

Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

There are no direct equality implications arising from this report, however the delivery and implementation of and budgetary changes will consider this as part of the budget setting process and be reported to members in due course.

It is important to be aware of the Council's responsibility under the Public Sector Equality Duty (PSED) and show evidence that due consideration has been given to the equalities impact that may be brought upon communities by the decisions made by Council.

Corporate Priorities

This report relates to the following corporate priorities: -

- *To keep our district safe and clean*
- *To deliver the housing we need*
- *To protect our environment*
- *To create a thriving place*
- *To work efficiently for you*

1. General Fund – Revenue Forecast 2023/24

- 1.1 The 2023/24 General Fund net revenue budget of £20.755m was agreed at the Council meeting on 23 February 2023.
- 1.2 At the end of quarter 3 there was a forecast **£1.334m** overspend on General Fund revenue service budgets, largely due to the continued pressure arising within the Homelessness service alongside significant income shortfalls in a number of other services.
- 1.3 The council continues to face challenges as a result of the lasting effects of the pandemic and now the cost of living crisis, most notably through the aforementioned shortfall in service income and the ongoing impact on utilities. Managers continue to estimate the financial impact of this crisis and future monitoring will allow for greater certainty of where we will be over the coming months.
- 1.4 Table 1 below summarises at directorate level the **£1.334m** projected overspend on General Fund revenue services based on actuals to the end of quarter 3 and forecasts from budget holders for the remainder of the year. Paragraphs 2.1 - 2.4 explain variances between the budget and forecasts.

Table 1 - General Fund - Forecast against Budget 2023/24

Function	2023/24 Budget £'000	2023/24 Forecast £'000	2023/24 Variance £'000	Paragraph
Chief Executive	2,101	2,101	0	n/a
Place	4,121	4,881	+760	See paragraph 2.1
Environment	6,285	7,359	+1,074	See paragraph 2.2
Corporate Services and s151 Officer	3,597	3,597	+0	See paragraph 2.3
Corporate Budgets	4,651	4,151	-500	See paragraph 2.4
Total Net Expenditure	20,755	22,089	+1,334	

Note: + overspends or underachievement of income, - underspends or surplus income

2. General Fund detail by Directorate/Department:

One of the key tools for implementing the budget strategy was the use of budget prioritisation meetings, to consider services' current resource allocations and also assessing any budget proposals. Heads of Service and Directors were asked to formulate proposals against the draft priorities contained in the emerging Corporate Plan, so that the Council would be able to deliver immediate improvements against those priorities once the Plan was approved next February.

As part of this process current year pressures were also reviewed, providing an opportunity to manage some of the issues identified below. Examples include the review of Fees and Charges where in some instances we have smoothed the impact of ongoing pressures, Homelessness; where additional funds have been included to develop our own provision and Street Cleansing, where additional resources have been made available.

Director of Place

2.1 An overspend of +£760k is currently forecast:

(i) **Housing Needs +£650k**

Homelessness has continually grown as a challenge for many local authorities, Thanet included. There are additional pressures on Housing as the gap between supply and demand increases. The council has reviewed and is delivering its homelessness strategy action plan, is regularly monitoring the levels of homelessness and has commissioned new services to address the increasing need for support. This work will continue.

The service overspent by +£1.083m in 2022/23 and as a result of this forecast overspend, an additional +£800k was added into the 2023/24 budget to recognise and fund the rising costs of homelessness.

It was anticipated that if the number of cases fell the increased budget provision would be sufficient to fund the service, however the average number of homelessness cases have actually increased between 2022/23 to 2023/24 to date.

As a result of this increase, the subsequent overspend for 2023/24 is now forecast at +£650k.

The housing options team have identified further actions over the remainder of 2023/24 in order to reduce this forecast position and have produced a detailed action plan, which includes:

- A further push to provide incentives to landlords in order for them to provide accommodation that directly reduces the number who require temporary accommodation. It should be noted however that there are a reduced number of landlords in the sector that may be available to provide these incentives too.
- Considering the potential for other options to encourage private sector landlords to make property available for homeless households.
- Regular review of all households in TA to identify those with potential move-on options.
- A further push to ensure maximum recovery of temporary accommodation charges and housing benefit is achieved.
- Acquiring additional in-house TA provision, utilising the approved capital budget for new TA.

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- The on-going delivery of the council's commitment to deliver 400 new affordable rented homes over 4 years.

On 31 October, officers attended an emergency homelessness summit, convened by the District Council Network along with another 157 other councils, all facing pressures on their homelessness services. The issue is of national significance. Following the summit the council was a joint signatory to an open letter to the government seeking urgent support. Key asks included:

- Increases in local housing allowances and discretionary housing payments budget,
- Additional resources for homelessness prevention services, and
- Long term investment in more social housing.

The government has given additional financial support to local authorities in previous years and although nothing further has been formally announced to date, should additional support be provided, the overspend forecast would reduce as a result.

(ii) **Housing Benefits +£0**

Due to the volatility around Housing Benefit, including increasing pressures associated with supported accommodation, a +£500k shortfall is forecast, it is anticipated that this will be met using the Equalisation reserve as previously agreed, this reserve is used to manage the peaks and troughs associated with the volatilities of our benefits services.

(iii) **Building Control +£110k**

Income for the service received to date is below budget, the year-end forecast is for the income to be below budget +£110k. The income target for the service has been reduced over a number of years in recognition of the challenges in this area, however despite this reduction a residual +£110k deficit still remains. A further review of this service budget needs to be undertaken as part of balancing the projected 23/24 position.

Director of Environment

2.2 An overspend of **+£1,074k** is currently forecast:

(i) **Parking and Enforcement £0k**

Parking fee income relating to on-street parking has returned to pre-covid levels and early forecasts show a potential for a -£405k surplus, however, income from parking fines associated with on-street is forecast to be +£300k below budget.

The projected surplus from on-street parking combined with savings against the current salary budget of -£190k will result in a net surplus of -£295k.

Overall this position will be managed through a corresponding +£295k contribution to the earmarked reserve associated with this activity, resulting in a net zero impact on the council's General Fund balances.

Parking and enforcement activity associated with TDC owned off-street car parks is currently forecast to break even against the budget.

(ii) **Domestic Waste Collection +£445k**

Funding for two additional permanent collection rounds were incorporated into the 2022/23 budget. However, due to higher than historical rates of sickness absence there has been significant reliance on agency staff and overtime payments, both in waste collection and beach cleaning. There is also an overspend on street cleaning, with additional agency spending due to new Government regulations regarding the disposal of POPs (persistent organic pollutants). Combined, these will result in a +£445k overspend.

(iii) **Maritime and Technical Services +£369k**

Income is projected +£369k lower than budget expectations within Port operations. This is due to restricted opportunities, in part stemming from the global shortage of components to manufacture vehicles that had previously generated income through car importation and vehicle storage on site.

(iv) **Bulky/Clinical Waste +£60k**

A significant increase to the income target based on 22/23 projected outturn, combined with a change to the pricing structure to individual items to facilitate online bookings, has resulted in a projected shortfall this year of +£40k in bulky waste. The clinical waste target of +£20k is a legacy budget that is unachievable as this service is not charged to customers.

(v) **Crematorium Income +£200k**

The varying impact of covid on mortality rates has made it more difficult to forecast income for the service. Compared to the same period last year income is £140k higher, but still 150k short of the budget. The opening of a new Crematorium in Herne Bay is likely to be having an impact in this financial year as their rates are currently lower than TDC, although it is understood that from April they will be increasing. At this stage it is prudent to assume a +£200k shortfall and an amount has been factored into the 24/25 budget build to help manage the impact of this.

Director of Corporate Services and s151 Officer

2.3 This area is forecasting no variance at this time

2.4 Other and Corporate is currently forecast to under spend by **-£500k**:

- (i) Included within corporate budgets are such items as:
- East Kent Shared Services and their central charge,
 - HRA recharges i.e. service costs that are recharged to the HRA but which are held centrally for monitoring purposes,
 - Capital charges including recharges for staff time,
 - External funding and
 - The 2022-23 assumed collection fund deficit that hits 2023-24.
- (ii) There are additional costs associated with the unprecedented increases in Electricity and Gas prices that can't be contained within existing budgets. There is possible mitigation through some corporate budgets but this will be carefully monitored over the course of the year to make sure.
- (iii) Income generated as a result of the Council's investment activities is being positively impacted by the current increased interest rates, although the counter side to this is

increased borrowing costs, we are currently projecting a net gain of -£500k on these activities.

3. Supplementary Budget Requests

- 3.1 This section of the report provides additional information and context associated with any recommendations which request additional budget provision to be approved with the General Fund revenue budget.
- 3.2 There is a £275k requirement for the removal of green waste at the Dane Park Depot to be funded from the risk reserve.

4 Corporate Income

- 4.1 The net budget requirement is the term used to explain the total amount the council spends on services after taking account of income streams that are specific to particular service activities such as specific grants or fees and charges (e.g. homelessness grants or car park income). For 2023/24 the net budget requirement was set at £20.755m and was funded from the following corporate (i.e. non service specific) income streams.

	£000	£000
2023-24 NET GENERAL FUND REVENUE BUDGET		20,755
Funded by		
Government Grants	-1,317	
Retained Business Rates & Section 31 Grants	-8,060	
Business Rates Collection Fund Deficit	199	
Council Tax	-11,690	
Council Tax Collection Fund Deficit	113	
Total Funding		-20,755

4.2 Business Rates

The retained business rates system is a highly complex system, but in simple terms the Council included £8.060m in this year's budget from business rates related income.

Since the retained business rates system was introduced local authorities have been allowed to retain a proportion of the additional business rates that are generated in their district. TDC also participates in a Kent wide pool that allows Kent authorities to retain a greater proportion of income than operating independently under the national scheme.

However this strand of income is most uncertain and is highly volatile; both in terms of in-year allocations and also for future reform. As such, the budget strategy for the number of years was to only include approximately half of possible growth in the base budget. For 2023/24 the full amount of anticipated growth has been assumed and therefore £1.358m of possible retained growth is included in the base budget.

4.3 Council Tax

The council has budgeted for an income of £11.690m from council tax this year. In budgetary terms, this budgeted income is secure for the financial year, because due to the statutory arrangements for the accounting of council tax income, any surplus or deficit on the actual collection of council tax from residents is accounted for through the collection fund. Subsequently, any surplus or deficit that is accumulated in the

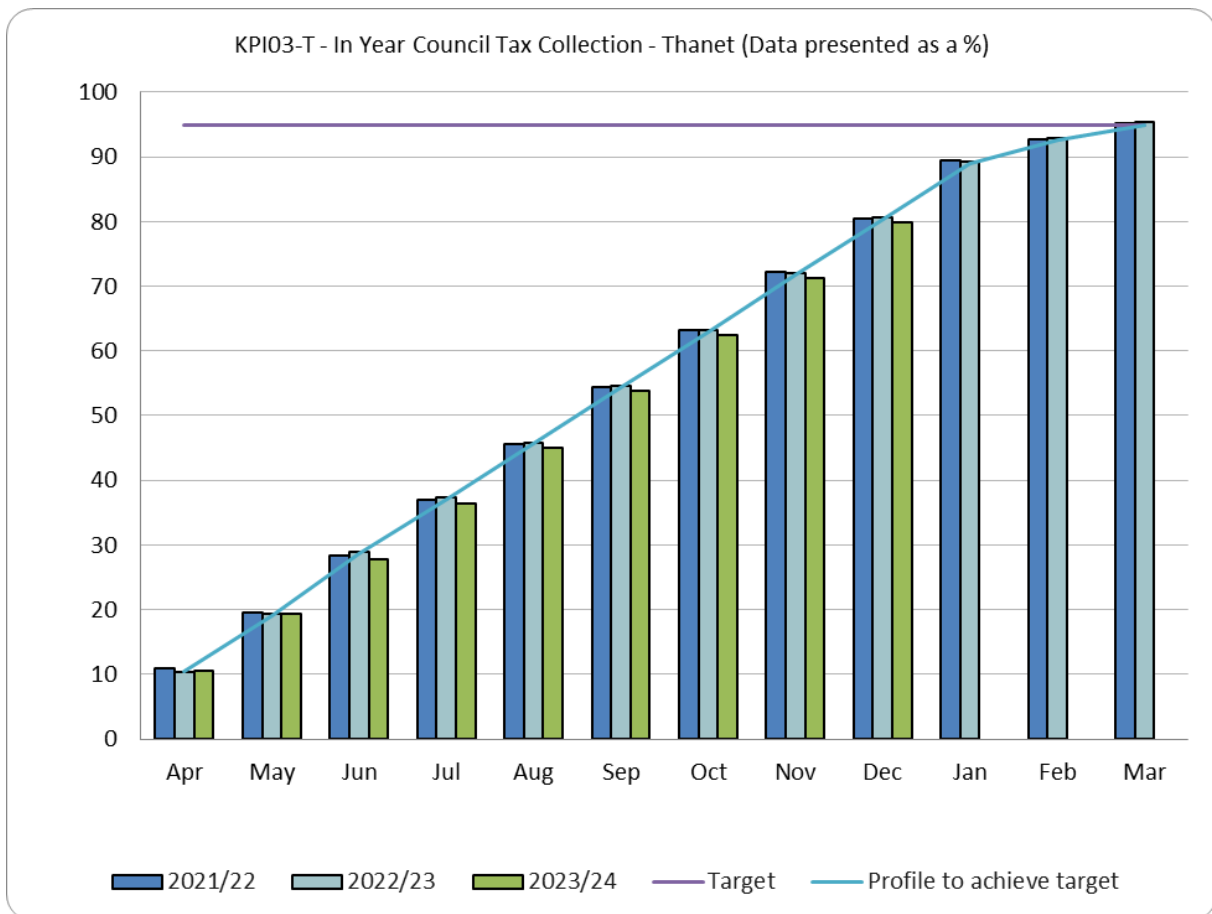
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collection fund is credited or charged to the General Fund revenue budget as part year budget setting process for future years.

In terms of actual collection of council tax within this financial year, the headline is that collection is largely on profile, with actual collections hitting 79.83% against a target of 80.36% at the end of December 2023.

The annual target for collection of council tax is 94.91% by the end of March 2024, however it should be noted that the vast majority of any council tax that hasn't been paid by the end of the financial year will still be collected and recovered in following years.

The chart below shows actual and projected council tax collection rates for December 23.



5. Addressing Budget Variance

- 5.1 Current forecasts show a potential overspend of just over +£1.334m against General Fund Revenue service budgets. It should be noted that the final qtr of the financial year could still move considerably, with it being likely that some of our planned spend will in fact slip into 2024/25, this has the potential to contribute towards the forecast overspend.
- 5.2 The most concerning forecast budget overspends are those of a demand-led nature, where our spending or income levels are dedicated by external demand for our services (e.g. number of homeless families, or number of building control applications) and as such the potential opportunities to manage down spending pressures through conventional budgetary control measures are limited.

- 5.3 All budgets will continue to be regularly monitored to ensure that the council's expenditure remains where possible, within the agreed budget. This will include monitoring income and controllable spend in order to manage down the potential impact. Each of the services projecting an overspend as above are striving to minimise or eliminate the overspend before the end of the year, but failure to do so will require consideration of the use of reserves.

6. General Fund Capital Programme – Forecast 2023/24

- 6.1 The council's 2023/24 revised General Fund capital programme of £27.176m (£27.124m as per annex 1 + £0.052m flexible use of capital receipts) is expected to be underspent by -£12.010m.

- 6.2 **Annex 1** provides a breakdown of the forecast underspend at scheme level and also shows that £6.104m (22.50%) has been committed against this year's budget as at 31 December 2023.

- 6.3 The projected underspend includes the following relatively large projects:

(i) **Housing Assistance Policy**

£5.429m 2023/24 capital budget, £3.123m forecast spend, £2.306m forecast underspend:

The majority of forecast expenditure is on providing Disabled Facilities Grants to local residents. Final spend is dependent upon local need and timing of providing grant assistance. It is anticipated that any underspend at year-end will be available to be carried forward into the next financial year.

(ii) **Public Toilet Refurbishment & Renewal**

£0.749m 2023/24 capital budget, £0.083m forecast spend, £0.666m forecast underspend:

Expenditure on this programme was previously predicated on the achievement of capital receipts from the disposal of closed public conveniences. However alternative funding has now been identified which will allow for investment in these facilities to be planned as per the 14 December 2023 Cabinet report.

(iii) **Office Accommodation**

£3m 2023/24 capital budget, £0 forecast spend, £3m forecast underspend:

Accommodation requirements are still under review given scope for flexible working as highlighted by Covid. The financing of the Office Accommodation project is dependent on the proceeds of asset sales from existing office accommodation.

(iv) **Broadstairs Flood & Coast Protection**

£0.880m 2023/24 capital budget, £0.044m forecast spend, £0.836m forecast underspend:

This project is now forecast to start in Spring to avoid disturbing wintering birds.

(v) **Westbrook to St Mildred's Sea Wall Work**

£0.450m 2023/24 capital budget, £0 forecast spend, £0.450m forecast underspend:

Environment Agency funding is yet to be confirmed for this project.

(vi) **Homelessness Accommodation (phase 2)**

£1m 2023/24 capital budget, £0 forecast spend, £1m forecast underspend.

It is unlikely there will be any capital spend on a suitable site in 2023/24.

(vii) **Infrastructure**

£1.320m 2023/24 capital budget, £0.250 forecast spend, £1.070m forecast underspend.

It is anticipated this will be a multi-year project although the budget hasn't been phased to give more flexibility.

6.4 It is proposed that the following changes to this year's capital programme be approved by Cabinet, as per recommendation 3 to this report:

(i) **Ramsgate East Pier Building Structural Improvements:** Transfer £30k additional budget to this project from the **Property Enhancement Programme**.

(ii) **Community Parks:** Remove the residual budget of £28k as this project has now finished.

6.5 It is proposed that the following changes to this year's capital programme be recommended to Council for approval, as per recommendation 4 to this report.

(i) **Sea Wall Remedial Work:** Addition of a new £142k grant funded project for sea wall remedial work following strong winds and a tidal surge.

(ii) **Jackey Bakers Pavilion:** Addition of a new £370k project funded from reserves for the demolition of the current pavilion and provision of a portacabin style facility. More details are given in the Jackey Bakers Recreation Ground report presented to Cabinet on 14 December 2023.

6.6 **Capital Receipts**

As at 31 December 2023 there was a forecast surplus of £0.570m in capital receipts to fund the 2023/24 GF capital programme. This excludes the Office Accommodation project and £0.179m of the Public Toilet Refurbishment & Renewal project, which are currently both assumed to be self-financing from receipts from the sale of associated assets.

7. Housing Revenue Account (HRA)

7.1 The HRA is currently forecasting a surplus against the budget of £1.478m. This would result in a year-end net deficit of £28k in 2023/24, this would be funded by a drawdown from HRA balances.

7.2 Income

7.2.1 Dwelling rents are forecasting a surplus of £30k. This is as a result of a slow down in Right-to-Buys (RTB) in the first half of 2023/24 and a lower level of voids.

7.2.1 Forecast non-tenant garage rental income is expected to be £30k more than the original forecast budget due to an increase in rental charges and a reduction in the number of voids.

7.2.3 The HRA has built in other income budgets totalling £260k, these consist of Household Support Fund grant £185k and higher rechargeable repairs income £75k.

7.3 Repairs and Maintenance/Contribution to capital

An additional £300k revenue contribution to capital is required to fund the increased forecast costs of the capital disabled adaptations. The £300k additional contribution will be taken from the forecast underspend on repairs and maintenance and as such an adjustment between these lines has been reflected in the budget.

An additional £75k has been added to the repairs and maintenance budget to reflect the expenditure funded by the additional income for rechargeable repairs.

7.3 Supervision and Management

An additional budget of £185k has been added to reflect the expected expenditure of Household Support Fund grant.

7.4 HRA Investment Income

Interest rates have risen since the setting of the budget and although now settling the base rate is still 5.25%. The HRA interest earned is based on an average of HRA cash balances held over the course of the year multiplied by the average investment rate and so it's difficult to accurately predict actual interest to be earned until year end. A prudent assumption of £480k additional interest earned over budget has been forecast for Q3.

7.5 HRA Debt Interest Charges

Due to the Council's healthy cash flow position, the Council has been able to undertake internal borrowing in the short term rather than seeking loans from PWLB that would attract debt interest charges. As cashflow should be sufficient for the remainder of 2023/24, the HRA shouldn't have to take out new loans and a saving of £938k should be realised. Should loans be required to be taken out due to an unexpected reduction in cash flow, this forecast saving would adversely change.

Table 2 - HRA – Forecast against Budget 2023/24

	2023/24 Budget	Move- ment	2023/24 Revised Budget	2023/24 Forecast	2023/24 Variance
	£'000	£'000	£'000	£'000	£'000
Income:					
Dwelling Rents	(14,922)		(14,922)	(14,952)	(30)
Non-dwelling Rents	(277)		(277)	(307)	(30)
Charges for services and facilities	(579)		(579)	(579)	-
Contributions towards expenditure	(520)	(260)	(780)	(780)	-
TOTAL INCOME	(16,298)	(260)	(16,558)	(16,618)	(60)
Expenditure					
Repairs & Maintenance	5,255	(225)	5,030	5,030	-
Supervision & Management	5,901	185	6,086	6,086	-
Depreciation & Impairments	4,310		4,310	4,310	-
Allowance for bad or doubtful debts	260		260	260	-
Contribution to Capital	370	300	670	670	-
Non-service specific expenditure	246		246	246	-
Debt Management Costs	9		9	9	-
TOTAL EXPENDITURE	16,351	260	16,611	16,611	-
Other Adjustments:					
Share of Members and Democratic Core	148		148	148	-
HRA Investment Income	(770)		(770)	(1,250)	(480)
Debt Interest Charges	1,487		1,487	549	(938)
Government Grants and Contributions	0		0	0	-
Adjustments, accounting /funding basis	588		588	588	-
Deficit/ (Surplus) for HRA Services	1,506	-	1,506	28	(1,478)

8. Housing Revenue Account Capital Programme – Forecast 2023/24

8.1 Annex 2 shows the revised 2023/24 Capital Programme.

8.2 At the end of December 2023 £9.056m had been spent or committed, this represents 26.33% of the revised budget.

8.3 The current end of year forecast spend position across the capital programme is £17.4m, this represents a forecast % spend against budget of 50.17%. End of year forecasted spend against major works and disabled adaptations, budgets managed by Tenant and Leasehold Services are forecast to spend 85.1% of budget. Due to the nature, availability and timing of purchase and replenishment schemes, only 39.18% of the budget is forecast to be spent, although more has been allocated to sites which will complete in 2024/25.

Agenda Item 7

- 8.3 Planned refurbishments consist mainly of major refurbishment of void properties is forecast to overspend and so £200k has been reallocated from the heating budget in order to mitigate this forecast overspend.
- 8.4 As mentioned in 7.3 above, disabled adaptations are forecast to overspend as a result of clearing the waiting list and a major extension. Therefore an additional revenue contribution and budget increase of £300k is required to mitigate the forecast overspend.
- 8.5 A new scheme is required for Newington Community Centre, the proposed works to the existing building are primarily Mechanical, Electrical and Plumbing items, which will significantly upgrade the energy efficiency of the building and lead to much lower operational costs for the centre in the long term. These improvements will also support the council's transition to net zero across its asset portfolio.

Other items included in these works are the renovation of the w/cs in the centre, creating accessible facilities for the community. Two small one-to-one offices will also be created to facilitate wellbeing sessions in the centre, and a new accessible entrance. These minor layout alterations will have large impacts on the operation of the centre overall and allow multiple uses of the space simultaneously, as opposed to one activity requiring the entire space.

These works are anticipated to be £300k, requiring the addition of a new scheme into the HRA Capital Programme.

- 8.6 A number of programmes are forecast to underspend and a narrative has been added to **Annex 2** to explain the forecast position.

Contact Officer: Matthew Sanham, Head of Finance and Procurement
Reporting to: Chris Blundell, Director of Corporate Services - Section 151

Annex List

Annex 1 GF Capital Programme
Annex 2 HRA Capital Programme
Annex 3 GF Revenue Budget Summary

Background Papers

Budget monitoring papers held in Financial Services

Corporate Consultation

Finance: N/A

Legal: Ingrid Brown (Head of Legal and Democracy & Monitoring Officer)

ANNEX 1 - General Fund Capital Programme Report No

3

Capital Programme 2023/24	Revised Capital Budget 2023/24 to Cabinet 16 November 2023 £	Additions / Removals £	Revised Capital Budget 2023/24 to Cabinet [date] 2024 £	Estimated Outturn 2023/24 £	Estimated Variance Overspend / (Underspend) against Revised Budget 2023/24 £	Committed Spend to 31 December 2023 £	Comments
Deputy Chief Executive (incl East Kent Services)							
Housing Assistance Policy (Disabled Facilities Grants & Better Care Fund)	4,949,604		4,949,604	2,883,000	-2,066,604	1,777,021	
Margate Housing Intervention - Loan Scheme	40,000		40,000	0	-40,000	0	
Housing Assistance Policy (additional support for home owners and private sector landlords)	478,912		478,912	240,000	-238,912	0	
Homelessness Accommodation	31,005		31,005	31,005	0	1,283	
Homelessness Accommodation (phase 2)	1,000,000		1,000,000	0	-1,000,000	0	
End User Computing - Refresh of Devices	438,734		438,734	438,734	0	43,580	
Financial Management System	174,489		174,489	174,489	0	0	
IT Infrastructure	302,325		302,325	302,325	0	183,407	
Total	7,415,069	0	7,415,069	4,069,553	-3,345,516	2,005,291	
Corporate Governance							
Public Toilet Refurbishment & Renewal	749,308		749,308	82,726	-666,582	82,726	Project name expanded from Public Toilet Refurbishment to Public Toilet Refurbishment & Renewal as per the 14 Dec 2023 Cabinet report
Office Accommodation	3,000,000		3,000,000	0	-3,000,000	0	
High Street Heritage Action Zone Grant - Ramsgate	117,900		117,900	117,900	0	25,377	
51-57 High Street, Margate - Refurbishment	45,161		45,161	45,161	0	0	
Margate Town Deal	3,188,000		3,188,000	3,188,000	0	231,256	
Ramsgate Future High Street Fund	802,899		802,899	802,899	0	691,014	
Margate Levelling Up Fund	1,272,577		1,272,577	1,272,577	0	0	
Ramsgate Levelling Up Fund	1,424,551		1,424,551	1,424,551	0	1,197,180	
Property Enhancement Programme	305,575	-30,000	275,575	196,000	-79,575	138,441	£30k budget transfer to Ramsgate East Pier Building Structural Improvements
Total	10,905,970	-30,000	10,875,970	7,129,814	-3,746,156	2,365,994	
Operational Services							
Replacement of Lead Lights at Port	37,567		37,567	0	-37,567	0	
Westbrook Promenade Infrastructure Improvements	52,763		52,763	52,763	0	5,144	
School Gate Safety Enforcement Partnership	222,500		222,500	0	-222,500	0	
CCTV (previously CCTV & Street Lighting)	45,680		45,680	45,680	0	44,709	
Ramsgate Harbour Sluice Gate	105,000		105,000	0	-105,000	0	
Thanet District LED Lighting	386,888		386,888	96,722	-290,166	54,509	
Ellington Park	18,057		18,057	18,057	0	9,783	
Pontoon Decking Improvements	4,303		4,303	0	-4,303	0	
Ramsgate Port & Harbour - Additional Self Storage Containers	55,000		55,000	55,000	0	54,690	
Upgrade of Amenity Blocks	73,730		73,730	10,000	-63,730	2,549	
Broadstairs Flood & Coast Protection	880,000		880,000	44,000	-836,000	4,188	
Ramsgate Dock Office on Eastern Crosswall	30,000		30,000	0	-30,000	0	
Ramsgate Port - Berth 4/5 Replacement	251,249		251,249	251,249	0	161,116	
Vehicle & Equipment Replacement Programme	2,155,362		2,155,362	2,155,362	0	1,114,826	
Boat Wash Separator	46,953		46,953	0	-46,953	0	
Crematorium Cloisters	100,000		100,000	0	-100,000	0	

ANNEX 1 - General Fund Capital Programme Report No

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Capital Programme 2023/24	Revised Capital Budget 2023/24 to Cabinet 16 November 2023 £	Additions / Removals £	Revised Capital Budget 2023/24 to Cabinet [date] 2024 £	Estimated Outturn 2023/24 £	Estimated Variance Overspend / (Underspend) against Revised Budget 2023/24 £	Committed Spend to 31 December 2023 £	Comments
Ramsgate Flood & Coast Protection	1,425		1,425	1,425	0	0	
Ramsgate Port & Harbour Utilities Supply Upgrade	540		540	0	-540	0	
Westbrook to St Mildred's Sea Wall Work	450,000		450,000	0	-450,000	0	
Viking Bay to Dumpton Gap Sea Wall Work	398,668		398,668	398,668	0	90	
Replace Crematorium Chapel Roof	2,548		2,548	2,548	0	0	
Royal Harbour Multi-Storey Lift Replacement	330,427		330,427	30,000	-300,427	4,719	
Replacement Mobile Elevating Work Platform (MEWP) for Ramsgate Port & Harbour	28,000		28,000	28,000	0	28,000	
Ramsgate Harbour - Toilet Cabin at Outer West Marina	41,640		41,640	41,640	0	41,090	
Ramsgate Port - Transformer	60,000		60,000	0	-60,000	0	
Crematorium Memorial Gardens	60,000		60,000	0	-60,000	0	
Ramsgate Harbour - Marina Access Gates CCTV	21,000		21,000	21,000	0	19,550	
Port Control Signal Light Repeaters for Ramsgate West Pier	16,500		16,500	0	-16,500	0	
Infrastructure	1,320,000		1,320,000	250,000	-1,070,000	24,888	
Viking Bay Boardwalk	41,000		41,000	41,000	0	41,000	
Sea Wall Remedial Work	0	142,000	142,000	142,000	0	0	£142k grant funded budget for sea wall remedial work following strong winds and tidal surge
Ramsgate East Pier Building Structural Improvements	282,500	30,000	312,500	15,000	-297,500	11,734	£30k budget transfer from Property Enhancement Programme
Ramsgate East and West Pier Hand Railings and Access Gates	170,000		170,000	0	-170,000	0	
Customs Cutter Berth Refurbishment	70,000		70,000	5,000	-65,000	0	
Ramsgate Harbour - Replacement of Oil Disposal Point	40,000		40,000	0	-40,000	0	
Vehicle CCTV Cameras, Trackers and Software Upgrade	261,032		261,032	0	-261,032	0	
Smart Metering Upgrade	110,000		110,000	110,000	0	110,000	
Replacement Dock Master's Office	21,000		21,000	0	-21,000	0	
Jackey Bakers Pavilion	0	370,000	370,000	0	-370,000	0	£370k budget funded from reserves for the demolition of the current pavilion and provision of a portacabin style facility
Community Parks	27,758	-27,758	0	0	0	0	Project finished
Total	8,219,088	514,242	8,733,330	3,815,114	-4,918,216	1,732,586	
Total Programme	26,540,127	484,242	27,024,369	15,014,481	-12,009,888	6,103,871	
Capital Salaries	100,000		100,000	100,000	0	0	
Grand Total	26,640,127	484,242	27,124,369	15,114,481	-12,009,888	6,103,871	

Funded By	Revised Capital Budget 2023/24 to Cabinet 16 November 2023 £	Additions / Removals £	Revised Capital Budget 2023/24 to Cabinet [date] 2024 £
Revenue and Reserves	1,145,818	10,991	1,156,809
Capital Receipts	4,653,465	- 91,000	4,562,465
Prudential Borrowing	6,504,963	450,000	6,954,963
External Funding	14,335,881	114,251	14,450,132

ANNEX 1 - General Fund Capital Programme Report No.

3

Capital Programme 2023/24	Revised Capital Budget 2023/24 to Cabinet 16 November 2023 £	Additions / Removals £	Revised Capital Budget 2023/24 to Cabinet [date] 2024 £	Estimated Outturn 2023/24 £	Estimated Variance Overspend / (Underspend) against Revised Budget 2023/24 £	Committed Spend to 31 December 2023 £	Comments
Total	26,640,127	484,242	27,124,369				

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ANNEX 2 - HRA Capital Programme							
Capital Programme 2023/24	Revised Capital Budget 2023/24 to Cabinet 16 November 2023 £	Additions / Removals £	Revised Capital Budget 2023/24 to Cabinet [date] 2024 £	Estimated Outturn 2023/24 £	Estimated Variance Overspend / (Underspend) against Revised Budget 2023/24 £	Committed Spend to 31 December 2023 £	Comments
MAJOR WORKS AND DISABLED ADAPTATIONS							
Re Roofing	304,210		304,210	178,000	-126,210	27,242	Forecast underspend due to contractor appointment delays which impacted on programme
Replace Windows Doors	366,233		366,233	290,000	-76,233	150,650	Forecast underspend due to contractor appointment delays which impacted on programme
Kitchen & Bath Replacements	399,780		399,780	350,000	-49,780	181,193	Forecast underspend due to contractor appointment delays which impacted on programme
Electrical Rewiring	200,678		200,678	160,000	-40,678	108,476	Small forecast underspend due to lower level of works identified by inspection reports
Heating	590,751	-200,000	390,751	250,000	-140,751	137,361	Now only replacing end of life boilers whilst best heating systems for the future are considered
Tower Block Works	2,668,722		2,668,722	2,668,722	0	711,867	
Fire Precaution Works	399,497		399,497	399,497	0	388,623	
Planned Refurbishments	445,131	200,000	645,131	645,131	0	501,880	
Structural Repairs	491,610		491,610	300,000	-191,610	138,834	Forecast underspend due to contractor appointment delays which impacted on programme
Thermal Insulation	47,350		47,350	47,350	0	16,923	
Lift Refurbishment	595,000		595,000	200,000	-395,000	0	Some materials to be purchased this year, installation to be completed next year
Estate Improvements	392,263		392,263	275,000	-117,263	34,262	Schemes to be brought forward next year
Disabled Adaptations	300,000	300,000	600,000	600,000	0	501,656	
Garages	58,808		58,808	16,000	-42,808	746	Only roofing works this year, new construction planned next year with balance
Playground Works	50,000		50,000	0	-50,000	0	Proposed playground refurbishment will take place in the next financial year
Newington Community Centre		300,000	300,000	300,000	0	0	Works as laid out in 8.5 of the report
IT Infrastructure	70,000		70,000	70,000	0	0	

Capital Salaries	311,000		311,000	311,000	0	311,000	
Total	7,691,033	600,000	8,291,033	7,060,700	-1,230,333	3,210,713	
PURCHASE/REPLENISHMENT SCHEMES							
Margate Housing Intervention	1,832,015		1,832,015	1,650,000	-182,015	1,476,369	Edgar Road works continuing into next financial year
New Build And Aquisitions Programme	24,516,112		24,516,112	8,639,766	-15,876,346	4,113,798	Final spend will depend on timing of acquisitions/development
Capital Salaries	56,000		56,000	56,000	0	56,000	
Total	26,404,127	0	26,404,127	10,345,766	-16,058,361	5,646,167	
Grand Total	34,095,160	600,000	34,695,160	17,406,466	-17,288,694	8,856,880	

Service Area	Original Budget	Revised Budget	Forecast	Variance	Usage of Reserve (Unplanned)	Revised Variance
	£	£	£	£	£	£
Chief Executive						
- Chief Executive	311,330	565,480	565,480	0	0	0
- Head of Strategy & Transformation	1,483,230	1,427,850	1,427,850	0	0	0
Place						
- Planning	251,630	279,110	279,110	0	0	0
- Housing	638,240	610,060	1,110,060	500,000	-500,000	0
- Housing Options	1,745,680	1,804,470	2,454,470	650,000	0	650,000
- Building Control	-343,790	-353,790	-243,790	110,000	0	110,000
- Asset Management	1,625,030	1,747,770	1,747,770	0	0	0
Environment						
- Parking & Enforcement	-170,890	-170,440	-465,440	-295,000	295,000	0
- Waste & Street Cleansing	4,123,560	4,128,950	4,573,950	445,000	0	445,000
- Maritime & Technical Services	-237,190	-299,140	69,860	369,000	0	369,000
- Bulky/Clinical Waste	-170,000	-170,000	-110,000	60,000	0	60,000
- Toilets	426,290	425,760	425,760	0	0	0
- Coastal Development	1,196,780	1,206,920	1,206,920	0	0	0
- Crematorium	-654,380	-635,190	-435,190	200,000	0	200,000
- Operations & Commercial Services	1,797,800	1,931,540	1,931,540	0	0	0
Corporate Services and s151 Officer						
- Legal	1,237,760	1,264,030	1,264,030	0	0	0
- Land Charges	-46,470	-46,470	-46,470	0	0	0
- Committee/Electoral	757,610	760,610	760,610	0	0	0
- Head of Finance	1,725,420	1,740,930	1,740,930	0	0	0
Corporate						
- Finance	5,057,360	4,536,550	4,036,550	-500,000	0	-500,000
	20,755,000	20,755,000	22,294,000	1,539,000	-205,000	1,334,000

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