

Margate Town Deal Update and Next Steps

Extraordinary Cabinet	8 June, 2021
Report Author	Natalie Glover, Project Manager
Portfolio Holder	Cllr Ruth Duckworth, Cabinet Member for Estates and Economic Development
Status	For Information
Classification:	Unrestricted
Key Decision	No
Ward:	Margate and Cliftonville wards

Executive Summary:

A Town Investment Plan for Margate was submitted to the Ministry of Housing, Communities and Local Government (MHCLG) in December 2020. In March 2021 the Margate Town Deal Board received Heads of Terms from MHCLG with an in principle offer of up to £22.2m to deliver the Margate Town Investment Plan. The Margate Town Deal Board and project team will submit a final prioritised project list, estimated financial profiles, details of the number of full business cases to be drafted, and monitoring and evaluation baseline reports to MHCLG.

This report aims to provide updated information relating to the Margate Town Deal process including next steps.

Recommendations

Cabinet is asked to note the report

Corporate Implications

Financial and Value for Money

The Council is the Accountable Body for the Margate Town Deal. These responsibilities include, but are not limited to:

- Upholding the Seven Principles of Public Life (Nolan Principles)
- Ensuring decisions are made by the board in accordance with good governance principles
- Ensuring transparency requirements are met
- Monitoring and evaluating the delivery of individual projects
- Submitting regular reports to MHCLG
- Receiving and accounting for the Town's funding allocation

Once the business cases for the Towns Deal projects have been through the council's own assurance and evaluation process, the Section 151 Officer is required to provide an assurance statement to MHCLG as part of the Summary Document, prior to the release of funding.

The Section 151 Officer is required to scrutinise and approve regular monitoring returns (at least six monthly) to MHCLG. These returns will cover total and forecast spend, alongside output metrics.

All the investment and costs associated with the Margate Town Deal are fully funded from external grants and contributions. Governance arrangements will be put in place to ensure all expenditure relating to the interventions will be managed within the total package of support provided, and to ensure there is no risk of financial exposure to the Council.

The Council has been provided with some capacity funding to deliver the development stage of the Town Deal. The project team will work with project sponsors to ensure expenditure stays within this funding allocation. Further reports will be provided to the Corporate Management Team and Cabinet by way of updates on the project delivery for the Margate Town Deal.

Legal

There are no legal implications arising directly from this report.

Corporate

Thanet District Council is the accountable body for the Margate Town Deal, however there is a Board in place made up of statutory, community and business representatives who are responsible for signing off (alongside the Council) the Margate Town Investment Plan. The Board has been in place for just over a year and the Council is working with colleagues in the Cities and Local Growth Unit at the Boards Governance arrangement in order to reduce any risks from the Board to the Council and to ensure that the Board has representatives that can support the next phase of the Margate Town Deal project development.

The Margate Town Deal supports the Council's corporate priority for Growth, including encouraging the rejuvenation of our high streets and continuing to promote tourism.

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 does not relate to any specific aim of the equality duty, it is an update.

CORPORATE PRIORITIES

This report relates to the following corporate priorities: -

- *Growth*
- *Communities*

1.0 Introduction and Background

1.1 In September 2019, the Ministry of Housing, Communities and Local Government (MHCLG) announced that 101 towns in England will benefit from part of the £3.6 billion Towns Fund and Margate was one of them (with up to £25m of investment potentially available). The objective of the Fund is to drive the economic regeneration of towns to deliver long term economic and productivity growth through:

- *Urban regeneration, planning and land use*
- *Skills and enterprise infrastructure*
- *Connectivity*

The Government provided a full [Prospectus](#) and [Further Guidance](#), which were used when putting together the Margate Town Deal Board and developing the Town Investment Plan.

1.2 The Margate Town Deal Board submitted the Town Investment Plan on 11 December 2020. The Investment Plan and other related documents are available on the Councils [website](#).

1.3 The Margate Town Deal Board received their Heads of Terms proposal from MHCLG on 9 March 2021, outlining an in principle offer of up to £22.2m investment for the town. The Margate Town Deal Board and Thanet District Council, as the Accountable Body, accepted these Heads of Terms on 24 March 2021, a [blog update](#) about this is available on the Councils website.

1.4 The in principle offer for the Margate Town Investment Plan is for up to £22.2m that was against an ask of £29m. The shortfall in the offer has meant that the Margate Town Deal Board has been required to decide which projects went forward to the Business Case Development phase and which needed to be re-scoped or excluded. The Board has now been through a process of re-visiting the projects that featured within the Town Investment Plan to re-prioritise in order to deliver the Plan.

2.0 The Prioritisation Process and Framework

- 2.1 To secure investment, the Board had to re-prioritise the projects within the Town Investment Plan to deliver a Deal for Margate of up to £22.2m investment, against the £29m ask. The Board wanted to ensure there was a transparent scoring process, which could stand up to any scrutiny and that would ultimately ensure that the projects chosen are those best placed to deliver against the priorities of Margate's Town Investment Plan.
- 2.2 Specialist external consultants, PRD Ltd were commissioned to support the prioritisation process and produced a framework to rank projects against the original requirements of the [Towns Fund](#) programme, the priorities of the [Margate Town Investment Plan](#) and the Government's [Green Book](#) business case criteria. A copy of the framework used by the Board to support their decision making process will be published on the Margate Town Deal website. In addition to the Framework scores and project ranking, the Board was provided with further information gathered either from the project proposals or from the sponsors themselves. Discussions were held at various Board meetings about the best way to prioritise the projects, whilst reaffirming the priorities for Margate.
- 2.3 The final project list, including the funding allocation was agreed by the Board on 14 May, 2021 and is as follows:

Intervention	Description	£'m
Intervention 1: Scaling Creative Production and Skills	Creative Land Trust	6.000
	Outreach programme	0.900
	Theatre Royal	2.000
	Sub-total	8.900
Intervention 2: Coastal Wellbeing	Access Walpole	1.100
	Testing new uses, participation and skills programme	1.200
	Improved Coastal Environment: Oval Bandstand	0.500
	Improved Coastal Environment: Skatepark	0.750
	Sub-total	3.550
Intervention 3: Active Movement and Connections	Highway Interventions	5.250
	Public Realm Interventions	

Intervention 4: Heritage Assets	Dreamland	4.000
	Winter Gardens	0.5
	Sub-total	4.500
Total		22.2

2.4 Project sponsors and key stakeholders have been informed of the outcome directly. The project team and Margate Town Deal Board are now working to submit the necessary documentation relating to the final project list to MHCLG.

3.0 Capacity funding

3.1 In March Thanet District Council were invited to apply for further capacity funding from the Towns Fund to support the delivery of the Town Deal. This is in addition to the original £161,000 capacity funding allocated to Margate in 2020. Despite the capacity funding being well oversubscribed, the project team secured an additional £70,000 of capacity funding for specialist consultancy services in two distinct areas:

1. Further engagement activities to support the business case development phase.
2. Establishing the Creative Land Trust, featured within the Scaling Creative Production and Skills intervention within the Town Investment Plan, and developing the full business case for this project. This then has the potential to be a fast tracked project, if the project development and business case can be delivered within six months, as set out by MHCLG.

Pleydell Smithyman Ltd have been commissioned to deliver a community and stakeholder engagement plan to support the Margate Town Deal over the next twelve months as business cases are developed. An invitation to tender for the contract to establish the Creative Land Trust has been out to tender on the Council's procurement portal and is due to be commissioned.

4.0 51-57 High Street Margate

4.1 In the Prime Minister's speech 'Build Build Build' on 30 June 2020, it was announced that the Government would be bringing forward £5 billion of capital investment projects, including £96m to accelerate investment in town centres and high streets. This aimed to provide all the towns selected for Town Deals with £500,000-£1,000,000 to spend on projects such as improvements to parks, high streets, and transport. The funding was allocated on a population size basis, with Margate receiving £750,000.

4.2 The £750,000 grant funding from the Ministry of Housing Communities and Local Government (MHCLG) has been included in the Council's Capital Works Programme, to be spent on a capital renovation project for 51-57 High Street Margate. The project

is in alignment with the Towns Fund Further Guidance provided by MHCLG in June 2020.

- 4.3 The capital works being proposed as part of the project include;
1. replacing the roof, ensuring the building is watertight, protecting it from further deterioration;
 2. the stripping out of the internal materials and fittings that will enable access to the Asbestos Containing Materials that require removal
- 4.4 Delivering the capital works will enable the vision for the building to be more clearly defined in line with any repurposing of the high street and town centre. It is proposed that the building could form part of a portfolio of assets in the new Creative Land Trust that is proposed within the Margate Town Deal Town Investment Plan.
- 4.6 Following the necessary approvals being granted by Homes England, the Joint Venture partner on the building, the opportunity for main contractors to tender for this contract is now live on the procurement portal with a closing date of 18 June 2021, after which this capital project will enter the delivery phase. The delay on this project has been reported to officials in the Cities and Local Growth unit, who are supportive of the project in Margate.

5.0 Next Steps

- 5.1 Having prioritised the projects from the original Town Investment Plan, the final project list will be submitted to MHCLG with the required accompanying information. The Margate Town Deal will then enter the business case phase which can take up to twelve months. On completion of the business cases the Council will be required to submit a summary document, which includes information from all of the business cases, that has been through a local assurance process. Once this has been agreed by MHCLG funding can be allocated to the individual projects for delivery. The business cases will need to be developed against the Government's Green Book (or for highway schemes, WebTAG) which requires specialist consultants to be commissioned to support the technical elements of this work. The format and requirements for this are set-out in the [Business Case template](#) and [guidance](#).
- 5.2 There will also be a review of the governance structure and membership of the Margate Town Deal Board to ensure that it is robust and has the necessary skill sets for the next phase of Business Case Development. This will be tested with the Towns Fund Delivery Partners and the Cities and Local Growth Unit/MHCLG.
- 5.3 As the accountable body, the Council will need to set out what assurance processes it will put in place in relation to the delivery of each of the Margate Town Deal projects. This will involve Section 151 Officer approval.

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Background Papers

All background papers are included as links in the report

Corporate Consultation

Finance: *Chris Blundell (Director of Finance)*

Legal: