

Capital Programme Scheme - Margate Town Deal

Meeting	31 August, 2021
Report Author	Louise Askew, Director of Regeneration
Portfolio Holder	Cllr Reece Pugh, Deputy Leader and Cabinet Member for Economic Development
Status	For Recommendation
Classification:	Unrestricted
Key Decision	Yes
Reasons for Key	Addition of a new scheme within the Council's Capital Programme from Grant funding
Ward:	All wards in Margate

Executive Summary:

This paper sets out the requirement to approve an additional scheme within the Capital Programme, for the externally funded capital grant that will be received for the delivery of the Margate Town Deal. As the Accountable Body, Thanet District Council will receive the funding to be allocated against pre-agreed projects, in order for them to be delivered. It is a Constitutional requirement that these funds are added into the Capital Programme in order to be able to spend the funds.

Cabinet are asked to approve the addition within the Capital Programme, so that when the grant funding is received from the Ministry of Housing, Communities and Local Government (MHCLG) it can be added, and project delivery can start.

Recommendation(s):

Approve the addition of a new scheme into the Capital Programme from external funding (Towns Fund), but recognise the potential need to transfer an element of this funding to Revenue, subject to final approval. The value of the scheme will be no more than the total £22,200,000, this being the maximum award from the Ministry of Housing, Communities and Local Government, for delivery of the pre-agreed projects within the Margate Town Deal.

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 Margate Town Deal Board in accordance with good governance principles

- Ensuring transparency requirements are met
- Providing a Local Assurance Process for the sign off of Project Business Cases and the submission of a Summary Document to MHCLG.
- Receiving and accounting for the Town's funding allocation
- Monitoring and evaluating the delivery of individual projects
- Submitting regular reports to MHCLG

The agreed Town Deal projects are being developed through the Government's Green Book Business Case framework. Each project will have a Business Case that will test its ability to deliver the Government's requirements for the Town Deal programme, and deliver value for money for the public funds (Towns Fund). Through the business case process, the specific details about delivery, costs and outcomes will become more specific. Once the Business Cases for the Town Deal projects have been through the Council's own assurance process, the Chief Executive and Section 151 Officer are required to provide an assurance statement to MHCLG as part of a 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 actual and forecast spend, alongside output metrics.

The grant funding will be drawn down on the basis of project delivery outlined in each of the individual Business Cases, therefore the Council will not have the whole Town Deal capital funding in the programme at any one time. Some of the projects are being delivered by third parties and their funding will be allocated on the basis of signed funding agreements. These agreements will ensure the projects deliver against the vision and outcomes identified in the Town Investment Plan, the basis of their Business Case, Council due diligence, and assurance. This will also include agreement to provide the required monitoring and evaluation requirements for MHCLG and the Council as Accountable Body.

The scheme is to be added into the Capital Programme at the the total maximum amount of £22.2m but it is recognised that an amount (currently unspecified) may end up being classified as Revenue. This agreement will ensure that the full allocation is allocated and available subject to additional information being made available identifying the final Capital Revenue splits.

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 provides strategic oversight to the delivery of the Margate Town Investment Plan and its projects, ensuring that delivery relates back to the evidence and the vision and objectives of the Margate Town Investment Plan. The Board has a set of Governance arrangements in order to reduce any risks from the Board to the Council.

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.

CORPORATE PRIORITIES

This report relates to the following corporate priorities: -

- Growth
- Environment
- Communities

1.0 Introduction and Background

1.1 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 submitted a final prioritised project list in June 2021. The Investment Plan and other related documents are available on the Councils [website](#)

1.2 The final project list, including the funding allocation that 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 Revenue	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 (Including Revenue)	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 (Revenue)	0.5
	Sub-total	4.500
Total		22.2
Total Capital		20.1
Total Revenue		2.1

- 1.2 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 funding provided, to ensure there is no risk of financial exposure to the Council.
- 1.3 The MHCLG, the Council, and the Chair of the Margate Town Deal Board have signed a Heads of Terms agreement that offers the Margate Town Deal up to £22.2m for delivery of the projects in the Margate Town Investment Plan. This is a mainly capital programme, with some revenue funding to support specific projects. The Council constitutional financial requirements are that the capital funding is required to be in the Capital Programme.

2.0 Capital Development Funding

- 2.1 The Council is waiting for a formal response from MHCLG on its submitted project

list. However, the Project Team has received correspondence from MHCLG to state that there has been a recent development in the funding policy of the Town Deal and to help with project delivery, MHCLG will be releasing early a payment of 5% of our total Heads of Terms offer. This payment will be made once we have heard back from MCHLG on the project submission. This Capital Development funding is required to be spent before any other Town Deal funding can be drawn down.

- 2.2 The allocation of this Capital Development funding for project development will be reviewed on a project by project basis and will be considered when the Project Team commission specialist consultants, during the first week in September 2021, to support the technical development of the Business Cases. The allocation of this funding further supports the requirement that the Council can not be in any financial risk due to the Margate Town Deal, and will allow for greater degree of project development ahead of Business Case completion.
- 2.3 Subject to the final offer and approval from MHCLG, on the basis of the offer of up to £22,200,000, it is expected that no more than £21,000,000 of the Margate Town Deal will be Capital, with the remaining being revenue funding. It will only be when final approval is gained from MHCLG on the Business Cases that the Capital Revenue split will be clear. The guidance outlined that the Town Deal programme was to be 90% capital funding.

Contact Officer: *Louise Askew, Director of Regeneration*
Reporting to: *Madeline Homer, Chief Executive*

Background Papers

Margate Town deal website: <https://www.thanet.gov.uk/campaigns/margate-town-deal/>

Corporate Consultation

Finance: *Matthew Sanham (Financial Services Manager)*

Legal: *Christian Seaward (Principal Lawyer - Property)*