

Margate Levelling Up Fund: Third Party Grant

Cabinet	28 April, 2022
Report Author	Louise Askew, Director of Regeneration
Portfolio Holder	Cllr Reece Pugh, Deputy Leader and Cabinet Member for Economic Development
Status	For Decision
Classification:	Unrestricted
Key Decision	Yes
Reasons for Key	An executive decision which involves the incurring of expenditure exceeding £250,000
Ward:	Central Margate

Executive Summary:

This paper requests the approval of Cabinet to agree to provide a grant for the Margate Levelling Up Fund project to EKC Group, to deliver the project already identified and approved. As the Accountable Body, Thanet District Council will receive the funding to be allocated against pre-agreed projects. In certain cases, these projects are proposed to be delivered by a third party, through a formally agreed grant. Where these grants exceed £250,000 Cabinet are required to approve these allocations.

Recommendation(s):

1. Approve the use of Grants which exceed £250,000 to third parties to deliver the agreed Department of Levelling Up Housing and Communities funded project:
 - £6,306,078 capital grant to the EKC Group, to deliver the Margate Digital project, identified in the Margate Levelling Up Funding bid.
2. Each grant agreement is signed under Deed, by the Director of Law and Democracy, and the Director of Finance and S151 Officer, and is witnessed by a Member of the Council.

Corporate Implications

Financial and Value for Money

The Council is the Accountable Body for the Levelling Up Fund. The Council has the below in place to deal with matters relating to the funding, management, and assurance protocols are in place to:

- Ensure decisions are made in accordance with good governance principles

- Ensure transparency requirements are met
- Provide a Local Assurance Process
- Receive and account for the funding allocation
- Monitor and evaluate the delivery of individual projects
- Submit regular reports to DLUHC

For the Levelling Up Funded Projects an internal Management Board has been established and a Programme Scrutiny Panel to ensure the projects are being delivered in line with good project management principles - keeping to time and budget, and reviewing the risks.

The Section 151 Officer is required to scrutinise and approve regular monitoring returns (quarterly) to DLUHC. These returns will cover actual and forecast spend, alongside output metrics. These returns will cover actual and forecast spend, alongside output metrics. The grant documents will require the Monitoring and Evaluation reports to be completed by the third party.

Legal

There are no legal implications arising directly from this report.

Annex 1 is a standard grant document which was developed by an external legal team, to give the Council the confidence that the grant will be delivered in accordance with the requirements placed on the Council as the Accountable Body. This document has been shared with Regeneration, Finance and Legal Officers to agree to the draft. Each of these grant agreements will include specific requirements relating to the project and the entity delivering the project. For grants greater than £1,000,000 this will be commissioned through the external legal team.

Corporate

The Margate Levelling Up Fund Project delivers against the Council's corporate priority for Growth, including encouraging the rejuvenation of our towns, creating new opportunities to gain skills and therefore employment.

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
- Communities

1. Introduction and Background

- 1.1. The successful MargateDigital Levelling Up Fund project will be delivered directly by a third party - EKC Group. With Thanet District Council being the accountable body for the funding streams, these funds will be passed onto the third party via a grant, to enable delivery.
- 1.2. Officers have been actively working with EKC Group to develop this project and develop the grant agreements referred to in the Legal section of this report (Annex 1), and funding is now being allocated by the Department for Levelling Up, Housing and Communities. EKC Group is on a very tight programme of delivery, with their ambition to be welcoming students into the Margate Digital Campus from September 2023.
- 1.3. The paper is considered an Urgent item due to missing the deadline to add this key approval process to the Forward Plan, and the Council does not want to miss out on the momentum by waiting until the June Cabinet meeting in order to award grants, when funding has already been provided.

2. Grant Agreements

- 2.1. To ensure accountability and to safeguard our responsibilities as the Accountable Body, Thanet District Council has commissioned Sharpe Pritchard LLP to develop two forms of grant agreements. These grants agreements aim to ensure we have safeguards in place including:
 - a. The achievement of the outcomes;
 - b. The delivery of the projects in accordance with our requirements;
 - c. The appropriate use of the funds;
 - d. Ensuring that reporting, monitoring arrangements are in place;
 - e. Auditing systems are in place;
 - f. Adherence to statutory duties including procurement, EqIA, Data Protection, Fraud and Corruption.
- 2.2. The first, is a generic grant agreement template which can be adapted for use for grants of below £1,000,000. The second Grant Agreements are bespoke agreements, developed for all projects over £1,000,000.
- 2.3. Each grant agreement is signed under Deed, and as such would require the signature of the Director of Law and Democracy, and the Director of Finance and S151 Officer, and be witnessed by a Member of the Council.

3. Corporate Governance of the Grants

- 3.1. It is essential that as the accountable body Thanet District Council has established processes in place to ensure that this money is safeguarded. So in addition to the initial Grant Agreement, internal monitoring processes will be established, overseen by our internal projects managers, which will include:
- a. Receiving and reviewing all financial spends and forecasts;
 - b. Reviewing all project milestones to ensure these are being delivered in accordance with the project plan;
 - c. Ad hoc site visits;
 - d. Monthly progress meetings;
 - e. Audits to ensure appropriate reporting mechanisms are in place;
 - f. Financial audits to ensure propriety of funds.
- 3.2. All these reporting activities will then be reported to our internal governance structures including the:
- a. Levelling Up Funds Programme Management Board;
 - b. Levelling Up Fund Programme Scrutiny Panel for Margate;
 - c. Corporate Management Team;
 - d. Cabinet.

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

Background Papers

Cabinet: 17 June, 2021 - approved submission of the Margate Digital Levelling Up Fund bid
Council: 12 January, 2022 - approval of addition of the Levelling Up Fund Projects For Ramsgate And Margate to the Capital Programme

Annex 1: Final Draft Grant Agreement

Corporate Consultation

Finance: Chris Blundell, Director of Finance and Section 151 Officer

Legal: