

Margate Town Deal Board Minutes

Date: 07 April 2022

Venue: Virtually, via Google Hangout

Present: Brian Horton, David Smith CBE, Cllr Reece Pugh, Madeline Homer, Sir Roger Gale MP, Eddie Kemsley, Sam Causer, Clarrie Wallis, Stephen Darrer, Jo Simmons, Derek Crow Brown.

In attendance: Louise Askew, Natalie Glover, Will Temple (PRD Ltd)

Apologies: Jesse Tomlinson, Adam Bryan (for whom Jo Simmons attended as a substitute), Richard Ash, Cllr Lesley Game (for whom Derek Crow Brown attended as a substitute)

Declaration of Interest: None

1. Welcome

Chair Brian Horton welcomed members of the Board.

2. Actions from Previous Meeting

Actions	Responsibility	
Board Members to make videos with Thanet District Council's Communications team to raise the public profile of the Board.	LA/ Board	Ongoing
Board Members to advise NG if they have skills to help bring projects forward.	Board	Ongoing
Inward Investment Prospectus - request opinions and information needed from the Board (top 10)	LA	After submission of business case Summary Documents
Share business case content and Strategic Cases with the Board as they become available	LA/NG	Ongoing
Send an email of thanks to the People's Panel on behalf of EK and BH	NG	Complete
Share the Business Engagement and	NG	Complete

Communication Plan with the Board		
Update the Margate Town Deal website in relation to the broader creative sector	NG	April
Draft letter from BH to Cllr LG (as Chair) regarding 20mph zone	NG	Following submission of the Summary Documents

3. People's Panel Update

There was no Panel update as there had been no meetings.

4. Chair Update

The Chair updated that he would be involved in the engagement of the Creative Land Trust Board of Trustees and there was a good level of interest.

5. General Update

LA explained there was no note taker for the meeting, therefore NG would be covering.

LA invited the Board to raise any questions about the Budget Update that had been shared to which there were none.

LA explained that the shortlisting had been finalised for the Creative Land Trust (CLT) Trustees recruitment. Shortlisted applicants would go through a two stage interview process, both LA and Brian are to be involved. LA added that there are twelve applicants going through to interview and there was an interesting mix of applicants, both local and from further afield. There are some gaps in skills so the Board might need to go back out for property specific experience. The first round of virtual interviews take place next week, then the second round in person interviews are scheduled for the beginning of May. BH echoed this and emphasised that targeted approach to attract those with property experience/knowledge is the right course of action.

EK asked if before Trustees are appointed the recommended list will be brought to the Board, LA reminded that BH was appointed by the Board to represent them during the selection process. LA added that a list of those recruited will be shared with the MTD Board for information. EK asked whether due diligence will happen prior to any Trustee appointment to which LA confirmed that this would be the case, along with conflicts of interest being considered.

RG stated that a balance of property and business experience is needed so the CLT Board is well rounded and not just creatives.

LA notified the Board that DLUHC have extended the submission deadline for Summary Documents from 15 April (which is Good Friday) to 19 April (after the Easter Bank holiday).

6. External Assurance process and next steps

LA talked through the external assurance process which has been bought in from ekosgen. The external assurance will help ensure Green Book compliance and particular assurance around the economic and commercial cases. This external assurance will be carried out on all of the four business cases for submission in April.

LA explained that Daniel Lindsay (DL) from ekosgen has been; working as a critical friend to PRD Ltd to test their approach to the economic case (particularly as government guidance has recently changed), a review process, and a final report with recommendations to the Board. The findings will be presented to the Chair of the MTD Board, Accountable Body's S151 Officer and Chief Executive, ahead of the Board meeting on 12 April. LA added that this has been talked through with Iain McNab and the Towns Fund delivery partners who are supportive of this approach.

BH asked MH if the Accountable Body is confident that all business cases will meet the requirements for Board approval and submission. MH confirmed this was the case, subject to the recommendations from ekosgen.

BH explained that this is not a pass or fail, but rather ekosgen to act as a critical friend, bringing knowledge of the recent changes in government criteria and ensuring PRD Ltd's approach to the wellbeing outcomes is right. LA added that in addition to ekosgen's external assurance process, the Project Team has been receiving a lot of check and challenge from the Internal Review Group within the Council, providing a local assurance process.

SC raised concerns that land value increases may lead to gentrification. LA explained that land value uplift (LVU) is not an indicator chosen at a local level, it is part of Green Book appraisal and this therefore needs to be shown in the business cases, although she appreciates challenges around rising prices of property. WT added that in the economic assessment there are certain ways we can use economic benefits and LVU is one way within government guidance that we must include. He also explained that it would be possible to address this in the narrative of the economic case.

MH stated that she understands concerns however, part of the Council's approach to housing in the district has to be how we sustain the communities that live here, particularly with the cost of living crisis, but we need to embrace success and progress and the community will ultimately benefit from this. Criteria and terminology the government uses do lead us down a specific route, adding that the language from Levelling Up Fund (LUF) is showing more of an understanding of this challenge.

BH agreed that regeneration almost inevitably leads to an uplift in value, but the previous historic low rental values were part of the problem, with a fine line between increase in value of outcomes of investment and value of property. He suggested that in response to inaccessibility of property with rent prices rising.

CW echoed SC's concern around gentrification which is a challenge and sensitive issue, sustainability of key and clear messaging with help.

WT reassured the Board that where possible PRD Ltd have tried to capture the wider economic benefits, for instance within the Coastal Wellbeing Business Case the value of wellbeing and ekosgen has confirmed this is Green Book compliant.

LA highlighted what work still needs to be undertaken for the business cases:

- Proofread and check flow of the documents (where several authors have written sections)
- Double check all financial tables (still awaiting some financial information)
- Finalise project milestones
- Finalise Risk registers

7. Business Case development update - general

7.1 Theatre Royal

LA advised the Board they could expect another version by Monday - there have been some comments that the strategic case could be stronger around the 'do nothing', the case for investment in 19 Hawley Square needs articulating more (which the Council has been safeguarding). Add to the milestones about the next steps (Lottery bid etc.)

LA confirmed the intention is certainly not for the Council to operate the theatre.

LA informed the Board of activity around soft market testing with potential operators and how useful the informal stakeholder group had been.

LA expressed gratitude for the support from Theatres Trust who have acted as a critical friend and putting the MTD Project Team in contact with others.

BH explained that DS had raised concerns about the TR project outside of the meeting and requested DS to please share any specific concerns with the Board. DS explained that Kent County Council (KCC) is in support of finding a solution for the Theatre Royal and to make it sustainable, however, there are a lot of assumptions in the business case about where the £2m is going. He added that costings done last autumn are now out of date due to inflation. He added that KCC will assist in revisiting these figures. DS queried how the Council owned building should be evidenced in the business case (currently with a cash value of £500k in the cashflow). DS felt that finding a commercial operator will be very challenging for the size (under 1000 seats) however, KCC will support the MTD Project Team in the finalising of the business case within the tight deadline. DS highlighted that there are other theatres of a similar capacity of the Theatre Royal which are successful in theatrical terms, but they are still reliant on grant funding which is a risk. He added that he felt a very optimistic bias had been included in the business case. There is a need to find a credible operator because the theatre is constrained by its building size and listed status. The £2m Town Deal dowry, if all spent on the roof, might not attract the right operator. DS confirmed that he had spoken to Sir RG and there needs to be talks with national operators to help drive this forward, rather than it being a Margate venture. BH asked for input to come from the Board to feed in ahead of the next meeting.

MH insisted that TDC (MH and LA) be involved in KCC discussions/meetings in relation to the Theatre Royal.

SC explained that he noticed the level of detail for Theatre Royal business case is greater than in others shared to date.

Sir RG stated that he loves the Theatre Royal; it has a lot going for it, but also a lot going against it in terms of its size and it doesn't satisfy needs of a modern theatre. He shared his view that the future of the theatre is that it can provide the core / seedcorn of a viable performing arts base in Margate, to include external space elsewhere in the town and also embrace a lot of property currently owned by the Council. In his view the buildings next door will have to be used. RG wants to see the £2m being used to trigger significant investment in performing arts in Margate.

EK stated that as a fellow venue in Margate, Dreamland will be happy to contribute to this project when the time is right - realising the venues in the town need to be working together.

BH stated that members of the Board need to engage quickly with the Project Team now to finalise the business case next week.

7.2 Coastal Wellbeing

LA explained that the Project Team is looking for endorsement from the Board today to take forward the Business Case to be signed off by the MTDB Chair, and Accountable Body - assuming the final assurance process is comfortable with the final document.

LA explained that the Business Case shows delivery against the Town Investment Plan (TIP) and shows wellbeing as benefits. CW stated that this intervention is ultimately about adding value to the visitor economy and supporting health deprivation, addressing challenges that face the town and immediate community (Cliftonville).

LA added that the Project Team has been working closely with stakeholders and projects to pull together the Business Case, and there is still some financial information needed. LA explained that for all of the business cases, we are in a fast moving construction 'crisis' and costs are changing/rising quickly. The Coastal Wellbeing Summary Document will be submitted after Easter and then await feedback from the government which will mean any costing exercise will be quickly outdated. This will undoubtedly mean there is going to be value engineering and changes to scale of projects if required. LA added that higher than normal contingencies are being added to help address this.

SC asked what the business plan is for the skatepark and there was little detail in the Active Movement and Connections Business Case.

WT explained that we are required to meet government criteria as to what's required in each of the five cases.

WT added that the Coastal Wellbeing Business Case is slightly different as it is multiple projects coming together to deliver against a shared set of outcomes.

EK agreed with SC but explained that this was the process that has been set out by the government that the Board needed to go through in order to release the funding, and that she feels it is the next phase (delivery) that is important; design, procuring properly and getting best value for money.

BH explained that the role of the Board is to ensure that the business cases (and Summary Documents) are sufficient to draw down/secure the funding, then the Board will be playing a more active role in risk management when considering delivery plans.

MH explained that the Board is seeing the difference between the public and private sector in terms of unlocking funding. Private sector logic and government process do not always align which is why PRD Ltd have been bought in and external assurance. She added that rising costs applies to all projects across the country, and is being fed back to the government. The Project Team and Board need to be mindful and include review points and contingencies.

BH emphasised that private sector investment will be incredibly important.

LA advised the Board that a final Monitoring and Evaluation report will be shared with the government alongside the Summary Documents and this will be shared with the Board. New indicators (some of which are mandatory) have been added. The final draft of the standard grant agreement template that the Council has commissioned can now be shared with the Board to show how we will be passing on the funding to project delivery partners (where applicable).

LA added that review points could be included within the grant agreements.

The Summary Documents are submitted as opposed to the business case, with high level information including the Benefit Cost Ratio and risk register. In terms of delivery plans/project plans, each project will have these to show next steps. Monitoring and Evaluation will help show the outputs for the projects.

BH explained that we need to go through the process, the Board should endorse first and then this will be tested by internal and external assurance. The MTD Board could provide support with their skills and experience in the next phase, which will be about design and delivery

MH agreed that beneath the business cases, delivery/project plans are needed to demonstrate how these projects will be delivered.

7.3 Active Movement and Connections

LA explained that the Active Movement and Connections Business Case is awaiting costs for the financial case from cost consultants, due the following day. Once incorporated a revised draft will be shared with the Board.

7.4 Destination Dreamland

EK said that the Business Case would be ready imminently. There had been an initial review by the external assurance consultant and updates were being made.

LA set out a timeline for business case final drafts:

Active Movement and Connections - 8 April

Theatre Royal - 11 April

Dreamland - imminent

Summary Documents will then be drafted the w/c 11 April

LA invited Board Members to look at risk registers in particular, as they are shared.

8. Endorsement of Coastal Wellbeing Business Case

BH asked whether the Board were happy to endorse the Coastal Wellbeing Business Case.

Sir RG raised concerns as to whether the skatepark are engaging, to which LA confirmed that the skatepark project sponsors have actively fed into the process for the Business Case. SC explained that he understood that from his conversation with the project sponsors, that there is a viable project, but not yet a full business plan.

Provided the final external assurance is positive then the Board endorsed the Coastal Wellbeing Business Case, which BH and MH would discuss with ekosgen tomorrow.

The Project Team will now be able to prepare the Summary Document for submission.

Meeting closed at 14:30

Actions	Responsibility	
Board Members to make videos with Thanet District Council's Communications team to raise the public profile of the Board.	LA/ Board	Ongoing
Board Members to advise NG if they have skills to help bring projects forward.	Board	Ongoing
Inward Investment Prospectus - request opinions and information needed from the Board (top 10)	LA	After submission of business case Summary Documents
Final Monitoring and Evaluation report to be shared with the Board	LA/NG	April
Meeting requested by KCC to discuss the Theatre Royal business case	DS	Ahead of MTD Board meeting 12 April
Share the list of successful CLT Trustees following the completion of the engagement exercise with the Board for information.	LA	May
Update the Margate Town Deal website in relation to the broader creative sector	NG	April
Draft letter from BH to Cllr LG (as Chair) regarding 20mph zone	NG	Following submission of the Summary Documents
Produce delivery/project plans for MTD Projects	LA / NG	After submission - May