



Ministry of Housing,
Communities &
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Luke Hall MP

*Minister for Regional Growth and Local
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3 March 2021

Dear Mr Razey and Ms Homer,

Margate Town Deal

In September 2019, the Government announced the initial 101 places invited to develop Town Deal proposals as part of the £3.6 billion Towns Fund.

Margate was included in this initial 101 places and we were pleased to receive Margate's Town Investment Plan in December. We are grateful for your hard work, and that of your team and Town Deal Board, in developing this set of project proposals to deliver long-term and sustainable economic growth in Margate.

I am delighted to be offering you a Town Deal for Margate to a value of up to £22.2 million. The Draft Heads of Terms for this deal are attached to this letter. A list of the projects that we are content to support within this funding envelope is also attached, with conditions as appropriate; it is for Margate to choose which projects to proceed with.

I understand that you will need to secure the agreement of the Town Deal Board to take up this offer. I would therefore request that you do so and return to us the signed Heads of Terms as confirmation by 24 March 2021. My officials are of course on hand to answer any questions you may have.

This is an exciting opportunity to come together to drive long-term economic and productivity growth in Margate, particularly as we meet the challenges presented by Covid-19. I look forward to working with you to make Margate's plans a reality.

Yours sincerely,

LUKE HALL MP

Heads of Terms offer for Margate

Introduction

Situated in the northeast of Kent, Margate has an extensive and rich heritage. It benefits from very strong natural assets, good rail connection and a wealth of independent businesses. Nevertheless, the town faces several challenges; most significantly they are: social and economic inequality, ill health within the population, overreliance on cars for transport, and a decline in the urban environment.

Government will work with Thanet District Council and the Margate Town Deal Board to support the delivery of a Town Deal, with the goal of ensuring all Margate residents have a share in the town's success.

The commitment

This document lays out the Heads of Terms offer to Margate, under the Towns Fund. This is not a contractually binding document and the offer is subject to various conditions being met. The Heads of Terms will act as a Memorandum of Understanding for the future development and delivery of Margate's Town Investment Plan and project proposals. It sets out joint expectations as Margate enters the business case development phase.

Government will provide up to **a total of £22.2 million from the Towns Fund**, which will be used to create a sustainable economy for Margate that works for people all year round. Inherent in this is that all residents and businesses benefit and there is a good standard of living for all.

Margate has proposed a range of projects that will contribute towards achieving this vision. These include:

- Scaling Creative Production and Skills
- Developing Coastal Wellbeing
- Delivering the Active Movement and Connections project
- Supporting & Diversifying Heritage Attractions

Margate will need to prioritise these projects within the funding envelope being offered. Funding for individual projects will be subject to successfully completing Phase 2 of the Towns Fund process. This includes detailed project development and business case assurance at local level.

Process, governance and assurance

Local partners will work with government to demonstrate the feasibility, viability and value for money of their projects by developing and submitting the Town Deal Summary Document, including (as per the Further Guidance and Stage two guidance: business case development):

- A list of agreed projects
- Details of business case assurance processes followed for each project
- An update on actions taken in relation to the Heads of Terms key conditions and requirements
- A Delivery Plan (including details of the team, working arrangements and agreements with stakeholders)
- A Monitoring and Evaluation Plan
- Confirmation of funding arrangements and financial profiles for each project

- Undertaking Public Sector Equalities Duty analysis
- Approval from the Town Deal Board and Lead Council

Margate should conduct project assurance in line with agreed routes for each individual project and should provide further details of planned private sector stakeholder engagement.

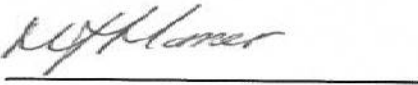
If the priority projects identified for funding do not progress, MHCLG cannot guarantee that funding can be assigned to alternative projects or that if it is those will be to the same value. This may result in an overall reduction in the amount of funding received.

Within two months of accepting this offer, Margate should confirm in writing details of projects being taken forward and a plan for addressing key conditions relating to those projects and the overall Town Investment Plan. This should be sent to towns.fund@communities.gov.uk, copied to your town lead.

Margate must then complete business cases for the projects being taken forward and submit the Summary Document within 12 months of the deal being agreed. MHCLG will then provide the agreed funding up to the maximum amount of **£22.2 million** for those projects, provided that all of the conditions are met.

Signed:


Chair of the Town Deal Board


Chief Executive of lead Council

MHCLG Secretary of State / Minister

Date

ANNEX TO THE HEADS OF TERMS: PROJECTS WITHIN SCOPE OF THE TOWN DEAL

The Town Deal offer is a maximum of **£22.2 million** of MHCLG funding in total.

Within this maximum amount, Margate may take forward projects selected from those listed below.

This funding will be subject to successfully completing Phase 2 of the Towns Fund process as set out in the Towns Fund Further Guidance, including detailed project development and business case assurance at local level. It is also dependent on final spending profiles, including the RDEL/CDEL split being provided, and the further project-specific conditions set out below being met.

Project	Funding offer limit	Match	Expected outputs and outcomes	Conditions	Fast track (Y/N)
<p>Scaling Creative Production and Skills</p> <p>This project will establish a Creative Land Trust (CLT) to take control of key properties to enable them to support the evolution of the sector in perpetuity.</p>	£9m	£9.7m	<ul style="list-style-type: none"> 5,000 sqft civil society education space; 10,000 sq ft FE space; 10 new level 4 and 5 qualifications delivered 33% more businesses surviving beyond two years 4 new specialised hubs supporting innovation 	<ul style="list-style-type: none"> Provide a more detailed delivery plan that covers risks, interdependencies and mitigation measures. 	N
<p>Coastal Wellbeing</p> <p>The short-term objectives of this investment are twofold. First, to address persistent health factors underpinning deprivation in the town. Second, to provide year-round operation of coastal facilities with a focus on wellbeing</p>	£6.5m	£759,000	<ul style="list-style-type: none"> 20,000 sqm of public space improvement 500 sqm of space for civil society collaboration 10 Internship/vocational employment opportunities per year 30% improvement in area perception by 2025 (2021 baseline) 	<ul style="list-style-type: none"> N/A 	N
<p>Active Movement and Connections</p> <p>This Project will deliver an improved network</p>	£4.5m	£1.441m	<ul style="list-style-type: none"> 3 improved public squares New or upgraded cycle or walking paths: 25,000 sqm Average time taken to travel to work by 	<ul style="list-style-type: none"> N/A 	N

of quality cycling and walking infrastructure, better public realm connections and options for a less car-focused Marine Drive			usual method of travel : 25% reduction		
<p>Supporting & Diversifying Heritage Attractions</p> <p>Towns Funding will be used to make tactical investments to ensure that buildings can be more effectively used and house a more diverse offer of economic and community initiatives</p>	£9m	£8.45m	<ul style="list-style-type: none"> • Remediation and/or development of abandoned or dilapidated sites: 2 sites • Number of visitors to arts, cultural and heritage events and venues:50% increase • 50 jobs created 	<ul style="list-style-type: none"> • The funding cannot be spent on the feasibility study project as this is not within the scope of the Towns Fund intervention framework. • Provide a more detailed delivery plan that covers operational and management plans for the Winter Gardens project. 	N

General conditions

There are also the following requirements for the process and governance:

- **TIP improvements:** Provide further details of planned private sector stakeholder engagement.
- **Assurance:** The business cases for projects will be taken through Thanet District Council, in line with local assurance processes.
- **Public Sector Equalities Duty:** Margate will undertake programme-wide level impact assessment, relevant project-level impact assessment and relevant Environmental Impact Assessments.

If the priority projects identified for funding do not progress, MHCLG cannot guarantee that funding can be assigned to alternative projects or that if it is those will be to the same value. This may result in an overall reduction in the amount of funding received.

Within two months of accepting this offer, Margate should provide the following information to towns.fund@communities.gov.uk, copied to the town lead (annex a in business case guidance):

- Details of the projects being taken forward (including for each project the capital/revenue split and the financial profile)
- Overall capital/revenue split and financial profile for the Town Deal
- A plan for addressing key conditions relating to those projects and the overall Town Investment Plan.

Margate must complete business cases for the projects being taken forward and submit the Town Deal Summary Document within 12 months of accepting this offer. Business cases

should follow the Lead Council's usual assurance processes and be undertaken in partnership with the Town Deal Board.

If the town wishes to alter the projects being developed, change them for other projects, or otherwise depart from the conditions placed on the projects above, they will inform the Towns Hub as soon as possible setting out clear justifications and evidence. A form for requesting such changes is in the business case guidance.