

Appendix 3a

To: South East Local Enterprise Partnership (SELEP)

By: Rebecca Spore, KCC Director of Infrastructure

Subject: Live Margate Project – SELEP board update

Date: December 2017

1. Background

- 1.1 Kent County Council (KCC) has worked with Thanet District Council (TDC) and other partners over the past 5 years to tackle deep seated social and housing issues in the Cliftonville West neighbourhood of Margate. The Live Margate initiative has seen over £23m invested in the area purchasing existing properties and turning them into quality family homes, making Margate and in particular, Cliftonville West and Margate Central a place where more people aspire to live.
- 1.2 The KCC Live Margate project has targeted derelict or ‘problem’ buildings that have remained unoccupied for long periods. KCC has undertaken several projects in “phase one” accounting for c.£3.6m of investment to date, the last of these refurbishment projects has recently been completed. The focus of the project has been regeneration by converting or redeveloping poorly managed HMOs into quality family homes and as a result, the intervention area has improved in recent years from this investment activity.
- 1.3 This report has been prepared to update the SELEP Board on the status of the Live Margate Project in relation to both “phase one”, which is near to completion, and the ongoing activities to implement “phase two” since the business plan was submitted to SELEP in June 2016. Projects of this nature are certainly not without its challenges, but there has been positive progress and a real step change in the social and economic improvements in the area over recent years due to the Live Margate initiative.

2. Phase One

- 2.1 The KCC Live Margate project has focused on five sub projects/properties since inception which were acquired from private landlords. All five of these properties have either been redeveloped or refurbished throughout into family homes. Three of the properties have sold resulting in sales of 7 large family homes, with the final 2 properties due to be released shortly. During this initial phase of the project 80 “problem” HMO units/studios over the 5 properties have been removed from the area and replaced by the creation of 9 substantial quality family homes, including one multigenerational home recently showcased on BCC South East.
- 2.2 The table below forecasts KCC’s financial position upon completion of the initial phase of the project once all of the properties have been sold. You will note a significant loss has been incurred on developing/converting these properties primarily due to the extent of work involved to bring them to the standards required. You will

also note there has also been an element of external grant funding to help support the initiative and conservation in the area.

Live Margate - Phase 1 Financial Summary	Purchase price	Development costs	Total project cost	Re-sale value	External grant funding	Profit/(loss)
	£'000	£'000	£'000	£'000	£'000	£'000
Hotel Leslie / Nautical Mews Development (all units sold)	50.0	1,198.3	1,248.3	896.5	0.0	(351.8)
103 Norfolk Road (sold)	126.0	295.1	421.1	390.0	19.7	(11.4)
27 Edgar Road (under offer)	130.0	271.2	401.2	390.0	19.7	8.5
28 Edgar Road (sold)	110.0	310.3	420.3	375.0	19.7	(25.6)
12a Dalby Square	155.0	1,012.0	1,167.0	550.0	347.7	(269.3)
Total "Phase One" projects	571.0	3,086.9	3,657.9	2,601.5	406.8	(649.6)

- 2.3 The properties at 27 Edgar Road and 12a Dalby Square are the only remaining assets from phase one that have not been sold. An offer to purchase 27 Edgar Road has recently been accepted and solicitors are instructed.
- 2.4 The 12a Dalby Square project is a cross sector collaboration between KCC, TDC, the Centre for Architecture and Sustainable Environment (CASE) at the University of Kent in Canterbury, and the private sector, to develop and retrofit the KCC owned former HMO property into an exemplar residence that simultaneously addresses the challenges of climate change and promote opportunities for intergenerational living.
- 2.5 TDC are in the process of delivering wider improvements to Dalby Square by providing grant funding to landlords and owner occupiers of the properties to carry out façade works to return the square back to its former glory.
- 2.6 TDC ran a successful 'Design for the Future Climate' project in 2012/13 and as a result of this design project funding to include Climate Control adaptations for 12a Dalby Square has been made available, which will involve future monitoring of the use of the property by its resident family.
- 2.7 It is recognised that due to the high cost of housing it is becoming increasingly harder for young people to get on to the property ladder. As a result it has been recognised that there is a shift toward multi-generational, 3G living. 3G living involves grandparents, parents and children all living with in the same house within designated 'areas'.
- 2.8 The refurbishment of 12a Dalby Square has been designed to act as a pilot study for the climate change adaptations and 3G living with KCC working with TDC to identify a family to occupy the property to enable the 3G and climate change studies to be concluded shortly.