

MARGATE CREATIVE LAND TRUST INVESTMENT FRAMEWORK

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This Investment Framework (IF) exists to provide structure and rigour to the consideration, filtering and progression of property opportunities available to the Margate Creative Land Trust (MCLT).

Whilst the IF functions as a standalone process it should be directly informed by a wider suite of documents, policies, approaches and decisions made by the MCLT. Given the relative infancy of the MCLT, much of this detail needs to be developed and formalised. Such areas are captured in the Next Steps section at the end of the document.

For now, the existing vision, mission, values and aims will act as the overarching standard against which each opportunity will be reviewed, alongside commercial and practical delivery considerations.

In addition, as MCLT's portfolio of assets grows over time, the IF may also need to take into consideration the portfolio balance. For example, MCLT may need to add or rebalance the portfolio with a different type of asset in the pursuit of having a financially sustainable, stabilised portfolio of impactful assets and projects. This balance will be directly informed by MCLT's evolving business plan.

In MCLT's early years, ahead of more formal policies being produced, the IF will also function as the primary reporting tool to Thanet District Council (TDC). It will align MCLT's processes and TDC's own reporting requirements, smoothing and simplifying the process of reporting and the drawdown of funds to MCLT.

The following pages set out the vision, mission, values, and aims along with the interconnected relationships at headline, MCLT and IF level.



ABOUT MCLT

Vision, mission, values, & aims

Vision

A thriving, resilient and innovative creative sector that provides inclusive enterprise, employment, and learning opportunities for people living and working in Margate and the surrounding areas

Mission

To establish a variety of accessible and inspiring creative spaces that provide benefit to the community, creative sector, and local economy in perpetuity.

Values

Open & inclusive We are friendly, approachable, accessible, and seek to work collaboratively and in partnership. We will design ways to ensure we meaningfully and regularly engage with the communities we serve.

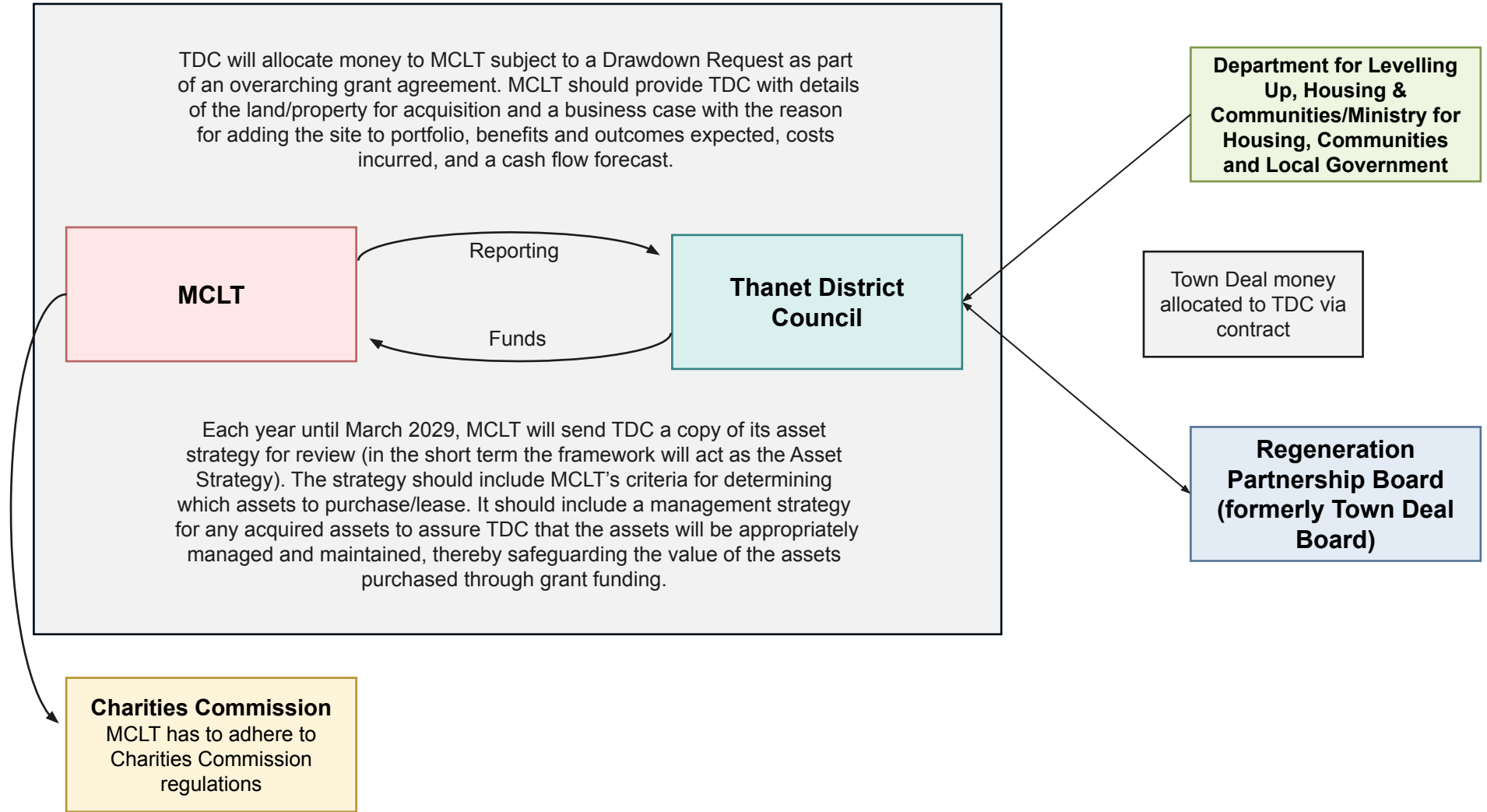
Innovative We know we have to play the long game to have a lasting impact, but we are not afraid to test or pilot radical ideas in the short term. We are ambitious and we will disrupt the status quo to ensure more underrepresented groups benefit from creative sector opportunities.

Sustainable We are a commercially sound, environmentally and socially responsible organisation, and we will champion responsible practices within the sector.

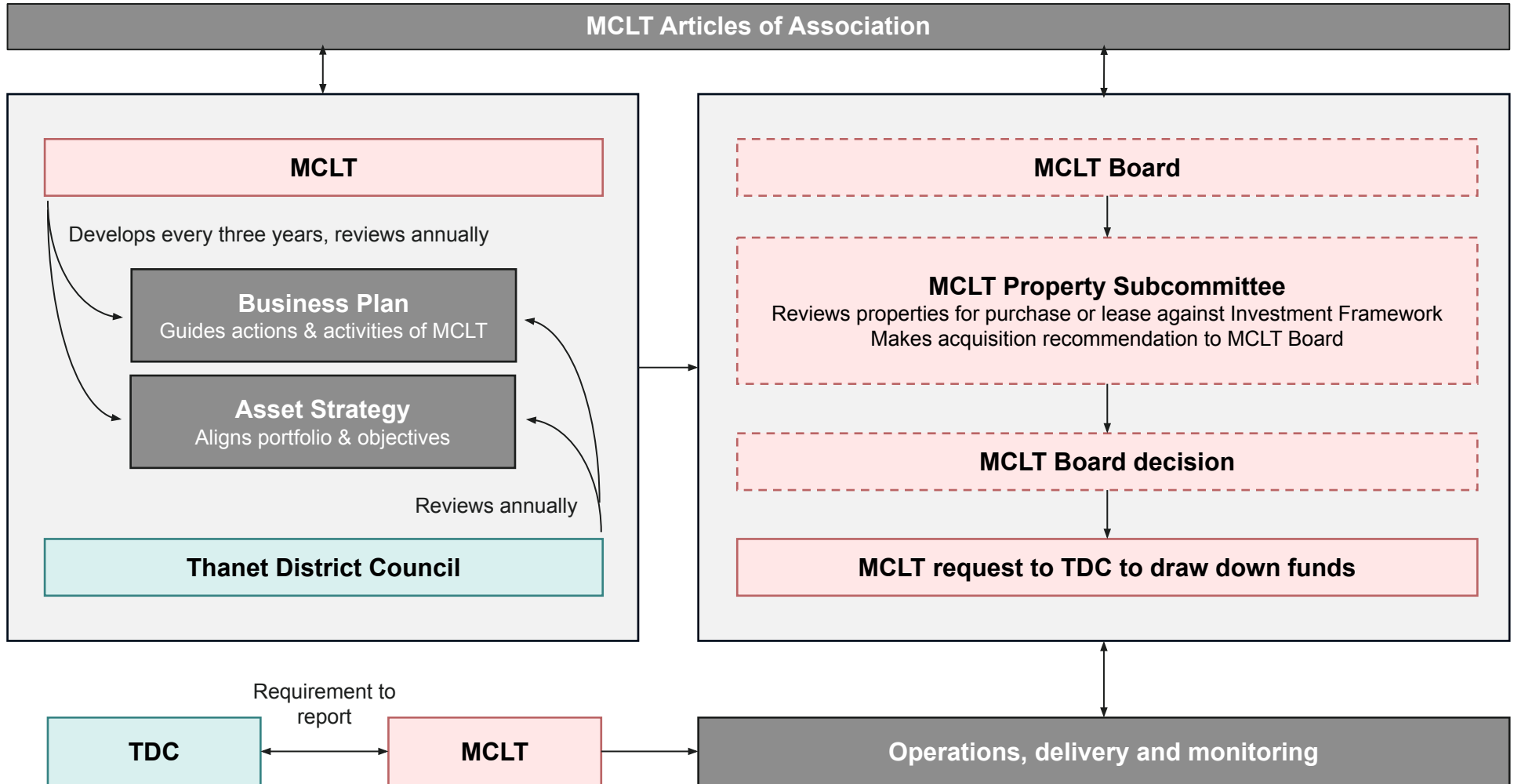
Aims

- To protect, sustain, and grow Margate's creative sector through improved security and sustainability, and by increasing the quantity of places for creative practice
- To support the inclusive regeneration and economic growth of Margate and the district of Thanet
- To support the creation of new jobs and training opportunities within Margate's creative enterprises, and to address barriers to entry for Thanet's diverse communities
- To celebrate Margate's creatives and the achievements of the sector, and to support its growth and establishment as a regional creative hub
- To add value to existing market activity and to avoid displacement or crowding out of initiatives by others
- To support moves towards a zero carbon and environmentally sustainable economy through our investment decisions and operations
- To be a fair employer and promote equality, diversity and inclusion in all that we do
- To be evidence based in our investment decisions to meet the specific needs of Margate's creative community
- To be timely in our decision making and delivery
- To lead to enable the realisation of our vision
- To work in partnership and collaboration with others to achieve our mission

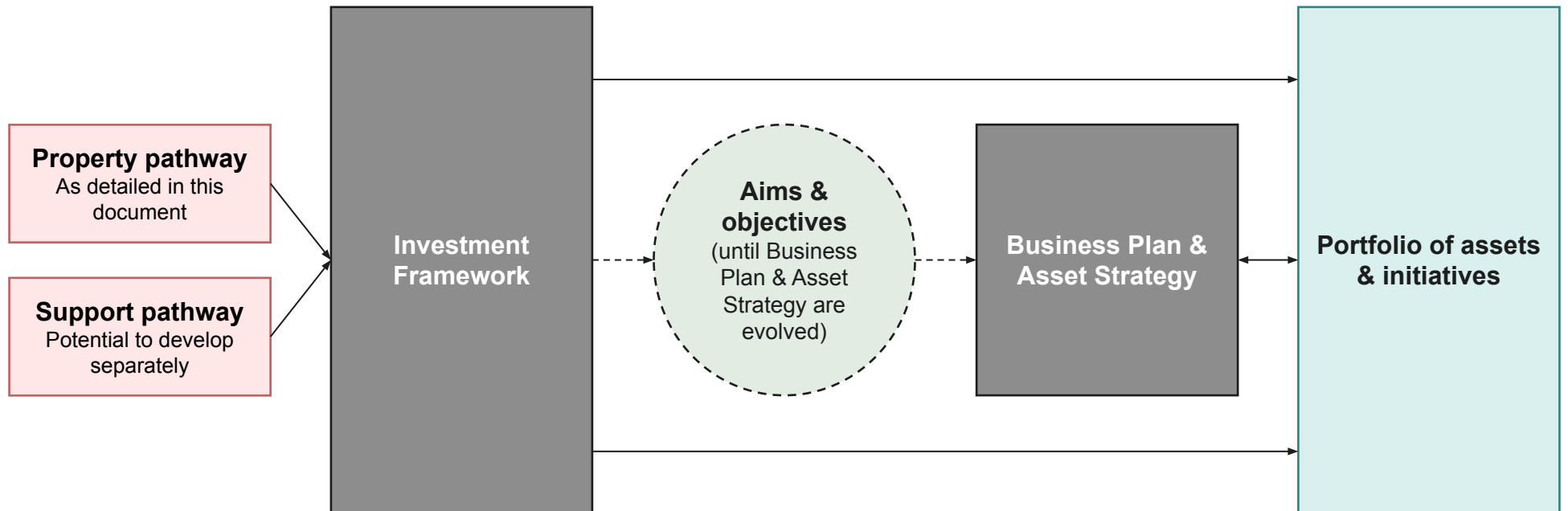
Headline relationships



MCLT & Property Subcommittee relationship



Investment Framework relationships



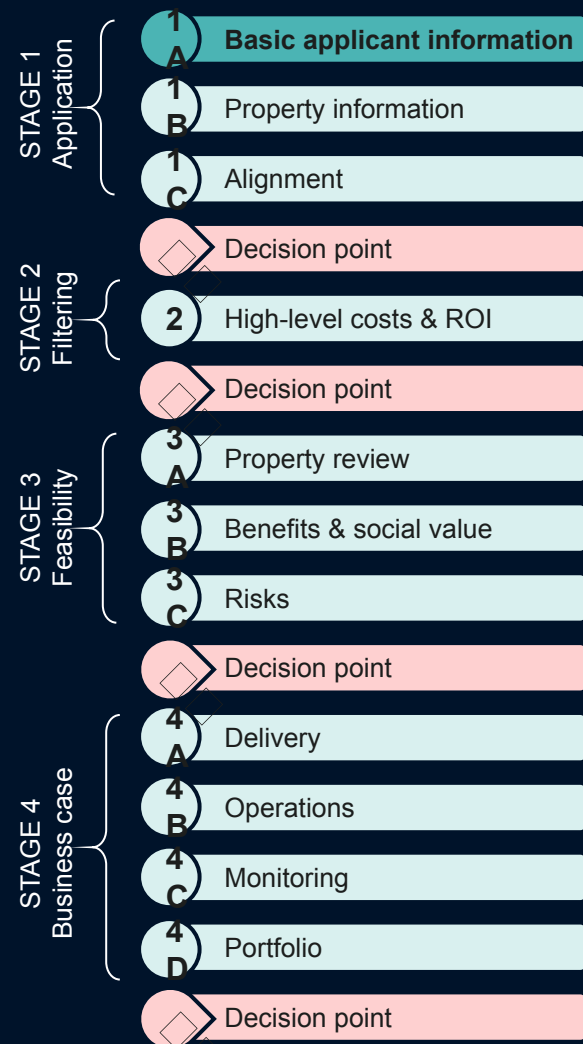
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PROPERTY ACQUISITION PROCESS

Process overview

Activities	Who is involved
<p>Stage 1: Application Applicants supply basic information on project alignment with MCLT aims; demand, impact and relevance; and building condition/status (where applicable). Property subcommittee reviews applications against the pass/fail criteria; ‘passed’ applications move to Stage 2.</p>	<p>External groups/individuals making applications or MCLT members submitting known properties to the process; MCLT Property subcommittee</p>
<p>Stage 2: Filtering Property subcommittee reviews high-level costs and returns for an application on a pass/fail basis. Subcommittee refers applications that fully pass this stage to the Board and requests initial funding for Stage 3 activities.</p>	<p>MCLT Property subcommittee & Board</p>
<p>Stage 3: Feasibility Property subcommittee oversees further work to consider estimated costs, outcomes, and risks involved in taking a project forward. Subcommittee refers feasible projects to the Board for additional funding for Stage 4 activities.</p>	<p>MCLT Property subcommittee & Board</p>
<p>Stage 4: Business case Property subcommittee oversees business case work to review practical delivery options, operational models, outcomes, monitoring, and the property’s role within MCLT portfolio. Subcommittee and Board submit business case as part of drawdown request to Thanet DC.</p>	<p>MCLT Property subcommittee & Board; groups/individuals who made application may also be involved</p>

Stage 1: Application from member of the public or MCLT



Required by MCLT

Info applicant needs to supply

Applicant details

Named contact

Group or organisation applying on behalf of

Reason for making submission

Select one of:

Creative group/organisation seeking to occupy a specific property on the market

Leaseholder or freeholder (or their agent) looking to sell property to Margate MCLT

Land/Property transfer (gifting property to MCLT)

Other person/group suggesting a property for acquisition

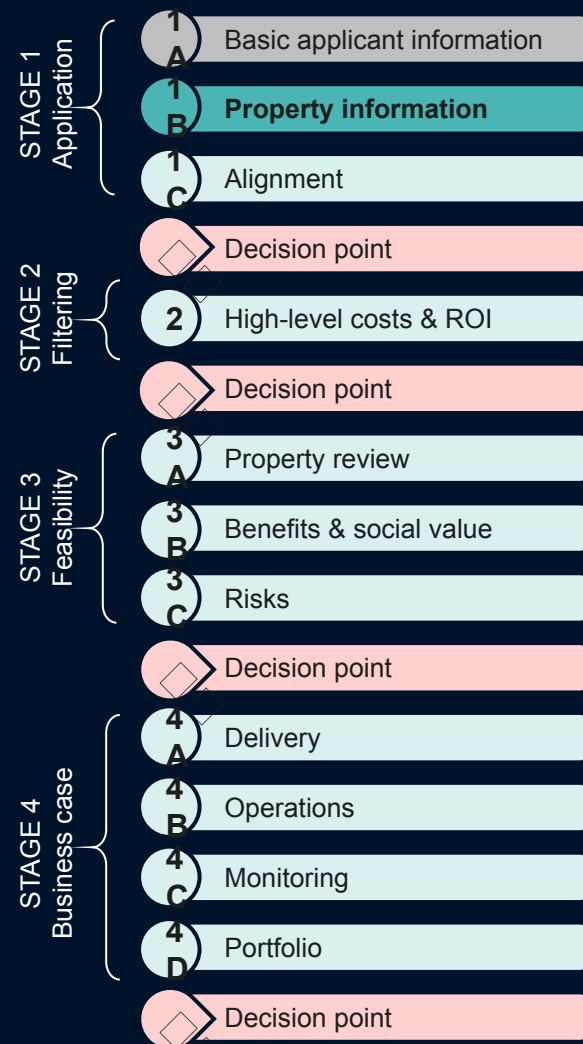
Brief project description

Brief project description (300-400 words)

Who is involved at this stage:
Applicant

PROPERTY ACQUISITION PROCESS

Stage 1: Application from member of the public or directly sourced by MCLT

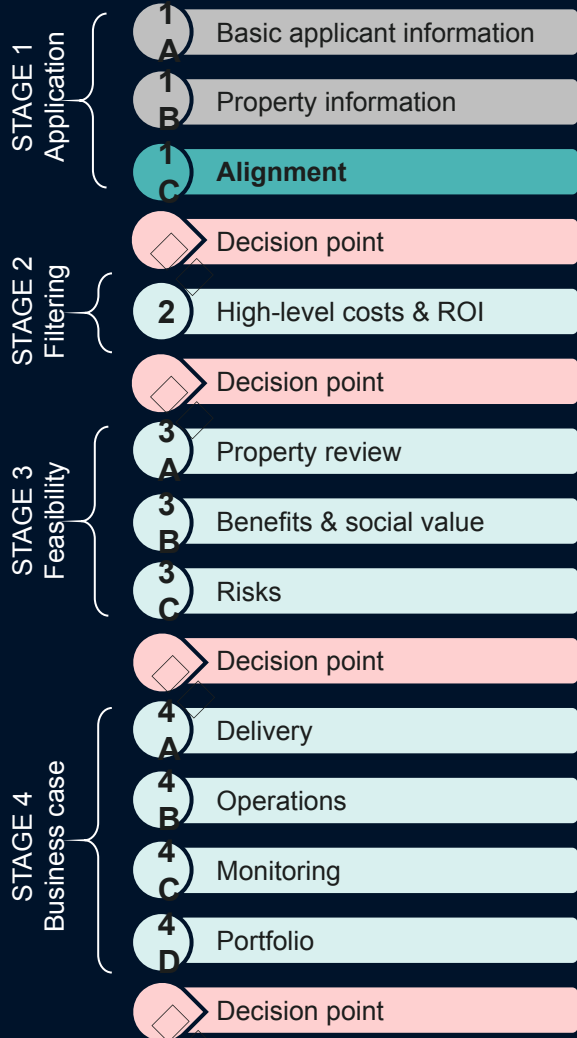


Required by MCLT	Info applicant needs to supply
Basic property information	Address with postcode Property floorspace & storeys Whether on or off market & market listing/valuation
Property ownership	Current owner Property status: freehold or leasehold Land Registry title number
Property condition & status	Observed or known condition (e.g. poor/needs substantial repair to excellent/ready for occupation) Listed status, if applicable
Applicant relationship to property	Proposer relationship to property (e.g. freeholder/owner, leaseholder/occupier, workspace tenant)
Indicative acquisition price	Based on known information/high-level appraisal OR denote if land/property is to be gifted
Funding sources	Match funding committed or available to support purchase, fit-out, or operation – amount and source

Who is involved at this stage:
Applicant

PROPERTY ACQUISITION PROCESS

Stage 1: Application from member of the public or directly sourced by MCLT



Required by MCLT

Info applicant needs to supply

Project aligns with vision, mission, aims, articles, charitable, social impact objectives

Check off which aims etc the project meets from a pre-defined list

Project satisfies demand

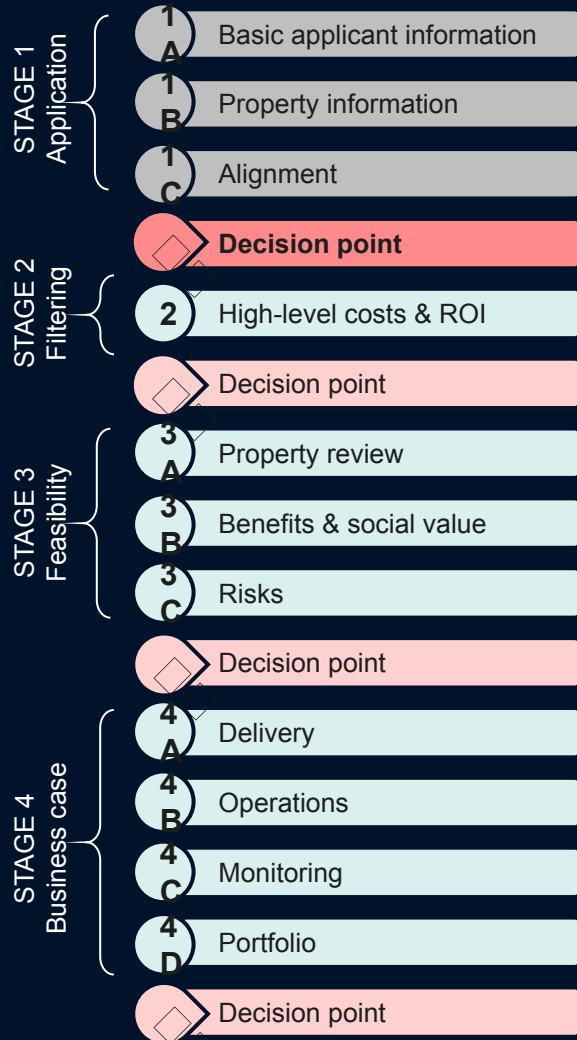
Sectors suitable for the space (choose from pre-defined list of creative subsectors + 'other')
Estimated number of jobs, business, cultural activities and educational activities the space could contain

Project protects, moves, or grows creative industries

Which category/categories the project fulfils (selected from list with guidance/examples provided)

Who is involved at this stage:
Applicant

Stage 1 decision point

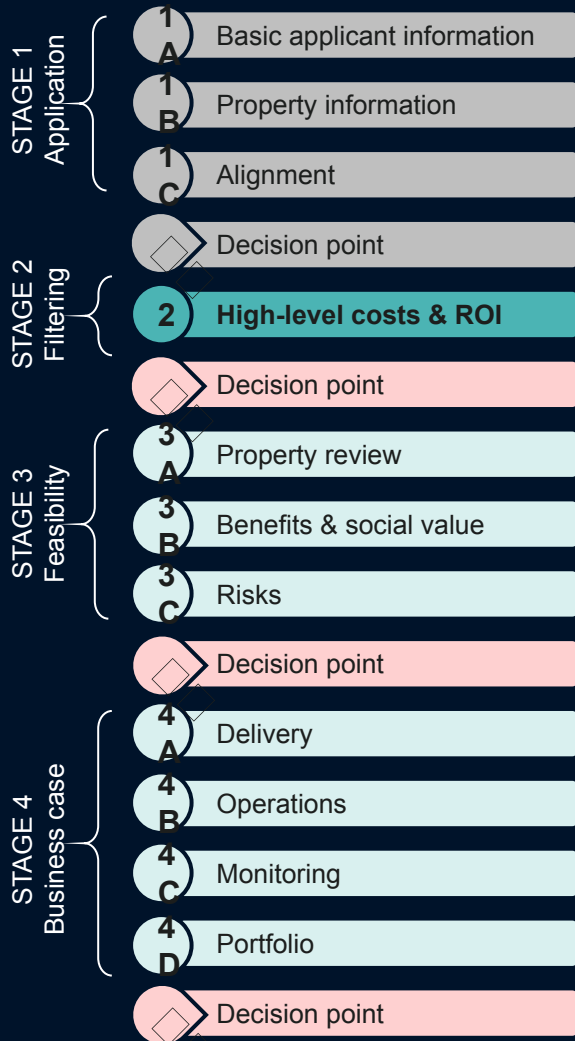


ACTIONS

Property subcommittee

- Reviews application for alignment with Business Plan, Asset Strategy, mission, vision, and aims
- Reviews application for ability to protect/grow/move creative industries
- Passes/fails the application
 - For failed applications, replies to applicant with decision
 - For passed applications, moves to Stage 2
- Reports on status of all applications as a paper to the MCLT Board

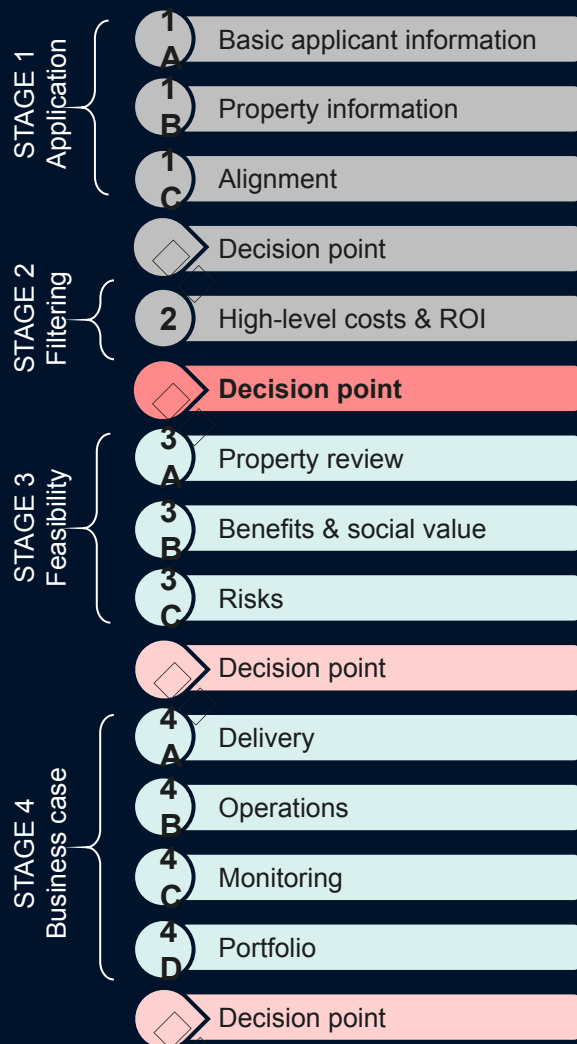
Stage 2: Filtering to identify projects for progression



Required by MCLT	MCLT tasks
Project cost to MCLT	Estimate costs to MCLT for acquisition, fit out/prep for occupation, ongoing operation Review amount and source of match funding secured and/or available to apply for, if applicable
Projected returns to MCLT	Rents or profit, subject to further analysis
Financial performance monitoring	Means/named responsibility for this
Project security	What interest will MCLT maintain in the asset in order to make the investment
Social impact & wider benefits	Estimate of social impact and alignment with MCLT aims & objectives

Who is involved at this stage:
MCLT Property Subcommittee

Stage 2 decision point



ACTIONS

Property subcommittee

- Reviews application together with high-level costs and returns
- Passes/fails the application
 - For failed applications, replies to applicant with decision
 - For passed applications, makes recommendation/request to Board to proceed to Stage 3, with small amount of funding provided for expert review fees

Board

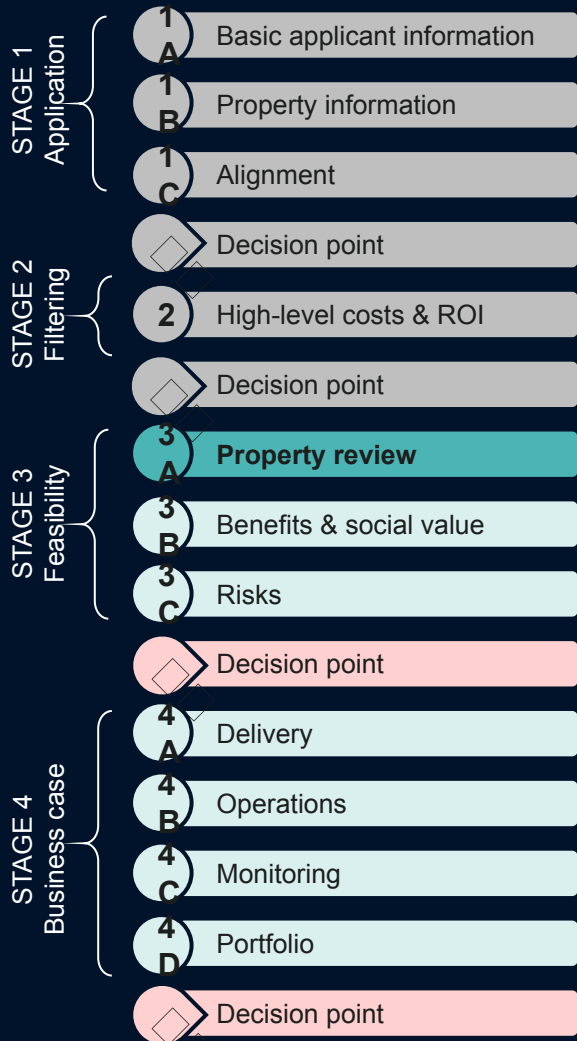
- Reviews recommendations/requests from subcommittee
- Assents to proceeding to Stage 3
- Provides Stage 3 funding

Property subcommittee

- Notifies applicant of decision/progress
- Reports on status of all applications as a paper to the MCLT Board

PROPERTY ACQUISITION PROCESS

Stage 3: Feasibility & further work to detail costs & benefits



Required by MCLT

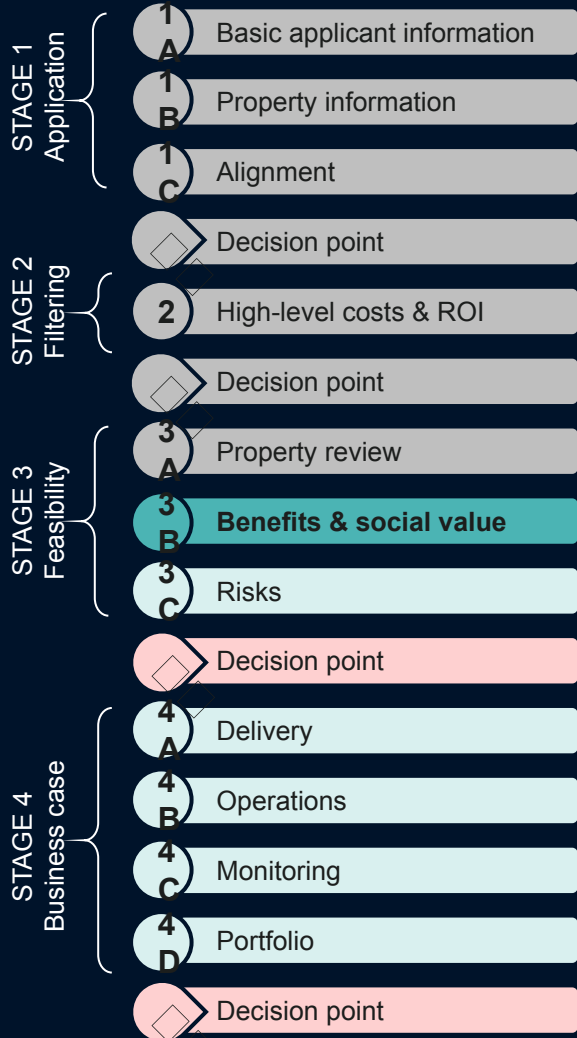
MCLT tasks

Property condition and opportunities details

Confirm listed status/level
 Review property condition with on-site visit with surveyor/architect
 Review current and potential accessibility throughout property
 Estimate costs/feasibility of improving environmental performance

Who is involved at this stage:
 MCLT Property Subcommittee, property experts (surveyor, architect, etc)

Stage 3: Feasibility & further work to detail costs & benefits



Required by MCLT

MCLT tasks

Project satisfies demand

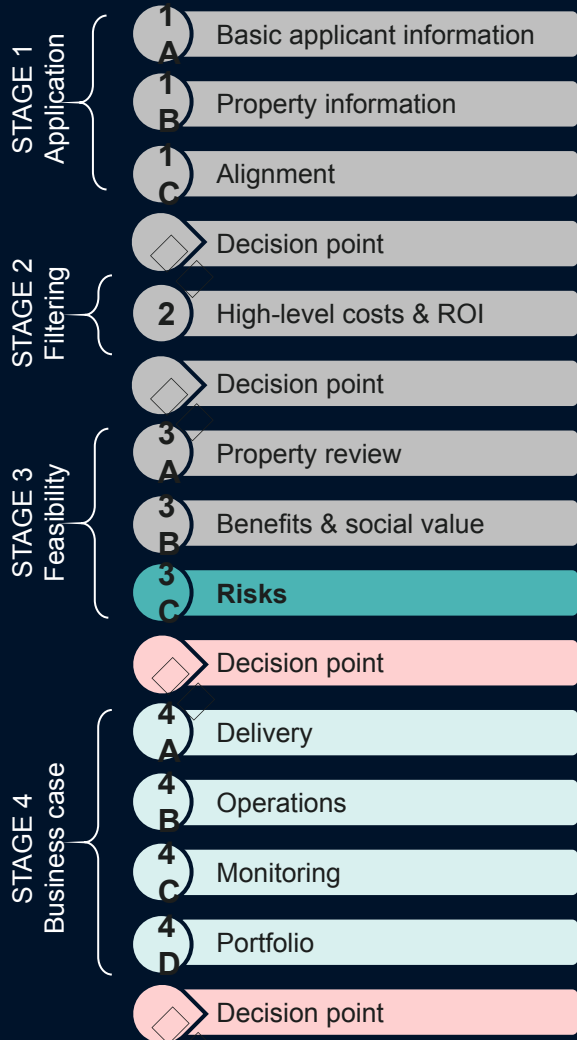
Assess extent to which the property satisfies demand
Assess opportunity for protect/move/grow

Social impact & wider benefits

Assess opportunities, particularly where they align with MCLT aims & objectives

Who is involved at this stage:
MCLT Property Subcommittee

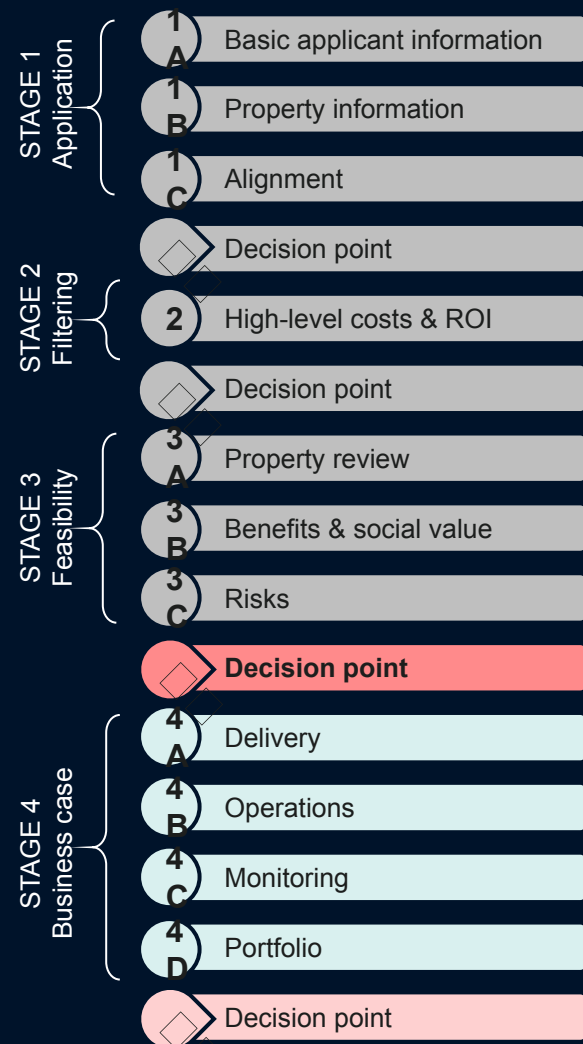
Stage 3: Feasibility & further work to detail costs & benefits



Required by MCLT	MCLT tasks
Delivery/operational risk	Evaluate delivery methods and risks, including who would need to be involved and potential partnership arrangements
Reputational risk	Evaluate communications and story reflecting on MCLT exposure
Portfolio balance	Identify how the acquisition fits within a balanced portfolio
Do nothing scenario	Estimate cost of ‘doing nothing’ – what will be lost if MCLT does not invest

Who is involved at this stage:
MCLT Property Subcommittee

Stage 3 decision point



ACTIONS

Property subcommittee

- Reviews feasibility assessment and makes initial decision on whether a project should proceed (not pass/fail; more subjective to align with MCLT portfolio and other considerations)
 - For failed applications, replies to applicant with decision
- For passed applications:
 - Prepares a briefing note for the Board covering the information collected about the proposed acquisition
 - Makes recommendation/request to Board to proceed to Stage 4

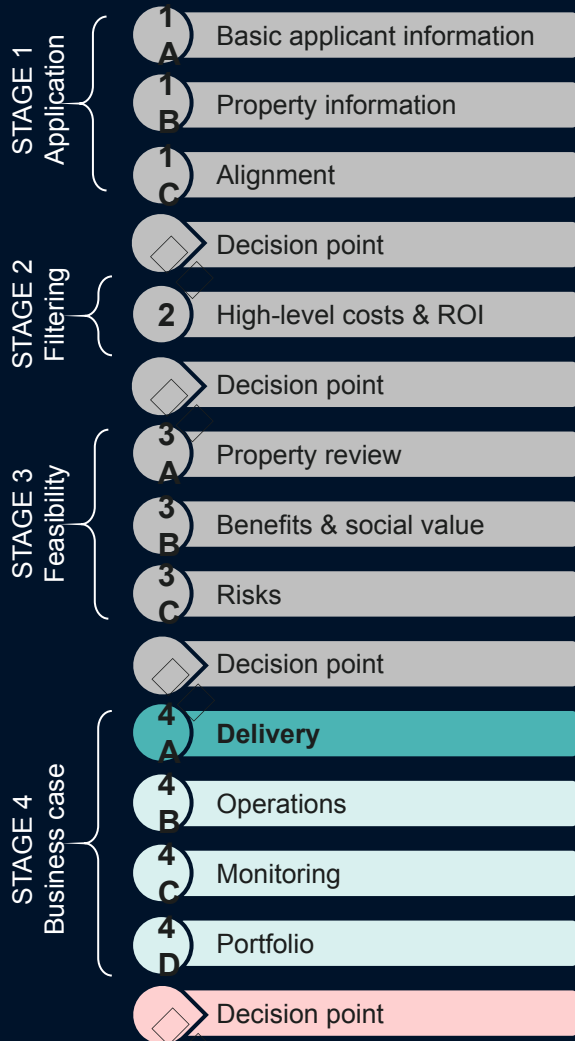
Board

- Reviews briefing note and recommendation from subcommittee
- Assents to proceeding to Stage 4
- Provides Stage 4 funding
- For expedience, MCLT (via Board decision) may wish to secure a property based on a conditional offer subject to due diligence and business case completion

Property subcommittee

- Notifies applicant of decision/progress

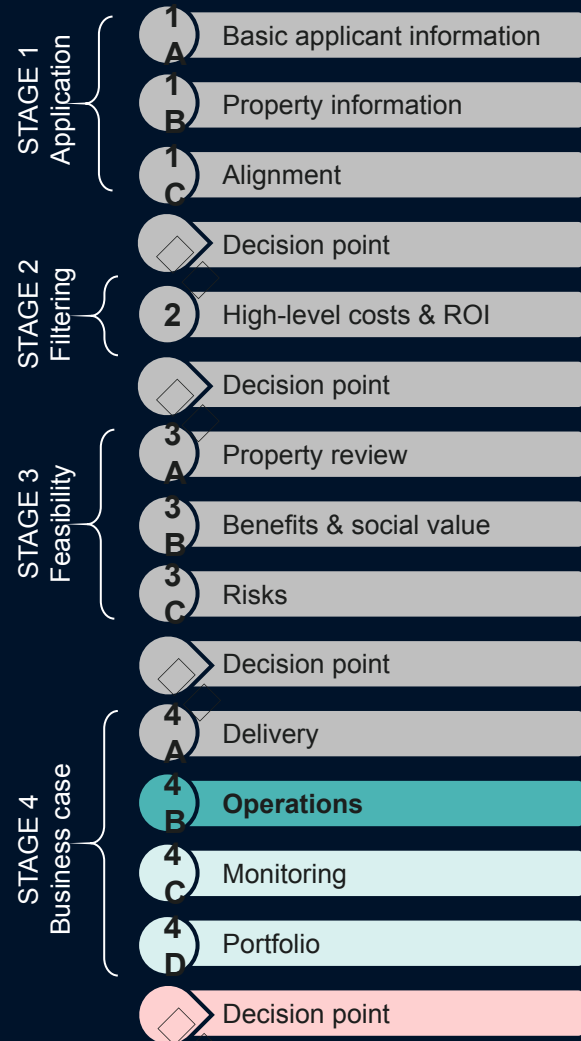
Stage 4: Business case to support drawdown & acquisition



Required by MCLT	Business case to specify
Who will deliver it	Delivery team Partnership arrangements MCLT delivery capability
How they will deliver it	External match funding/financing, if applicable Budget drawdown and management Cost & resource for professional delivery team
Delivery timescales	RIBA stages/Gantt chart as appropriate Milestones
Due diligence	Alignment with MCLT due diligence checklist

Who is involved at this stage:
MCLT Property Subcommittee, original applicant (depending on scenario), other external parties

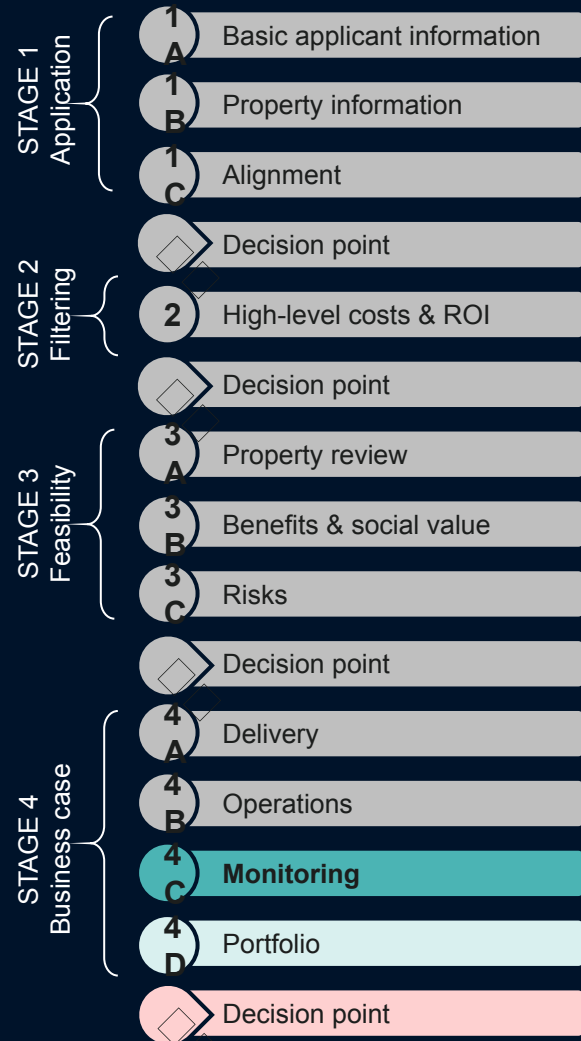
Stage 4: Business case to support drawdown & acquisition



Required by MCLT	Business case to specify
How property will be managed once operational	Workspace operator, operational and rent model, med/long term income expectations, anchor tenant
Rent/subsidy levels	Projected rent or land use income Justification for subsidy, if using
MCLT resource for operational involvement	None – to be determined by MCLT internally
<i>If 'grow' category:</i> Growth plan	Med/long term strategy and milestones for increasing reach, impact, number of tenants, etc

Who is involved at this stage:
MCLT Property Subcommittee, original applicant (depending on scenario), other external parties

Stage 4: Business case to support drawdown & acquisition



Required by MCLT

Business case to specify

Outcomes investment will enable

Building on 2, any economic, social, environmental, financial outcomes expected post-occupation

Indicators for measuring outcomes

List of metrics/indicators that can be used to measure outcomes and charitable objectives. Indicators should be straightforward to collect on a regular basis and ideally allow for comparisons across the MCLT portfolio.

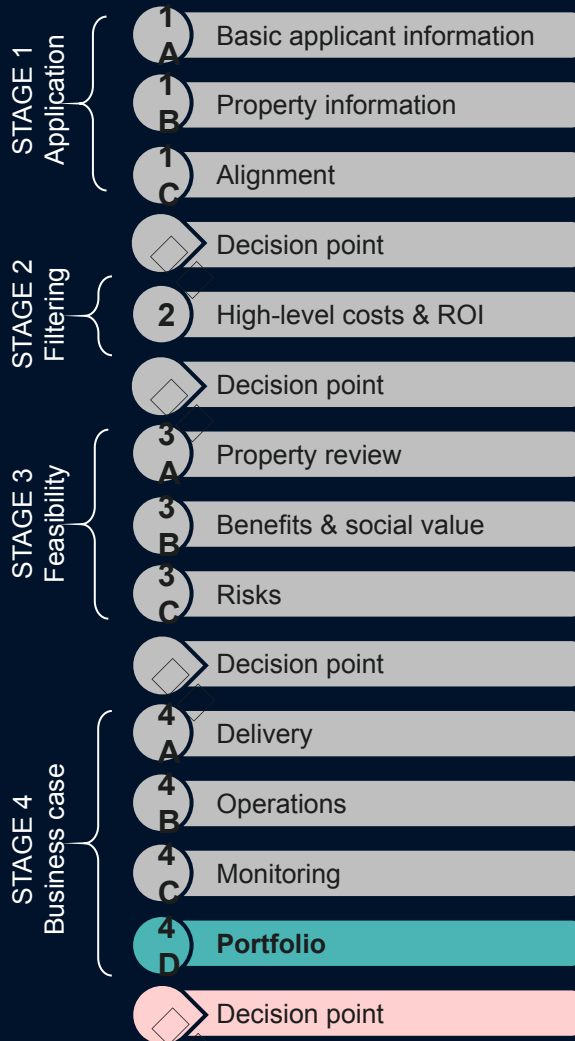
Indicators for measuring against charitable objectives (building on 1C)

Monitoring plan

Frequency of monitoring activities, responsible person/team

Who is involved at this stage:
MCLT Property Subcommittee

Stage 4: Business case to support drawdown & acquisition



Required by MCLT

Business case to specify

Portfolio alignment/fit

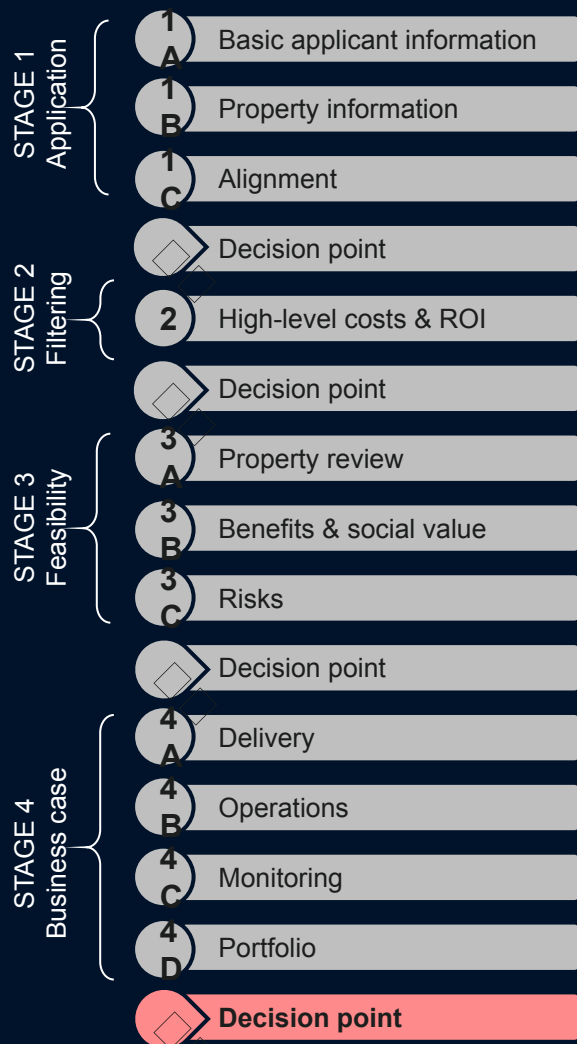
Building on 2, property role in wider portfolio, now and in future

Detailed project next steps

Setting out key actions to be undertaken to mobilise the project along with arrangements for further reporting

Who is involved at this stage:
MCLT Property Subcommittee

Stage 4 decision point



ACTIONS

Property subcommittee

- Compiles the business case, with support from the original applicant and other stakeholders where required
- Business case/supporting documents should align with any requirements from Thanet DC to draw down full funding

Board

- Reviews business case and sets out additional requirements/clarifications where needed
- Assents to acquisition
- Makes request to Thanet DC for acquisition funds

Property subcommittee

- Notifies applicant of decision/progress



NEXT STEPS

NEXT STEPS

Operational actions and considerations for MCLT

Action	Responsibility	By
Clarify Terms of Reference for the Property subcommittee and Board	MCLT & consultant	July 2023
Confirm internal monitoring & evaluation requirements, targets (if using), and frequencies (SMART principles)	MCLT	October 2023
Commission market baseline to understand commercial property landscape (quality, size, prices of units) throughout Margate	MCLT Property subcommittee/Exec team	October 2023
Develop business plan, including acquisition strategy to cover at least first three years of programme	MCLT	July 2024
Develop marketing/communications material about the MCLT's aims and objectives, potentially as part of a wider branding exercise	MCLT	October 2024

NEXT STEPS

Property pathway functionality actions and considerations for MCLT

Action	Responsibility	By
Agree amount of ringfenced small pot funding available for feasibility and business case work or on an opportunity by opportunity basis	MCLT	End 2023
Set up panel of local experts/consultants to provide call-off contract advice for feasibility and business case work (e.g. surveyors)	MCLT	March 2024
Agree minimum ROI, social/economic/environmental impact outcomes, etc that potential acquisitions must meet to proceed to business case (will rely on the market baseline, business case, and acquisition strategy)	MCLT	March 2024
Deliver separate 'Support' pilot for creative industry needing assistance with property/land related issues	MCLT	July 2024
Set up web forms for 'Protect/Move' acquisition interventions, including application guidance	MCLT	October 2024
Acquire first property	MCLT	End 2024
Review Property Pathway and revise as needed	MCLT	July 2025

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