

---

<b>Subject:</b>	<b>USE OF FUTURE HIGH STREETS FUND REVENUE GRANT</b>
<b>Meeting and Date:</b>	<b>Cabinet – 1 June 2020</b>
<b>Report of:</b>	<b>Roger Walton, Strategic Director (Operations and Commercial)</b>
<b>Portfolio Holder:</b>	<b>Councillor Trevor Bartlett, Leader of the Council</b>
<b>Decision Type:</b>	<b>Non-Key Decision</b>
<b>Classification:</b>	<b>Unrestricted</b>

---

**Purpose of the report:** To seek Cabinet approval to accept a grant from the Ministry of Housing, Communities and Local Government of £150,000, and to expend that grant by appointing WSP to prepare an application for capital funding to the Future High Streets Fund.

---

**Recommendation:** Cabinet is requested to:

1. Permit the Council to receive the grant of £150,000.
2. Approve expenditure of the grant and appoint WSP to investigate a range of project options and develop a grant funding business case that meets criteria required by the Future High Streets Fund.
3. Authorise the Strategic Director (Operations and Commercial), in consultation with the Leader of the Council, to identify a set of projects that could deliver transformational change and submit a business case to the Ministry of Housing, Communities and Local Government.

---

## 1. Summary

1.1 On 27 August 2019 the Ministry of Housing, Communities and Local Government (MHCLG) awarded the Council £150,000 to develop a business case for submission to the Future High Streets Fund. The Council initially engaged WSP (at a cost of £10,000) to prepare a draft business case that was submitted to MHCLG on 16 March. Feedback on the draft business has been received from MHCLG and Cabinet are now requested to approve using the remainder of the revenue funding to appoint WSP to build on the work carried out to date, so that the Council can develop a detailed business case for submission before the deadline of 31 July.

## 2. Introduction and Background

2.1 The Ministry of Housing Communities and Local Government Future High Streets Fund is designed to support and fund local areas' plans to deliver transformational change that makes their high streets and town centres fit for the future. The funding may be used to improve transport and access into town centres, convert empty retail units into new homes and workplaces and invest in vital infrastructure. Proposals to the FHSF are expected to provide evidence that demonstrate how their local high street plans will adapt to changes in consumer demands, which will, of course, be more important

as localities recover from the impact of the Covid-19 pandemic. The total value of the fund is £1 billion.

- 2.2 Dover District Council submitted a bid to for development funding in March 2019 and was one of one hundred towns to be offered such funding, at the maximum amount of £150k. The award was announced on 27<sup>th</sup> August 2019. At that time MHCLG stated that the deadline for submission of a detailed business case would be at the end of June 2020, but this has been extended to the end of July in recognition of pressures associated with the Covid-19 pandemic.
- 2.3 The Council engaged consultants WSP to support at Initial Key Decision Maker Engagement with MHCLG and to prepare a draft business case that was submitted to MHCLG by the deadline of 16<sup>th</sup> March. This is because WSP had previously been involved in preparing the Expression of Interest that successfully secured revenue funding and so have detailed invested knowledge of the project. WSP also developed public realm and infrastructure proposals as part of the 2016 Waterfront Masterplan project (DDC and DHB co-funded), which can be adapted and developed into FHSF proposals, maximising efficiency of delivery. The value of the initial work was capped at £10,000.
- 2.4 Discussions with MHCLG at the Initial Key Decision Maker Engagement event in January focussed on a proposal to seek approximately £25m towards a land bridge linking the port area with the Town Centre. Feedback from MHCLG included a caution that the amount of funding requested is the absolute maximum allowable from FHSF, the scheme is oversubscribed and that the requirement to attract significant 'match funding' would be particularly strong for a bid of this size.
- 2.5 A possible source of match funding could be private investment in a cable car running between the land bridge and Dover Castle. Evidence that a cable car between the town and the Castle would be viable is contained within an existing feasibility study, but it was prepared more than ten years ago and considered a different base station option. Therefore, in March the Council procured a specialist consultant, SCJ Alliance, to review the evidence and undertake a viability appraisal of constructing and operating a cable car from the proposed land bridge.
- 2.6 Furthermore, written, feedback obtained from MHCLG at the end of April, in response to the draft business case submitted in March, includes the advice that MHCLG may consider funding parts of schemes when a bid is towards the top end of the permitted scale. The Ministry therefore suggests bidders identify elements that may be delivered separately and to identify the priority of each such intervention. Also, where co-funding is leveraged, the final business case submitted to MHCLG must include written confirmation from relevant organisation(s) that should the grant come forward they are financially committed to the project.
- 2.7 The land bridge proposal cannot be broken down into smaller scale projects and even though the Council is working quickly to gather up-to-date evidence on the feasibility of a cable car, it would not be possible to secure written confirmation from possible investors before 31<sup>st</sup> July this year. Therefore it is proposed that the remainder of the revenue grant (£140k) is used to develop a set of smaller schemes that may possibly together deliver transformational change for to Dover town centre but that could, if deemed necessary by the MHCLG, be broken down into constituent parts for funding awards.
- 2.8 WSP have submitted a funding proposal to develop a bid that closely meets the funding criteria. The proposal identifies the need to gather evidence regarding the impact of

no action, i.e. business as usual, to prepare a baseline comparison. It also includes provision to pursue several project options, including investigation into Council supported redevelopment of town centre mixed use sites and alternative means of improving the connectivity between the port area and the town centre. Details of any such options will be advanced through stakeholder engagement.

### **3. Identification of Options**

- 3.1 Option 1: To permit the Council to receive the grant of £150,000 and expend the grant by appointing WSP to develop a business case for submission to MHCLG

This is the preferred option because it will provide the Council with an opportunity to develop a bid for substantial capital investment from the Future High Street Fund, which could enable delivery of much needed, ever more critical, infrastructure in Dover town centre. Consultants WSP have provided good quality advice and materials to date and are aware of both the local needs and government requirements specific to this funding opportunity. It would be extremely difficult to tender the remainder of the work at this stage given that the submission deadline is 31<sup>st</sup> July. In any case it would not be cost effective to engage a new consultant team, who would have to learn about the project from scratch, without an intimate understanding of the locality.

- 3.2 Option 2: To decline to receive the grant of £150,000, not appoint WSP to develop a business case and to return the funding to MHCLG

This option is not recommended because the Council would miss out on an opportunity to secure significant capital investment for Dover town centre. In addition, £10,000 of the funding has already been spent.

### **4. Resource Implications**

- 4.1 Development of the business case is funded by a grant from central government, therefore there are no resource implications at this stage, other than the officer time required to manage the project.

- 4.2 Any resource implications associated with the business case submitted to MHCLG will be considered in detail as part of the current project and a further report will be presented to Cabinet if necessary.

### **5. Corporate Implications**

- 5.1 Comment from the Section 151 Officer: The Director of Finance has been consulted and notes that this proposal is fully funded from external sources.

- 5.2 It may be the first stage in developing a proposal that will require the use of DDC capital project resources, and any such future commitment will be dependent upon the business case made at that time, the availability of such resources and the financial viability of the project for DDC. Proceeding with this stage is not, therefore, a commitment of future resources.

- 5.3 Comment from the Solicitor to the Council: The Head of Governance has been consulted during the preparation of this report and has no further comment to make.

- 5.4 Comment from the Equalities Officer: The Equality Officer has been consulted during the development of this report and has no further comment to make, other than it is to be reviewed in line with the progress of the proposal. Members are reminded that in discharging their responsibilities they are required to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>.

6. **Appendices**

None.

7. **Background Papers**

None.

**Contact Officer:** Emma-Jane Allen, Strategic Delivery Manager (Infrastructure)