
Subject:	LEVELLING UP FUND APPLICATION, DOVER
Date:	16 July 2021
Decision to be taken by:	Councillor Trevor Bartlett, Leader of the Council
Report of:	Roger Walton, Strategic Director (Operations and Commercial)
Portfolio Holder:	Councillor Oliver Richardson, Deputy Leader and Portfolio Holder for Community and Corporate Property
Decision Type:	Non-Key Decision
Classification:	Unrestricted

Authority: **By virtue of Section 9E(2)(a) of the Local Government Act 2000**

Purpose of the report: To ratify the submission of the Levelling Up Fund application to the Ministry of Housing, Communities and Local Government for £29.5 million at the request of the Leader, and to seek approval to allocate resource for the associated submission preparation costs and for the continued development of the project.

Recommendation: To agree:

- 1.To ratify the submission of the Levelling Up Fund application to the Ministry of Housing, Communities and Local Government for projects valued at £29.5 million.
- 2.To approve the expenditure on bid preparation for up to £90,000.
- 3.To set aside up to £20,000 from the Capital Programme, to be drawn down by the Strategic Director (Operations and Commercial) as required, to support the continued development of the project at risk.

1. Summary

1.1 In March 2021, the Government launched the £4.8 billion Levelling Up Fund, to deliver 'high priority projects that will deliver a visible impact in local areas'. Dover is listed by Government as a 'priority' location for funding and at the request of Leader, the District Council submitted a package of projects to the Ministry of Housing, Communities and Local Government with a total value of £29.5m on 18 June. This report seeks to ratify the submission and request approval for the expenditure of costs associated to preparing the bid. It also seeks approval for additional resource to continue developing the project at risk by undertaking preliminary ecological surveys this summer and in advance of a decision from government which is anticipated this autumn.

2. Introduction and Background

2.1 In March 2021, the government launched the £4.8 billion Levelling Up Fund (LUF), to deliver 'high priority projects that will deliver a visible impact in local areas' between 2021/22 and 2024/25. The fund will benefit places and communities across the UK and it represents a major opportunity for Dover which is recognised by government as a priority location for investment. In the first of four funding rounds, priorities for funding

include heritage and culture and town centre regeneration. Bids should have a maximum value of £20m and must incur some Levelling Up Fund expenditure in 2021/22, those who can exhibit significant hard expenditure will be in a stronger position. Projects should demonstrate strategic fit, value for money and deliverability.

- 2.2 Britain's Gateway application to the Levelling Up Fund is attached at Appendix 1. The package consists of two projects that are intrinsically linked to levelling up Dover to become a stronger and more vibrant town, creating new jobs, attracting more visitors and to drive economic benefit.
- 2.3 The first LUF project seeks to create the new Dame Vera Lynn Memorial Park (DVLMP) at the Western Heights. For many years there have been aspirations to unlock the potential of the Western Heights. But the Dame Vera Lynn Memorial Park is a more recent opportunity – and one which has gathered momentum in recent months. Earlier this year, the District Council entered into discussions with Dame Vera Lynn Memorial Trust to consider using the former military barracks situated on the Western Heights to potentially place a memorial in honour of Dame Vera Lynn. The land is owned by Dover District Council and is a Scheduled Monument.
- 2.4 Within the unique bowl landscape of the Western Heights, the proposed DVLMP includes a new public park with outstanding views, a special place commemorating the life of Dame Vera Lynn, a distinctive outdoor venue for music culture & entertainment, enhanced connections to the memory of the sites rich history and providing a spectacular national stage against the outstanding panorama. The park will offer a range of attractions, providing for enhanced access to the Grand Shaft and the Drop Redoubt as well as including an outdoor amphitheatre with a sculptural focal point. The park will offer a number of components including a visitor centre, café, toilets, managers space, ticket entrance & restaurant. An initial Transport study has also been undertaken to set out a high-level overview of access to the site and local network condition. For more design and technical details on the DVLMP, please see Appendix 2 – Atkins report.
- 2.5 The second LUF project is seeking investment to support the quality of the town centre offer, so that it offers a complementary and 'added value' visitor experience. Within the town centre, the Britain's Gateway project will invest in the town's historic connections. This will deliver a network of improved pedestrian routes across the heart of Dover, connecting the town's centre and key nodal points such as the Maison Dieu, Dover Priory Train Station, St Edmund's Chapel, St Mary's Church, the Market Square, Roman Painted House, Dover Museum (and Visitor Information Centre), the Western Heights, Pencester Gardens, St James Retail & Leisure Park and the waterfront, marina and pier. It is proposed this will act as a springboard for future investments in connectivity beyond the town centre, including to and from the Port of Dover Ferry and Cruise Terminals, Dover Castle and the White Cliffs of Dover.
- 2.6 Investment will include a combination of access improvements (new and improved footways) and better signage, complementing recent investments made by the Council and its partners and emerging plans for new hotel investment. In the first phase, the project will deliver improved access and signage to the Roman Painted House, a key asset within the town centre. This will include a footway between the Roman Painted House, the High Street and York Street, supporting future improvements to the Roman Painted House itself. It is proposed this will be supplemented through investment in town centre commercial properties that are of heritage value and at risk of long-term vacancy, through the creation of a targeted investment fund, enabling the Council to acquire assets to enable their restoration and conversion to alternative residential, office or retail use. The fund will be partially recyclable, enabling further investments

as properties are sold or let. The scheme will complement existing interventions, enabling early action at scale on buildings which significantly blight the town centre and 'proving the market' to the private sector.

- 2.7 There has been extensive stakeholder engagement during the preparation of the bid to help inform the submission and seek support from key stakeholders. This involved consulting directly with some 68 individual stakeholders by either online correspondence, virtual or face to face meetings whilst socially distanced. The Gateway Offices was used to host initial town & community meetings while a formal online presentation was made to members of Dover Town Council. A total of 20 letters of support were provided and these included local town groups as well as support from strategic partners such as Kent County Council, Kent & Medway Economic Partnership, Visit Kent, South East Local Enterprise Partnership & Dover Harbour Board. Furthermore, a House of Commons adjournment debate on proposals for a memorial to Dame Vera Lynn took place on 11 May among many MPs siting Dover as the most impressive and relevant site; the application is supplemented by a letter of endorsement from Natalie Elphicke MP.
- 2.8 The combined cost of the Dame Vera Lynn Memorial Park, the Memorial itself and the related proposals for the town centre is £29.5 million, of which the Dame Vera Lynn Memorial Trust hopes to raise £3 million in charitable fundraising and Dover District Council is required to guarantee as match to the Levelling Up Fund. The Council will need to explore other sources of match funding from stakeholders and funding organisations should the Trust not reach the target sum.
- 2.9 The Council is asking for £26.5 million from the Levelling Up Fund. This ambitious sum exceeds the bid 'cap' for the Fund. However, the DVLMP project has developed a series of 'reduced' options for the Memorial Park, depending on funding availability. Subject to a successful application, development of the business case for the project will be an early critical workstream to assess project sustainability & future viability.

3. **Bid Preparation Costs**

- 3.1 While authorities across the country can choose to bid now or wait for future LUF rounds, it is not clear how much of the total budget MHCLG wishes to allocate in the first round and there is potential risk in waiting. For that reason, the District Council Leader was keen to submit early in round one and there are costs associated to preparing the submission to MHCLG by the deadline of the 18 June.
- 3.2 The Council engaged consultants SQW to prepare the application and the total cost is £8,100; this includes an allowance for future clarification queries.
- 3.3 The Council engaged consultants Atkins to prepare the design, outline costing, heritage strategy and technical report required to support the application and the total cost is £79,400. The requirement for competitive quotations for this piece of work was waived because of the consultant connection to the Dame Vera Lynn Charity and the urgency in procuring the specialist nature of service required which can only be performed by a limited market supply, who have previously undertaken similar transformational high-profile projects.
- 3.4 The Council also engaged Icreate to demonstrate how the LUF projects fit into the overall vision of future growth and investment proposals in Dover Town. The cost of this work is £1,600.

4. **Next Steps**

4.1 The indicative project programme sees work commencing this financial year and being complete by end of March 2024 in line with funding criteria. This will be challenging to achieve and will require the Council to continue to develop the project at risk by undertaking preliminary ecological surveys prior to a decision from MHCLG anticipated in autumn. If the Council delays the surveys until next summer, it will significantly delay the programme and not be able to complete all projects by end of March 2024 as required by MHCLG. The cost of surveys and developing the project at risk is estimated up to £20k.

4.2 A further report will follow to update on the decision from MHCLG and discuss the required next steps if successful to accept the award.

5. Identification and Evaluation of Options

5.1 The report sets out some detail and seeks to ratify events that have happened at the request of the Leader. It is therefore recommended that the Leader:

- (i) Agrees to ratify the submission of the Levelling Up Fund application to the Ministry Of Housing Communities and Local Government on 18 June for projects valued at £29.5m.
- (ii) Confirms agreement to approve expenditure on bid preparations for up to £90,000.
- (iii) Confirms agreement that £20k is set aside from the capital programme to support the continued development of the project at risk.

6. Resource Implications

6.1 It is proposed that the expenditure on bid preparation and other works required to progress the project of £110k are funded through the Town Centre Regeneration Special Revenue Project budget included in the approved Medium Term Financial Plan. Should the bid be successful these costs will become chargeable as project costs.

6.2 The total costs of the scheme are £29.5 million, consisting of:

- (i) The costs of the Dame Vera Lynn Memorial Park, estimated at £20.5m (based on masterplan designs by Atkins and Order of Cost estimates by Faithful and Gould).
- (ii) The costs of the Dame Vera Lynn Memorial, within the Park, indicatively estimated at £3 million. This will be funded through charitable fundraising by the Dame Vera Lynn Charitable Trust (subject to a guarantee by Dover District Council of the match funding value to the Levelling Up Fund).
- (iii) The costs of associated improvements in the town centre, indicatively estimated at £6 million.

6.3 As detailed at (ii) the Council is required to guarantee the £3m funding for the memorial. At present this funding is not allocated in the Medium Term Financial Plan and so, if the bid is successful and sufficient charitable funding not achieved, identification of this funding will be required through either a review of the existing programme to identify equivalent savings or through supplementary budget approvals by Council.

7. Climate Change and Environmental Implications

- 7.1 The proposed project at the Western Heights designed by Atkins is committed to Sustainable Engineering; any future work will seek to develop and deliver innovative solutions that achieve measurable environmental, social and economic Sustainability outcomes. The approach will consider the whole life of the Western Heights project (Dame Vera Lynn Memorial Park) and take account of the design, construction and operational opportunities for enhancing Sustainability. The Council will seek to work with Net Zero Carbon experts to share knowledge to define stretching, achievable and affordable targets. Consideration will also be given to the positive opportunity for Bio-diversity Net Gain on this site.
- 7.2 The proposed projects in the town centre will also be committed to exploring Sustainable Engineering. Future work would seek to deliver solutions that achieve measurable sustainable outcomes for example making refurbished assets more energy efficient.

8. Corporate Implications

8.1 Comment from the Head of Finance & Investment:

The tight timetable for the Levelling Up Fund bid submission and the comprehensive and complex nature of the DDC application means that the work had to be undertaken at pace.

8.2 There are significant financial implications if the Council is successful. They are set out below and will have to be considered in deciding whether to accept the award of grant.

- The investment by DDC generates a 10-fold investment in the district from the Levelling Up Fund and this return on investment is an important consideration.
- DDC will be required to provide match funding of £2.6m
- DDC intends to underwrite the £3m public appeal for the Dame Vera memorial. This would count as match funding and so is not in addition to the £2.6m above but could take this total to £3m.
- Any overspend on the project will also be funded by DDC, potentially in addition to the match-funding.
- These commitments are not included in the current MTFP and therefore a review of the capital programme and any available reserves will be required to determine how this will be resourced.

The future revenue impacts will also need to be considered.

- 8.3 Estimates of annual visitor numbers in the application go as high as 800,000 per annum. In addition to the wider economic benefits, visitors will bring opportunities for income from catering and car parking. These may be used to offset additional costs from grounds and property maintenance, litter clearing etc. A more detailed budget for the site will be worked up if the bid is successful. At this stage it is not clear whether the site is likely to be self-financing, generate a surplus or lead to a deficit to be met within the General Fund budget.
- 8.4 The application also includes the opportunity to hold public events, performances etc. The logistics and finances of holding significant events will also have to be worked into the revenue budget for future years. Again, at this stage it is not clear whether the site

is likely to be self-financing, generate a surplus or lead to a deficit to be met within the General Fund budget.

- 8.5 Finally, there have been, and will be, significant staff resources required to deliver the project. These could be capitalised (charged to the project) but at this stage they cannot be quantified. This does not lead to additional costs to DDC unless those staff resources are backfilled or external staff support is procured.
- 8.6 The current forecasts of the 2022/23 General Fund revenue budget show a significant deficit, although there are significant variables that could change the position. The projections of capital resources show these to be limited and reducing.
- 8.7 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make.
- 8.8 Comment from the Equalities Officer: This report does not specifically highlight any equality implications, however in discharging their duties members 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/section/149>

9. **Appendices**

Appendix 1 – Britain’s Gateway Application

Appendix 2 – Atkins Report

10. **Background Papers**

Appendices to supplement Britain’s Gateway Application

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