Subject:	**CABLE CAR PROJECT UPDATE**
Meeting and Date:	**Cabinet – 6 December 2021**
Report of:	**Roger Walton, Strategic Director (Operations and Commercial)**
Portfolio Holder:	**Councillor Trevor Bartlett, Leader of the Council**
Decision Type:	**Key Decision**
Classification:	**Unrestricted**
Purpose of the report:	To brief Cabinet on the outcome of discussions with English Heritage and progress achieved in developing a strategic definition for a possible cable car between Dover town centre and Dover Castle Heritage.
Recommendation:	Not to proceed with the project.

1. Summary

1.1 A Preliminary Economic & Technical Assessment appraisal carried out in 2020 indicated that a cable car between Dover town centre and Dover Castle would be both technically achievable and, potentially, commercially viable so long as Dover District Council and English Heritage could agree a joint approach to the project. Such a development would provide both a standalone new attraction and create a direct link between a popular existing visitor attraction and the town centre. It could form a central element of the package of projects, including refurbishment of the Market Square and the Dover Western Docks Revival, that together would benefit the local community and raise the profile of Dover town as destination.

1.2 Following consideration of the Assessment in December 2020, Cabinet entered into a memorandum of understanding with English Heritage that set out a joint approach to progressing the project and allocated £35k to further develop the proposals. The two organisations co-operated closely for several months while developing proposals for governance, strategic definition, procurement and operational matters. Preliminary high-level site investigations, specialist advice regarding the most appropriate route for gaining consents and engagement with stakeholders helped to further define the project, including by identifying areas of uncertainty and risk.

1.3 Unfortunately, on 27th Mary 2021 English Heritage's Senior Management Team considered whether to contribute funding towards the proposed next stage of completing RIBA Stage 2 (Concept Design), including additional de-rising tasks, and decided that the organisation could not provide any support. The principal reason was anticipated un-acceptable impacts on heritage at Dover Castle, which had been highlighted as a risk during the initial phase of work. Concerns were also raised about the cost of the scheme, particularly in the context of reduced income during the Covid-19 pandemic.

1.4 In the absence of a partnership with English Heritage there is little to be gained from continuing the development of proposals for a cable car in the foreseeable future. However, the documents prepared could form a useful basis for any future investigations, should English Heritage change their position on this matter. In addition, liaising with English Heritage about the cable car has highlighted areas of

common interest, in particular attracting more visitors to the Dover urban area, and may lead to other opportunities for jointly delivered projects. Should any other project be proposed, it will be essential to agree joint working arrangements at the earliest possible stage.

2. Background

2.1 Provision of a cable car between Dover town centre and Dover Castle has been an ambition of the Council for many years. Such a project could provide the key strand in the destination and place making agenda, because it would bring benefits to the local community and wider regeneration agenda of the town, including the Port of Dover. A cable car would provide both a standalone new attraction and create a direct link between a popular existing visitor attraction and the town centre. It could form a central element of the package of projects, including refurbishment of the Market Square and the Dover Western Docks Revival, that together would benefit the local community and raise the profile of Dover town as destination.

2.2 Cable cars at similar locations elsewhere in the world have become highly valued by local residents. For example, the cable car at Koblenz in Germany provides views of the UNESCO Upper Middle Rhine Valley World Heritage site and links to the Ehrenbreistein Fortress. Initially this was intended to be a temporary facility installed as part of a horticultural show in 2011, with the electromechanical equipment destined to be sold at the end of the event. However, the cable car was so successful (e.g. Tripadvisor number 1 attraction at Koblenz) that it remains in place nearly ten years later.

2.3 In March 2020 the Council procured a north American based specialist consultant, SCJ Alliance, to undertake a Preliminary Economic & Technical Assessment of constructing and operating a cable car. The results were presented to Cabinet in December 2020. This included a definition of route alternatives, validation of the alternatives and selection of the preferred route (known as Option 1), which ran from a straddle station over the A20 up to a former munitions storage area at Dover Castle. The preferred technology type was identified as 3S Gondola in part due to its high wind stability. An initial estimate was provided of the capital cost being between £27m and £32m depending on the chosen technology.

2.4 Initial stakeholder engagement, including with English Heritage and the Port of Dover, informed revenue projections, operation and maintenance cost estimates for the business case study. For example, ridership assessments were based on visitor numbers supplied by English Heritage and the Port of Dover. These projections were benchmarked against SCJ Alliance's proprietary database of other projects across the world.

2.5 The consultants concluded that strong financial returns could be achieved provided Dover District Council and English Heritage agree a joint approach. This indicated private sector funding could be secured to deliver the project, although the Council and / or English Heritage would likely have to underwrite a ridership guarantee. The SCJ Alliance report set out several options for ownership models, but emphasised that in all scenarios it would be necessary for the Council (working with English Heritage if possible) to undertake detailed studies including archaeological, environmental and geo-technical surveys to de-risk the project for potential bidders or funders.

2.6 Funding towards the project could potentially be secured via branding rights. Significant contributions have been achieved at other projects, for example Emirates sponsorship of the Greenwich cable car amounted to £36m over 10 years, although that was linked to the 2012 Olympics. In Washington USA, Spokane Parks and Recreation Department secured almost $1m over a decade for the naming rights to its Skate Ribbon and SkyRide attractions at the Riverfront Park.

2.7 In response to the findings of the Preliminary Economic & Technical Assessment, Cabinet allocated £35k to further develop the proposals to a point at which an informed decision could be made about whether to proceed to RIBA Stage 2. The Council also entered into a memorandum of understanding with English Heritage. This report provides an update on progress achieved since December 2020 and, on the basis of evidence gathered, proposes that the Council allocates no further resource to developing proposals for a cable car.

3. Stage 0 / 1 Outputs

3.1 The proposals developed for the cable car route and profile by SCJ during the initial phase of the project were further examined during this phase, including through more detailed discussions with key stakeholders and by identification of risks and issues which would have to be mitigated in future stages. The initial options would need to be developed in more detail in the next phase of the project with the support of a wider consultant and specialist team, and Option 1 (Lower Station straddling the A20) remains the preferred option. Options 2 & 3 would remain viable should further work is progressed to mitigate the risks identified with Option 1. Additional information is included as Appendix 1 & 2.

3.2 Whilst the Stage 0 / 1 phase of work is complete, this is referred to as the current phase of work for the benefit of this report.

3.3 Several preliminary site investigations and other small instructions were placed during this phase of work to enable preparation of the proposed delivery strategy and identify routes for approvals. The results are covered in detail elsewhere within this report.

3.4 The work undertaken during the initial and current phases of the project allowed the project team to identify several workstreams. These would need to be progressed in tandem, with interdependencies carefully managed between the workstreams. The workstreams can broadly be considered as:

- Specialist input (cable car design, highways design & risk management etc)
- Design matters (architect, engineers to develop overall scheme including Lower & Upper Stations)
- Approvals
- Risk
- Site surveys
- Procurement of main contractor and cable car provider

3.5 In addition to the ‘delivery workstreams’ identified during this stage set out above, it would be necessary to consider the following key matters in detail during the next phase, as the project detail developed:

- Operator strategy
- Investment strategy

3.6 Risks, issues and areas that require further development have been identified within each workstream and some key elements are summarised within this report. The Project Stage 1 Risk Register is included as Appendix 4.

4. Strategic Aims and Client Brief

4.1 Key strategic aims of the project, were identified by the Project Board, are shown below:

- To provide a direct link from Dover town centre to Dover Castle, the largest castle in the country;

- To provide a user-friendly link between Dover town centre and the seafront;
- To support English Heritage in their ambitions to increase visitor numbers and attract a higher proportion of Castle visitors to spend time (and money) in the town centre;
- To encourage a greater number of ferry passengers to explore the town, rather than just pass through;
- To provide a premier attraction to cruise passengers;
- The assist in providing a long-term sustainable car parking solution at the Castle site, significantly reducing the number of cars from the site facilitating visitor growth and the development of the visitor experience; and
- Providing a catalyst to implement elements of the Castle Masterplan (approx. 50% of buildings at the Castle site are not in economic use), including revitalising the Officer's New Barracks.

4.2 If the project were to proceed to the next stage, a 'Client Brief' would have to be developed by the project team in consultation with the Project Board. This would clearly set out the 'red line' for the project and identify linked, but 'excluded' aspects of the project such as the onward visitor experience at the Castle or associated facilities adjacent to the Lower Station. The definition of a Client Brief would be an essential pre-requisite to setting the total project budget.

5. Potential Economic Benefits for Dover Town and Wider District

5.1 Chilmark Consulting was commissions to undertake an economic appraisal of the proposal during 2021 to quantify the benefits that a cable car could bring to Dover. The study concluded that between 453 and 655 direct and indirect FTE jobs would be generated or supported through operation of the cable car. Some of these jobs would likely be filled by people living outside the Dover District and some employment would be achieved by reduced employment elsewhere in the district, resulting in a net employment figure of approximately 269-397 FTE in the district. The Gross Value Added contribution of the cable car was estimated as £3-£5.4 per annum arising from core and tourism activities, with an additional £4.3-£5.3m per annum during the construction period.

6. Project Governance and Delivery

6.1 The DDC-EH Client Team worked together closely during the current phase of the project and a productive relationship developed, in accordance with the Memorandum of Understanding, entered into following the December 2020 Cabinet. There has also been engagement during the period between senior representatives of both Dover District Council and English Heritage by means of a monthly joint Project Board.

6.2 A key element of this phase of the project was to develop project governance proposals for the next phases of the cable car project. The Project Board agreed a project governance chart included as Appendix 3.

6.3 It was intended that, should the project progress to the next phase, Dover District Council would act as the client for the purpose of instructions and appointments. This would need to be supported by English Heritage, including by means of financial contributions.

6.4 Monthly Project Board meetings would need to be maintained during the next phase of the project and additional attendees would be determined to support the relevant activities required.

6.5 As set out in the governance chart, there are two significant 'approvals' strands, within DDC and within English Heritage. It would be necessary to ensure those approvals are

considered in tandem throughout the next phase to ensure consistency of reporting and timely decisions making.

6.6 It is proposed that a 'Core Consultant Team' of Project Manager, Cost Consultant, Principal Designer and an Approvals Specialist would be appointed to work with the Council and English Heritage should the project progress. Further details are provided in Section 13 below.

6.7 It is also proposed that the specialists and consultants required for each workstream identified would then be procured on a case-by-case basis, working with Council Procurement Officers to ensure the most appropriate (and compliant) approach for each appointment.

6.8 The exact scopes of work for each specialist, survey or appointment and the terms of appointment would be developed on a bespoke basis once requirements are better understood. The proposed approach ensures competition and access to the correct individuals or organisations to support the project as the details are developed.

7. Reporting and Internal Engagement

7.1 Should the project proceed to RIBA Stage 2 Concept Design, it is anticipated that the next stage of work may take 9 months or longer. However, in order to finalise the concept design, it would be necessary to gain approval for the Client Brief, therefore an interim report would need to be presented to Cabinet on that topic in advance of the RIBA Stage 2 report.

7.2 The RIBA Stage 2 concept design report would also present a proposed strategy for procuring a Main Contractor / Cable Car contractor. Finally, provided the identified risks had been adequately mitigated and the overall project viability was considered acceptable, the report would seek agreement to undertake public engagement and to prepare an application for planning consent.

7.3 A Project Advisory Group ensures a suitable level of challenge is provided to the project on a more regular basis than would be possible through reports to Cabinet.

8. Statutory Approvals

8.1 Whilst there are examples of cable cars in the UK (most notably the Emirates Airline, London), the proposed Dover cable car could be considered unique, especially from an approvals perspective. During this phase of the project, Landmark Chambers, who advised on the Emirates project, were instructed to provide advice on the most appropriate route to gain approvals for the scheme.

8.2 Landmark Chambers recommended that a Transport & Works Act (TWA) order is the most suitable approach, which is determined by the Secretary of State for Transport. The London cable car was approved under a TWA.

8.3 A TWA order does not grant planning permission; however the Secretary of State is empowered to direct that a planning application shall be deemed to be granted, subject to conditions (if any) as may be specified in the direction. Therefore, typical planning processes (engagement, supporting information etc) and preparation of an application will be required, however the safest approach would be to seek 'approval' under the TWA to ensure the processes are consistent.

8.4 In additional to the proposed TWA, Dover Castle is a Scheduled Monument, and as such, Scheduled Monument Consent (SMC) will also be required. This process is determined by the Secretary of State for Digital, Culture, Media and Sport.

8.5 Where different, but related, applications require decisions from different Secretaries of State, the government departments involved typically liaise to make sure the processes are co-ordinated.

8.6 It is highly likely that a Public Inquiry would be required under one or both of the necessary approvals routes. The approvals process is therefore complex and could potentially take 15 months or more from initial application to final approvals. This is longer than envisaged within the Preliminary Economic & Technical Assessment and therefore impacts the overall project programme; a revised high level Project Delivery Programme is attached at Appendix 5. Initial applications can only take place once suitable detail is developed which would likely be achieved during Stage 3 (the next phase is Stage 2).

8.7 Due to the unique and specialist nature of the required approvals, it is recommended that an 'Approvals Specialist' would be appointed as part of a Core Team as set out in further detail below.

9. Technical Studies and Site Surveys

9.1 Parking WSP was appointed to undertake a high-level review of current car parking provision within Dover and provide recommendations for more effective use of the existing parking stock. This included calculating an estimate of the need generated by combining proposed local plan allocations, current projects such as the Market Square renovation and construction of a cable car. It concluded that if 250 spaces were required within a 10-minute walk of the base station to meet the demand for cable car, then between 176 and 201 new spaces would have to be provided. If 500 spaces were required for the cable car it would be necessary to provide between 426 or 500 spaces additional spaces in the town.

9.2 Archaeology Canterbury Archaeological Trust were instructed to update their previous report relating to an earlier iteration of the scheme in 2009 and to consider the proposed options for this scheme.

9.3 The findings of the report cover two key 'zones', Dover valley (the lower area) and Castle Hill (the upper area). There is a high risk of buried archaeology in Dover valley; the Bronze Age boat, two separate timber harbour walls of the Roman period and a dug-out canoe of uncertain date have all been located during previous studies near to the proposed Lower Station.

9.4 There is the potential for buried archaeology on Castle Hill however the more significant consideration is that the proposed Upper Tower site is adjacent / within the Shoulder of Mutton Battery. At the proposed Upper Station, the adjacent Officer's New Barracks is a Grade II listed building and the 'Long Gun Magazine' (a buried storage facility) and further Annexe tunnels are beneath the proposed site.

9.5 Proposals would be developed for archaeological evaluation work which could take place at the same time as geotechnical investigations (trenching and boreholes) during the next phase of the project. The level of design will have to be further progressed to inform both geotechnical investigations and linked archaeological evaluations.

9.6 The Canterbury Archaeological Trust report does not cover heritage impact, however notes that a significant issue will be the potential visual impact to the heritage assets. This is considered further below.

9.7 Ecology The site covers a variety of habitat types, including developed public sections, residential, retail and maintained gardens, the A20 and scrub up to the Castle site. There is the potential for a number of ecological considerations and a rare bat has recently been identified and recorded at the Castle site. Lloyd Bore was instructed to undertake a Preliminary Ecological Appraisal (PEA) during this phase of work to highlight the further survey and investigative work required and the potential seasons this needs to take place in.

9.8 The PEA has identified that the project areas support suitable habitat for nesting birds, roosting bats, foraging and commuting bats, badgers, hazel dormice and reptiles, and

invasive species of plant has been recorded within the on-site woodland. There are five statutory and five non-statutory designated sites of importance for nature conservation within relevant distance of the proposed development. Further survey work has been recommended and a Habitats Regulation Assessment and Biodiversity Impact Assessment would also need to be undertaken.

9.9 Wind Data Dover, and the proposed cable car route, is clearly coastal and exposed. The Preliminary Economic & Technical Appraisal recommended that the 3S gondola system is the preferred technology due to the ability to remain open during high winds. To support the selection of cable car technology and inform the wider design criteria, the Met Office were instructed to provide historical weather information from Langdon Bay, the nearest weather station. SCJ Alliance would assist in interpreting that data in the next phase of the project to determine potential periods of downtime that may occur during poor weather. It should be noted that it is very rare for cable cars to be closed for lengthy periods and typically systems are closed for relatively short periods of time. A strategy to deal with closures will need to be considered in detail along with operational matters.

9.10 Land Ownership The overall site is within and passes over a number of different areas of ownership. An initial assessment of the titles affected has been completed and proposals received for a detailed report on ownership and rights matters which would be undertaken during the next phase. Neighbourly matters (such as air rights) will also be considered in detail in the next phase.

10. **Stakeholder Engagement**

10.1 The project is complex and potentially controversial, therefore if it were to be taken forward careful engagement would be required with numerous stakeholders, including the outputs from the Title Report and the Port of Dover. However, two statutory consultees, Highways England and Historic England, are of such importance to the project that further engagement was undertaken during this phase.

10.2 Highways England have provided further advice during this phase of the project, including background information relating to oversized loads and expectations for clearances at the relevant section(s) of the A20. The main focus of the next phase of the project relating to highways matters would be to address divergences potentially required from the Design Manual for Roads & Bridges (DMRB), including developing risk assessments to justify any departures.

10.3 Highways England highlighted that the major areas of concern relate to the flight path (in parallel) of the cable car to the A20, which is a road of national and European importance and is part of the Strategic Road Network. Highways England requested relevant examples of cable cars running in parallel to major road networks to aid further discussion. Two significant examples are the Portland Aerial Tram, Oregon, and the Roosevelt Island Tram, New York.

10.4 In addition to the principle of 'flying in parallel', both the lower station and lower tower would require siting adjacent to the A20 (potentially with structure within the central reservation) which will provide a technical challenge.

10.5 Historic England were willing to engage and assist with the development of the scheme during the next phase of the project, their clear overall aim being to minimise harm to heritage assets while maximising any benefits gained from the scheme. Next steps would include determining key views (both towards and away from the Castle site), and key issues to resolve.

10.6 However, in consideration of minimising harm to heritage assets, English Heritage has supplied the following text that formed the basis of their SMT's decision that they could not support the project:

"Perched on its hilltop, the castle sits above Dover town and all its modern development, and the distinction between the historical character of the castle and the busy modern town below is apparent both from outside and within its defences. This sense of the castle as a historical entity being set apart or above the transience of the town centre makes an important contribution to its character. The cable car will span this boundary between castle and town, incorporating the castle within an overtly modern development, eroding this important distinction.

Offsetting the potential harm associated with the proposals would be the removal of car parking within the castle and the possibility of incorporating redevelopment of the Officers' New Barracks within the scheme. But both of these could be achieved through independent projects without involving the degree of intervention necessitated by a cable car. Given the difficulty of satisfactorily mitigating the impacts of a cable car on the castle's character and setting, English Heritage's view is that the scheme would be overwhelmingly harmful and for this reason is unacceptable."

10.7 A key aim of the next phase of the project would be to ensure 'approval in principle' is reached with all major stakeholders, with any public consultation scheduled to ensure consistency of message and timed appropriately.

10.8 The cable car proposals would be of great interest to local businesses and residents. If the project were ever taken forward, then engagement would have to be carefully managed, balancing the desire to share information about the proposals with ensuring that sufficient detail has been developed to enable meaningful consultation. The most appropriate time for public consultation would be at the end of RIBA Stage 2.

11. Risk Management and Key Risks/Issues

11.1 A key feature of the proposal is the number of significant risks that would require careful management and mitigation if it is ever taken forward. One of the major risks identified very early in the project was the need to establish a formal alliance between Dover District Council and English Heritage. The first step in mitigating the risk to was to enter into a Memorandum of Understanding which enabled the two organisations to establish clear lines of communication and reporting and identified heritage impacts as being unacceptable to English Heritage before committing to more significant expenditure

11.2 The key aim of the next phase of the project, Stage 2, would be to develop the Concept Design and mitigate all known risks to an appropriate level to ensure the output is a deliverable scheme. This would also allow the establishment of a working project budget, assessment of the revenue and operational models and identification of an investment strategy for the capital investment required to deliver the scheme.

11.3 The Stage 1 Risk Register (as compiled in April 2021) is included as Appendix 4. Some of the key risks & issues are included below:

11.4 <u>Parking</u> – a strategic aim of the project, which will also support the revenue model, is to significantly reduce or remove parking from the Castle site (as this would also ensure more visitors utilise the cable car). This is a critical matter for English Heritage and a number of potential options are to be considered. The initial parking study showed that it would be necessary for a commitment of approximately 500 spaces within the vicinity of the base station for 5-10 years from the opening of the cable car to achieve this key strategic aim.

11.5 <u>Harm to Heritage Assets</u> – Historic England committed to working with DDC to develop sympathetic proposals and understand the methodology for identifying and mitigating the potential level of harm to heritage assets. However, in the opinion of English Heritage the scheme would be overwhelmingly harmful to Dover Castle. Therefore the risk of a cable car being considered to cause unacceptable visual impact and / or wider

harm to heritage assets is extremely high and is the reason this report recommends not proceeding with the project.

11.6 Buried Archaeology – there is a high risk of buried archaeology across the cable car site, most notably adjacent to the proposed lower station. The bronze age boat and historic harbour walls have been found in the vicinity of the lower station and assets may be identified during further investigations.

11.7 Highways Approvals – Highways England have been engaged during the early stages of the project and are willing to work with DDC and English Heritage to develop the cable car proposals. The cable car is potential flying over the A20 (Strategic Road Network & of national and European importance) and there are limited examples of cable cars flying directly over a significant highway (in parallel as opposed to perpendicular). A risk assessment and management strategy of the proposals and envisaged divergences required from the Design Manual for Roads & Bridges (DMRB) will be required during the next stage.

11.8 Confirmation of Cable Car Technology – the preferred technology for the cable car system is the 3S Gondola, which would be confirmed early in the next phase of work once assessed against the wind data collected from Langdon Bay (via the Met Office).

11.9 Ecological Considerations – a Preliminary Ecological Appraisal has been undertaken and further survey work is required, much of which is seasonal. It will be beneficial to design out ecological risk where practical.

11.10 Scope Clarification/Creep – a typical issue for the majority of projects is managing scope creep. Due to the nature of the cable car proposals, and early stage of design, it is not practical to confirm the wider Client Brief at present as this would only become fixed once there is a better understanding of the site, the operational requirements and the potentially linked projects. A fixed scope, or Client Brief, would to be developed during the next phase of the project and presented to a future Cabinet meeting for approval.

11.11 Clarification of Project Budget – it is not practical to identify a working project budget until more is known about the Client Brief, the site and timescales for delivery. Again, a project budget would be presented to a future Cabinet for approval, once developed.

11.12 Technical Matters Relating to the Construction of the Cable Car Proposals – this is a complex project and the technical delivery of a complex logistics project requires careful management. There are considerably more unknowns at this stage of the project than with a more typical development project.

11.13 Architectural Merit and Expectations – it is likely that to reduce harm to the heritage assets, and to deliver a unique proposal such as the cable car, there would be aspirations for a scheme of architectural merit. This typically has potential to significantly increase project costs and requires careful consideration. The establishment of a Client Brief and potential to undertake a design competition could mitigate this risk during the next phase.

11.14 Management of Significant Approvals Processes – the envisaged approvals process involves a Transport & Works Act order (under which a planning application may be directed) and Scheduled Monument Consent, both of which are complex processes and will need to be managed in tandem. The last cable car scheme in the UK was approved a decade ago, therefore would potentially be challenging for both the applicant(s) and the Department for Transport, given the unique nature of the scheme. An approvals specialist is proposed as part of the core consultant team to help mitigate this workstream.

11.15 Management of Stage 2 Expenditure – whilst a budget has been estimated for the next phase of the project, which includes a contingency allowance, it is incredibly difficult to

forecast potential costs at this stage due to the unknown nature of many of the issues facing the project. For example, should archaeology be identified during investigations, there may well be further costs associated with recording it in-situ, preserving it or otherwise – it simply isn't practical to be able to control this risk until more is known, and this is one risk of many. It would therefore be necessary to report to the Project Board for approval of expenditure at a project level, and report to Cabinet periodically to keep Cabinet informed.

11.16 Linked Projects – for the cable car project to be successful, it may be necessary for other projects to be implemented, such as visitor experiences at the Castle site or additional parking solutions. Any linked projects would need careful co-ordination to ensure the success of all of the relevant projects.

11.17 Operator Matters & Revenue Model (including funding risk profile) – an initial revenue model has been provided by SCJ which identifies that the cable car is viable and could be very profitable. The operational model would need to be developed during the next phase of the project to include ticketing, management and maintenance, which will all inform the revenue model.

11.18 Investment Strategy – it is envisaged that external investment would be sought for the delivery of the cable car scheme. The timing of investor engagement would require careful consideration as the viability of the scheme and project cost plan to prepare detailed investment options. It would be possible to engage with potential investors at a high level early in the project to inform them of the forthcoming proposals and ensure there is suitable interest.

11.19 A detailed project risk register would have to be managed throughout the project and key risks reported to the Project Board and Cabinet at appropriate periods. The interdependency of risks would require careful management to prevent over-exposure (for example not developing the architectural or detailed site investigations in advance of approvals in principal from necessary stakeholders).

12. Funding

12.1 The Preliminary Economic and Technical Assessment estimated the capital cost of constructing a cable car as between £27m and £32m (in November 2020). A more detailed estimate of the cost could be obtained only if the project proceeds to the next phase. A project of this size would probably need to be financed through external capital. The most likely option being private investment, with some kind of ridership guarantee on the part of the Council and English Heritage. SCJ Alliance advised that the best deal would be achieved by the Council and English Heritage working together to secure consent in advance of entering into an agreement. As of April 2021, the cost of the next stage was estimated at £1.39m, including a small fees contingency.

12.2 It should be noted that the construction market remains volatile following the Covid-19 pandemic and Brexit, and as such inflation and material costs and availability are unpredictable. The high level forecast capital costs were provided against a delivery programme (and mid-point of construction) which is now unachievable. Therefore, should the project restart at any point, an assessment of cost uplift to accommodate inflation should be undertaken.

13. Consultant and Specialists Procurement Approach

13.1 Given the unique nature of the project, it is imperative that should the project go ahead the Council (and EH) appoint the correct supporting consultants and specialists so as to remain in complete control of the direction of the project during the early stages of the project.

13.2 It is also considered that the best approach to gaining approval for this project is for the Council and English Heritage to be named applicants and not to 'offer up' the

project to the private sector for delivery at this early stage, and without consents in place.

13.3 As such, it is proposed that a 'Core Consultant Team' of Project Manager, Cost Consultant, Principal Designer and an Approvals Specialist would be appointed.. The additional specialists and consultants required for each workstream would then be procured on a case by case basis.

13.4 The exact scopes of work for each specialist, survey or appointment and the terms of appointment would be developed on a bespoke basis once requirements are better understood. The proposed approach ensures competition and access to the correct individuals or organisations to support the project as the details are developed.

13.5 It is envisaged that the Core Consultant Team would remain appointed by the Council for the duration of the project, acting as a 'critical friend' at the appropriate times.

13.6 A significant consideration of the project would be the procurement of a suitably experienced Main Contractor. The approach to the procurement and management of a cable car provider would also require further consideration and soft market testing during the next phase. A Main Contractor / Cable Car procurement strategy would be developed for approval during the next phase.

13.7 Whilst not an immediate consideration, it is important to highlight that there are two key main cable car providers, Leitner-Poma and the Doppelmayr Garaventa Group. It would be necessary to consider soft market testing, supplier engagement and the procurement of the equipment in much more detail in the next stage. Typically the cable car provider would be appointed as a sub-contractor to a Main Contractor.

13.8 Should the project proceed at a future time in accordance with the delivery strategy set out above, Cabinet would be requested to agree the appointment of the Core Consultant Team for the next phase of the project (RIBA Stage 2). Cabinet would also be requested to delegate authority to finalise arrangements for further appointments of specialists in accordance with the procurement strategy for the project. Is it important that instructions can be made in a timely fashion whilst ensuring a competitive and compliant process is followed to allowing the right specialists to support the project.

13.9 Potential appointments for future stages would be developed and presented to Cabinet at an appropriate time for consideration and approval. It is not possible to forecast the overall professional fees required for this project at this stage, however it is considered a suitable budget could be prepared during the next phase of the project once a better understanding of the required outputs in future stages is known.

14. Conclusion/Next Steps

14.1 Significant progress has been achieved in clarifying the way in which a cable car could be delivered in Dover and there are strong indications that such a project could achieve the proposed strategic aims. However, the project remains at an early stage and without support from English Heritage there is little prospect of a successful outcome. Should the situation change the information gained should be retained for use at that time.

15. Identification of Options

15.1 Option 1: To proceed with the project and move to the next phase, Stage 2 Concept Design.

15.2 Evaluation of Option 1: This is not the recommended course of action; even though the feasibility appraisal has identified that a cable car is both technically achievable and, potentially, commercially viable, this is contingent upon the Council and English Heritage developing a joint approach to the project. Given that English Heritage have

stated a cable car would, in their view, be overwhelmingly harmful to Dover Castle, there is little chance that the project could be successfully delivered.

15.3 Option 2: To cease work on the project.

15.4 Evaluation of Option 2: This is the recommended option. Although the provision of a cable car between Dover town centre and Dover Castle has been an ambition of the Council for many years, recent investigations have clarified the extremely high level of risk associated with the project. In particular, co-operation between the Council and English Heritage would be crucial, but English Heritage have stated "the scheme would be overwhelmingly harmful and for this reason is unacceptable". A decision to cease work on the project would inform future development of town centre regeneration proposals.

16. Resource Implications

16.1 Summary of expenditure

Topic	**Consultant**	**Cost**
Cable car advice	SCJ Alliance	£83,000
Project management	Hadron Consulting	£30,400
Legal advice	Landmark Chambers	£1,200
Wind data	Met Office	£900
Ecology	Lloyd Bore	£1,450
Economic Appraisal	Chilmark Consulting	£18,000
	Total	£134,936

16.2 Most of this expenditure was undertaken as part of the Dover Waterfront project. In December 2020, Cabinet approved the expenditure of £35k to develop the relationship with a potential delivery partner.

16.3 This project is exceptionally complex and therefore if progressed adequate officer resource would have to be allocated, and arrangements for resilience considered. This would likely include a requirement for an internal project manager (1FTE), as well as specialist heritage input, planning support, legal and finance input.

17. Climate Change and Environmental Implications

17.1 The cable car would provide a convenient link between the town centre (served by Southeastern train services) and Dover Castle - increasing accessibility via existing public transport provision and for pedestrians. This would have the benefit of reducing emissions/traffic volumes in and around the Castle. However, the English Heritage management team have identified concerns over the harm that would be caused to heritage assets and do not believe these could be adequately mitigated.

18. Corporate Implications

18.1 Comment from the Section 151 Officer: Accountancy has been consulted and has no further comment. (DL)

18.2 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.

18.3 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

19. **Appendices**

1. SCJ Report extract re: Options 1, 2 & 3
2. SCJ Option 1 initial proposals
3. Project governance chart
4. Project Stage 1 Risk Register April 2021
5. High-Level Project Delivery Programme

20. **Background Papers**

Report to Cabinet December 2020

Contact Officer: Emma-Jane Allen