

Apply to the levelling up fund round 2

Submission details

Submission reference LUF20094

Created time Wed, 10 Aug 2022 08:39

Signed-in user

What is the legal name of the lead applicant organisation?

Dover District Council

Where is your bid being delivered?

England

Select your local authority

Dover

Enter the name of your bid

Dover Beacon

Does your bid contain any projects previously submitted in round 1?

No

Bid manager contact details

Full name Christopher Townend

Position Head of Investment, Growth and Tourism

Telephone number

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Senior Responsible Officer contact details

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Local Authority Leader contact details

Full name	Trevor Bartlett
Position	Leader of the Council
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Enter the name of any consultancy companies involved in the preparation of the bid

Earth Regeneration Ltd
Hardisty Jones Associates Ltd
Faithful + Gould
TaylorHare Architects Ltd
Lee Evans Partnership
BNP Paribas Real Estate (Strutt & Parker)
A W Cockward Partnership
DWF Law LLP

Enter the total grant requested from the Levelling Up Fund

██████████

Investment themes

Regeneration and town centre	99%
Cultural	0%
Transport	1%

Which bid allowance are you using?

Full constituency allowance

How many component projects are there in your bid?

1

Do you have the support of all the authorities with the relevant statutory responsibility before proceeding?

Yes

File upload 1

Upload pro forma 1

[REDACTED]

Are you submitting a joint bid?

No

Grant value declaration

I am submitting a bid as a single applicant and can confirm that the bid overall does not exceed £20 million grant value

Tick to confirm

Gateway criteria: costings, planning and defrayment

I confirm that some LUF grant funding will be defrayed in the 2022/23 financial year

Tick to confirm

Costings and Planning Workbook

[REDACTED]

Provide bid name

Dover Beacon

Provide a short description of your bid

Dover Beacon is a c.£20.5m brownfield regeneration project in the heart of Dover town, at Bench Street, generating c.£90.5m of economic benefit.

Dover Beacon delivers:

- a c.2000m² Creative Campus potentially in partnership with EKC Group providing training opportunities in creative and digital industries.
- a c.700m² Business Centre potentially in partnership with East Kent Spatial Development Company providing flexible, affordable facilities.
- expansion of Dover Cycle Scheme.
- 450m² of public car parking and retained EV charging.
- 800m² of Riverside Parklet.

The Creative Centre (funded by Future High Street Fund) completes the east side creative quarter with c.100 residential development to the west.

Provide a more detailed overview of your bid proposal

‘Dover Beacon’ is an opportunity to regenerate Dover town centre.

Through local leadership, ‘Beacon’ will be a catalyst for our shared ambition to transform Dover from a place of transit to a destination of choice.

With c.£18m levelling up fund (LUF) investment, this c.£20.5m project will generate c.£90.5m of economic benefit. The BCR is assessed as 3.8 which is categorised as high value for money.

Recognised as a LUF Category 1 Location (Index of Priority Places; England National Index 0.36) - with supportive Arts Council ‘Priority Place’ status and Historic England Places Panel recognition of need – the project seeks to target the long-term eyesore Bench Street area to create landmarks of pride, learning, employment and productivity. Connected developments that directly address and rectify Dover’s identified need for holistic regeneration, town centre recovery and growth.

It is about identity, pride in place, placemaking and putting the heart and soul back into the town centre; creating a realistic and deliverable wave of short, medium and long-term holistic regeneration (physical, social, cultural and economic), investment and growth for Dover.

Skills, education, innovation and jobs focused; it proposes to develop the priority, eyesore Bench Street area; making Dover town centre more attractive and creative whilst increasing footfall, dwell time and spend.

Over 60 years the scheme will deliver:

- 52 net additional FTE jobs (valued at £51.7m)
- 133 net additional qualifications per annum (valued at £32.9m)
- 7.5% land value uplift across a 12ha area (valued at £1.1m)
- £3.7m of active travel benefit
- £1.1m final asset value

This will be achieved through investing in:

- Bench Street land assembly. Bench Street has been a derelict, brownfield site for over 20 years. The private sector would not undertake the project as a standalone investment. The LUF funding enables DDC to now intervene and deliver a sustainable and holistic regeneration scheme.
- A 2000m² Creative Campus to provide training opportunities, potentially in partnership with the EKC Group, in the fast-growing creative and digital industries. This new campus will create increased capacity for more students and curriculum expansion at the existing Dover Technical College campus.
- A 690m² business centre for start-up SME businesses, potentially in partnership with the East Kent Spatial Development Company, to attract and retain skilled workers, and to provide new employment opportunities and

outcomes for Dover District graduates.

- Expansion of the current Dover Cycle Scheme, in partnership with Dover Town Council, to improve sustainable transport links and connectivity. This includes 6 additional cycle hub locations, with a mix of rentable standard and e-bikes, across Dover connecting residential, visitor, business and employment opportunities.

- 450m² of public car parking with the intention of retaining four existing EV charging points.

- 800m² of riverside parklet, an accessible green space in a previously bleak, highly engineered environment.

- In the longer-term high-quality town centre housing and increased commercial opportunities, will be brought forward on the Western side of the site.

Please refer to Appendices 4, 5 and 6 for further information and visuals related to the Beacon proposal and developments.

Provide a short description of the area where the investment will take place

Investment will take place at Bench Street, a highly visible, mainly derelict, vacant plot in Dover Town Centre. The site is defined in the location plan at Appendix 2. Dover Beacon will also provide new hubs for an existing standard and e-bike hire scheme at locations selected to facilitate sustainable transport links between the investment site and its surrounding area, as shown in Appendix 3.

The investment site has been identified through extensive stakeholder engagement by the Council as a priority 'brownfield' location suitable for significant regeneration (for example in DDC's Core Strategy Local Plan, adopted 2010). Public benefit will be gained by bringing the land back into full, effective and productive use.

Bench Street is situated between Dover's Market Square and the A20, which is a heavily trafficked dual carriageway. The river Dour runs along its eastern edge, beyond which lies a popular, recently constructed leisure and retail park. To the north the traditional high street extends along Cannon and Biggin Streets to the Grade I listed Maison Dieu, Dover's town hall.

Bench Street is adjacent to a strategic road network used by many of the annual 12 million Port of Dover ferry passengers. It is an eyesore 'Welcome to Britain' (as shown by photographs in the Concept Document at Appendix 4), therefore comprehensive, placemaking regeneration of the site is key to increasing the town's vitality and pride.

As shown in the Connectivity Map in the Concept Document at Appendix 4, the investment site is highly accessible by multiple walking and cycling routes being:

- 0.4 miles from Dover Priory Train Station (HS1)
- 0.3 miles from Dover Bus Terminus and Coach Station
- 1.1 miles from Port of Dover: Ferry
- 0.8 miles from Port of Dover: Cruise
- 0.4 miles from Port of Dover: Marina

The investment site slopes down from west to east towards the river, such that the ground level abutting York Street is approximately first floor level on Bench Street. The site also slopes down from north to south. It is bisected by a subway entrance that links the town centre to the seafront. The area contains a Grade II listed structure (a mediaeval undercroft known as The Crypt), undesignated heritage assets and other buildings of lower architectural quality which relate poorly to the wider area. It is close to the Waterloo Crescent Conservation area. Archaeological evaluation will be fully considered as the project progresses.

Most structures within the investment site are long-term vacant, although 14 Bench Street is leased for operation as a nightclub on Friday and Saturday evenings. The Council purchased number 15 in 2022; a preliminary assessment of the condition by a consultant structural engineer advised no occupation without undertaking repairs and given the scale of necessary works it is questionable whether the building could be brought back into use in an economically viable manner.

The Local Planning Authority advises the proposed development is supported by local and national planning policies (Pre-Application Response at Appendix 7); partly due to NPPF support for economic growth, and employment.

Optional Map Upload



Does your bid include any transport projects?

No

Provide location information

Location 1

Enter location postcode CT16 1JW

Enter location grid reference 632024 141320

Percentage of bid invested at the location 100%

Optional GIS file upload for the location



Select the constituencies covered in the bid

Constituency 1

Constituency name Dover

Estimate the percentage of the bid invested in this constituency 100%

Select the local authorities covered in the bid

Local Authority 1

Local authority name Dover

Estimate the percentage of the bid invested in this local authority 100%

Sub-categories that are relevant to your investment

Select one or more regeneration sub-categories that are relevant to your investment	Commercial Residential Other Regeneration
Describe other regeneration sub-category	Brownfield site, eyesore site, derelict site, education/skills, campus, business centre, public realm, placemaking
Select one or more cultural sub-categories that are relevant to your investment	Arts and Culture Creative Industries Other Cultural
Describe other cultural sub-category	Creative Campus - education/skills
Select one or more transport sub-categories that are relevant to your investment	Active Travel EV Infrastructure Other Transport
Describe other transport sub-category	Cycle Scheme, General Accessibility and Connectivity

Provide details of any applications made to other funding schemes for this same bid that are currently pending an outcome

N/A - No applications have been made to other funding schemes for this same bid.

This strategic Dover Beacon bid does however directly complement, support and align with received Future High Streets Fund investment (£4.9 million) for improvements to the underpass linking Dover town centre (through Bench Street) with the waterfront and the development of a new two floor (680m2) gallery, exhibition, workshop and creative centre (Building A) for local community groups - with active frontage - within the Bench Street area (Please refer to Appendix 4 for the Dover Beacon - Bench Street site plan, including Building A). This Future High Streets Fund investment is also focused on the recognised, priority, Bench Street area of Dover.

Provide VAT number if applicable to your organisation



Bidders are invited to outline how their bid will promote good community relations, help reduce disparities amongst different groups, or strengthen integration across the local community

Dover Beacon – supported by local/regional stakeholders and community groups - will have substantial net positive equalities impacts, it will also promote local leadership, pride in place, good community relations, help reduce disparities amongst different groups and strengthen integration across the local community. It will also reduce the disparity between Dover town and other towns across the UK.

Aligned to Dover's LUF Category 1 status, the missions of the Levelling Up White Paper (please refer to Appendix X) and a no-use empty ideology, it will open up access, drive holistic regeneration (economic, social, cultural and physical) and stimulate economic growth and productivity for all - around the catalyst of developing a recognised strategic priority, eyesore brownfield asset/site into a town centre levelling up opportunity and encouraging a legacy of green, sustainable connections and growth for the benefit of all.

The project brings diversification, renewal and opens up opportunities for all,

as well as research, innovation, jobs, skills and training for all ages – all within creative and digital sectors with a vital role in supporting employment at all levels in the short, medium and long-term; while also importantly:

- boosting local productivity, pay, jobs and living standards;
- spreading opportunities and improving public services;
- restoring a sense of community, local pride and belonging; and
- empowering local leaders.

The project does not specifically highlight any negative equality implications, however in discharging duties members and officers will be 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>'.

Challenges and barriers to Growth:

- Dover has been identified as a Category 1 Levelling Up area (ranked 76/314 in England). The district, and specifically the town of Dover contains some of the most deprived communities in England (five LSOAs ranked in the 10% most deprived).
- Dover has very low employment density (0.6, GB 0.84). Whilst this indicator has been steadily rising at GB level since the financial crash it has been persistently low across Dover, with employment currently 11% below its 2008 level.
- The district has a low proportion of residents with higher level skills (NVQ4, 35% Dover, 44% GB), which is reflected in the resident occupational profile, with low proportions in SOC Groups 1-3 (40% cf. GB 50%).
- The Dover Technical College (part of East Kent College Group) is constrained by its current campus and cannot expand its offer, leading to many students travelling to Canterbury, with clear evidence learners would rather study locally.
- The lack of both educational and employment opportunity leads to many young people leaving the area. For those that remain there are high levels of youth unemployment (5.8% 18-24 years cf. 4.6% GB).
- The Dover Economic Development Needs Assessment Update (2021) highlights a net loss of office stock over the last 5-years with incredibly low current vacancy rates of 0.2%. However, low rents prevent new development coming forward. This is coupled with very low rates of business formation, just 53% of the UK average, and low business survival rates constraining opportunities for new businesses to locate and grow in Dover.
- The retail vacancy rate within the Dover town centre (19%) is well above the national average (14%) with the gap widening from 2016 to 2021. Research found almost 50% of residents found no or very little reason to visit. The visual appearance of the town centre is a major issue which impacts on both civic pride and visitor perceptions. The Dover Visitor Survey (February 2018) identified the town centre as the largest challenge. Many said Dover looks run down and in need of investment.

Project outcomes – directly addressing gaps, market failure and required improvements that can be made - include:

- Boosting skills and creating new creative spaces and facilities. Provision of a new creative campus will increase capacity for a range of creative courses, as well as enabling expansion of technical courses at the existing Dover Technical College. This will help to address youth unemployment and low skills levels.
- Supporting enterprise and employment. Through provision of a new Business Centre, we will accommodate new start up and growing SMEs, increasing town centre employment and creating job opportunities for young people.
- Regenerating/upgrading an eyesore town centre site and dated infrastructure (acquiring and regenerating a brownfield site; removing derelict buildings and other eyesores to make way for new developments; acquisition and remediation of an abandoned/brownfield site, for both commercial and new residential use; regenerating a key town sites in order to encourage new businesses and public services to locate there). Through site assembly and new development, a comprehensive regeneration scheme will transform this key site, attracting people to the town centre and boosting civic pride and visitor perceptions.
- Supporting 'gear change' active travel. Investment in Phase 2 of the Click2Cycle Dover scheme alongside other enhancements will support the use of active travel to the site and the town centre.
- Investing in secure community infrastructure and developing local assets that support the visitor economy.
- Increasing accessibility, engagement and access to a wider range of people.

- Bringing public services and safe, accessible community spaces into town centres.
 - Improving the public realm including a park/green space and designing out opportunities for crime and anti-social behaviour.
 - The project will support greater movement between Dover town centre, the town's existing and future businesses/attractions, the Western Heights and Seafont.
-

Is the support provided by a 'public authority' and does the support constitute a financial (or in kind) contribution such as a grant, loan or guarantee?

No

Does the support measure confer an economic advantage on one or more economic actors?

No

Provide further information supporting your answer



Is the support measure specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services?

No

Provide further information supporting your answer



Does the support measure have the potential to cause a distortion in or harm to competition, trade or investment?

No

Provide further information supporting your answer



Will you be disbursing the funds as a potential subsidy to third parties?

Yes

Upload a statement of compliance signed by your Chief Finance Officer

Statement of compliance document



Has an MP given formal priority support for this bid?

Yes

Full name of MP Natalie Elphicke

MP's constituency Dover

Upload pro forma 6 

Describe what engagement you have undertaken with local relevant stakeholders. How has this informed your bid and what support do you have from them?

The Bench Street area of Dover is consistently identified as a priority for regeneration during engagement. The Core Strategy was subject to rigorous public consultation before being adopted by Dover District Council in 2010 and indicates a need for the regeneration of the Bench Street area. Several other strategies also reference the importance of Bench Street, e.g. the Tourism and Visitor Economy Strategy that was developed through workshops with local stakeholders and face to face interviews with 901 visitors to Dover, and the Economic Growth Strategy that was reviewed by stakeholders including the District Chambers of Commerce.

The Council engaged with stakeholders and residents regarding the Dover Beacon Project specifically. Our strategy was relevant, inclusive and strategic; using both virtual and physical methods to capture the widest possible audience.

A survey was completed by 93 people (including a street survey on 15th June to seek opinions from the public and local businesses), raw results are presented in Appendix 8

MS Teams Live events were hosted on the 14th and 15th June. 134 invitations were issued and 14 people attended. Attendees were invited to ask questions via the chat function and / or provide feedback through our online survey. A copy of the presentation and list of invitees is presented in Appendix 8

A public exhibition event was held on 15th June in Dover Town centre. Fifty-five people attended, and many completed the survey which was available online or in paper format. Copies of the exhibition boards are presented in Appendix 8

The Council promoted the engagement through email invitations, press releases, posts on social media, links to the exhibition material and survey on our webpages, Council officers visited businesses in the vicinity of the project, inviting them to the public exhibition event.

95% of respondents to the survey agreed with the overall objective of the project to focus on a jobs and skills regeneration scheme for Dover. With a further 78% of respondents agreeing that this proposal would enhance the Bench Street area and the town centre.

The Council has also engaged with businesses in the district to discover the extent and type of vacancies they have (Appendix 8). Thirty-nine companies were contacted, and eleven responses were received. All the respondents stated they are currently holding vacancies and they anticipate a significant skills gap over the next three years.

Twenty-eight letters of support and six expressions of interest from local developers were received, as shown in Appendix 9. Sample quotes:

“Tackling this long-standing problem area must be a priority”

“The town of Dover is in desperate need of focused, imaginative investment”

“Empower the local community”

Although our survey results indicate overwhelming support for the Dover

Beacon Project, it is acknowledged that some concerns were raised. These will be addressed through further engagement, particularly in the run up to submitting our application for planning consent.

Has your proposal faced any opposition?

The proposal wasn't controversial, and overwhelming support was identified throughout stakeholder/community engagement activity in developing this bid and through community engagement/consultation undertaken for wider strategy and project work.

It's acknowledged that some individual concerns (no group or campaign opposition) were raised, such as:

"We need shops, Primark and clothes, not offices, at the moment we take the bus to Folkestone."

The Beacon project; supported by Dover Town Team and Dover Chamber of Commerce; supports our current retail and F&B providers along the current high street and within the St James Retail Park. Development of the Bench Street area will make Dover town centre more attractive and support increased footfall, dwell time and spend, to support current providers; as well as attract new providers and businesses into the town and currently vacant spaces.

"Very little mention of the crypt site why not a CPO."

The Crypt site is not part of the LUF bid and will be fully considered as part of further engagement and consultation with potential Bench Street west-side development partners and stakeholders as required. The focus of the Beacon project; supported by Dover Society, Dover Town Council, Kent County Council and English Heritage; is on the east-side of Bench Street. Regarding CPO; due to the potentially protracted and costly process, it was considered not to be a suitable process due to risk, project deliverability and timescales.

Any concerns will be addressed through engagement and consultation, particularly in the run up to submitting our application for planning consent.

Do you have statutory responsibility for the delivery of all aspects of the bid?

No

Which parts of the project do you not have statutory responsibility for?

Dover District Council has statutory responsibility for the delivery of all aspects of the bid; except for any element that affects Highways and Roads.

Kent County Council are Dover's designated Highway Authority and the approved Pro Forma 1 is attached.

Who is the relevant responsible authority?

Kent County Council

Support/consent of the relevant responsible authority

Do you have the support/consent of the relevant responsible authority?

Yes

Pro forma upload (if required)

Provide evidence of the local challenges / barriers to growth and context that the bid is seeking to respond to

Challenges and Barriers to Growth

Dover has been identified as a Category 1 Levelling Up area (ranked 76/314 in England). The district, and specifically the town of Dover contains some of the most deprived communities in England (five LSOAs ranked in the 10% most deprived).

Dover has very low employment density (0.6, GB 0.84). Whilst this indicator has been steadily rising at GB level since the financial crash it has been persistently low across Dover, with employment currently 11% below its 2008 level.

The district has a low proportion of residents with higher level skills (NVQ4, 35% Dover, 44% GB), which is reflected in the resident occupational profile, with low proportions in SOC Groups 1-3 (40% cf. GB 50%).

The Dover Technical College (part of East Kent College Group) is constrained by its current campus and cannot expand its offer, leading to many students travelling to Canterbury, with clear evidence learners would rather study locally.

The lack of both educational and employment opportunity leads to many young people leaving the area. For those that remain there are high levels of youth unemployment (5.8% 18-24 years cf. 4.6% GB).

The Dover Economic Development Needs Assessment Update (2021) highlights a net loss of office stock over the last 5-years with incredibly low current vacancy rates of 0.2%. However, low rents prevent new development coming forward. This is coupled with very low rates of business formation, just 53% of the UK average, and low business survival rates constraining opportunities for new businesses to locate and grow in Dover.

The retail vacancy rate within the Dover town centre (19%) is well above the national average (14%) with the gap widening from 2016 to 2021. Research found almost 50% of residents found no or very little reason to visit. The visual appearance of the town centre is a major issue which impacts on both civic pride and visitor perceptions. The Dover Visitor Survey (February 2018) identified the town centre as the largest challenge. Many said Dover looks run down and in need of investment.

How the project will respond:

- Boosting skills. Provision of a new creative campus will increase capacity for a range of creative courses, as well as enabling expansion of technical courses at the existing Dover Technical College. This will help to address youth unemployment and low skills levels.
 - Supporting enterprise and employment. Through provision of a new Business Centre, we will accommodate new start up and growing SMEs, increasing town centre employment and creating job opportunities for young people.
 - Regenerating an eyesore town centre site. Through site assembly and new development, a comprehensive regeneration scheme will transform this key site, attracting people to the town centre and boosting civic pride and visitor perceptions.
 - Supporting active travel. Investment in Phase 2 of the Click2Cycle Dover scheme alongside other enhancements will support the use of active travel to the site and the town centre.
-

Explain why Government investment is needed (what is the market failure)

There are a series of market failures which impact on the different elements of the project.

Land assembly: the Bench Street site is a neglected and derelict site in fragmented ownership. This leads to various market failures. There are negative externalities as a result of the social costs of the dereliction being greater than the private costs to individual landowners. Further, the fragmented ownership creates coordination failures which make a comprehensive and holistic redevelopment of the site unlikely. This is likely to be exacerbated by imperfect information leading to heightened perceptions of risk and uncertainties over returns. The site has been allocated 'brownfield' for 12 years (adopted, Core Strategy 2010) with no development forthcoming, evidencing the compound failures preventing this town centre site coming forward for development.

Regeneration and public realm: the Bench Street site is in varying degrees of dereliction. There are negative externalities created with social costs greater than private costs leading to under investment in regeneration. In the case of public realm improvements this is heightened given its categorisation as a public good.

Creative campus: education is a merit good, with high positive externalities. The social benefit of education is greater than private benefit leading to under investment by the individual. This is coupled with imperfect information associated with the likely returns on any investment and short-term utility maximisation further limiting the investment an individual will make in their own education. As a result, it is well established that there is a clear case for public intervention to support both the delivery of and infrastructure to accommodate further education.

Enterprise space: there is a positive externality arising from the provision of enterprise space, with greater social benefit of new businesses being enabled to form and grow than private benefit. This leads to an under investment in space. This is exacerbated through the high levels of risk associated with small business formation which provides weak tenant covenant strength for landlords and imperfect information about the levels of demand for such space from businesses that are not yet formed.

Active travel: there are a variety of positive externalities from active travel through improved air quality, reduced congestion and improved health outcomes. As a result, individuals will typically under invest, often choosing alternative forms of travel with negative externalities (social costs greater than private costs) which exacerbate the problem. This leads to an under investment in active travel infrastructure if left to the market to deliver.

Future residential and commercial development: there are coordination challenges as outlined above relating to land assembly, coupled with the negative externalities from the wider site. The project therefore seeks to remove barriers through delivering a high-quality regeneration of Bench Street east in the first phase, creating the conditions for further residential and commercial investment by the market in Phases 2 and 3, Bench Street West.

Explain what you are proposing to invest in and why the proposed interventions in the bid will address those challenges and barriers

The proposed investment will deliver the comprehensive regeneration of an eyesore town centre site. The project will deliver a new Creative Campus, Business Centre and also assemble a wider site in fragmented ownership to enable market led residential and commercial development as a separate phase. The project incorporates expansion of the Dover Click2Cycle hire scheme, enabling active travel to the site and throughout the town for learning, leisure and work.

The investment directly addresses identified barriers and challenges faced by

Dover. The capacity for delivering post-16 education and training is currently constrained through lack of expansion potential at the existing Dover Technical College site. This is leading to 77% of students from Dover having to travel to Canterbury and other locations for a broader range of learning opportunities. This new investment will allow expansion of the creative and digital curriculum as well as expand Engineering and Data Support curricula at Level 3 and at higher and degree levels that are vital to the area and East Kent as a whole.

Delivery of level 4 and 5 higher and degree qualifications and apprenticeships across all the areas above will also directly address the low levels of qualified workforce in the district. It will enable Dover residents to study close to home reducing travel and helping to retain our young people locally.

The Business Centre will provide much needed accommodation for SMEs, particularly micro businesses. This will help to create new employment opportunities for the district and specifically the town. It is anticipated this will integrate with the new Creative Campus and Creative Centre (funded separately) to create a new hub location for the creative and digital sector in Dover.

Bench Street has been identified as the focal point for this investment for a number of reasons. Firstly, it is a rundown brownfield site in the centre of Dover that creates significant negative perceptions for visitors and residents alike (Appendix 4). Secondly, the site has been identified for regeneration but has not come forward due to fragmented ownership and lack of viability. Thirdly, it complements wider regeneration efforts within Dover town centre over recent years including the St James redevelopment and ongoing Market Square scheme, as well as the new Creative Centre to be co-located on Bench Street, delivered via FHSF.

In developing the project proposals, a high-level options appraisal was undertaken (Appendix 10). A list of eight development options was drawn up:

- Do nothing
- Expand car parking
- Residential only
- Mixed residential and commercial
- Mixed residential, commercial and business centre
- Mixed residential, commercial, business centre and creative centre
- Mixed residential, commercial, business centre, creative centre and creative campus
- Mixed residential, commercial, business centre, creative centre, creative campus, car/cycle and public realm

A total of 14 development outcomes were identified following a review of relevant strategy and research, and engagement with a wide range of stakeholders (including the local MP, council leader and cabinet, developers, public and others). From this, six objectives were established:

- To promote the economic development and regeneration of Dover and the wider district
- To contribute towards growing the visitor economy
- To optimise the use of a publicly owned asset
- To help create a distinct sense of place and increased social/cultural opportunity
- To enhance the built environment and increase public engagement with it
- To support the district in becoming carbon neutral by 2050 and reducing vulnerability to and resilience from the impacts of the changing climate.

A set of criteria were identified under each objective against which each option could be qualitatively appraised. This multi criteria analysis scored each option from -1 to +7 against 24 criteria to provide a total score out of 168. The results are summarised below.

Option 1 Do Nothing = 0/168

Option 2 Expand Bench Street Car Park = 4/168

Option 3 Residential only = 21/168

Option 4 Mixed Use - Residential and Commercial = 38/168

Option 5 Mixed Use – Residential, Commercial and Business Centre = 55/168

Option 6 Mixed Use – Residential, Commercial, Business Centre and Creative

Centre = 72/168

Option 7 Mixed Use – Residential, Commercial, Business Centre, Creative Centre and Creative Campus = 89/168

Option 8 Mixed Use – Residential, Commercial, Business Centre, Creative Centre, Creative Campus and Car/Cycle Parking & Public Realm = 98/168

On this basis the most comprehensive redevelopment option emerged as the preferred option subject to full appraisal and viability. This option is the most closely aligned to DDC's corporate strategies and policies.

Upload Option Assessment report (optional)

How will you deliver the outputs and confirm how results are likely to flow from the interventions?

The summary below should be read alongside the Theory of Change.

A series of contextual challenges and opportunities have been set out, reflecting Dover's identification as a LUF Category 1 area. The project has been designed to directly respond to the identified challenges and opportunities, delivering a comprehensive regeneration of a rundown town centre site that has failed to come forward for redevelopment despite longstanding efforts. Dover Beacon will transform Bench Street into a location that draws people to the town centre, rather than drives people away.

Through LUF investment to enable site assembly and Phase 1 construction the scheme will co-locate a new Creative Campus alongside the already funded Creative Centre (FHSF and ACE), creating a new creative quarter in Dover town centre. SME focused enterprise space will also be provided, responding to the lack of modern office workspace for small businesses in the town. Expansion of the Dover Click2Cycle hire scheme will enable increased active travel to the site for learning, leisure, and work, as well as integrating with the existing Dover Technical College campus which will benefit from new investment expand engineering and related curricula.

The delivery of these outputs will enable a range of outcomes including new training delivery, new skills gained, and qualifications achieved, new business formation, increased employment, increased town centre footfall, higher levels of cycling activity, increased civic pride and wider improvements in land value as a result of the regeneration efforts.

The impacts resulting from this investment will include reduced youth unemployment; increased productivity, wages and GVA; further private investment into Phase 2 of Bench Street; and reduced carbon emissions as a result of increased active travel and reduced commuting out of Dover.

The project will be delivered by an experienced team of officers at Dover District Council with a proven track record of delivering high quality infrastructure, working potentially in preferred partnership with East Kent College and Dover Town Council. This will ensure the transition from funding inputs to delivering outputs will be achieved.

The most critical assumptions are those that lead from the identified outputs to outcomes. These have been subject to evidence testing to understand:

- The demand for proposed curriculum development and desire for students to study in Dover rather than travelling outside the area;
- The need for SME enterprise space; and
- The likely take up of enhanced active travel infrastructure.

Further details on output indicators are set out within Table E Bid Monitoring and Evaluation, Costings and Planning Workbook.

Theory of change upload (optional)



Set out how other public and private funding will be leveraged as part of the intervention

This application relates to the acquisition of Bench Street land that was not already in the ownership of the Council (land – Appendix 15 and 15B - that was acquired for this project in July 2022, with purchase completion in September 2022) together with the capital costs for the Creative Campus and the Business Centre.

The buildings on Bench Street east side are complemented by the Creative Centre that has been funded through FHSF creating a beacon cultural campus.

The east side development will act as a catalyst for the west side development where the council will work in partnership with a private sector developer to deliver c.100 new residential apartments targeted at young professionals and first-time buyers. The gross development value and cost of west side is c. £24m and this funding will come from the private sector partner.

In addition, the expansion of the Dover Cycle scheme and the total redevelopment of the Bench Street brownfield site will leverage in further private sector funding on the seafront and within the town centre.

The BNP Paribas Real Estate valuation report (Appendix 11) states that the Bench Street scheme has the ability to drive a 7.5% premium on local values through placemaking. When combined with the Future High Streets Fund funded improvements and the market square improvements funded by the Coastal Communities Fund this premium could well double.

The Bench Street site has been derelict for many years and has laid dormant for c.30 years. Without the public funding and intervention this redevelopment would not take place. With c.£18m LUF funding together with c.£1.8m of council funding this regeneration delivers over £90m net present value of benefit together with the £24m gross development value residential development on west side of c.100 new homes.

Explain how your bid aligns to and supports relevant local strategies and local objectives for investment, improving infrastructure and levelling up

The Dover Beacon project is fully aligned with local and wider sub-regional policy and strategy.

The project has economic regeneration at its heart. There is an overarching ambition to strengthen the Dover economy which runs through all the strategic documentation, in particular the Council's Corporate Plan 2020-24, Economic Growth Strategy (2021), Core Strategy (2010) and emerging Local Plan to 2040. These ambitions fully align to the levelling up agenda, recognising the need to revitalise the economy of the town and district, responding to identified challenges.

The Dover Beacon will deliver visible physical regeneration of a dilapidated town centre site. The regeneration of the town centre is a key theme running through DDC policy and strategy. The Bench Street area was identified as a focus for investment within the 2010 Core Strategy, but the market has failed to deliver. The emerging Local Plan seeks to ensure thriving places across the district and sufficient business space.

A new creative campus to deliver expanded further education in Dover is a central element of the Dover Beacon project. Developing the skills base of Dover, and the wider area is consistently an ambition of strategy. This includes the SELEP Economic and Renewal Strategy (2021), the KMEP Economic Renewal and Resilience Plan (2020) and the Dover Core Strategy. These highlight the importance of a skilled workforce to support economic recovery and growth. The Kent Invicta Chamber of Commerce's Local Skills

Improvement Plan (2022) also encourages technical further education to be made more responsive to employer needs, which sits at the heart of the new creative campus offer.

The inclusion of a Creative Campus as part of the Dover Beacon scheme directly helps to meet the identified needs for a recognised key sector. Supporting the growth of the creative industries specifically is a recurring theme of the local strategy and policy landscape. The SELEP Economic Strategy Statement highlights the importance of the creative industries to the local economy. The IT, digital and creative sector is also identified as a priority in the SELEP Skills Strategy 2018-23. The KMEP Employment Plan (2020) established an Employment Task Force to drive action on creative and digital as a strategic priority. This commissioned the Kent and Medway Skills Evidence Base which provided detailed evidence of creative and digital skills needs. Further, the SELEP Creative High Streets (2022), prepared in conjunction with Arts Council England also sets out the potential for creative and cultural activity to support and deliver high street regeneration. The combination of the Creative Centre (FHSF) and Creative Campus at Bench Street brings a new creative and cultural focus to Dover Town.

DDC declared a climate emergency in 2020, with the Climate Change Strategy setting out the Council's aim to become a net-zero carbon emitter by 2030 and the aspiration for the whole District to be carbon-neutral by 2050. Expanding options for active travel across the district for leisure, learning and work are at the heart of Dover Beacon and supports this aim, along with proposed sustainable construction methods.

Explain how the bid aligns to and supports the UK Government policy objectives

The Dover Beacon project aligns with the Levelling Up White Paper (2022) delivering a visible impact on Dover which will boost civic pride, whilst also boosting productivity pay, jobs and living standards in a place of recognised need. The UK Government recognises Dover as a LUF Category 1 Place with an England National Index of 0.36, ranking Dover 76/314 on the England National Index Rank (in the top 24% of places most in need). The project will boost physical capital, with new assets to support the economy and create jobs, human capital, through enhanced learning provision to upgrade the local skills base and social capital, through development of the creative and cultural sector in Dover. The project will deliver against each of the four Levelling Up mission categories. The White Paper expands upon the 2021 Build Back Better – Our Plan for Growth (supporting economic growth through investment in infrastructure, skills and innovation).

The Skills for Jobs White Paper (2021) transforms post-16 education and training, boosting skills and getting more people into work. The paper also enshrines the Prime Minister's new Lifetime Skills Guarantee, setting out a blueprint for a system that will ensure everyone, no matter where they live or their background, can gain the skills they need to progress in work at any stage of their lives. It also advocates for action to establish new College Business Centres to drive innovation and enhance collaboration with employers. Delivering new skills for jobs with business interaction is at the core of the Dover Beacon Project.

Build Back Better High Streets (2021) is supportive in its plans to support the evolution and regeneration of high streets into thriving places to work, visit and live; as well as in breathing new life into empty buildings, improving the public realm, creating safe and clean spaces, and celebrating pride in local communities. The Government's 2022 response and follow up report on Supporting Our High Streets After COVID-19 highlights the need and commitment to create more viable and vibrant, mixed use town centre areas of which this project clearly demonstrates transforming an eyesore site.

The project is also considerate of 2021's Net Zero Strategy: Build Back Greener (updated April 2022) for decarbonising all sectors of the UK economy to meet the Government's net zero target by 2050; as well as The Ten Point Plan for a Green Industrial Revolution to build back better, support green jobs and accelerate our path to net zero (i.e. greener buildings and green public

transport, cycling and walking).

2020's Gear Change: A Bold Vision for Cycling and Walking plan describes the vision to make England a great walking and cycling nation - enabling people to cycle, creating better provision and empowering and encouraging local authorities. Inclusion of the expanded Dover Cycle Scheme within the project is directly aligned to this vision.

Alignment and support for existing investments

Where applicable explain how the bid complements or aligns to and supports existing and/or planned investments in the same locality

The Project complements and aligns with the following:

- Investment from the Future High Streets Fund (£4.9m), including improvements to the underpass or at-grade crossing linking Dover town centre with the waterfront; and the development of a new creative centre, which could also serve as an exhibition space. This is co-located at Bench Street (east) and forms part of a comprehensive regeneration.
- Improvements to Market Square and surrounding streets (£3.1m), funded by the Coastal Communities Fund and DDC. This town centre site lies to the north of Bench Street and in combination they work towards transforming the Dover town centre area.
- The £9.1 million reawakening of the neo-gothic Dover Town Hall, part funded by the National Lottery Heritage Fund (NLHF).
- The £22m Bus Rapid Transport scheme, Dover Fastrack, funded in part by Homes England.
- Investment of £3.5 million coming forward from Network Rail into improvements at Dover Priory station.
- Dover Western Docks Revival (DWDR) – new marina, new pier, new Clock Tower Square, new marina curve funded by the Port of Dover Authority. The Bench Street area provides a critical linkage between the waterfront and town centre.
- Investment of circa £100,000 from Kent County Council into the Dover Cycle Hub/Hire Scheme (managed by Destination Dover, on behalf of Dover Town Council), following KCC funding of £15,000 into Dover District Walking & Cycling Audits (working with Sustrans). Dover Beacon investment will develop the scheme to enhance the scheme benefits for residents to travel for learning, leisure and work.
- Investment of £87,800 from Department for Transport E-Cycle extension Fund into eBike Training in Kent - KCC e-cycle training programme includes the purchase of e-bikes and e-trikes to provide delivery of adult e-cycle training in Deal.

The Dover Beacon scheme is clearly in addition to all of the above investments, and it will make a tangible improvement to the town centre and be a catalyst to wider regeneration within the town centre.

Explain how the bid aligns to and supports the government's expectation that all local road projects will deliver or improve cycling and walking infrastructure

The active travel (cycling) elements of the Dover Beacon project will fully align to LTN 1/20 which forms the government's latest cycle infrastructure design guidance.

Section 12.1 of LTN 1/20 deals specifically with public cycle hire schemes, providing general advice rather than detailed scheme design.

This project will expand the existing Dover Click2Cycle hire scheme drawing on an existing operational infrastructure.

Confirm which Levelling Up White Paper Missions your project contributes to

Select Levelling Up White Paper Missions (p.120-21)

Living Standards
Research and Development (R&D)
Transport Infrastructure
Education
Skills
Health
Wellbeing
Pride in Place
Housing
Crime
Local Leadership

Write a short sentence to demonstrate how your bid contributes to the Mission(s)

Living Standards - Dover Beacon delivers c £60m of economic benefit to the area including c 60 high skilled jobs from 2025.
R&D - Although in the South East Dover is a category 1 location and the LUF investment will leverage over 3 times private sector investment.
Transport & Infrastructure - The gear change cycle scheme investment will provide a transport system on a par with comparable towns by 2025.
Education - The Dover School of Art and Design building is a further education facility providing training for 16 plus.
Skills - The Dover School of Art and Design will provide c 210 high quality skills training per annum from the 2025/6 academic year.
Health - Improved health outcomes is an important element of the cycle scheme.
Wellbeing - Dover Beacon provides greater access, opportunity, and equality in the field of skills, education, and jobs.
Pride in Place - Dover Beacon transforms the derelict Bench Street brownfield site into a cultural campus within the town with new gallery spaces, college, and business centre in 2025.
Housing - The regeneration of Bench Street west side delivers c100 new residential units by 2025 available to young professionals and first-time buyers.
Crime - This redevelopment of a derelict brownfield town centre site will have a positive impact on crime.
Local Leadership - Dover Beacon demonstrates the local leadership of the council. The regeneration of this important site, that has been derelict for years, delivers c£60m of economic benefits, a three times multiplier of change.

Provide up to date evidence to demonstrate the scale and significance of local problems and issues

Dover has been identified as a Category 1 Levelling Up area (ranked 76/314 in England). The district, and specifically the town of Dover contains some of the most deprived communities in England (five LSOAs ranked in the 10% most deprived).

Dover has very low employment density (0.6, GB 0.84 ONS Jobs Density 2020). Whilst this indicator has been steadily rising at GB level since the financial crash it has been persistently low across Dover. Employment in Dover is currently (2020, latest available) 11% below its 2008 level. Over this same period employment has increased by 10% across the South East and 12% at GB level.

The District has a low proportion of residents with higher level skills (NVQ4, 35% Dover, 45% South East and 44% GB ONS Annual Population Survey Jan-Dec 2021), which is reflected in the resident occupational profile, with low proportions in SOC Groups 1-3 (40% Dover, 54% South East and GB 50% ONS APS 2021). These are very stark differences in performance and show how Dover is clearly atypical of the South East and the perceptions of an affluent region.

The lack of both educational and employment opportunity leads to many young people leaving the area. For those that remain there are high levels of youth unemployment (5.8% 18-24 years Dover, 3.5% South East and 4.6% GB, Claimant Count May 2022). Whilst overall unemployment levels may be similar, there is a clear and identifiable issue among younger people.

The Dover Economic Development Needs Assessment Update (2021)

highlights a net loss of office stock over the last 5-years with incredibly low current vacancy rates of 0.2%. However, low rents prevent new development coming forward. This is coupled with very low rates of business formation, just 53% of the UK average, and low business survival rates constraining opportunities for new businesses to locate and grow in Dover.

The retail vacancy rate within the Dover town centre (19%) is well above the national average (14%) with the gap widening from 2016 to 2021. Research found almost 50% of residents found no or very little reason to visit. The visual appearance of the town centre is a major issue which impacts on both civic pride and visitor perceptions. The Dover Visitor Survey (February 2018) identified the town centre as the largest challenge. Many said Dover looks run down and in need of investment.

A series of quantifiable and non-quantifiable benefits have been assessed (Table A2 Economic Benefits, Costings and Planning Workbook and Economic Benefits BCR Technical Appendix 12) in order to capture the likely effects of the Dover Beacon project.

Demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems and issues

The data analysis draws on the most suitable, up to date and robust sources. These are also suitable to enable comparison with regional and national averages where possible.

Levelling Up Index

This is a UK Government dataset compiled with particular focus on the Levelling Up Fund Round 2 and is therefore highly relevant and suitable for demonstrating the status of Dover within a wider context that captures a range of relevant indicators.

English Indices of Deprivation 2019

This is a robust national dataset compiled to enable comparative analysis and identify areas of significant deprivation. The most recent published data set has been used.

ONS Jobs Density 2020

The Jobs Density (Total Jobs) measure of employment is considered the most complete measure of all jobs in the economy. This is a national dataset compiled by the ONS. 2020 is the latest year for which data is available.

ONS Annual Population Survey Jan 2021-Dec 2021

Skills and occupations data is taken from the APS. This is a national dataset compiled by the ONS. Latest figures are quoted. This enables comparison with regional and national averages to identify disparities.

ONS Claimant Count May 2022

This is the latest available data and based on actual recorded claimants. This is a national dataset compiled by the ONS.

Other Local Research

Local research documents have also been used where national datasets are not readily available. Data on the Dover retail and office markets are taken from:

Dover Economic Development Needs Assessment Final Report (November 2021), Lichfields

Dover Retail and Town Centre Needs Assessment (2021 Update), Lambert Smith Hampton

Both studies were prepared by market leading consultancies under the relevant guidance to provide objective evidence to inform the emerging Dover District Local Plan.

The Dover Town Visitor Survey (2018) was undertaken by Visit Kent and included 901 interviews in Dover town. Reliability is indicated to be predominantly $\pm 5\%$.

Demonstrate that the data and evidence supplied is appropriate to the area of influence of the interventions

District level data is used as the basis for key variables such as employment, skills and occupations. Use of Dover district level data is necessary and appropriate, with many national datasets e.g. Annual Population Survey, Jobs Density, not being made available below district level. These nationally consistent datasets are vital for providing comparative analysis with regional and national averages in order to demonstrate the scale of local issues.

More localised data is provided to identify the challenges within Dover town. This includes data on deprivation as well as vacancy rates and perceptions of the town centre by both residents and visitors.

This combination of district level and town level data ensures a rounded consideration of the issues and the reach of the Dover Beacon project across both the town and the wider district.

Provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems

The Dover Beacon project has been developed to address identified problems in the Dover economy. The Theory of Change document should be referred to for further detail of the underpinning logic flow.

Dover has been identified as a Category 1 Levelling Up area (ranked 76/314 in England). The district, and specifically the town of Dover contains some of the most deprived communities in England (five LSOAs ranked in the 10% most deprived).

Critical issues which the project seeks to address include:

Dover has very low employment density (0.6, GB 0.84). Whilst this indicator has been steadily rising at GB level since the financial crash it has been persistently low across Dover, with employment currently 11% below its 2008 level.

The district has a low proportion of residents with higher level skills (NVQ4, 35% Dover, 44% GB), which is reflected in the resident occupational profile, with low proportions in SOC Groups 1-3 (40% cf. GB 50%).

The Dover Technical College (part of East Kent College Group) is constrained by its current campus and cannot expand its offer, leading to many students travelling to Canterbury, with clear evidence learners would rather study locally.

There are high levels of youth unemployment (5.8% 18-24 years cf. 4.6% GB).

There is a very limited supply of office space available to support SMEs to establish and grow in the town. There has been a loss of stock over the last five years with the current vacancy rate of 0.2%.

The poor visual appearance of the town centre is a major issue impacting on civic pride. Retail vacancy (19%) is above national average (14%) with a

widening gap. 50% of residents reported little or no reason to visit the town centre and visitors have identified the town centre as the area's largest challenge.

The Dover Beacon project will address these problems in a number of ways:

- Boosting skills. Provision of a 2000 m2 new creative campus will increase capacity for a range of creative courses, as well as enabling expansion of technical courses at the existing Dover Technical College. This will help to address youth unemployment and low skills levels. This will include enhanced delivery of Level 4 and 5 qualifications to address the identified weakness in the local population and help to tackle youth unemployment.
- Supporting enterprise and employment. Through provision of a new 690 m2 Business Centre we will accommodate new start up and growing SMEs, increasing town centre employment and creating job opportunities for young people. This will help to address poor job density and support growth in employment.
- Regenerating an eyesore town centre site. Through site assembly and new development, a comprehensive regeneration scheme including public realm enhancements will transform this key site, attracting people to the town centre and boosting civic pride and visitor perceptions.
- Supporting active travel. Investment in Phase 2 of the Click2Cycle Dover scheme alongside other enhancements will support the use of active travel to the site and the town centre.

In combination with other schemes including Coastal Communities investment into the Market Square area and Future High Streets Fund investment into a new Creative Centre to be co-located on Bench Street, the Dover Beacon project will create a new creative and cultural focus in the town, attracting people to the town centre rather than driving them away.

A series of quantifiable and non-quantifiable benefits have been assessed (Table A2 Economic Benefits, Costings and Planning Workbook and Economic Benefits BCR Technical Appendix 12) in order to capture the likely effects of the Dover Beacon project. This has identified:

- 52 net additional FTE jobs (with a present value of £51.7m over 60 years)
- 133 net additional qualifications per annum (present value of £32.9m)
- 7.5% land value uplift across a 12ha area (present value of £1.1m)
- £3.7m of active travel benefit (present value)
- £1.2m final asset value (present value)

Describe the robustness of the analysis and evidence supplied such as the forecasting assumptions, methodology and model outputs

The impact modelling is based on the best available information at the present time provided by experienced professionals and the facilities operators directly, supplemented by industry standard best practice assumptions where information was not directly available.

The principle of prudence has been applied at all times, adopting the lower end of ranges and/or moderating take up of new services. All modelling has been undertaken in line with HMT Green Book and DLUHC appraisal guidance.

Modelling of any potential benefits where there is substantial uncertainty have been excluded or described as non-quantifiable or non-monetisable impacts.

Further detail on the approach to modelling and source of all assumptions is set out in Economic Benefits BCR Technical Appendix 12 and Table A1 Methodology Note, Costings and Planning Workbook.

A summary of sources for critical forecasting assumptions is set out below.

Construction Costs

Construction costs data has been provided by Faithful and Gould, cost consultants.

Business centre take up (occupancy) and tenant profile

All assumptions based on operational data from similar centres in East Kent operated by EKSDC .

College course take up

Data provided by East Kent College Group based on detailed curriculum planning. Supplemented with further operational data on completion/achievement rates.

Skills wage premia

All assumptions based on relevant government research papers including:

'Measuring the Net Present Value of Further Education in England 2018/19' (DfE, May 2021); and 'Economic Returns to Education in the United Kingdom' (Foresight, Government Office for Science, September 2016).

Active travel

All modelling undertaken using TAG Active Mode Appraisal Toolkit (AMAT).

Input assumptions based on data provided from the Phase 1 Click2Cycle Dover scheme and CoMoUK, a national charity supporting shared transport. This is set out in Annex A to the Economic Benefits BCR Technical Appendix 12.

Wider LVU

All analysis and assumptions provided by BNP Paribas Real Estate.

Amenity Benefit

Analysis based on Urban core amenity values as set out in DLUHC Appraisal Guidance.

Other data used draws on official ONS datasets including:

Annual Population Survey (APS)

Annual Survey of Hours and Earnings (ASHE)

Census of Population

Local Migration Indicators

Whole life operational costs and revenues

Operational cost and revenue modelling is based on actual operational data for existing or similar facilities wherever possible. Inputs provided by DDC, EKC Group, EKSDC and Dover Town Council. Further details on cost and revenue assumptions is set out within the Economic Benefits BCR Technical Appendix 12 and Table A4 Op Costs & Rev (supplementary sheet), Costings and Planning Workbook for full transparency.

Explain how the economic costs of the bid have been calculated, including the whole life costs

Capital Costs

The accompanying Table A4 Economic Costs, Costings and Planning Workbook sets out the economic costs. This links directly to the financial case, making the necessary adjustments for inflation and Optimism Bias.

All development costs have been provided by Faithful & Gould, cost consultants. Active travel related costs are based on a recent procurement for an identical project.

Cost risk and uncertainty within the financial appraisal is subject to:

- Design development contingency 20%
- Client design change contingency (scope development) 6%

Contingencies are greater than or equal to weighted risk costs as set out in the accompanying Risk Register Appendix 13.

Optimism bias is included based on the upper bound limit for standard buildings as set out in the HMT Green Book supplementary guidance to address unknown risks. 24% is included on costs, with a further 4% for timing. This leads to a combined optimism bias factor of 28%. No mitigations are in place at this stage of project development.

Costs have been deflated to 2022 prices using Inflation forecast taken from OBR Economic and Fiscal Outlook (March 2022) to obtain real costs. Discounting to establish net present costs is based on the HMT Green Book standard recommended discount rates.

Operational Costs/Revenues

Whole life economic costs and revenues have been modelled. Full details of operational cost and revenue modelling is set out within (Table A4 Op Costs & Rev) of the Costings and Planning Workbook as well as the supporting Economic Benefits BCR Technical Appendix 12. All modelling has been undertaken in 2022 prices. Contingency/optimism bias of 10% and 15% has been applied where relevant. All values have been discounted to assess overall net present cost/revenue.

Describe how the economic benefits have been estimated

Wider LVU

Advice has been provided by the Kent based valuation team of BNP Paribas Real Estate. This identified a 12 hectare area of influence. BNP has identified a LVU of 7.5% attributable to the proposed development. The base land value is taken from the DDC Whole Plan Viability Study (HDH Planning and Development, November 2020). This identified a land value for previously developed land of £1.2m per hectare. This has been inflated by 11% to reflect rising land values in the area since 2020 (based on BNP advice).

Skills induced wage benefits

EKC Group has provided a range of data including: net additional enrolments by course and level; course completion and achievement rates by level; and leakage (proportion of learning opportunities within Dover Technical College filled by learners resident outside Dover district). There will be no displacement or substitution as there are no similar alternative learning opportunities within Dover. Deadweight of 20% has been included on the basis that a proportion of learners may acquire skills at the relevant level through other provision elsewhere. These data enable net additional qualification completions by level by Dover residents to be forecast.

Data on wage and employment rate premia by level of qualification is sourced from 'Measuring the Net Present Value of Further Education in England 2018/19' (DfE, 2021). Wage premia are applied to average earnings by qualification level taken from published ONS analysis using Annual Population Survey for 2017 inflated to 2022 levels. Employment rate uplifts are applied to APS data (three-year average 2019-21) for Dover.

Wage premia are applied for a 10-year period. This is informed by analysis within 'Economic Returns to Education in the United Kingdom' (Foresight, Government Office for Science, 2016). The full wage premium is applied for five years. It then decays in a linear fashion over the following five-year period. An additional leakage factor is applied (3.9% per annum) to account for the out-migration of residents from Dover (ONS migration data, 10-year average).

Employment supported



Additionality adjustments have been made for:

Leakage: based on the 2011 Census data on the proportion of workplace-based jobs in Dover filled by non-Dover residents (42%);

Displacement: this is assessed as zero for EKC and EKSDC activities as there is no similar activity within the Dover district to be displaced, a figure of 25% is adopted for the Business Centre occupiers based on the 'low' value taken from the Additionality Guide, Fourth Edition, 2014 (HCA).

Substitution: assessed as zero for all elements

Multipliers: In line with HMT Green Book these are only applicable to tradable jobs. No multipliers are applied to the operational jobs of EKC or EKSDC. Discussions with EKSDC have identified a wide mix of business types within their other centres. On this basis it is assumed that 30% of jobs are tradable, 10% high tech tradable and 10% high skilled tradable. Central assumption multipliers from HMT Green Book are applied.

Deadweight: A reference case considers the use of the site in the absence of the development. The site is largely vacant and in a poor state of repair. There is one going concern business within the area. This will relocate within Dover town, leading to a zero-deadweight impact via the reference case.

Benefits are monetised on the basis of annual wage rates. Data from the 2021 Annual Survey of Hours and Earnings (ASHE, ONS) inflated to 2022 are applied, utilising data for the relevant SIC to the uses.

Active travel

Benefits have been assessed using the AMAT toolkit. This has drawn on data from the operator (Destination Dover) of the Phase 1 scheme as well as CoMoUK to benchmark take-up.

Residual Asset Value

This has been monetised on the basis of current build costs. It is assumed the building is fully maintained throughout the appraisal period.

Amenity Benefit

Analysis based on Urban Core amenity values as set out in DLUHC Appraisal Guidance inflated to 2022 prices.

Further details set out within the Costings & Planning Workbook, as well as the supporting Economic Benefits BCR Technical Appendix 12.

Provide a summary of the overall Value for Money of the proposal

All monetised benefits are considered as part of an initial BCR. These relate directly to the project activities. Further details on monetising benefits are set out within the Economic Benefits BCR Technical Appendix 12 and the accompanying Table A2 Economic Benefits, Costings and Planning Workbook.

Economic costs have been calculated, applying Optimism Bias of 28%.

The present value (PV) of total public sector economic costs is assessed as £23.4m

The PV of economic benefits is £90.7m. this is adjusted by £1.0m to take account of private sector costs.

The initial BCR is calculated as 3.83. This is ranked as high value for money (VfM) on the basis of DLUHC appraisal guidance.

The benefits of the interventions considered in the initial BCR are:

- Skills induced wage and employment premia (present value of £32.9m over 60 years)
- Increased employment (PV of £51.7m over 60 years)
- Wider land value uplift (PV of £1.1m)
- Active travel (PV of £3.7m over 60 years)
- Final asset value (PV of £1.2m)
- Amenity benefit (PV of £0.1m)

The LUF Round 2 Technical Note, section entitled 'Preparing and Submitting Applications' states that Local Authorities should have regard to Place Based Analysis within HMT Green Book Annex A2.

Within this Annex of HMT Green Book it is clear that Place Based Analysis should apply to the case of LUF bids (see A2.2 bullet 1). At paragraph A2.3 it confirms that this should be the principle frame of reference where a project has geographically defined objectives – which is a key element of LUF. Paragraph A2.4 notes that place based analysis should be performed and be central to appraisal advice where proposals focus on a specific part of the UK.

The Annex goes on at paragraphs A2.6 to A2.8 to be clear that place based appraisal may also include employment changes in the area under consideration. Within the supporting example set out at Box 27 it is noted that having calculated net additional employment these effects should be monetised.

Further, paragraph 5.8.2 of HMT Green Book (cross referred from A2.6), under the heading Competitive Bidding notes that the overarching objectives should be set out by the allocating authorities. In this case, the LUF Round 2 Prospectus does this. Under the heading 'Stage 2 assessment and shortlisting' the prospectus states that bids will be assessed on the assessment framework. Under the 'economic case' bullet it notes that greater employment opportunities is one of the benefits that will be considered in the value for money appraisal.

A series of sensitivity tests have been undertaken (discussed at 5.4.3) which confirm the classification as high VfM is robust. This includes testing for higher costs, lower occupancy of the business centre, reduced take up of learning opportunities and lower benefits across all categories.

All non-monetised impacts are positive, assessed as 'moderate beneficial' and will not lead to a change of value for money category. However, they would make a contribution to maintaining a high VfM assessment in the event of any reduced monetised benefits.

**Upload explanatory note
(optional)**

Have you estimated a Benefit Cost Ratio (BCR)?

Yes

Estimated Benefit Cost Ratios

Describe the non-monetised impacts the bid will have and provide a summary of how these have been assessed

The Dover Beacon project will deliver a number of less tangible benefits which are not possible to monetise.

The four main effects will be:

- Increased civic pride. This will flow from the regeneration of an eyesore site that has fallen into an increasing state of disrepair over the last 20+ years. The Dover Beacon project will deliver new high-quality buildings on a prominent site which links the waterfront and town centre.

- Catalysing effect. This will flow from site assembly and preparation of the Bench Street western land parcel and the high-quality regeneration of the eastern land parcel. This will create the conditions for private sector delivery of further residential and commercial development. This will level c.£24m in private investment.

- Retention of young people in Dover. Increased learning and employment opportunities will enable young people to remain in Dover to study for Level 4 and 5 qualifications within high quality learning environments.

- Arts and cultural offer. The co-location of the new Creative Campus and the FHSF Creative Centre will provide a new creative quarter at a key location between the Dover waterfront and town centre. This will breathe new life into the arts and cultural sector in the town and support the wider growth of the creative industries and creative skills across East Kent.

Each of these benefits is assessed as moderately beneficial in line with the DLUHC appraisal guidance. Each in its own right would not lead to a change in the VfM category as the BCR of 3.83 indicates the Dover Beacon project is already classified as high VfM. However, should there be any shortfall in monetised benefits, these non-monetised effects would have the potential to make a contribution to securing the high VfM category.

Provide an assessment of the risks and uncertainties that could affect the overall Value for Money of the bid

Sensitivity tests have been undertaken to assess the robustness of VfM and the switching values at which the BCR falls below 2:1 (acceptable VfM) and below 1:1 (poor).

Total public sector economic costs would need to rise by 91% for the BCR to fall below 2, ceteris paribus. Costs would need to rise by 283% for the BCR to fall below 1.

If none of the stated employment benefits were realised the BCR would remain above 1 (1.62), ceteris paribus. Employment benefits would need to fall by 83% for the BCR to fall below 2, ceteris paribus.

If none of the stated wage premia benefits were realised the BCR would remain above 2 (2.42).

The removal of minor benefits such as wider LVU, active travel and final asset value would have only marginal impact on the overall BCR. Under a scenario where none of these three benefits were realised the BCR would remain at 3.61.

More complex sensitivity analysis identifies the single adjustment factor (reduction in all benefits and increase in costs) that would lead to a BCR below 2 is 31% and to reduce the BCR below 1 is 58%. That is, costs would need to rise by 58% with all benefit categories returning values 58% lower than assessed.

Upload an Appraisal Summary Table to enable a full range of impacts to be considered

Appraisal Summary Table 1

Upload appraisal summary table

[REDACTED]

Additional evidence for economic case

None selected

Confirm the total value of your bid

Total value of bid

[REDACTED]

Confirm the value of the capital grant you are requesting from LUF

Value of capital grant

[REDACTED]

Confirm the value of match funding secured

Evidence of match funding (optional)

[REDACTED]

[REDACTED]

Where match funding is still to be secured please set out details below

Land contribution

If you are intending to make a land contribution (via the use of existing owned land), provide further details below

The bid does not include any land contributions.

The Bench Street site has been derelict for many years and is a blight on the town centre. The local authority first acquired 15 Bench Street towards the end of 2021 and has now entered into an agreement with the owners of the remaining derelict buildings in July 2022 to acquire the site at its fair market value. Completion of these buildings is scheduled for the end of 2022. The acquisition costs of all the Bench Street properties by DDC have been included in the project costs at cost together with legal fees and Stamp Duty.

Upload letter from an independent valuer

Confirm if your budget includes unrecoverable VAT costs and describe what these are, providing further details below

Describe what benchmarking or research activity you have undertaken to help you determine the costs you have proposed in your budget

Benchmarking and market research has been undertaken to support the proposed budget costs. These activities and sources are as follows.

- The legal fees have been benchmarked against a recent Council project of similar scale and number of issues, Dover Fastrack.

- The demolition & site preparation works, building works, external works to the car park & public realm, construction related professional fees, surveys, planning, building control, design development contingencies, inflation and client design change contingency, have all been sourced from the Faithful & Gould, Order of Cost dated 23rd June 2022, Appendix 16.

- The fit-out cost for Building B, the business centre has been sourced from the preferred operator, East Kent Spatial Development Ltd. Details are in the Heads of Term and match funding support lettering in Appendix 17.

- The fit-out cost for Building C, the college has been sourced from the potential partner, The EKC Group. Details are in the Heads of Term, and match funding support letter in Appendix 18. The cost for the six bike hubs (active travel) has been benchmarked against a similar scheme in Dover launched this year, Click2Cycle, Destination Dover, and details are in the AWP TAG Technical Note, Appendix 19.

The operating costs are based on the following:

- Additional cycle scheme costs have been sourced from the AWP TAG Technical Note, Appendix 19.
- The costs for buildings insurance and public realm maintenance have been sourced from the Council's Property Services department, based on similar

projects in size and scale.



The assumption is that during the project construction phase, costs will be covered within the new dedicated project manager role, who will be reporting in line with the LUF guidance. Table B, C P1 Resourcing, Costings and Planning Workbook, illustrates this cost. The baseline, pre-construction Civic Pride survey will be undertaken by an economic consultant, detailed in Table A4 Op Cost & Revenue, Costings & Planning Workbook.

Post construction, these monitoring costs will be carried out by an external economic evaluation auditor to be appointed with the annual costs borne directly by the council.

The value of risks and contingencies within the Risk Register, Appendix 13 have been researched and benchmarked as follows:

- Risk costs/contingencies in sections one, design and two, construction, have been based on the Faithful & Gould, Order of Cost dated 23rd June 2022, Appendix 16.
- Risk cost/contingencies in sections three and four, Employers risks, have been included in section one and two, or based on assumptions from the Council, BNP Paribas Real Estate and Earth Regeneration (Strategic Advisors).
- Risk cost/contingencies in section five, operation risks have been sourced from a combination of: the Council benchmarking against life cycle maintenance costs and re-tendering estimates, for similar projects in size and scale and the preferred operators by benchmarking to similar projects.

Provide information on margins and contingencies that have been allowed for and the rationale behind them

Faithful and Gould have prepared an order of cost estimate which is attached as Appendix 16.

The report details out the contingencies which are:

- Design Development contingency at 20%
- Client Design Change Contingency at 6%
- Inflation @9.5%

These contingencies are benchmarked to similar projects and in discussion with DDC.

The Risk Register attached as Appendix 13 sets out in detail the c.145 risks identified in delivering the project together with their value and their weighted risk value, having regard to impact and probability. The weighted value of the total risks has been reconciled back to the provisional sums included in the

order of costs report.



Other operational risks are to be borne by the operators as set out in the Heads of Terms attached as Appendices 17 & 18.

These risks have been factored into the optimum bias assessment set out in the Costings & Planning Workbook.

Describe the main financial risks and how they will be mitigated

The financial risks are set out in the Risk Register attached as Appendix 13.

Every risk identified has a financial value allocated to it. The weighted value has regard to impact and probability. The total weighted value of the risks is reconciled to the contingency provisional sums include in the Order of Cost. In the event that the contingencies are not adequate to cover these risks any overrun falls to the council to fund via its own resources. The exception to this is if there are any cost overruns resulting from fit out in which case these overruns fall to the College and Business Centre operator respectively.

That said the risk register is a dynamic document which will be reviewed by the project team on a regular basis with regular reporting to the project board and council cabinet flagging any potential overruns and their mitigation recommendations.

The material red risks identified in the risk register are as follows:

- Impact on cost of labour and materials
- Impact as a result of planning conditions
- Impact on internal DDC resources allocated to the project
- Impact on the project resulting from archaeological and other site surveys as this is a derelict brownfield site
- Adequacy of existing services
- Additional infrastructure
- Scheme changes prior to design freeze

Specific financial risks relate to:

- The site acquisition and the ability to secure vacant possession of the one building still occupied that is to be redeveloped. This is mitigated by the purchase agreement and the steps in hand to relocate the tenant.
- Failure to deliver the FHSF funded creative centre (building A). This is mitigated by the fact that this building is set on existing council land and alternative master planning options
- Failure to secure a development partner for west side. This is mitigated by initial expressions of interest together with the market appraisal and forecast housing needs for the town. This will be further mitigated in summer 2022 when residential developers will be invited to bring forward proposals.

In terms of impact to the local community during development this access risk has been identified and will be mitigated against as far as possible during discussions with the design team and contractor in due course. That said the proposed redevelopment of this redundant site and the Dover Beacon scheme

has strong local support identified during the pre-bid consultation exercise.

Upload risk register

If you are intending to award a share of your LUF grant to a partner via a contract or sub-grant, please advise below

N/A

What legal / governance structure do you intend to put in place with any bid partners who have a financial interest in the project?

N/A

There are no bid partners who have a financial interest in the project.

Summarise your commercial structure, risk allocation and procurement strategy which sets out the rationale for the strategy selected and other options considered and discounted

The Council makes decisions using a two-tiered system of Full Council and Cabinet meetings with appropriate delegations from Council to Cabinet and various sub committees, such as planning, in line with the Council's approved constitution.

Members, especially the relevant ward councillors impacted by the bid will be consulted with and will be fully engaged in the development and approval of the Levelling Up Fund bid.

The adopted Financial Procedure Rules are regulations that clearly lay out the financial responsibilities of Full Council, the Cabinet, the Section 151 Officer, Heads of Service and other employees to ensure financial accountability at all levels of the Council.

Using dedicated financial codes in the Council's Financial Management System expenditure can be easily reviewed by the Accountancy Team and Project Manager to ensure monitoring is undertaken in a timely manner and that the financial conditions of the grant are complied with.

The Council's Contract Standing Orders set out the minimum requirements to apply to all procurement activity including purchase orders, service concessions and any contractual arrangements entered into by or on behalf of the Council. The Council's Standing Orders are made in accordance with the requirements of Section 135 of the Local Government Act 1972 and also seek to ensure that any procurement activity undertaken by, or on behalf of the Council is in compliance with the Public Contract Regulations 2015.

Risks associated with the project will be monitored via a detailed risk register held by and updated by the Project Manager. These will be regularly reviewed by the Project Team and actions to alleviate risks manifesting will be actioned. Key risks that cannot be managed will be further assessed as part of the corporate risk register and severe risks will be reported to members via the risk management report.

In order to determine the most suitable route for delivery, the Council will consider and evaluate its procurement approach separately for each of the key areas/packages identified to be procured (subsequent to a successful bid), namely;

- The Creative Campus
- The Business Centre
- Ground Works (car & cycle parking)
- Cycle Hire Scheme

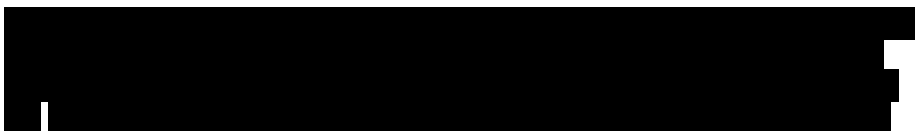
The Council will review the requirements of each package (and any subsequent services and/or works identified) and ensure that any project objectives in terms of cost, time, quality, risk and / or control are met by evaluating and identifying;

- the requirements of each package e.g. main contractor, professional services / consultancy etc.
- PCR2015 compliance – use of a framework, Open or Restricted tender etc.
- procurement route to apply (where applicable) e.g. traditional, design and build or develop & construct etc.
- procurement options (where applicable) e.g. single stage or two-stage etc.
- commercial approach to price and most appropriate form of contract
- delivery route – framework identification and availability etc.

Package Requirements – the Council recognises that following the initial review of each of the key areas (above) a number of contracts (and subsequent delivery options) may be identified for each package e.g. the Creative Campus will require the procurement of a main contractor, operator and additional professional / consultancy services (contract elements) in order to deliver the desired project outcome.

Where applicable, the procurement approach for each potential contract element identified will have a proportionate review and procurement approach agreed prior to proceeding considering the overall project objectives in relation to costs, time, quality, risk and control etc.

PCR2015 Compliance – Any procurement approach adopted will comply with the Public Contract Regulations 2015 and/or any other statutory requirement applicable to the procurement process.



Any Open / Restricted procurement process etc. undertaken directly by the Council's procurement team (or on behalf of the Council) 2015) will be conducted in compliance with the requirement of the Regulations. Any associated procurement (below threshold) will be conducted in line with the Council's Financial Procedure Rules and / or Contract Standing Orders applicable to the value / risk of the associated procurement.

Procurement Route & Options – the Council will review the advantages and disadvantages of the different procurement routes available (specifically for each build element as applicable) and as such any subsequent route chosen will reflect the packages specific requirements in relation to responsibility, design development, cost certainty etc.

In determining the available options (where applicable) e.g. single-stage or two stage tender, the Council will consider the market conditions (e.g. likelihood of interest etc.), level of tender information available and / or level of design input required.

Commercial Approach – the Council will consider for each package (and any subsequent element identified within) the most appropriate commercial approach to pricing e.g. fixed price, guaranteed maximum price, target cost/shared risk & reward etc. after consideration of the advantages and

disadvantages for each. The form of contract to be used by the Council in most instances will be dictated by the framework utilised (where such works/services are procured via a framework), however in all instances, will be reviewed and amended (as necessary) by the Council and our legal team with input from the project / consultancy team (where applicable).

Delivery Route – It is anticipated that the majority of the procurement packages (and elements within) are likely to be procured through a mixture of both regional and national frameworks. Whilst the Council can effectively access any number of frameworks, consideration will be given to the framework most relevant with regard to the contactors, their experience, selection criteria, KPI's etc.



The active travel element of the bid, being the phase 2 expansion of the existing cycle hire scheme launched in July 2022, will be procured by direct award to Click2Cycle.

Who will lead on the procurement and contractor management on this bid and explain what expertise and skills do they have in managing procurements and contracts of this nature?

Dover District Council has managed many multi-million pound schemes and has an established procurement team [REDACTED] [REDACTED] experienced in procuring via a range of different procurement routes, including direct appointments, use of established frameworks (mini competition and direct award) and competitive tendering (both above and below the Public Contract Regulations (PCR2015) thresholds).

The Council has also successfully delivered other construction related projects by appointing an external consultancy team (through a lead consultant) guiding the Council through the process of procuring the construction team and overseeing the appointment of other professional services such as essential survey works and appointment of other project related roles such as Cost Consultant and Principle Designer etc.

Such appointments have provided continuity and consistency in delivery and has enabled us to ensure that the projects have progressed promptly and minimised any risk of construction costs escalating due to delay.

The Council will use a mixed approach to the procurement and contractor management from internal and external sources.

Are you intending to outsource or sub-contract any other work on this bid to third parties?

N/A

How will you engage with key suppliers to effectively manage their contracts so that they deliver your desired outcomes

Prior to (and throughout) any appointment, the Council will consider appropriate levels of due diligence for any suppliers / contractors appointed for the packages of works (and / or services to be provided).

Where such appointments are made through existing frameworks, the selection criteria and due diligence undertaken at the outset by the awarding authority will be reviewed to ensure the Council is satisfied that such appointments are considered both appropriate and robust for the works/services to be supplied to the Council.

This will also include ensuring that the terms & conditions applicable will seek to minimise such risks to the Council and ensuring any permitted KPIs are suitable for monitoring the performance of the supplier/ contractor through the life of the contract.

Any agreed milestones and KPIs (as set out in the framework) will be incorporated into the contract and subsequent review / contract meetings (to be escalated as appropriate).

Where such appointments are made directly by the Council, we will adopt our usual due diligence process incorporating (but not limited to);

- supplier / contractor self-declarations (in relation to corruption/fraud/environmental/social/ labour obligations etc.
- economic & financial standing review (including third party credit reviews etc.)
- technical & professional ability review (including appropriate experience / track record of delivery etc.)

Regular meetings with the Council's key delivery partners will seek to ensure that they are delivering the key aspects of the bid and issues can be highlighted and resolved appropriately.

Where necessary any identified risks to the project will be actively managed via a detailed risk register held by and updated by the Project Manager. These will be regularly reviewed by the Project Team and actions to alleviate risks manifesting will be actioned. Key risks that cannot be managed will be further assessed as part of the corporate risk register and severe risks will be reported to members via the risk management report.

Set out how you plan to deliver the bid

Key milestones:

The project programme is set out within Table D P1 Delivery Milestones, Costings & Planning Workbook and Delivery Plan (Appendix 21). This programme sets out the key stages of procurement through to delivery together with the governance meetings and papers to be submitted for approval. In September a dedicated Bench Street Project Manager will be appointed to manage the programme and prepare further detailed programmes on MS Project to report against to Cabinet, the Bench Street Project Advisory Board (PAB), Dover Town Regeneration Advisory Board (PAG) and Scrutiny.

Key dependencies and interfaces:

The project programme has been prepared in MS Project and is attached to the Delivery Plan (Appendix 21). This master programme sets out the key dependencies and interfaces, resource requirements, task durations and contingencies. Section 2.0 of the Delivery Plan sets out the gateways and milestones. Similar to other capital regeneration projects these are:

- Design States per RIBA
- Appointment of design team and partner operators
- Construction
- Fit Out

- Operations monitoring and evaluation of benefits delivered
- Cycle hub

The Risk Register (Appendix 13) is also included. This register details all project contingencies, cause, mitigation and weighted impact. The Project Manager will be responsible for maintaining and up-dating the risk register. This will be a reporting item to the PAB who will meet on a monthly basis. The rag rating is used to highlight any risks that move in particular and new red rating risks so that the Board can advise on mitigation steps. The Board will also have oversight and input upon cabinet related Bench Street papers, with Cabinet Paper responsibility, approvals and sign-off remaining with CMT (Senior Management Team). Papers will be prepared and circulated by the Project Manager for Cabinet.

Description of roles and responsibilities of those involved in the project:

Within the delivery plan section B1 notes the project team, this includes DDC Staffing and external bid and proposed (to be appointed) consultant team. B2 note roles and responsibilities, and governance.

Understanding of the skills, capability or capacity needed:

Site specialist surveys commence for ecology in July/August 2022. Other professional services will be procured in Autumn 2022, these include but are not limited to, structural engineer, civils, archaeology. The programme within the delivery plan show the list of specialist surveys and consultants needed to deliver the scheme. Items are identified in the Risk Register (Appendix 20).

Arrangements for managing any delivery partners and the plan for benefits realisation:



Engagement of developers/occupiers:

Occupier engagement is noted in the above paragraph. With regard to the residential development of the west-side buildings it is intended to enter into discussions with developer partners post the LUF bid. The LUF east-side project will leverage in c.£24m of gross development value on the west side. Expressions of interest are attached as appendix 23. At this stage we envisage that the council will enter into a development partnership arrangement with the developer whereby the council contributes the land. With regard to east-side the council intends to enter into a build contract with a contractor at RIBA Stage 2 and with planning. The design team will be novated to the contractor once appointed.

Strategy and communication approach for managing stakeholders and considering their interests and influences:

For the strategy and communications approach please refer to the Delivery Plan's Section B2 for roles and responsibilities and C1 for communication outputs and Appendix A for the programme.

Confirmation of any powers or consents needed, and statutory approvals:



Powers/consents etc needed/obtained, details of date acquired, challenge period and date of expiry of powers and conditions attached to them.

[REDACTED]

Approach to monitoring progress of the project including budget management:

Please refer to Section 6.3.5. The Project Manager and the Project's Finance Officer/Accountant will present to the Project Advisory Board (PAB) the detailed programme budget, actuals for the quarter together with a variance commentary to ensure the project is on time and on budget.

Stated benefits should be well defined and measurable as part of the monitoring and evaluation process:

Evaluators will be commissioned by the Council to undertake a two-phase evaluation. An initial process and baseline evaluation will be commissioned in 2023/4 at the midpoint of the development phase and before operations. A further evaluation report will be expected in 2027/28 after two full years of operation of the facilities.

With c.£18m levelling up fund investment, this c.£20.5m project (match funding from DDC) it will generate c.£90.5 m of economic benefit. The BCR is assessed as 3.8 which is categorized as high value for money.

Over 60 years the scheme will deliver:

52 net additional FTE jobs (valued at £51.7m)

133 net additional qualifications per annum (valued at £32.9m)

7.5% land value uplift across a 12ha area (valued at £1.1m)

£3.7m of active travel benefit

£1.1m final asset value

●At the completion of the construction phase outputs will be confirmed to include:

- New education floorspace created
- New enterprise (office) floorspace created
- New public realm created
- New cycling infrastructure installed
- Phase 2 (West) development site cleared

Demonstrate that some bid activity can be delivered in 2022-23

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Risk Management: Set out your detailed risk assessment

A detailed Risk Register for the project has been prepared as at end June 2022 and is attached as Appendix 13.

This register has identified some 145 risks which are summarised in groups as follows:

- Design development risks
- Construction risks
- Employer change risks
- Employer other risks
- Timescale risks
- Financial risks
- Management risks
- Third party risks
- Other risks
- Operational risks

Against each risk is the cause, impact, probability, and risk score using a RAG system. Against this there is then a risk response and mitigation action plan together with a weighted risk score. The total weighted risk score is also reconciled to the contingency provisions included in the Order of Cost prepared by Faithful and Gould, Appendix 16.

The weighted value of the capital cost risks, being design, construction and employer is c £3.4m.

[REDACTED]

[Redacted]

Other operational risks are to be borne by the operators and are out with the project as set out in the Heads of Terms attached as Appendices 17 & 18.

These risks have been factored into the optimum bias assessment set out in the Costings & Planning Workbook.

The material red risks identified in the Risk Register are as follows:

- Impact on cost of labour and materials
- Impact as a result of planning conditions
- Impact on internal DDC resources allocated to the project
- Impact on the project resulting from archaeological and other site surveys as this is a derelict brownfield site
- Adequacy of existing services
- Additional infrastructure
- Scheme changes prior to design freeze.

The owner of these red risks is currently with DDC with some transferring to the contractor in due course. The detailed mitigation steps for these risks and all other risks are set out in the Risk Register, Appendix 13. That said the Risk Register is a dynamic document which will be reviewed by the project team on a regular basis with regular reporting to the Project Board and Council Cabinet flagging any potential overruns and their mitigation recommendations. A experienced project manager will be appointed in [Redacted] dedicated for the Bench Street regeneration project.

Provide details of your core project team and provide evidence of their track record and experience of delivering schemes of this nature

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted text block]

[Redacted text block]

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[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

Set out what governance procedures will be put in place to manage the grant and project

The grant and project will be managed, governed and communicated in line with our normal Council major project delivery – managed by the Major Projects Team, a section of the Investment, Growth & Tourism Department.

[REDACTED]

[REDACTED]

[REDACTED]

Regular reports (including progress updates) in support of robust governance, procedures, oversight, assurance and management of the grant and project will be delivered, as standard and required, to Leadership Forum, CMT (Senior Management), Cabinet (Committee, Assurance, and Recommendation Approvals) and Scrutiny. This ensures progress, review and involvement in all decision making. Leadership Forum (non-decision making) and CMT meet weekly, with Cabinet and Scrutiny meeting monthly.

A Bench Street Project Advisory Board (PAB) will also be established in September 2022. This advisory board will consist of council officers, operating partner representatives (as selected and following procurement) and in due course the westside developer partner (as selected and following procurement). The project manager will report into the PAB as will other lead consultants and advisors. The PAB will then formally report and make recommendations to the Council's Cabinet for approval. The PAB will meet monthly to provide appropriate expertise, oversight advice and control to the delivery of the Bench Street regeneration. Terms of Reference (ToR) for this PAB are still to be written and formally agreed, but are expected to be similar to the ToRs adopted by the Council for the Dover Town Regeneration Advisory Board (Appendix 24).

Additional oversight, review, involvement and control will also be provided through the Council's dedicated Dover Town Regeneration Advisory Board (a cross-party PAG, including the Mayor of Dover) as required. As part of this PAG, Bench Street will have a dedicated standing item to ensure no loss of focus and no loss of the wider Dover Town view.

The important elements of audit, procurement, counter fraud, corruption, anti-bribery, conflicts of interest, cyber security, data management, code of conduct and ethical and professional behaviour will be, as standard and required, covered by current internal Dover District Council process, policy, legal, governance and channels of oversight.

DDC fully supports the code of conduct for recipients of Government general grants. All officers and board members will be made aware of the code and the behaviours expected together with the requirements to drive improved performance, transparency and openness.

If applicable, explain how you will cover the operational costs for the day-to-day management of the new asset / facility once it is complete to ensure project benefits are realised

There are four elements of the project:

- Creative Campus
- Business Centre
- Phase 2 Dover Cycle Scheme
- Public realm enhancements

Each of these will be managed in slightly different ways as summarised below.

Creative Campus

This will be potentially operated by EKC Group as a second campus alongside the existing Dover Technical College. Heads of Terms (Appendices 17 & 18) for a lease between EKC Group and Dover District Council (DDC) are included as an appendix to this submission. EKC Group will take on operational responsibility for all skills delivery activities, staffing and utilities. This will be funded through revenues secured as a result of training delivery. DDC will retain responsibility for ongoing buildings maintenance, repair and insurance. This will be funded through a rental/service charge agreement with EKC Group.

Business Centre

The Business Centre will be potentially operated by East Kent Spatial Development Company (EKSDC), a sub-regional organisation established to operate a number of similar managed workspaces. EKSDC will take on operational responsibility for the management of the centre, including utilities costs, funded through revenues earned from occupiers. DDC will retain responsibility for ongoing buildings maintenance, repair and insurance. This will be funded through rental/service charge agreement with EKSDC.

Phase 2 Dover Cycle Scheme

The cycle scheme will be operated by Dover Town Council/Destination Dover. Phase 2 is extending an existing scheme with management arrangements in place, including an ongoing service and maintenance arrangement with Click2Cycle, that also operates the Folkestone cycle hire scheme. Ongoing maintenance costs will be covered by hire revenues. Any surplus (forecast to be modest) will be reinvested into the further expansion and enhancement of the scheme.

Public Realm

Public realm enhancements around the Bench Street area will be maintained by DDC as part of their wider remit to maintain public spaces across the district. This will be delivered through the core maintenance budget of DDC.

Included in the Costings and Planning Workbook is an operating cost and revenue workings tab that sets out the rental income assumptions and calculations together with the maintenance and other costs to be borne by DDC. Overall, there is broad economic balance to DDC. The Heads of Terms with the potential partners transfer all other operating costs and benefits to them and have been excluded from the bid.

**Upload further information
(optional)**



Set out proportionate plans for monitoring and evaluation

Our monitoring and evaluation plan is based on the Theory of Change developed for Dover Beacon and the guidance set out at Annex E of the Technical Note. Further details on monitoring indicators are also set out at Table E Bid Monitoring and Eval, Costings and Planning Workbook.

This monitoring and evaluation plan has been developed to be proportionate to the scale and complexity of the project, to enable local level learning, and to support and integrate with programme level evaluation undertaken by DLUHC.

Overall responsibility for monitoring and evaluation will reside with Dover District Council (DDC) throughout the project life.

Monitoring

Outputs

Output monitoring data will be collected through readily available standard construction project monitoring and management arrangements.

DDC will appoint a project manager with responsibility for submitting quarterly monitoring reports to cover project progress, expenditure, programme, variance, changes and stakeholder engagement.

At the completion of the construction phase outputs will be confirmed to include:

- New education floorspace created
- New enterprise (office) floorspace created
- New public realm created
- New cycling infrastructure installed
- Phase 2 development site cleared

These indicators are aligned to the standard output measures to aid integration with programme level integration. The exception is new cycling infrastructure installed. The active travel element of the project delivers a cycle hire scheme rather than new or improved cycle ways. An alternative output indicator is therefore required.

Outcomes

Outcome indicators will be maintained by a range of project partners including EKC Group (operating the Creative Campus), EKSDC (operating the Business Centre) and Dover Town Council (operating the Dover Click to Cycle scheme).

The DDC appointed project manager will be responsible for the ongoing six monthly reporting of output and outcomes data, collating information from partners.

Outcome measures will include:

- Number of students enrolling/completing FE courses (by level)
- Employment created (EKC)
- Employment created (EKSDC)
- Employment accommodated/occupancy (EKSDC Business Centre)
- Change in perceptions of place (civic pride)
- Take up of cycle scheme (trips per bike per day)
- Wider land value uplift

These are not all standard outcome indicators, however, they appropriately reflect the Theory of Change and the nature of the outcomes delivered by the project as set out within the Economic Case. Whilst non standard indicators these are widely understood indicators and have the potential to integrate into programme level evaluation.

EKC maintain detailed records of learner enrolments and achievement, as well as staffing within its management information systems (MIS) and will be able to provide monitoring records as required relating to the Creative Campus and additional capacity enabled at Dover Technical College. EKSDC maintain operational and occupier data as part of its MIS and will be able to provide monitoring records as required on the Business Centre. The Dover Click to Cycle scheme collects detailed monitoring data on utilisation and trip length etc which can be provided by Dover Town Council as required.

Data on civic pride (change in perceptions of place) and wider land value uplift is not recorded as standard. This will require bespoke primary research. Techniques for assessing civic pride are a developing field. A baseline survey will be completed in 2023/24 before development commences, with follow up surveys in 2025/26 and 2027/8. These three yearly intervals will help track the immediate and medium-term effects of the Dover Beacon project on civic pride. A local commercial agent will be commissioned to provide evidence of wider land value uplift across the identified zone of impact, and any wider effects at the same timing points.

Evaluation

Independent evaluation will be undertaken with a focus on qualitative matters

relating to the key evaluation questions set out below, and to explore issues of attribution and additionality.

Key evaluation questions

The effectiveness of translating inputs to outputs:

- Robustness of project plan
- Success in delivery to time
- Success in delivery to budget
- Reasons for variance
- Effectiveness of working with partners
- Lessons for future projects

The effectiveness of translating outputs to outcomes:

- Were facilities (education, enterprise space, active travel) taken up as envisaged
- Have they delivered the levels of outcomes set out in the economic case (qualifications by level, jobs accommodated, cycle trips per bike)
- Reasons for variance
- Evidence of indirect outcomes (civic pride, wider land value uplift)
- Evidence of unintended consequences/wider effects

Evaluators will be commissioned by Dover District Council to undertake a two phase evaluation. An initial process and baseline evaluation will be commissioned in 2023/4 at the midpoint of the development phase and before operations. A further evaluation report will be expected in 2027/28 after two full years of operation of the facilities.

The evaluations will take an independent view of monitoring data, and focus resource on engagement with key stakeholders to understand the underlying issues. This will draw on the Theory of Change approach and test the key assumptions underpinning the translation of inputs to outputs and outputs to outcomes and the impact of contextual factors and external influences on output and outcome achievement.

Local evaluation is not anticipated to grapple with overall impact of macro level indicators, as this will be delivered through programme level evaluation. However, locally specific impact indicators such as further private sector investment (delivery of Phase 2) and the retention of young people in Dover will be subject to investigation.

Independent evaluation will be expected to draw lessons and make recommendations for improved performance and project delivery in the future. Results will be disseminated with project partners and published on the Dover District Council website.

A budget has been set aside to cover external monitoring and evaluation costs to include:

- 3x Civic Pride surveys
- 1x Wider LVU report
- 2x Evaluation reports

Senior Responsible Owner Declaration

Upload pro forma 7 - Senior Responsible Owner Declaration

Chief Finance Officer Declaration

Upload pro forma 8 - Chief Finance Officer Declaration

Publishing

URL of website where this bid will be published

<https://www.dover.gov.uk/Planning/Regeneration/Levelling-Up-Fund/Levelling-Up-Fund.aspx>

Additional attachments

Additional file attachment 1

Upload attachment



Additional file attachment 2

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Additional file attachment 3

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Additional file attachment 4

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Additional file attachment 5

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Additional file attachment 6

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Additional file attachment 7

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Additional file attachment 9

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Additional file attachment 10

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