Levelling up Fund Round 2 bid - Dover Access Improvements

Contents

Section 1: Introduction questions

What is the legal name of the lead applicant organisation?

Kent County Council

Where is your bid being delivered?

England

Select your local authority

Kent County Council

Enter the name of your bid

Dover Access Improvements

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

No

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Full name

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Position

leader of the Council

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Enter the name of any consultancy companies involved in the preparation of the bid

WSP supported the preparation of the bid.

Additional information was provided by:

Jacobs
Moreton Hayward
Gleeds
Base Quantum
Royal Haskoning DHV
Oxera

Enter the total grant requested from the Levelling Up Fund

£45000000.00

Investment themes

Regeneration and town centre	0%
Cultural	0%
Transport	100%

Section 2: Eligibility and gateway criteria

Which bid allowance are you using?

Transport allowance

Is your bid at least 90% investment in the transport theme with the remaining percentage invested in transport related activity?

Yes

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

LUF Round 2 Pro formas V6.1 Proforma 1_DHB.docx

Are you submitting a joint bid?

No – not with other LA

Are you submitting a large transport bid?

Yes

Grant value declaration

I confirm that the bid does not exceed £50 million grant value

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Tick to confirm

I confirm that at least 90% of the investment is in the transport theme and that the remaining investment is related to the transport project

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

Dover_LUF_Single_Project_Costings_and_Planning_Wkbook_Master v1.xlsx

Section 3: Bid Summary

Provide bid name

Dover Access Improvements

Provide a short description of your bid

The project is focused on improving the flow of traffic from the UK to the EU. It will include a change in sequence of border controls, a change in sequence of outbound controls, an increase in pre-check in plaza capacity, an extension of the current buffer zone, increase in the number of border control points and a new dock exit route.

The intention is to enable the UK to meet in full its obligations under the Treaty of Le Touquet 2003, improve the efficiency of the port and also reduce congestion on the strategic and local road network.

Provide a more detailed overview of your bid proposal

The improvements will provide new infrastructure, as an enhancement to the existing Port Access Infrastructure, that is required to support new customs controls on goods moving between the UK and the EU and new passport controls on the drivers of the HGVs carrying those goods and tourist passengers. Delivery of the project does not provide any new business opportunities for the Port, but is designed to maximise the flow of existing traffic through the Port and remove potential bottlenecks created by new and imminent EU border controls in a compliant and sustainable manner.

The key features of the project are described in more detail below. The project will provide:

1) A change in the sequence of border controls (so that the UK outbound controls will precede the French inbound controls), enabling the UK to meet in full its obligations under the Treaty of Le Touquet 2003 and to move beyond the exceptional arrangement that has been in place since then but which will cease to be sustainable after the end of the transition period.

2) A change in the sequence of outbound controls (so that HGVs will check-in with their ferry operator before proceeding to the UK and French border controls), which will enable vehicles that are not border-ready to be removed from the flow, thus easing the pressure on the border control checkpoints.

3) Increase in pre-check in plaza capacity, that will increase the area of the Port's Buffer Zone by 1.4km of equivalent traffic volume. This has the potential to take queueing traffic off the road and reduce the number of Traffic Access Protocol (TAP) and Brock instances on the A20 and M20 outside of Dover.

4) A doubling in the number of border control points (5 to 10), to absorb the increase in the time taken to examine the passports of HGV and tourist drivers and thus enable the rate of traffic flow to be maintained.

5) A new dock exit route, for the removal from the Port of HGVs which either are not border-ready or which are rejected at the border control checkpoint.

The project is focused on the flow of HGVs and tourist cars from the UK to France. The route across the Short Straits operates as a “closed-loop”, with a single fleet of HGVs in constant circulation between the UK and the Continent, so that the outbound and inbound flow are always in balance and the rate of one determines the rate of the other.

The project will also provide a degree of future-proofing against the introduction of biometric passport control processes in 2023 (European Entry Exit System, “EES”). The practical impact of these processes will be to further prolong the transaction time for passport examinations. The increase in the number of passport control checkpoints will better enable the extra time per-transaction to be absorbed. Whilst the infrastructure specification for the new EES processes has yet to be identified, the new booth configuration and placement will create new opportunities for any future adaptation required.

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

Dover is a coastal town in Kent, South East England. Dover District Council (the local authority) is identified as a Priority 1 area under the LUF Round 2 priority index. This indicates the Government has identified Dover’s need for economic recovery and growth, improved transport connectivity and regeneration is greater than of most of the rest of the country. Investment in Dover will help deliver the government’s policy of Levelling Up.

Dover is the UK’s closest point to its leading trade partner, the EU, and therefore is the location of one of the world’s busiest ferry ports, the Port of Dover (“PoD”). PoD facilitates £144bn of freight annually, equivalent to 33% of all UK trade with the EU so is critical to the health of UK PLC. PoD is not only a vital trade facilitator for UK PLC, but also carries 2.5m+ tourist cars 75k+ coaches and 12m+ tourists on their vacations per annum, equivalent to Birmingham International Airport in terms of passenger numbers.

In an area already identified as Priority Area 1, PoD employs a large proportion of the local community and supports 22,000 local jobs (Oxera report) and many more nationally through the trade it facilitates.

PoD is served by two main routes: the A20 and A2 which connect to the M20 and the M2 respectively, providing a route that carries traffic to and from Dover, to London and the UK’s manufacturing heartlands.

The efficiency of PoD as a hub is therefore critical for both the aforementioned strategic road network, but also the local road network and also future major infrastructure projects such as the Lower Thames Crossing (“LTC”); 70% of traffic through the Dartford Crossing originates from PoD.

The importance of the Dover Access Improvements project is not only about trade and transport, but also cultural benefits, with 2 of English Heritage’s top 10 attractions also within close proximity: Dover Castle and Walmer Castle. Kent’s Heritage Coast was the only UK destination to feature in Lonely Planet's Best In Travel 2022, but due to congestion, has not been able to leverage this prestigious accolade.

Optional Map Upload

Does your bid include any transport projects?

Yes

Provide a short description of the transport project

The new infrastructure will be constructed on a site within the Eastern Docks of the Port of Dover, on land owned and operated by Dover Harbour Board. The land is adjacent to the route taken by outbound vehicles on their way from the existing frontier controls to the plaza where they check-in for their ferries to France. The graphics included in appendices show exactly where the investment will take place.

As part of early facilitation works, the small cargo and container terminal that previously occupied the site was closed at the end of 2019 (when the Port's cargo operations were relocated to the Western Docks) and subsequently demolished, and the site is therefore now available for re-development.

The above facilitation work is critical to the successful delivery of the project in order to safeguard UK trade: through demolition of the former Cargo facility, it will allow the vast majority of construction to be performed "offline", without impacting on Port operations and therefore the UK supply chain.

Under the pre-lodgement control model in the Border Operating Model, the key elements of control infrastructure that need to be provided in-port are those that ensure that goods have indeed been properly pre-lodged prior to shipment and that support the examination of drivers' passports. The project site is next to where those activities are performed now, and its redevelopment will enable the terminal to be re-modelled in such a way that the new controls can be inserted into the existing route taken by HGVs from the Port entrance to the ships.

Provide location information

Location 1

Enter location postcode

CT16 1JA

Enter location grid reference

TR 33428 41955

Percentage of bid invested at the location

100%

Optional GIS file upload for the location

Select the constituencies covered in the bid

Constituency name

Dover

Estimate the percentage of the bid invested in this constituency

100%

Select the local authorities covered in the bid

Local authority name

Kent County Council

Estimate the percentage of the bid invested in this local authority

100%

Sub-categories that are relevant to your investment

Select one or more transport sub-categories that are relevant to your investment

Strategic Road
Maritime

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

N/A

Provide VAT number if applicable to your organisation

GB 204 2691 91

Section 4: Equalities

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

KCC and DHB are very keen to promote excellent community relations through the development of this project. It should be noted that the DHB Board comprises a Chairman and six other Non-Executive Directors, and two Executive members. The Chairman and two of the Non-Executive Directors are appointed by the Secretary of State for Transport. The remaining four are Dover Harbour Board appointees. Significantly, two of these four are Non-Executive Directors from the Community, appointed for their local knowledge ensuring that community relations are always at the heart of decision making.

Due to the Trust Port status of DHB, there is no Annual General Meeting, but in its place is an Annual Consultative Meeting. This is an open, public opportunity to review the past year and hear how the DHB's focus on sustainability is driving them forward to ensure they continue to add value as a key gateway, employer, business and community partner.

The independently chaired Port and Community Forum (PCF) is the way in which the Port, together with its community, collectively commits to its priorities for action in support of local regeneration and works to achieve something which is both tangible and transformational. In addition to community organisations, two local independent representative members of the public are appointed following public advertisement to purely represent the community's interests. This is a key element of the PCF.

The Port Users Group (PUG), also independently chaired, provides a valuable platform for port users to debate issues of mutual interest and to engage with the Port on what really matters to them as customers.
Beyond the immediate community, PoD recognises that its role and influence extends beyond the Port of Dover itself in terms of working with others to pursue common issues and joint initiatives.

The Port is a member of (among others):

- White Cliffs Country Tourism Alliance
- Visit Kent
- Kent Economic Board Business Advisory Board
- Dover Business Forum
- Royal British Legion (Dover)
- South East Local Enterprise Partnership Strategic Transport Infrastructure Group
- British Ports Association (including its Access to Ports and Ferry Port working groups)
- European Sea Ports Organisation
- UK Trade and Investment Ports Advisory Group
- Cruise Britain

• Cruise Lines International Association (CLIA) UK & Ireland
• PIANC (the World Association for Waterborne Transport Infrastructure)

A unique feature of the Port of Dover is that Dover Harbour Board owns, operates and funds it's own Police force. This lends itself to a unique opportunity whereby through its dedicated community policing and crime prevention remit, the Port of Dover Police Neighbourhood Policing Unit (NPU) works with and for the community on a variety of initiatives to reduce crime, disorder and anti-social behaviour.

To reduce disparities amongst different groups, an initial Equalities Impact Assessment to screen the proposal both in its outcome and delivery (construction) has also been undertaken. The assessment concludes that the impacts should result in no major changes to those groups with protected characteristics due to the scheme having a low risk. The project will also look to improve outcomes for port users who are elderly, have a disability or limiting health condition, are a carer, or are travelling with young children.

KCC has an Equalities Impact Assessment process in place which will continue to apply as the scheme is developed. It is recommended that focus groups be held with disability groups, pedestrians and cyclists that may be impacted by the scheme to ensure that all users benefit from the proposal.

Further recommendations include:

• Ensure input from the EqIA is aligned to the construction design documents and construction environmental management plan to reduce impacts to protected groups during the construction phase.

Section 5: Subsidy control and state aid analysis

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?

Yes

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

Yes

Provide further information supporting your answer

As noted in further detail in the legal advice from DWF LLP, which is supported by Burges Salmon LLP, there is a strong case to say that DHB is not an enterprise because, for the purposes of the support measure, it is not pursuing economic activities. The funding will be spent on free and open access general public infrastructure works, namely facilitating the traffic flows around the customs points in order to alleviate the logjams that are caused in and around Dover now and particularly at peak times, and to enable the improved performance of essential functions of State in terms of security, passport and customs clearances in the new post-Brexit landscape.

However, in the interests of rigour, the analysis below will proceed on the basis that the answer to this question is also Yes.

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?

Yes

Provide further information supporting your answer

The support measure will be awarded specifically to DHB to enhance the infrastructure provision within the Port of Dover.

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

Yes

Provide further information supporting your answer

The market is already clearly defined, due to the geographic advantage of the Short Straits (enjoyed by both PoD and Eurotunnel) there has always been limited scope for new port entrants and the tourist and freight markets invariably chooses the Short Straits despite the congestion issues, therefore the direct effects of the support are:

(i) to reduce congestion overspill into the wider road network;

(ii) ensure that the Government can maintain the juxtaposed controls brought about through the Treaty of Le Touquet despite the changing regulatory landscape (these matters do not impact directly the economic drivers of the market);

(iii) improve system efficiency, whilst maintaining the attractiveness of Dover and East Kent for trade and investment.

While there is a strong argument that there is no potential distortion of competition on basis the support measure will deliver infrastructure requirement to fulfil ordinary roles of State (and merely trying to put the traffic and clearances situation back to what it was pre Brexit), in the interests of rigour, the analysis below will proceed on the basis that the answer to this question is also Yes.

Public policy objective principle

Demonstrate below how your bid meets this principle

Following the UK's withdrawal from the EU at the end of 2020, the UK's policy objective under the UK-EU Trade and Co-operation Agreement was to secure a predictable commercial environment that fosters trade and investment between the Parties. However, the anticipated but uncatered for regulatory changes, which effectively mean that the French border controls are now more stringent and lengthier to undertake, undermined this objective. The additional controls made for slower processing time, which are exacerbated by the sub-optimal layout of the exit controls, often creating situations where traffic wishing to travel through the Port ends up overspilling onto the strategic road network adversely impacting the local area by creating periods of significant congestion. So, trade has been affected by delays which have been detrimental to both the UK and EU supply chains and the businesses that are reliant upon them. Concurrently, social difficulties have also arisen in the county of Kent owing to this increase in incidence.

The UK Government's published Freight Strategy, The Future of Freight (2022), establishes the objectives of ensuring the freight sector is reliable and resilient. In lines with these objectives, the Project aims to deliver these public policy objectives for the Port of Dover which caters for £144bn of trade with the EU per annum by correcting the sequencing of the outbound controls and the processing, holding and general management of vehicles around the Port.

The market failure being addressed by this subsidy was created as a result of the regulatory landscape necessarily changing post-Brexit and the objective is to alleviate the congestion created by the slow processing of traffic through the Port. By reducing the congestion, access to and through Dover (and beyond) is enhanced, which is for the greater good of the local general public through the unlocking of access to local businesses and regional heritage assets, as well as benefitting the broader economy.

Proportionate and limited principle

Demonstrate below how your bid meets this principle

The Dover Access Improvement scheme is proportionate as it is limited to making the necessary required corrections to sequencing of outbound controls and management of vehicles through the Port. The subsidies do not affect or advantage other aspects of the Port's operation (e.g. international cruise terminal services) that are not related to the cross-channel Roll on Roll off ("RoRo") freight that is critical to UK-EU trade.

In addition, the works are being undertaken within the Port footprint as that is the only way to unlock the congestion on the wider road network. Without Brexit, these changes would not have been necessary, so if the Government wishes to retain juxtaposed controls post-Brexit then adjustments to the layout are critical to avoid congesting Dover and the wider areas.

The Project is not revenue-generating for the Port and, given primary demands on funding to fulfil DHB's statutory duty, a project which neither advances that duty nor provides commercial return simply would not progress on its own merits.

On this basis, there is a 100% viability gap.

Despite the outlined 100% viability gap, DHB is contributing £13.47m to the Project. There are numerous reasons for doing so:

1) In recognition of the importance of working with KCC (and wider stakeholders) on this issue to avoid the adverse reputational impact when there is congestion on the network.

2) The reinforcement of underlying infrastructure over which the Scheme will be constructed; the Camber Slab was constructed as a reclaimed jetty in the Eastern Docks in 1973-1975, and sits under operationally critical infrastructure within the Port (e.g. office buildings, drivers reception building, check in, security gates). This can be seen in appendix document PoD Camber Slab overview. Camber Slab reinforcements are part of the DHB Long Term Asset Plan in the coming 5-year period. DHB, in consultation with Atkins and Arup, is bringing the reinforcement of this brown field site, that is a non-value adding piece of critical infrastructure, into the Dover Access Improvement scheme for two main reasons. Firstly, given the location of the site, it is operationally critical for current and future operations. By advancing this work, it can be included within the wider programme to ensure reinforcement will have minimal operational impact on the Port and trade traffic. Secondly, including this piece of work, brings additional economy of scale to the procurement of the Dover Access Improvement works, driving increased value for money for the public purse. DHB is therefore willing to fund this element of the scheme to the tune of £10.075m, as illustrated in the costings and planning workbook.

Given the viability gap, DHB would not proceed with the Project without public support as it has no immediate economic reason to do so. However, the subsidy amount has been negotiated between KCC and DHB to represent the minimum required in order for DHB to make a positive investment decision in the circumstances

Change of economic behaviour principle

Demonstrate below how your bid meets this principle

As noted above, this Project is not revenue-generating for DHB so, absent the subsidy, it would not be progressed and the traffic would continue to regularly overflow onto the main network. It is therefore clear that the funding is incentivising DHB to change its behaviour by making the proposed investment.

It should be noted that DHB has a statutory duty to administer, maintain and improve the harbour area for the benefit of future generations, so a project which

does not advance DHB's fulfilment of its statutory duty would not be progressed on its own merits.

In addition, as a Trust Port covered by Section 31 of the Harbours Act 1964, interested parties have the right to object to the dues that DHB intend to charge, with the Secretary of State for Transport being responsible for determining the objection. Therefore, in setting the charges, DHB must demonstrate that intended dues are commercial and competitive, fair and equitable and in all respects reasonable. This consequently modifies DHB's behaviour as it prevents DHB from setting dues for the purpose of covering investment in the Port if the outcome is those dues no longer meet those requirements covered by the Act. The scale of investment required to implement the Project to ease the traffic flow through the Port to the primary benefit of the wider road network and management of vehicles, while removing some of the anomalies around the sequencing and order of goods checks and passport control checks, means that the economic benefit to DHB itself is insufficient to generate pay back or justify dues that would enable the cost of the investment to be funded by DHB. As a result, the subsidy is required to ensure that the Project can be implemented and the primary benefits to the local and strategic road network realised by addressing the bottleneck of the check points within the Port.

Compensation of costs otherwise funded by beneficiary principle

Demonstrate below how your bid meets this principle

As noted above, without the subsidy the Project would not be delivered. DHB has to date only incurred costs for preconstruction professional services, design, demolition and various enabling works/surveys, but for the reasons explained above DHB has not committed to delivering the Project, and absent the subsidy, the project will not progress due to higher priority investments required to fulfil DHB's statutory duty. It is therefore clear the proposed investment (which will cover capital costs only and not revenue for maintenance and operating costs) is not funding something that would be happening anyway.

Appropriate policy instrument principle

Demonstrate below how your bid meets this principle

The public policy objective under the UK-EU Trade and Co-operation Agreement was to secure a predictable commercial environment that fosters trade and investment between the Parties. The Short Straits has long been established as the most convenient route for time sensitive goods between the UK and the EU, hence the market consistently opts to travel this route notwithstanding the regular delays.

Various alternative options have been considered and discounted:
• Encouraging the diversion of RoRo traffic to alternative Ports: this has been reasoned as inappropriate as the market continues to select the Port of Dover for making Channel crossings despite the economic costs of doing so. This reflects the very short journey time for Dover to Calais RoRo crossings and that some of the RoRo market is unable to select the Eurotunnel option due to restrictions on the type of RoRo cargo that can be carried on the link. Resolving issues at the Port of Dover by forcing use of substitute Ports would impose high economic (infrastructure build, building of additional vessels) and environmental (increased carbon footprint due to longer sailings) costs, resulting in a more distortive outcome.
In 2018, Oxera conducted an analysis for Port of Dover to determine the amount of 'contestable' traffic that could be diverted from Dover to other UK ports, and the required investment in new vessels to achieve this. Their analysis indicates a required incremental investment level of £2.1 -2.7 billion is required for new vessels (that do not exist in the world today) to only handle up to 20% of Dover's traffic; this excludes any port investment required to handle the additional traffic
• Expanding the Port of Dover: the Port is located on a very small footprint and is constrained by the cliffs on one side and the sea on the other. Any expansion proposals would be cost-prohibitive and DHB would be unable to fund such an investment for the same reasons that it is unable to fund the Project without the

subsidy.
• Constructing a new port in an alternative location: this would not be viable given the lack of supporting strategic road network, the significant disruption to supply chains and supporting infrastructure, and any new location not having the geographical advantage that Dover has vis-à-vis Calais. Furthermore, addressing the Port of Dover's location is arguably more distortive to trade as it would have a large overall impact on the economic cost of undertaking that trade.

• Legislative alternatives: this would require a change to the checks on goods and people travelling outbound through the Port of Dover. However, this is not within the gift of the UK government as these checks are established and dictated by the EU. The EU applies these checks to maintain the integrity of the EU market and would be unlikely to renegotiate these elements as it would have a distortive outcome. This would also likely only impact transaction timings: the border controls are still in the incorrect order and would require changing.

To conclude, it is considered by KCC that the award of public funding, whether technically a subsidy or not, is the only realistic and effective way to secure the objectives.

Competition and investment principle

Demonstrate below how your bid meets this principle

The subsidy would generate a benefit to the wider region as a gateway for UK to EU trade. Currently the impact of the friction at the PoD border, as checks on goods and passport control checks on drivers are undertaken, leads to queuing and traffic onto the local and strategic road network. There are well rehearsed management protocols to address this traffic, such as the Dover Traffic Access Protocol (TAP) and, for larger scale traffic management, Operation Brock, however these measures are still highly disruptive to journeys within the local and strategic road network. These impacts arising from delays at PoD frustrate a wide range of road network movements, including causing delays for accessing the Eurotunnel Freight Shuttle terminal in nearby Folkestone. As a consequence, the subsidy to enable the Dover Access Improvements project is forecast to generate a reduction in friction at the border, leading to a lower incidence of traffic management and delays to both the Port and the Eurotunnel Freight terminal and consequently mitigating negative effects on competition and investment.

For the avoidance of doubt, the Port of Dover currently has 5 permanent PAF booths, increasing to 10 as a result of the Dover Access Improvement scheme. Eurotunnel currently has 14.
Therefore, the scheme will increase Short Straits system efficiency, rebalancing the fluidity across both customer options.

To conclude, it is considered by KCC that there will not be any negative effects on competition and the project is simply looking to restore the pre Brexit status quo and solve traffic issues, rather than providing competitive advantage to DHB.

Net positive effects principle

Demonstrate below how your bid meets this principle

The subsidy would generate a benefit to the wider region as a gateway for UK to EU trade. Currently the impact of the friction at the Dover Port border, as checks on goods and passport control checks on drivers are undertaken, leads to queuing and traffic onto the local and strategic road network. There are well rehearsed management protocols to address this traffic, such as the Dover Traffic Access Protocol (TAP) and, for larger scale traffic management, Operation Brock for example. These impacts arising from Dover Port on the local road network frustrate a wide range of road network movements, including causing delays for

accessing the Eurotunnel Freight Shuttle terminal in nearby Folkestone. As a consequence, the subsidy to enable the Dover Access Improvements project is forecast to generate a reduction in friction at the border, leading to a lower incidence of traffic management and delays to both the Port and the Eurotunnel Freight terminal. This scheme to impact the Port of Dover will therefore have a beneficial outcome for the Eurotunnel Freight Shuttle, which is the closest alternative to the Port of Dover for some forms of goods movement.

To conclude, KCC have weighed up the positives of achieving the objectives of the project which it considers to be much more important than the negligible (if any) negative effects on competition.

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

LUF Round 2 Pro formas V6.1 Proforma 5 S151 (Dover Access).docx

Section 6: Strategic Fit

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

N.Elphicke MP - new Proforma 6 signed.pdf

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

There has been a significant amount of stakeholder engagement on a project that has been several years in development.

On the “Demand” side, the Port has been actively involved with numerous stakeholders around the requirement for the Dover Access Improvement project.

Letters of Support have been received from Dover District Council, Kent Resilience Forum, Natalie Elphicke MP, National Highways, Kent Police, South East Local Enterprise Partnership, Kent & Medway Economic Partnership, Thames Estuary Growth Board and Visit Kent, highlighting the importance of the scheme across all 3 investment themes.

Beyond direct letters of support, engagement has led to the inclusion of the demand for the project being highlighted in multiple reports and articles:

1) “The introduction of the EU’s new Entry/Exit system later in 2022 threatens to cause further confusion, disruption, and delay at the UK’s border, particularly at the Port of Dover.” House of Commons Transport Committee (https://committees.parliament.uk/publications/22476/documents/166461/default/)

2) “The freight and logistics sector is ideally placed to support levelling up. It is already a major contributor to economic activity, productivity, and employment across the whole of the UK and this contribution is growing….Resilience is a theme that runs throughout the issues and priorities identified in this plan” DfT (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1085917/future-of-freight-plan.pdf)

3) Kent County Council, Local Transport Plan for Kent, 2011-2016 (https://www.kent.gov.uk/__data/assets/pdf_file/0008/5939/local-transport-plan.pdf)

Highlighting the Regeneration and town centre, plus the cultural themes: “the operational logistics of the Port have a significant impact on Kent’s £4 billion tourism industry and play an important role in supporting visitor welcome and the perception of the UK as a global gateway… recent transport challenges impacting Kent’s roads have had a serious impact on Kent’s visitor economy which many of our attractions reporting up to 50% loss in footfall…With over 80% of our visitor economy reliant on day visits – particularly from those resident within an hour’s drive - it is important that we do all we can to minimise the impact of congestion at the ports on the wider county” Deirdre Wells OBE, Chief Executive Visit Kent.

From an unintended Demand perspective, there has been heavy media interest highlighting the impact of the current status quo on local, regional and national transport networks, communities and business.

From a Supply (design) side, there have been multiple forums and engagement with relevant stakeholders to ensure the project maximises all objectives:

Letters of Support have been received from: DFDS, Irish Ferries, P&O.

During inception and development of the Dover Access Improvements project, the project team had significant stakeholder engagement throughout the design. Workshops were held to discuss the options for the project; the final option was a collective agreement with all main stakeholders that would be affected by the project.

Main design Stakeholders

Operators: P&O, DFDS, Irish Ferries – 29 meetings

Border Agencies: UK Borders (Border Force & Kent Police), Police Aux Frontières (PAF) – 22 meetings

Engagement and surveys will continue, like the recent KMEP survey results, which will be submitted to Central Government and focused on delays from Operation Brock and its impact on business.

Has your proposal faced any opposition?

As evidenced previously, the scheme has been welcomed by a wide range of stakeholders; everyone understands the importance and the value of the planned improvements. With the majority of the construction work taking place within the Port’s estate, the construction and design elements will have little impact on the wider public. As the site is a very busy operating terminal in use 24 hours a day, 7 days a week, planning the works around operational requirements will be critical and ultimately led to this design option due to the vast majority being able to be constructed “offline”, away from live operation.

No opposition has been received, but feedback on design elements has been incorporated in final plans, including:

1) Change request from Kent Police to have an office included within the building, a design change was made to allow for the additional office

2) Operator flexi check-in desks to be fixed to improve passenger flows through the check-in area

3) Agreement that the coach building should be a separate entity to the check in process to allow for maximum traffic flow

4) Office layout in the Drivers Reception Building

5) Border Agency feedback on kiosk design, weather protection and CCTV

It is intended that as part of a wider “Dover Access Improvements” package of works that will incorporate RIS3, approach roads and other projects, a large scale community and stakeholder engagement will be designed and implemented alongside the existing stakeholder plan which is included as an appendix to this bid.

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?

For the purposes of this bid and as identified in proforma 1, Dover Harbour Board is the statutory harbour authority for the Port of Dover and therefore has responsibility for the delivery of all aspects of the bid.

Who is the relevant responsible authority?

Dover Harbour Board

Support/consent of the relevant responsible authority

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

Yes

Pro forma upload (if required)

LUF Round 2 Pro formas V6.1 Proforma 1_DHB.docx

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

Dover is a Priority 1 area under the LUF Round 2 index. Several parts of the town are deprived with IMD scores in the bottom 10% for the UK in 2019. Education and employment deprivation is particular high in the communities close to the Port of Dover (PoD).

The Port employs many of the local community and supports 22,000 jobs in total. Annually, approximately 2.5 million HGVs enter and leave the UK through the

Port, which is more than through all other UK ports combined. At peak periods, this equates to up to 10,000 HGVs per day. With £144bn of trade being facilitated through PoD annually, it is a critical link in the supply chain on which the UK depends for its essential supplies and for the flow of exports that will pay for them.

Traffic Access Protocol (TAP) is a traffic management process implemented when outbound traffic volumes exceed port throughput capacity; TAP queues freight traffic on the inside lane of the A20 until capacity allows for traffic to be released. TAP requires significant resourcing, impacting UK plc productivity. It can result in the A20 Roundhill Tunnel closure, diversion for all vehicles via A259/A260 and it severely impacts local roads due to drivers attempting to avoid the process, creating severe congestion.

Once queues tail back to the A20 Roundhill Tunnel, this can trigger further traffic management under Operation Brock; freight heading to Dover use one side of the M20 while all other traffic is restricted to a contraflow system on the opposite side. The motorway remains closed to vehicles other than freight between junctions eight and nine. Both TAP and Brock utilise local police enforcement. This has a significant impact on Eurotunnel, the wider economy and local businesses and residents trying to access work, school and leisure.

From January to July 2022, there has been a total of 91 TAP and 63 Brock events, resulting in considerable negative economic impact. Forecasts provided by the PoD expect TAP events without investment and due to the changing regulatory environment, to reach 258 a year, with 221 of these developing into Brock events, in the near future.

Kent's tourism industry is home to Dover Castle and the iconic White Cliffs. In 2019, there was a £302m tourist industry in White Cliffs Country (Dover District) while in 2020 it was £112m. This reflects a 63% decrease in tourism value during the pandemic. There was also a decrease of 45% of trips and 44% of jobs (Economic Impact of Tourism Report, January 2022). More locally, the total value of tourism in Dover Town was £118m in 2019 which equates to approximately 2,500 tourist related jobs (Economic Impact of Tourism Report, November 2020). During recent congestion, attractions reported up to 50% loss in footfall due to congestion (Visit Kent).

The project is designed to maximise the flow of existing traffic through the Port and remove any potential bottlenecks created. This will reduce the severity of the congestion that leads to TAP and Brock events.

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

It is vital for UK trade resilience that Dover's operation retains adequate capacity, and this arterial trade route continues to flow. Many goods shipped via Dover are time sensitive, with just-in-time supply chains requiring the most efficient route to market. These include food, drink, pharmaceuticals, vehicle parts, electrical components and many others that the cross-Channel ports help reach the shops and assembly lines across the nation at the right time.

When the outbound flow of vehicles through the PoD is interrupted i.e. on account of storms in the Channel, strikes and blockades in France, or obstructive border control operations, the impact on the local area is evident almost immediately. "Queues at Dover" have become a trope for the overall challenges of Brexit, usually illustrated with photographs of long queues of HGVs that build up on the trunk road network through Kent.

Market failures include:

1) Negative externalities – examples that will, in part, be rectified through implementation of the scheme:

• Le Touquet Treaty (2003) - The signing and implementation of the Treaty in 2003 and 2004 respectively between British and French governments on the subject of border controls. The Treaty allows for reciprocal border controls of French and UK officials in each other's countries. The Treaty put responsibility of placing French border controls within PoD and therefore sacrifice operational land. At the time of the Treaty, Police Aux Frontières ("PAF") facilities were placed in the only place possible due to infrastructure constraints, which has led to a misalignment of processes. A current outbound customer enters France, before leaving the UK, before declaring their desire to travel, which is sub-optimal and undesirable and PAF are now insisting on reordering.

• Brexit - The 2016 vote and 2020 implementation of Brexit has had many impacts on the Port and its traffic. In addition to the above re-ordering, has been the increase in the percentage of vehicles that require to be checked and the number of documentary checks and transaction times, reducing port throughput.

• European Entry-Exit System (EES) - As a result of Brexit, the UK is a third-country. EES will be an automated IT system for registering travellers from third-countries; the system will register the person's name, type of travel document, biometric data, date and place of entry and exit. This additional transaction is the single greatest threat to security of supply chains and European Travel as it will add significant time to checks within the Port which requires capacity and infrastructure.

2) Information failure

• EES together with a targeted amendment of the Schengen Border Code, were adopted in November 2017 and entered into force in December 2017. There have been multiple target implementation dates, the latest being May 2023. Given the bid submission date, there are information asymmetries as to the exact requirements, timings and potential solutions to implementing this negative externality. The investment will create additional facilities and technology that, as a minimum, will create additional capacity to help support EES implementation.

3) (Quasi) Public Good

• This is non-rivalry: benefits will not reduce for others (customers, local residents, regional road users, Border Force and PAF) through usage.

• The benefits are non-excludable: the scheme's provision will have benefits to all stakeholders as the quantified benefits are to the wider road network which support the wider economy and are not exclusive.

• Due to the combination of the above and the complexity of stakeholders involved (Border Force, PAF, Operators, Port operatives), there is a Free Rider problem in that all have an incentive to desire and use any new facility without contributing to the cost.

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

The proposal consists of a change in sequence of border controls, a change in sequence of outbound controls, increase in pre-check in plaza capacity, an extension of current buffer zone, increase in the number of border control points and a new dock exit route. The new infrastructure will be constructed on a site within the Eastern Docks adjacent to the route taken by outbound vehicles on their way from the existing frontier controls to the plaza where they check-in for their ferries to France.

The reconfiguration should be capable of being implemented with both minimal impact on operations and loss of lanes /Buffer Zone required for foreseeable traffic peak volumes. The majority of work will be conducted offline, with the demolition of the Cargo terminal providing enough space for the works to take place. This is because it is critical that this project promotes a positive customer experience and seeks to reduce ongoing maintenance requirements.

The proposal has undergone several revisions based on a stakeholder engagement process with both agencies and Ferry Operators. Notably, Ferry Operators had previous concerns about designs that did not work for them both operationally and commercially. The Option Assessment Report (OAR) uploaded in this section 'Reordering of Outbound Controls Feasibility Stage Summary' provides a summary of the feasibility stages of the designs and includes a SWOT analysis (identifying the strengths, weaknesses, opportunities and threats). The initial Feasibility Assessment (Feb to March 2020) identified 7 scheme options. The second Feasibility Assessment (April to May 2020) considered 6 options and the third Feasibility Assessment considered one option.

The options ranged from short term 'do-minimum' to long term strategic change of layout. The 'do-minimum' option is based on retaining existing 20-year-old Check-in, existing border control points to remain for coaches, building new border control kiosks for freight and tourist cars on existing assembly parks. The long-term strategic options are based on a new port layout, new facilities, utilisation of the former 'Cargo' area and minimum loss of assembly space. Traffic modelling was also undertaken for three of the options.

The latest design is at RIBA Stage 4. Each of the design options presented for consideration responded to the Objectives and Constraints in differing ways. Despite being a more costly and time-consuming intervention, Option 10 ultimately provides the best operational solution with a longevity that suits the long term border requirements and masterplan of the Port whilst also satisfying the operational expectations of key stakeholders. It also maintains resilience during construction.

Those key stakeholder concerns between the second and third Feasibility Assessment were;

1. Vehicle search building exit to accommodate a second traffic Lane.
2. Access to the dock exit road should be made without significant traffic crossover.
3. A new drivers reception building is needed between the border controls and the Check-in facility.
4. The coach check-in area did not offer flexibility for the ferry operators.
5. Wind / weather protection needed to be considered where kiosks and search areas are positioned.
6. More Check-in kiosks / lanes for a 3rd Ferry Operator.

The preferred Option 10 design includes:

1. Improved traffic flow by segregating tourist and freight vehicles, with the ability to flex lanes depending on which segment is creating congestion.
2. Provides the greatest amount of 'pre check-in' space to enable more vehicles to be drawn into the port off the road network.
3. Simplified routing through the port to speed up overall processing times.
4. Provides a dedicated 'dock exit' route to ensure non-compliant vehicles do not congest compliant vehicles.
5. Provides an offline coach facility to improve overall processing times, whilst enabling more capacity for other vehicle types to reduce congestion.
6. A new drivers reception building for customers with ticket issues located immediately after check-in to enable the rest of the traffic to continue to flow.
7. A simpler build, with more work conducted 'offline' to reduce congestion risk during the construction phase.
8. Improved adaptability for future regulatory requirements, such as EES.

Upload Option Assessment report (optional)

Dover Feasibility & Options Assessment Report.pdf

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

We have developed a Theory of Change diagram to support the bid, and this is uploaded in this section and summarised here.

Inputs – the inputs to the project include the design and planning work carried out by the Port of Dover and the collaboration with Kent County Council. The project is also driven by the evolving political and regulatory environment such as the Le Touquet Treaty, Brexit and EES. Funding will come from the Levelling Up Fund and Dover Harbour Board.

Activities – given the scale of the public investment, a fuller Outline Business Case is assumed to be required. Further stakeholder engagement and contractor procurement is required, and this will influence the final detailed designs for the scheme.

Outputs – the outputs from the scheme will be a change in sequence of border controls, a change in sequence of outbound controls, increase in pre-check in plaza capacity, an extension of current buffer zone, increase in the number of border control points and a new dock exit route.

Outcomes – the outputs lead to the desired outcomes of the scheme. Primarily this is driven by improved traffic efficiency within the port, leading to efficiency on the M20 and other parts of the road network and compliance with new requirements. There will also be benefits to the viability of other local businesses and investment projects and the attractiveness of the region as a place to live, work and visit.

Strategic Impacts – the outcomes align closely with the policies and objectives of central government, regional and local authorities. The Dover Access Improvements project will assist with compliance to Brexit and the Le Touquet Treaty, grow international trade, improve Dover as a place to live, work and visit. It will also improve journey time reliability and enhance local air and sleep quality by removing queued traffic.

Levelling Up Fund – these strategic impacts align with all four of the Levelling up Funds core objectives. Productivity will be boosted, local leadership will be empowered to improve and invest in other areas of the community, the quality of life of those who use, work at and live near the port will be improved and pride in Dover as a place and an international doorway will be improved.

Through this theory of change we are able to show how the required inputs ultimately lead to the improvements and impacts that Government is seeking to achieve through round 2 of the Levelling Up Fund. While the value for money case is built here on only the time savings and therefore productivity, it is important to recognise that there are Outcomes from the proposed scheme that will have significant positive impacts on local leadership and community pride.

Theory of change upload (optional)

PoD_Dover Access Improvements_Theory of Change.pdf

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

Dover Harbour Board is providing a significant part of the funding required for the Dover Access Improvements project. This is clearly presented in the cost and planning workbook and constitutes 23% of the overall cost of the works.

The public sector is leveraging the proven delivery efficiency of the Port of Dover's project delivery teams. The port has a good track record of delivering works competently and efficiently, such as the successful delivery of a new Buffer Zone and Dover Western Docks Revival programme. The contractors are familiar with the port assets and will be able to quickly mobilise due to a robust contractor framework.

The Port of Dover accepts the risk of any cost overruns and commits to the completion of the full scheme as planned. As such the public sector is not taking any risk of cost overruns and is also not risking incomplete delivery of the project.

The public purse is also benefitting through other cost reductions that have not been quantified as part of the appraisal for the scheme. For example, the policing resources that are required to enforce and control the Brock events, the additional cleaning and maintenance required to the M20 and other roads due to the unusually high levels of traffic.

To complement the proposed scheme, PoD has recently received confirmation of a successful application for a 24 month Knowledge Transfer Project ("KTP"), part funded by Innovate UK, alongside University of Kent with a vision: "to create world leading capability in traffic modelling to enhance not only port operations and Master Planning, but continual improvement of the UK's leading trade artery with the EU". The Dover Access Improvements project is not static, but will evolve as regulations and transport changes. The securing of the KTP will ensure that the scheme is not only fit for today's requirements, but that it continues to be enhanced.

Technology will also be a crucial element of ensuring the continued success of the scheme, hence PoD alongside its system stakeholders has joined two "Ecosystems of Trust". As set out in the 2025 UK Border Strategy, Government are looking to use data, technology and trusted relationships to deliver robust upstream compliance which would allow processes to be moved away from the frontier and facilitate improved flow of goods. This Ecosystem of Trust concept will be delivered in partnership with users of the border and the border industry to develop a world leading technology enabled border. PoD see this as a crucial step forward, hence is investing significant time and resource in this pilot alongside other private sector partners. Technology will complement the infrastructure proposed within the scheme.

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

Kent County Council's 'LTP4: Delivering Growth without Gridlock 2016–2031' identifies the Port of Dover as a national priority. It also identifies Bifurcation of Port traffic (M2/M20), which considers the split traffic between the M20/A20 and M2/A2 routes.

The Port traffic is currently routed along the M20/A20, resulting in severance between Dover town and the harbour. With the construction of a new Lower Thames Crossing, a second strategic route will be available between Dover and the Midlands and North. The project to revive the Dover Western Docks would naturally split traffic so that for the Western Docks and Channel Tunnel would use the M20/A20, and traffic for the Eastern Docks would be encouraged to use the M2/A2. Bifurcation will also facilitate growth within Kent by releasing capacity on the M20.

The Dover District Draft Local Plan (covering a period up to 2040) supports LTP4 and echoes relevant policy. The strategic objectives include a prosperous economy, vibrant communities, thriving places, spectacular and sustainable environment . There is an emphasis to 'attract new business and visitors, taking

advantage of the globally important Dover Castle and the iconic White Cliffs'. Whilst also supporting improvements in the health and wellbeing of residents, quality of life for all and connectivity and movement through the provision of sustainable modes of transport and improvements to the local and strategic road network.

The Dover District Corporate Plan 2020 to 2024 provides the strategic direction for Dover District Council and identifies the ongoing commitment to regeneration of the district, both physical and social. It emphasises the importance of tourism in realising the opportunities for the local economy. The Corporate Plan also highlights the focus on Dover Town as the Gateway to the UK/Europe. The relevant priority themes include:

1. Regeneration – Tourism and Inward Investment
2. Housing and Community
3. Climate Change, Environment and Assets – A cleaner, sustainable environment

The Port is within the The Transport for the South East (TfSE) radial area that covers the transport corridors connecting both the Port and Channel Tunnel to London, as well as serving Kent, Medway and Hastings in East Sussex. Transport connectivity within this area is critical to UK trade post-Brexit and significant housing and employment growth is also planned in future years. The area study involves partnership working with a South east radial steering group of 6 members (including DfT and KCC) and stakeholder forum of 50 members (including Port of Dover). A support letter from TfSE is provided as part of this bid.

Overall, the bid is able to support policy with the improvements to port capacity and reduction in TAP and Brock incidences. It will impact:

1. Regeneration – Reduces congestion in Dover and the wider region, allowing for inward investment and businesses to thrive.
2. Cultural – Impact of congestion on regional heritage (Dover Castle and other sites' visitor numbers impacted during congestion).
3. Transport - Clear transport and strategic road network impact: cuts congestion, supports economic growth, improves experience of transport users (work and education journeys).

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

The Levelling Up White Paper identifies the Government's four objectives. The relevant objectives are listed below in addition to how our bid is in alignment.

1) Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging;

• The proposal improves the productivity for HGV drivers (spending less time waiting in queues and being processed through immigration).

• In a post-Brexit trading Britain, improvements in journey times can act as a catalyst for private sector growth across the UK, supported by the trade facilitated through the PoD.

• Reduces congestion in Dover and the wider region, allowing for inward investment and local businesses to thrive

2) Spread opportunities and improve public services, especially in those places where they are weakest;

• A reduction in the use of TAP and Brock traffic management will have transport and strategic road network impacts, not just locally but across the region. This includes reduced congestion, improvements to connectivity, supports economic growth and improves the experience of transport users on their journey to work and education

3) Restore a sense of community, local pride and belonging, especially in those places where they have been lost;

• A reduction in the use of TAP and Brock will create a happier and more pleasant driving experience for local people using local roads, creating improvements to social values

• The reduced congestion leads to greater quality of life for local and regional residents; Dovorians going to school, doing their local shopping, businesses remaining open etc.

• An improved experience for local regional heritage sites and tourist economy

The project will mitigate the risk of external queues by ensuring that the outbound control infrastructure is capable of processing the flow of vehicles at the same rate as they drive into the Port. This will ensure that the operation of the new border controls outlined in the BOM and new French passport entry controls do not themselves give rise to queues of HGVs.

PoD is 33% of the UK EU supply chain; it's vital for keeping the UK supplied with food and other essentials, as demonstrated during the first COVID-19 lockdown in April and May 2020, when only essential commodities were being carried, there were still some 7,000 HGVs passing through the Port every day. Through the COVID-19 crisis, where some ferry services had ceased on longer routes, Dover kept going, ensuring that the critical goods flowed up and down the nation.

PoD has set out its ambitious decarbonisation objectives to be carbon net zero by 2025 (scope 1 & 2) and including defined scope 3 by 2030. It has also set a target to become the world's first (high-volume) Green Shipping Corridor. This scheme will support these objectives in multiple ways:

1) the reduction of TAP will improve local air quality;
2) remove propensity of HGV drivers to litter and foul during queues;
3) improve journey times, reducing fuel burn. Newly constructed buildings will also include Solar Panels.

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

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The investment aligns with the DfT's Transports Port Infrastructure Fund whereby £33,000 was awarded for the same site (December 2020). The fund helped sites handling goods imported from the EU to build infrastructure/facilities to enable customs checks to be carried out following the end of the Brexit transition period.

The investment also represents a first step in the implementation of improvements to the local area. It is seen as a critical enabler to further phases of regional delivery plans and complementary of other local and strategic road network improvements e.g. National Highways Road Investment Strategies (LTC, A2 Brenley

Corner, A2 Dover Access)

The following transport projects have been awarded external funding towards delivery in Dover:

1) Dover Fastrack - Housing Infrastructure Fund £22.9m - Under construction. Dover Fastrack provides new highway infrastructure to support new rapid and reliable bus services between Dover Town (including Priory Rail Station) and Whitfield. The LUF bid complements the established HIF investment, by reducing friction at the port, which when experienced, creates localised traffic pressure and delay along the future Fastrack network route. This traffic pressure compromises the reliability of future Fastrack bus services, undermining the investment made through HIF and negatively influencing local travel habits.

2) Zero Emission Bus Regional Areas (DFT ZEBRA) £9 million. KCC has recently been awarded the ZEBRA funding to enable Fastrack services within Dover and Thameside to be electrified (5 new electric buses for Dover Fastrack). The LUF bid complements this investment, by reducing friction at the port, which when experienced, creates localised traffic pressure and delay along the future Fastrack network route. This traffic pressure compromises the attractiveness of future Fastrack bus services, undermining the investment made through ZEBRA and negatively influencing local travel habits.

The following regeneration, skills and cultural projects have also been awarded external funding towards delivery in Dover. The LUF bid complements these funding streams, by reducing friction at the port, which when experienced, creates localised traffic pressure and delay, making access to Dover very difficult:

1) Market Square Dover - Coastal Communities Fund (£2.44m from CCF and £1.2m from District Council)- Under construction. This regeneration aims to attract more people to visit Dover by making the Market Square more welcoming for local residents and visitors from outside of the District, by creating a focal point for visitors to the town centre.

2) “Techfort” - The Citadel, Dover - Getting Building Fund (£1.009m from GBF and £0.251m from Dover Citadel) - The project will bring the Casemates at The Citadel (which are currently redundant)into beneficial economic use, helping to stabilise the ancient monument and providing jobs and innovation to Dover and the Western Heights.

3) Future High Streets Funding - £3.2m to enhance Dover's cultural and creative offer with better connections between the high street and waterfront

4) Heritage Fund - £4.27m to revive the Grade 1 listed Maison Dieu in Dover Town Centre.

5) Community Renewal Fund - £1.018m awarded to improve adult skills in Thanet and Dover

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

No works are proposed on the Highway Network. This includes no work to cycling and walking infrastructure, and no bus priority measures. All works are considered internal to the Port of Dover site.

However, the proposal will take queuing traffic off the road and reduce the number of TAP (traffic management) instances on the A20 outside of Dover. This traffic causes more cars and oversized vehicles to use smaller local roads where active travel is common. Reducing the SRN congestion is likely to reduce the number of interactions between vehicles and active modes which have been more heavily promoted close to the Port through recent route upgrades. In September 2020 Sustrans and KCC (with funding from National Highways designated funds) improved the Lydden Spout Coast Path in Dover, which forms part

of National Cycle Network Route 2. The previously inaccessible route now provides a 4 km walking and cycling route, which is suitable for all and links the B2011 in Capel le Ferne to the A20 in Dover with onward links to the Port.

The expansion of the Dover Fastrack bus service (identified in the KCC Transport Local Plan) will require the use of the A20 route during the interim. Therefore, the proposal will have a knock-on-effect of improving both the interim bus service and Fastrack scheme, which includes the referenced DfT Zero Emission Bus Regional Area (ZEBRA).

Confirm which Levelling Up White Paper Missions your project contributes to

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

Living Standards
Transport Infrastructure
Education
Wellbeing
Pride in Place
Housing
Local Leadership

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

Living Standards – improved productivity for HGV drivers (spending less time waiting in queues and being processed through Customs), plus local and regional residents due to a reduction in TAP and Brock.

Transport Infrastructure – the scheme will improve port throughput and efficiency, unlocking local and regional roads, reducing TAP and Brock activation, acting as a catalyst for complementary road infrastructure projects, and creating a happier and more pleasant driving experience for all port and non-port users.

Education – during severe congestion, due to the impact on local roads, it has not been possible at times for children to reach school.

Wellbeing – a reduction in TAP outside of the area of Aycliffe will have a significant impact on the local air quality and also sleep due to the propensity of queueing HGV drivers utilising their horns to vent their frustration.

Pride in place – Dover has become synonymous with queues, impacting schooling, businesses and tourism. Due to the frequency and duration of TAP in recent times, the A20 has developed a refuse and human waste issue.

Housing – reduced congestion will enable the Local Plan for Dover District Council.

Local Leadership – the County and District Councils are constrained in what they can achieve in Dover because of the congestion issues which are beyond their control and not of their making.

Section 7: Economic Case

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

TAP (Traffic Access Protocol) and Brock events are estimated through our analysis to cost the UK economy £15m in lost time to road vehicles each year. In the first 6 months of 2022 there have been 91 TAP events which is more than the total number for each of 2018, 2019, 2020 and 2021 and indicates that the economic impact this year will be far higher. Given the scale of economic damage caused by these events, only a small improvement can have a very significant positive economic impact for the UK.

TAP and Brock events can occur for several reasons and it is important to consider what proportion of events will benefit from the proposed works. Over the past 5 years the cause of TAP and Brock events can be grouped into 6 categories;

Staff related 8%
Vessel Capacity 7%
IT issues 5%
Weather conditions 3%
Capacity / Throughput 71%
Other 6%

Events classified as 'Other' are often related to capacity / throughput issues combined with another issue. The Dover Access Improvements project is only likely to have a significant effect on the 'Capacity / Throughput' related events, although it is also likely it will improve the recovery time for all events.

The Port of Dover expects the number of TAP events to continue to increase due to ongoing changes to border controls and the macroeconomic climate. Forecasts provided by the Port of Dover expect TAP events to reach 258 a year in the near future, with 221 of these developing into Brock events. These forecasts have been used for the economic appraisal.

The single greatest threat to the security of supply chains and European Travel is the introduction of the Europe Entry Exit System (EES). This comprises a two-step process involving biometric checks alongside passport checks when entering the EU from a 3rd country such as the UK. The EES scheme is due to be introduced in 2023. The Dover Access Improvements project has been developed with the knowledge that EES is coming. The precise process and technology have not yet been specified, which is a major challenge for the port, but the Dover Access Improvement scheme has been designed to be flexible to accommodate changes. EES has not been considered in the PoD's forecasts for future TAP and Brock events and would be expected to make the situation significantly worse. Early assessment indicates TAP and Brock being in place every day of the year.

Congestion caused by freight vehicles sailing from the Port of Dover has many wider economic impacts which have not been quantified on the basis of a proportionate approach and the strength of the economic case based solely on journey time costs. Qualitative evidence has been provided on some of these impacts which include children being late for school and major impacts on what was a £302m tourist industry in 2019. The events also result in regular negative press for Dover and loss of 'pride in place' for the residents and wider UK population.

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

The data used for the analysis is viewed to be robust and up-to-date based on the monitoring of the number, length and cause of TAP and Brock events. In collecting the data on these events it was noted that Kent County Council and the Port of Dover have been collecting the data independently. The data from both

sources matches providing a useful check of robustness.

Each TAP event duration is measured to the minute allowing detailed analysis of the links between the cause and the duration and regularity of events. To ensure the quality of the data for the appraisal we have excluded any events that were caused by a combination of causes as it is not possible to easily identify if there was a leading cause. We have also excluded a significant event in early 2022 which lasted over 10 days due to staff issues with P&O. We consider this event an outlier but it should be noted that the risk of industrial action and other staff related issues is likely to be higher in the future, based on current anecdotal evidence from other sectors.

PoD have produced forecasts for future TAP and Brock events which align with 2022 data so far and reflect a return of pre-covid traffic levels and similar levels to those seen as part of the July holiday travel chaos.

Jacobs consulting, who manage and run the Kent Strategic Transport Model, have compared the yearly Dover Port HGV totals provided by the Port of Dover and compared them with the Kent Transport Model demand. Jacobs have deduced that, the comparison validates the modelled results and supports the case that the analysis is robust.

The model has been calibrated with traffic data that specifically observes the number of vehicles entering and exiting the Port of Dover. The calibration and validation results show very strong alignment with model results and actual observed data.

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

The data used for our analysis is directly linked with the Port of Dover and the TAP and Brock events that are put in place to control traffic into the port. The Kent Countywide Strategic Transport Model is also specific to Kent and has good granularity in the Dover area. We have included a recent model development and validation report as an appendix. The model was calibrated with actual data from around the PoD and once adjusted provided GEH values of 0.00 for inbound and 0.40 for outbound traffic.

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

The Port of Dover developed a model in 2018 with the University of Kent through the Knowledge Transfer Partnership (KTP), funded by Innovate UK. This model has been reviewed by KTP and was considered ‘outstanding’ by the KTP grading panel. The model forecasts the throughput of vehicles in the port and considers how the ‘transaction time’ and the number of booths affect the throughput capacity.

The input data on historic TAP events indicates that 71% of TAP events are caused by capacity / throughput issues. The model indicates that with 5 lanes of outbound controls there are likely to be 258 TAP events and 221 Brock events related to traffic volume (referred to in the actual event data as ‘capacity / throughput’) a year with current traffic volumes. With the 10 lanes of controls that would be delivered by the Dover Access Improvements project the model shows these events would reduce to 24 and 8 annually, respectively, this is a +90% reduction in TAP and Brock events related to traffic volume.

The Dover Access Improvements project will prevent TAP and Brock events by allowing freight to pass through the Port of Dover faster. This happens through several mechanisms:

• The additional booths will process more vehicles per hour. The 5 existing, or 10 future booths, need to be allocated to freight or tourists. In a high freight period with 5 booths this would likely be 1 for tourists and 4 for freight. With 10 booths this would change to 1 for tourists and 9 for freight, increasing freight booths by more than 100%. The model forecasts that 331 freight vehicles can be processed an hour with 5 booths and 745 with 10 Booths.

• The physical space in the port is increased by around 35%, equivalent to 1.4km of traffic. This allows the port to hold more freight vehicles rather than them waiting on the external road network.

• Owing to the two previous points, traffic will be processed through the port more efficiently, therefore vessels will sail with a higher load factor (more efficient), thus dwell areas will be emptied faster allowing more vehicles to enter the port; it is a beneficial cycle where traffic efficiency feeds itself.

Recognising uncertainty with modelling and the static nature of the Port of Dover modelling, a 75% reduction of both TAP and Brock events has been applied in the appraisal of the Core scenario. It should also be noted that these modelling results do not consider the impact of the Europe Entry Exit System (EES) which will be implemented soon. This is likely to increase the number of TAP and Brock events and the percentage of events that the Dover Access Improvements project will avoid may reduce as it becomes harder to prevent the events.

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

A key factor in the robustness of the appraisal is that only one benefit has been quantitatively assessed, the value of time saved through reducing congestion. With only one impact there is no risk of double counting. In addition, the appraisal of value of time savings has robust and established methodologies. The outputs of the Kent Strategic Transport Model have been run through TUBA which is a well-established appraisal tool for assessing the value of time saving on road projects. The modelling and TUBA appraisal have been carried out by experienced professionals at Jacobs and appropriate levels of quality assurance have been incorporated.

To explore the robustness of the modelling outputs Jacobs have compared the yearly Dover Port HGV totals, provided by the Port of Dover, with the Kent Transport Model demand. Jacobs have deduced that the comparison validates the modelled results and therefore they assess the modelling result to be sensible and in line with the observed traffic. This provides a useful external check and evidence that the approach is robust and not in danger of 'over-stating' the impacts.

The Port of Dover's model for assessing the throughput is not a well-established analytical tool and they have a separate project to develop this further. Work to date has been carried out under the Knowledge Transfer Partnership established by Innovate UK. The quantitative methods used have also been applied in part of the port's substantive Dover Western Docks Revival (DWDR) project, in analysing the space and plant requirements of the new Cargo terminal and helping the port increase its efficiency and effectiveness. These successes have seen the project awarded a grade of 'Outstanding' by the KTP Grading Panel. Only 10% of KTP projects achieve this grade.

The TAP event which started on 31/03/2022 lasted for +250 hours and was due to 'Vessel Capacity' as a result of P&O ferries. This event has been excluded from the analysis as an outlier, as it was not caused by port capacity or throughput issues and the length of the event would have a material impact on the average length of TAP events. The exclusion of this data point is therefore conservative.

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

The costs for the scheme have been calculated by the Port of Dover, supported by their framework contractors. Cost planning was undertaken by a combination of experienced in-house Senior Quantity Surveyor and Commercial Manager roles and specialist external cost management consultants (Base Quantum and Gleeds).

Cost planning commenced as part of the feasibility stage with a combination of sources used for estimating the costs such as: recent construction costs in the Port; Framework rates where applicable; market engagement; and general sources of construction cost information. As the scheme design developed the cost plan has been updated and refined in line with the design development with increased level of reliability in the cost plan. In April 2021, at the end of the RIBA 2 Concept Design stage, the estimated project cost was circa £42.3M. In August 2021, at the end of the RIBA 3 Spatial Coordination Design stage, the cost consultant had further developed the cost plan following review of the RIBA 3 design information. The increased design maturity and further market engagement has refined the cost plan. The RIBA 3 cost plan is at a draft status, the current position is set out below.

The variation from April 2021 is an increase in cost estimate of circa £17M, apportioned mainly to the wider understanding of scope specifics and quantum through maturity of design. Other specific items such as inclusion of Solar PV, Fire Fighting Water Main inclusion, Camber Slab reinforcement, construction cost inflation

risk increase, demolition risk contingency increase, OH&P and Preliminaries adjustments to reflect delivery approach and current market trends have also contributed to the increase. The latest estimated project cost (excluding allowance for uncertainty of estimates) is circa £59.3M.

Increased maintenance and operating costs are being considered by the Port of Dover's on-site maintenance teams. The increase in maintenance activities is not expected to be significant or adversely risky and will be entirely absorbed by the Port of Dover.

Financial costs have been converted to economic costs in the cost and planning workbook. A discount rate of 3.5% has been used in line with UK Government guidance. BCIS All-in Tender Price Index (TPI) assessment was used to calculate inflation. This methodology was considered the most appropriate given the present outlook for construction contracts, which has changed significantly over the last few months, as well as the markets being disrupted by the Ukraine war and the sanctions imposed on Russian imports. The BCIS All-in TPI provides inflation index forecasts until Q1 2027, are presented in Table A1.5 in the Cost and Planning Workbook.

We have used Green Book guidance to arrive at an appropriate level of Optimism Bias. As the construction is of 'Standard Buildings' we have used the advised range of 2% - 24%. The project is well understood with established contractors who know the type of construction well. Dover has also carried out a quantified Risk Assessment and added around 10% to project cost estimates. Given these factors we believe an OB level of 10% is justified.

Describe how the economic benefits have been estimated

To understand the economic impact of TAP and Brock events we have used Kent's Countywide Strategic Transport Model, which has been developed in PTV's VISUM 2020 software platform for the highway model component and EMME 4.4.4 for public transport. The Area of Detailed Modelling is focussed on the area contained within the Kent county boundary. The highway network in areas that border Kent (the rest of the Fully Modelled Area) in Medway, parts of South-East London, Thurrock, Surrey, West Sussex and East Sussex is also coded with link capacity restraints applied. Beyond this, the level of detail in the model is gradually reduced. The South East of England is modelled to a lower level of detail and the remainder of mainland Great Britain is based on a skeleton network of key roads without capacity restraint. In the Fully Modelled Area the highway network therefore includes a very granular representation, with all except very minor local residential roads included. In the External Model Area, only major highways deemed to be of importance for strategic routing are coded. The highway and public transport assignment models represent an average 'neutral' 2019 weekday for the AM and PM peak hours as well as the interpeak (IP) period.

Four events have been modelled:

TAP – Queuing of port bound HGVs on inside lane of A20 (Coastbound) with signal control at Western Heights Roundabout for HGV traffic. All other traffic uses outside lande lane (without signal restriction). Speed limit on A20 reduced to 50mph. Gradual release of HGV traffic to the port (at a rate of 80 per hour)

TAP (Roundhill) – As per TAP with coastbound closure of A20 between Roundhill Tunnel and M20 Junction 13 in order to avoid queueing back in to the Roundhill Tunnels when TAP A20 queue length builds up. All coastbound traffic diverted via A259 & A260.

Brock Control – M20 westbound carriageway is reduced to 2 lanes in each direction. Contraflow for eastbound traffic between junctions 8 and 9 also with 2 lanes in operation. 50mph speed limit imposed on M20 between junctions 8 and 9. Coastbound carriageway utilised as HGVs queuing area. Modelling has assumed each HGV is held for approximately 4.5 hours on average. Non-HGV traffic cannot join the M20 eastbound at Junction 8. Brenley Corner (M2 J7) roundabout reduced to 1 lane for police HGV routing checks. Affects Channel Tunnel HGVs as well as Dover HGVs.

Brock Charlie - Full coastbound closure of M20 to all vehicles (contraflow is closed, westbound motorway traffic continues in 2 lanes and 50mph speed limit remains). Coastbound diversion route on A20. Brenley Corner (M2 J7) roundabout reduced to 1 lane for police HGV routing checks. Affects Channel Tunnel HGVs as well as Dover HGVs.

The TUBA software tool has been used to appraise the transport impacts. The outputs of the transport modelling undertaken using the Kent strategic Transport

Model are input into the TUBA software which processes the information and provides economic impacts as outputs.

The TUBA analysis shows that for every 24-hour period of each of the modelled traffic control intervention events the following economic impacts (in PV 2010 prices and values) are estimated based on 4.5 hour wait times (and 10 hour wait times for interventions 3 and 4 for the purpose of sensitivity testing) and slower journey times:

TAP – £17,591 in Low, Core and High Scenarios

TAP (Roundhill) – £26,085 in Low, Core and High Scenarios

Brock Control – £154,125 in Low and Core Scenarios (£297,965 for a 10 hour wait time in a High scenario)

Brock Charlie - £258,631 in Low and Core Scenarios (£401,885 for a 10 hour wait time in a High scenario)

Applying these 24-hours values to the 'Low', 'Central (Core)' and 'High' forecasts for expectations of future TAP and Brock events gives the following annual economic impacts.

Low – £5,539,478 (Per year, PV 2010 prices and values)

Central (Core) – £8,309,216 (Per year, PV 2010 prices and values)

High – £17,730,509 (Per year, PV 2010 prices and values)

After adjusting the impacts to reflect 2022 prices and values, the annual values are as follows:

Low – £10,623,477 (Per year, PV 2022 prices and values)

Central (Core) – £15,935,215 (Per year, PV 2022 prices and values)

High – £34,003,143 (Per year, PV 2022 prices and values)

These have been applied in the Cost and Planning Workbook for a 20-year appraisal period from 2026/27. No demand growth or value of time growth has been applied resulting in the results being viewed as conservative.

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

The Dover Access Improvements project represents very high value for money for the public investment. The Central (Core) BCR is 7.3:1. The Present Value of Benefits (PVB) is £318.7m and the public sector Present Value of Costs (PVC) is £42.7m. This generates a Net Present Value (NPV) of £276m.

Given the robustness of the input data, the established appraisal approach and the conservative assumptions we have made we are confident in a high level of analytical assurance. We have conducted two additional Scenario tests with 'Low' and 'High' assumptions as described it the Supplementary Analysis workbook submitted as an appendix.

The Low scenario assumes that a smaller than expected impact (50% compared to 75% in the Core scenario) on reducing TAP and Brock impacts is achieved. The BCR is 4.8:1, and the Present Value of Benefits is £212.5m, indicating in this scenario the investment would still represent very high value for money.

The High scenario assumes PoD's estimate of the expected impact (90% compared to 75% in the Core scenario) on reducing TAP and Brock impacts is achieved and average delays per disruption of 10 hours, as is commonly experienced. The BCR is 15.8:1 and the Present Value of Benefits is £680.1m.

There is no adjusted BCR as we have only assessed the impact of a single transport user impact.

Upload explanatory note (optional)

Have you estimated a Benefit Cost Ratio (BCR)?

Yes

Estimated Benefit Cost Ratios

Initial BCR

7.3

Adjusted BCR

7.3

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

The Dover Access Improvements project will have other direct impacts beyond increasing the capacity at the Port of Dover and the throughput of vehicles. However, the indirect impacts of reducing congestion on the road network caused by TAP and Brock events will have very significant wider economic impacts that have not been monetised.

The tourist industry was worth over £300m to the wider Dover District in 2019 but fell to nearly one-third of that during Covid, indicating how sensitive it is to access to Dover. More widely, 10% of all jobs in Kent are supported by the visitor economy, and during recent disruption, many attractions reported up to 50% loss in footfall (Visit Kent) demonstrating that the congestion and reputational damage to Dover from the TAP and Brock events is having an ongoing impact on tourism. Regular news articles interview Dover businesses owners who directly blame the current road congestion as the direct cause of current sales difficulties.

Other local services are also disrupted in Dover by the congestion. This includes children going to school, people going to hospital appointments and people commuting to work. The congestion also causes additional resource burdens and increased costs on services such as policing. Rubbish left on the side of the road also becomes a problem and requires public money to be spent removing it.

The congestion also overflows on to the local road networks. This can include large vehicles who are unfamiliar with the local roads. Therefore, active travel users are more likely to interact with vehicles during TAP and Brock events. The general increase in traffic in the local towns and communities has a detrimental impact on most aspects of the economy, including local and regional business owners.

TAP and Brock events are also a cause of significant national embarrassment. The economic impacts spread to the continent as supplies are delayed. The governments ambitions to grow effective trade relationships with the EU and to 'Build Back Better' in the UK are negatively impacted. The widespread coverage of the July 2022 holiday travel chaos shows just how disruptive and embarrassing delays can be at Dover.

A reduction in TAP, as previously discussed, will also have a significant improvement in local air and sleep quality with fewer queueing HGVs on the A20 producing fumes and venting frustration through their horns.

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

The risk of not achieving very high value for money is considered to be low. If the economic benefits of the Core scenario were half of the expected amount the investment would still achieve a BCR of close to 4:1 and therefore still be categorised as “High” value for money under the DfT categories.

The proportion of TAP events related to capacity / throughput that are mitigated is central to the analysis and there is a risk that this is less than expected. It’s also possible that if the capacity / throughput cause was removed there could be an alternative cause of disruption and delay. For example, if there is a storm at the same time as a capacity problem, it’s possible that TAP would have been used anyway, even if capacity had not been a problem. However, reflecting this uncertainty the Core scenario only assumed a 75% reduction in TAP events related to capacity / throughput, even though modelling suggested a figure of over 90%.

Another risk to value for money would be from cost increases but any cost overruns on the project will be accommodated by the Port of Dover so there will be no impact on the public purse.

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

Upload appraisal summary table

Supplementary_Analysis_TAP_Brock_Summary tab v1.xlsx

Additional evidence for economic case

None selected

Section 8: Deliverability

Confirm the total value of your bid

Total value of bid

£58470000

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

Value of capital grant

£45000000

Confirm the value of match funding secured

£13470000

Evidence of match funding (optional)

DHB Letter of Support & Contribution_signed.pdf

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

No further match funding is required. KCC is seeking the current full estimated cost of the Dover Access Improvements project, to a value of £58.47m.

An effective third-party contribution is on offer from Dover Harbour Board to the value of £13.47m, the value of which will be allocated in full as set out in the signed letter of support and contribution that has been uploaded as an appendix. This accounts to 23%, more than the 10% match funding condition which is encouraged for LUF bids.

Land contribution

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

There are no land contributions required or applicable in this bid.

Upload letter from an independent valuer

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

The budget does not include unrecoverable VAT costs.

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

The information and specification on which this cost plan has been prepared is as follows and has been developed through the design process, alongside cost consultants (Moreton Hayward and Base Quantum Ltd). The increased design maturity has allowed greater granularity of cost estimating which together with further market engagement has refined the cost plan:

April 2021 – End of RIBA Stage 2 – Concept Design Stage – Cost review stage
August 2021 – End of RIBA Stage 3 – Spatial Coordination Design stage – Cost review stage
June 2021 – Further cost review in line with LUF bid process and development towards RIBA 4 Technical Design and readiness for construction.

The increase in costs through the design process is apportioned mainly to the wider understanding of the scope. However, specific items such as the inclusion of Solar PV, Fire Fighting Water Main, Camber Slab reinforcement, construction cost inflation risk increase, demolition risk contingency increase, OH&P and Preliminaries adjustments to reflect delivery approach and current market trends have also contributed to the increase.

Utilising competent cost consultant, drawing on their experience of recent construction costs, drawing on general sources of construction cost information and recognised indices, drawing on recent construction costs in the Port, market engagement and pricing received from specialist providers of the likes of VMS, CCTV/security/access control, prefabricated kiosks, canopy weather protection, utilising Port framework contractor rates where applicable (which have been market tested through regulated tender processes).

We have used the following sources for benchmarking and research:

Previous completed/tendered projects within the Port (e.g. the Dover Western Docks Revival Scheme)
Previous cost estimates and Construction Costs within the Port
Obtained quotations for common items, fencing, ducting, surfacing, signing, lighting, etc,
Market Engagement for specific items, kiosks for check-in (Glasdon, Fibaform and Morgan Marine)
Direct consultant, contractor and sub-contractor advice (including Framework rates for Professional Services, Civils and Mechanical & Electrical Services)
BCIS All-in Tender Price Index (TPI) assessment was used to calculate inflation. This methodology was considered the most appropriate given the present outlook for construction contracts, which has changed significantly over the last few months, as well as the markets being disrupted by the Ukraine war and the sanctions imposed on Russian imports.

Where framework rates or recent works have not been applicable some initial transparent market engagement has been undertaken to establish budget costing and validate lead periods.

No allowance has been made for the following items:

Value Added Tax (VAT)
Project insurances (the Preliminaries include for Main Contractor's Third Party and Works insurance only).

Building guarantee
RoL survey and insurance
Marketing and PR costs
Finance costs and insurances
Local authority charges
road closures
Substations
Renewable technologies other than those expressly stated

This Cost Plans have been based upon approximate quantities measured from the drawings prepared within each RIBA Stage, from the dimensions provided or by using cost modelling techniques from similar projects and historical data. Lump sum assessments have been made where insufficient information is available.

Further information on assumptions and exclusions is clearly set out in the cost plan which is attached as an appendix to the bid. For example, existing ground levels have been estimated for the toilet facilities and vehicle inspection buildings as there are a limited number of level datum points provided on the demolition drawings and this is the estimated level from the information provided. In the absence of detailed information, assumptions have also been made on the M&E systems required. For example, it is assumed a CCTV and access control system would be required.

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

Appropriate contingency has been built into the cost estimate, which has been applied using professional judgment by an experienced in-house Senior Quality Surveyor and specialist cost consultants (who will continue to be engaged in the development of the scheme to ensure value for money).

There is an allowance for estimating uncertainty built in to elements of the cost plan however there is no flat rate contingency applied to the cost estimate. A quantitative risk analysis approach has been used to evaluate the overall project risk value. This is done by reviewing the various sources of risk to the overall project objective and evaluating each individual risk using a three-point estimate to establish the potential impact of the risk on the project's budget and schedule. The quantified risk register is linked to the Dover Access Improvements programme, and a risk profile is generated to provide a view of the risk exposure of the profile over the project life cycle.

Describe the main financial risks and how they will be mitigated

KCC’s proposal is to seek the full cost of the project to be funded through Levelling Up Funding, with Dover Harbour Boards contribution covering the required match funding. Any overrun, therefore on the capital cost estimate will be covered by the contingency allowance in the cost plan, the risk of which will sit with Dover Harbour Board. The obligations on both parties (KCC and DHB) will be set out in a legal agreement which will include how the LUF grant will be disbursed, as well as other funding criteria (resolutions and disputes, data protection, FOI, governance, accounts and records etc).

A quantitative risk analysis approach has been used to evaluate the overall scheme risk value. This is done by reviewing the various sources of risk to the overall project objective and evaluating each individual risk using a three-point estimate to establish the potential impact of the risk on the project's budget and schedule. The quantified risk register is linked to the Dover Access Improvement project and a risk profile is generated to provide a view of the risk exposure of the profile over the project life cycle. A review of the register and the risk profile is carried out on a monthly basis and risk mitigations are identified and reviewed to ensure

they are still relevant and effective.

The main financial risks arise from:

1)Project Funding - delayed commitment from government on funding prevents progression of the project to suit the programme.
• KCC and DHB will continue to engage with Central Government and develop the programme in anticipation of a Round 2 funding award in Autumn 2022.

2) The maturity of the cost estimate – currently prepared to equivalent RIBA3.
• DHB will continue to engage with independent Cost Consultants and QS support to provide comfort that the estimates are robust and provide sufficient contingency and risk allowance for this stage of the project development.

3) If the suggested programme does not align with Government and PAF expectations for when DHB can facilitate completion of the project.
• Continue to liaise with Government and PAF to confirm timescales and realistic delivery programme.

4) External Stakeholders look to adjust or alter the defined scope and design (PAF, BCAS and Ferry Operators) or require design creep.
• The Stakeholder Management Plan will continue to be updated, with protocols for sign-off and change to be set post approval of bid.

5) Delivery timescales prevent normal governance and procedures being adhered to.
• Advance approvals will be sought from the governance board for the funding package that is proposed ahead of further design and cost certainty. Procurement routes and sign off will be reviewed further to suit expediency.

6) Inflation: construction material price increases and delays due to supply issues.
• This will be mitigated through further engagement with framework contractors to ensure supply chains are robust and reliable, including identifying risk early through the design process and that alternative substitute materials can be identified where required.

7) Geographical impact on market availability (the right supply chain coming to Dover and having local resource)
• Working with Framework contractors and utilising KCC network will decrease this risk.

8) Operational disruption during the construction
• With the selection of design option 10, the vast majority of construction can be performed “offline”, away from the live operation and therefore minimising disruption

9) Protecting the longevity of the scheme in a live and complex asset environment
• Enabling works have been performed (e.g. demolition of Cargo Terminal) and any critical path asset works brought into the program (e.g. Camber Slab) to ensure maximum value to the scheme and optimal works schedules.

Given all works will be performed within the site boundary of the PoD, there will be very limited impact on local communities. The risk to communities and transport groups will therefore come from non-delivery of the project, not in the delivery of.

Please find in the appendix the full risk register, including costings. The risk register is currently under review by Gleeds, a leading global property and construction consultancy.

Upload risk register

PoD_Dover Access Improvements_RO Schedule (LUF).pdf

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

Kent County Council will act as the accountable body for the LUF Bid, however Dover Harbour Board will act as a partner and delivery arm for the project. KCC will continue to work alongside DHB in the delivery of the project to achieve the intended outputs and outcomes and the realisation of the benefits which have been set out.

Delivery Partner:

Name: Dover Harbour Board

Address: Harbour House, Waterloo Crescent, Dover CT17 9BU

Role in bid and what their grant will fund: Dover Harbour Board will act as a delivery partner and the grant, alongside will match fund the delivery of the project (building works, preliminaries, professional fees, surveys, inflation etc).

LUF funding partner will receive (£): £45m

Funding method: A funding agreement will be agreed and sealed between both parties. The obligations on both parties (KCC and DHB) will be set out in this funding agreement, which will include how the LUF grant will be disbursed in accordance with ongoing legal advice on subsidy control and public procurement rules.

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

The KCC Major Capital Programme Team has a successful track record in the development and delivery of complex and varied major infrastructure projects on time and within budget, and that deliver the scheme objectives.

The KCC and DHB team are a ‘knowledgeable client’ in the development and delivery of schemes including those with partner agencies. Appropriate transportation, engineering, planning and environmental consultancy support will be commissioned and the knowledge and skills of KCC and DHB staff will also be drawn upon to achieve the best financial outcomes for the project.

The structure charts for both the KCC and DHB teams are included as an appendix to this bid and set out the personnel who will be responsible for driving the delivery of the project.

A strong robust governance structure will be put in place to provide accountability and a clear decision-making process for the project within this bid. The suggested governance approach will be set out within the funding agreement sealed between delivery partners and will look to provide appropriate challenge and escalation to make sure the project is delivered on time and to budget, whilst realising the benefits that it sets out to achieve.

The approach will join agreed governance processes from KCC and Dover Harbour Board.

Dover Harbour Board have set out a terms of reference for the Project Steering Group which are also included as an appendix to this bid. It should be noted that this document sets out the direction and any adjustment to the Port's existing governance protocols/structure, all other constitutional matters and corporate plans remain unaltered including H&S Policy, Environmental Policy, Quality Control & Assurance etc.

The Project Steering Group (consisting of the COO - Programme Sponsor, CEO, CFO, CCO, Director of Procurement and PMO, Infrastructure Director, Programme Manager) meets monthly, with exceptional meetings arranged as necessary to discuss progress in technical detail to allow for the proactive management of the project. Approvals and Actions are recorded and distributed to all members and a resulting Highlight Report identifies and escalates any areas of concern or where decisions are required to the Programme Board.

Scheme updates are provided to the Programme Board on a bi-monthly basis.

The Programme Board will be held bi-monthly, with attendees from the Dover Harbour Board delivery team, and KCC Major Capital Programme Team. This is an opportunity to drill into specific details and review financial progress as well as provide monitoring and reporting to be shared with the Department for Levelling Up, Housing and Communities. Where the board is unable to resolve an issue, it is escalated to the Sponsoring Group.

The Sponsoring Group, held quarterly, is chaired by the Head of Transportation in KCC, with the KCC Director of Highways, KCC Director of Finance, KCC Cabinet Member for Highways & Transportation and the KCC Major Capital Programme Manager in attendance. Representatives from Dover Harbour Board and their technical advisors will be invited where necessary to close out any issues escalated to this point. The Sponsoring Group is the final decision point for any escalated issues.

The delivery partner will be managed in line with KCC contract management processes and follows APM project management processes. To ensure robust financial management of the project and associated budgets there will be comprehensive financial controls to manage the allocated project budget and ensure the scheme is financially sound.

As part of due diligence, KCC finance team will review DHB Audited accounts for the last two years, which can be found in the Appendix for reference.

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

Kent County Council will act as the accountable body for the funding, while the majority of the project delivery will be undertaken by Dover Harbour Board as the Port Authority. KCC will act as the client and have a funding and delivery Agreement with DHB.

DHB has acted as a partner previously with KCC on the award of Local Growth Fund to deliver part of the Dover Western Docks Revival project, which proved successful in the way it was managed. DHB in their capacity as Delivery Partner will drawdown money against key expenditure milestones to match the project finance profile.

All financial risk will be managed by KCC and passed onto DHB in relation to their scope of work. There are various options available that promote the sharing of risks across the various parties involved on the construction project. The procurement strategy and contractual mechanisms through the proposed form of contract will ensure that all options for risks transfer are considered and applied where appropriate.

Through procurement and as part of scheme delivery, the contractor will produce a priced risk register. This will be reviewed as part of the process of target setting and decisions made on the mechanism for sharing risk between the contractor and DHB, ensuring that the proposed allocation provides the best value for money and maximises social value opportunities for the local communities and regional economy.

The above approach builds on KCC's experience with such delivery mechanisms on recently and successfully delivered schemes, with a clear understanding between contractor and authority of how they work and what their processes are. This is not just in terms of roles, but also agreed standards, mechanisms and clarity over risk and risk allocation and transfer through the design and construction phases.

Risk level will also be carefully considered as part of the due diligence process on all tendering applicants.

The procurement strategy is based on an extensive review of potential approaches that can meet DHB scheme drivers. The Procurement Strategy is included as an appendix and documents the headline procurement strategies for each of the respective works packages at concept stage and includes a breakdown of the budget values and programme expectations. On a global basis the tact taken when preparing each of these individual package strategies has been to select the most appropriate solution to achieve the pace of programme and Value for Money (VfM) whilst adhering to the Port's own governance protocols and remaining OJEU compliant.

Given the nature and programme pressures, the preferred option for the delivery of some of the smaller value elements of the project is via a framework. Further investigation on creating a small package of work will become more apparent as we move into the later RIBA phases. This contract will promote early contractor involvement and allow greater time to plan the smaller works programme and offer greater opportunity to provide value engineering solutions.

For the higher value works and where there is time within the programme, it is recommended to progress a procurement with negotiated tender with the intention to combine a large proportion of the works in to one contract. Based on the market engagement carried out, a negotiated tender would be the preferred route to market for many suppliers if there is adequate time available to complete a two-stage procurement.

This option would be likely to make the scheme more attractive to potential bidders which can only be of benefit to making the tender process more competitive and will help ensure the best value for money.

The current strategy therefore recommends the delivery of the works based on the summary packages below;

- The design for RIBA stages 2- 4 will be procured through a consultant framework to appoint Royal Haskoning.
- The demolition of DCT and EDI areas will be procured through a competitive tender (UCR16)
- The Civils works (Paving, Highways and Structures), M&E (New Substation and data diversions), Building works and fit out, Kiosks and demolition of existing

check in and PAF canopy will all be procured though a negotiated tender (UCR16) to be awarded following the tender process being carried out.

With the scope being consolidated it allows DHB to place the responsibility of Principal Designer and Principal Contractor onto the supply chain having identified those most competent to fulfil these roles and best placed to manage the relevant risks.

There are still two key elements (Existing Border Controls - Phase 3 works & existing building refurbishments) that are to be designed and are outside RHDHV's scope. It is intended these will be delivered as 'Design and Build' elements under the "Main Contractor" route.

In order to ensure the headline strategies remain aligned with the Port's expectations, each work package (whether framework or otherwise) follows a robust governance process, principally:

Decision Gate 1 (DG1) – Procurement Strategy, this is the approval to proceed with a defined procurement process.

Decision Gate 2 (DG2) – Contract Award, this is the approval to award a contract following a defined procurement process

Each decision gate has detailed criteria for its assessment by the Project Steering Group (PSG), this detailed strategy/award sign-off request documents a full business case Justification for the decision to proceed, and fundamental to this is a demonstration of Value for Money (VfM).

DHB anticipates that in order to satisfy the expediency required for the delivery of this project the procurement of substantial proportion of the works, goods and services will be via existing framework arrangements. These frameworks have been competitively procured in accordance with the Utilities Contracts Regulations on both price and qualitative basis with VfM integral to the framework objectives. Works undertaken via these frameworks for this project will consider all procurement options available there under in attempts to further validate VfM, this will include the consideration of NEC Option C/E cost reimbursement and pain/gain share models.

Where existing frameworks or supplier arrangements are not in existence, all procurement assessments will continue to be undertaken on both a qualitative and price basis, focussed on achieving best value. Where possible, it remains the intention of the Port to undertake these in an appropriately competitive manner, always subject to time and specification constraints which may make this implausible.

This detailed procurement strategy has already been developed but is currently in the process of being updated alongside Gleeds regarding both current cost and programme estimation; this draft can be found in the appendix: PoD_Dover Access Improvements_Procurement Strategy (DRAFT & under review)

PoD has already conducted a significant amount of work across the business regarding decarbonisation and has already seen a reduction in carbon footprint by an impressive 85% since 2007. Going beyond this reduction though, DHB has set three targets in an aim for Net Zero as follows:

- To be carbon net zero by 2025 (Scope 1&2 - direct emissions from operations and indirect emissions from purchased energy)
- To be carbon net zero by 2030 (Scope 1 & 2 and defined Scope 3 - all other emissions associated with activity)
- To become the world's first (high-volume) Green Shipping Corridor

Currently DHB has general requirements on compliance with environmental regulations and port policies and procedures which includes sustainability. Specific requirements for an individual contractor, supplier, or consultant to achieve a specific target or outcome (such as zero emissions for example) would be inserted

in a work package or similar contractual agreement. The exception to this is DHB's waste contract which has specific requirements and targets for recycling and environmental controls embedded in its Framework agreement.

All current DHB framework contractors have their own sustainability and social value policies and targets. Initially opportunities for social value will be considered as part of the design process. Social value will then be identified as a requirement in the contract and measures taken to review and record the benefits being realised through the delivery of the project. Minimum levels of social value are included within the contract documents i.e. expectations for the number of trainees employed by the contractor. On top of the minimum levels requested there will be a quality element in the tender where each of the contractors are able to bring their own ideas and innovation to providing social value.

The 6 key areas that are focused on are:

• Management and control of waste

• Use of local SME's and third sector organisations

• Training opportunities for employees especially through apprentices' schemes

• Employment of the long term unemployed

• Opportunities for improving the local environment

• Engagement with local schools and colleges to provide educational initiatives and to promote opportunities within the construction industry

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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?

DHB's Procurement & PMO Director, Chris Hughes will lead on all procurement activities, his CV and that of the delivery team are enclosed in the appendix.

Procurement is to be governed through a process of two gateways which are template documents requiring joint sign off by the PM and Procurement & PMO Director;

1. Decision Gate 1 – Procurement Strategy, this is the approval to proceed with a defined procurement process
a. a summary of the procurement strategy for each gateway stage should be an appendix to all main gateway papers
b. any procurement strategies that have not been approved as part of a main gateway paper approval will be approved on the basis of;
i. <£50k budget/anticipated contract value to be approved by signatures on the form
ii. >£50k budget/anticipated contract value to be presented for PSG approval

2. Decision Gate 2 – Contract Award, this is the approval to award a contract following a defined procurement process
a. template completed for each contract award decision and approval to be managed in IFS (DHB ERP system)

i. <£50k contract value approved by PM, Procurement & PMO Director and Sponsor in system
>£50k contract value approved by PM, Procurement & PMO Director in system then presented to PSG for approval, Sponsor closes the final step in IFS

Project Controls
Precise details are still to be finalised in relation to Project Controls and the IFS-based procedures, the teams are also still building the documentation for communication, the key points can be summarised;
• to all intents and purposes the project is still following the same processes in IFS for main gateways as all projects in the business currently do, with the exception that the Sponsor role is fulfilled by Emma Ward (COO);
• the procurement DG2 is a new template to manage the approval of spend (contract awards) against budget sanctioned in the current gateway paper
• this template will follow a similar approval routing in IFS as the small works papers do normally with PM, Procurement & PMO Director and Sponsor in the workflow and PMO to assure the relevant papers/decisions are taken by PSG
• the project structure has been agreed and has now been set up in IFS.

KCC also has in-house commercial and procurement specialists, that will be used to support the procurement exercise and help manage the delivery contract.

The KCC Strategic Commissioning division will support the delivery team, supporting with advice on procurement process through to contract award. The team ensures that the contract will be procured ethically, legally and with minimal risk to KCC.

In terms of scheme construction, KCC works closely with the construction industry and individual contractors, and will support a procurement model best suited to the project. As an authority that procures multiple construction contracts a year, KCC are in regular communication with the Civil Engineering Contractors Association (CECA), providing regular updates to their members on the forward programme. KCC have well established relationships with a large number of construction companies.

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

Dover Harbour Board and KCC does not have in-house capacity to carry out all tasks required to deliver this project.

A multi-disciplined design consultant team will therefore be commissioned (including Royal Haskoning). Within this brief, there will be a clear set of aims and objects along with outcomes to ensure the perspective consultant is clear on what they are expected to deliver and by when. This process will be initiated prior to LUF announcement to ensure key capacity is lined up ready to start if successful. The procurement process for this work will explain clearly that the work will only commence if KCC is successful in the LUF process.

DHB will also procure a multi-disciplined design consultant team to help prepare and design all the key project areas and prepare tender documentation for the construction work. The commission will include evaluation of tender returns and recommendations to the governance boards.

A multi-disciplined commercial and PMO consultant will also be commissioned to provide support to the DHB project team, procurement team and Programme Management Office. The consultant will provide specific support services including procurement and commercial management, contract administration, planning and PMO support.

As an authority that procures multiple construction contracts a year, KCC are in regular communication with the Civil Engineering Contractors Association (CECA), providing regular updates to their members on the forward programme of works. As part of this ongoing engagement, KCC will work with DHB and the contractors to discuss the upcoming opportunity and how a contract may be brought to market.

Contractors recently appointed by both KCC and DHB have all been proactive in resolving issues to the mutual benefit of all parties. Lessons learnt exercises have been undertaken at the end of each contract and where appropriate improvements made in the procurement process and contract documents of subsequent contracts.

In line with best practice suggested through the Construction Playbook, DHB also utilises a contract management tool (Asite) to create, store, report and manage contractual data for each of the projects it delivers (for both professional services and construction). This software has been introduced to ensure the contracts can be managed centrally, consistently and are fully audited.

The key benefits of the system are:

• Drives procedure: Guide users through the built in NEC Package Order contract format and lifecycle.
• Manage the creation of all NEC processes including change control, Early Warnings and Compensation Events
• Create a single portal for the creation of PO contractual documentation and correspondence. Provide a snapshot/overview of all key PO information within a central register.
• Ensure Contracts undergo change control process, ensuring that correct data is captured and shared to the suppliers prior to the contract becoming live.
• potential savings gained throughout the contract period can be highlighted and tracked
• Information on Key Performance Indicators (KPIs) can be recorded and reviewed.
• Capture contract cost & payment information
• Single source of the truth
• Track and trace types of work, and all change controls including cost alterations.

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

There are various options available that promote the sharing of risks across the various parties involved on the construction project. The procurement strategy and contractual mechanisms through the proposed form of contract will ensure that all options for risks transfer are considered and applied where appropriate.

Through procurement and as part of scheme delivery, the contractor will produce a priced risk register. This will be reviewed as part of the process of target setting and decisions made on the mechanism for sharing risk between the contractor and DHB, ensuring that the proposed allocation provides the best value for money for the project for both DHB and KCC.

The above approach builds on experience with such delivery mechanisms on recently and successfully delivered schemes, with a clear understanding between contractor and client of how they work and what their processes are. This is not just in terms of roles, but also agreed standards, mechanisms and clarity over risk and risk allocation and transfer through the design and construction phases.

Cost and time over-runs could have a significant impact on the delivery of the project. The list below details the primary ways in which both cost and time over-

runs can be avoided:

• Set objectives that are realistic and not changed during the project and avoid changes in scope mid-way through the delivery process

• Ensure that all cost estimates are realistic, and the appropriate allocation of contingency is applied, reviewed and managed throughout the project's life

• Ensure a realistic programme is agreed for the delivery of the project and all possible and foreseeable eventualities are proactivity considered

• Provide an agreed project brief that is complete, clear and consistent and most critically understood and agreed by all parties to the project

• Ensure that a design is progressed that meets planning and other statutory requirements

• Ensure that the design is fully and robustly coordinated and takes account of buildability, maintainability, health and safety and sustainability

• Ensure all risk is quantified and allocated to all parties of the contract in an unambiguous and clear manner

• Provide clear leadership, excellent project governance, swift decision making and appropriate and proportionate management controls

• Subscribe to simple payment mechanisms that incentivise all parties to achieve the common and agreed goal relating to the delivery of a high-quality project, on time and within budget

In keeping with the above, DHB will engage consultants and contractors using the NEC contract environment, requiring contractual delivery programmes and robust standard change controls to proactively collaborate with the contractor to deliver safely scope and outcomes to the agreed quality, programme, and cost.

DHB deploys active contract management techniques and best practice performance and relationship management methodologies to track quality, cost, risk, and programme to mitigate negative indicators and exploit opportunities. DHB will utilise positive commercial model incentives where appropriate to ensure risk is placed where it can be best managed.

In line with best practice suggested through the Construction Playbook, DHB also utilises a contract management tool (Asite) to create, store, report and manage contractual data for each of the projects it delivers (for both professional services and construction). This software has been introduced to ensure measures are in place to manage the consultants and contractors that are supporting the delivery of their projects. The system, by providing a single source of truth will also help to quickly identify risks and issues on the project.

As a public body, KCC has to meet the requirements of a number of procurement regulations and policies:

▪ Public Contract Regulations 2015
▪ KCC Procurement Policy (Spending the Council's Money)
▪ The Council's Financial Regulations
▪ The Constitution of the Council

These requirements are achieved by following ‘A Commissioning Framework for Kent County Council: Delivering Better Outcomes for Kent Residents through Improved Commissioning’. This document details KCC’s commissioning principles:

- Focused on outcomes for KCC’s residents
- A consistent commissioning approach to planning design and evaluating services
- The people involved at the right stage of commissioning
- Open-minded about how best to achieve outcomes
- High-quality, robust evidence for informing KCC’s decisions
- Hold all services to account for the delivery of KCC’s strategic outcomes
- Customers at the heart of KCC’s commissioning approach
- A commitment to building capacity
- We will maximise social value
- Our supply chains will be sustainable and effective

These requirements will also be set out in the funding agreement between DHB and KCC. The agreement will set out the financial checks on suppliers that are required by KCC for its own procurement process so that good practice can be shared for the benefit of this project.

Set out how you plan to deliver the bid

The full delivery plan is included as an appendix to this bid. Preliminary and enabling works carried out to date include:

Design / Approvals

Phase 0 - Executive Team Approval for Design – May 2018 (completed)

Phase 0 - Board Approval for Implementation – March 2020 (completed)

Phase 1/2/3/4 - Board Approval for Design – July 2020 (completed)

Phase 1/2/3/4 - Board Approval for Implementation – November 2020

Implementation

Phase 0 – Start of Enabling works – August 2020 (completed)

Phase 0 – Start of Demolition – October 2020 (completed)

Phase 0 – Complete works – May 2021 (completed)

The key milestone prior to implementation of the delivery schedule is the agreement between KCC and DHB, setting out the guaranteed planned utilisation of the scheme infrastructure and the programme to support the delivery once an LUF award notification was received. This milestone would need to be met before finalising any LUF to be made available to the scheme.

There are currently no anticipated consents required, owing to the works proposed taking place within the existing boundary of the port, which is expected to be deliverable as permitted development.

KCC's plan is to have oversight of the delivery of the scheme through a similar structure to the Local Growth Fund and Housing Infrastructure Fund programmes which have successfully been delivered with third parties in Kent. That KCC oversees as Dover Harbour Board delivers, through a funding agreement, articulating clearly the proposed way of working and planned benefits to be realised. It is envisaged that KCC will receive LUF monies and be responsible for the management and pass-across to Dover Harbour Board for the purpose of their undertaking of delivery. In so doing, KCC will take the lead role for the public sector in ensuring the monies are spent in accordance with the LUF award and its intended outcomes.

KCC's planned approach to secure a funding agreement with DHB reflects the required undertaking of works within the Port of Dover, with the scheme including improvements to the infrastructure that will integrate and tie in to the Strategic and Local Road network in Dover and Kent.

The approach also ensures KCC, as local transport authority and working closest and most regularly with stakeholders across the County, are kept up to date about the works, either through KCC's own activity or by ensuring that Dover Harbour Board are understanding and sighted on the needs for communications with those identified stakeholders.

KCC will chair a Programme Board on a regular basis, to facilitate transparent dialogue between the Steering Group partners and to act as an effective sponsor to ensure scheme development and delivery are focused on the outcomes established in agreement with the presumed LUF award. Above the Programme Board will be a Sponsoring Group Board comprised of heads of relevant functions within KCC, to make decisions on issues that arise and sign-off on achievement of benefits and milestones, for presentation to Government in accordance with presumed financial draw-down of LUF monies and for publicising jointly across the public sector to wider stakeholders and the public the achievements of the investment.

A detailed DHB Project Delivery Team overview is attached in the Appendix, alongside the CV's of key individuals and an overview of the Controls Workstreams. Alongside this, you will also find a detailed resource scheduling map: the example used is for Q2 2022 but this exists for each main stage of the scheme.

Early-stage engagement with stakeholders has been an ongoing activity as part of the work by Dover Harbour Board to develop the project and will be an important part of the project going forward. A formal Stakeholder Management Plan has been completed and a Communication Strategy is in progress, which will underscore our approach to managing different stakeholders. Stakeholders will be approached with different level of engagement depending on their needs, as follows:

Intensive consultation - Those directly affected by the scheme and whose input is required for the scheme to progress effectively. Consultation throughout the design and implementation.

Highway Authority (National Highways)
DDC and KCC Councillors
MPs

P&O/DFDS/Irish Ferries
PAF
UK Border Force
Kent Police
KRF

Consultation - Those affected by the scheme and who can contribute to the success of its design, construction and operation. Consultation at key stages

MMO
Securitas

Information - Stakeholders with some interest in the scheme or its use. Information to be provided at appropriate stages.

Local Residents
Local Businesses
Wider District Councils (Canterbury, Swale, Maidstone, Folkestone, Ashford)
Parish/Town Councils
SELEP
KMEP
Local Businesses
Visit Kent
Tourists and visitors
Motis

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

As per high level project plan included as an appendix to this bid, construction is scheduled to commence in Q3 2023. Prior to this, design will continue at risk in order to achieve RIBA stage 4 and facilitate this timeline.

The Camber Slab feasibility work, market engagement (procurement) and the PQQ are all due to be complete in 2022, prior to scheduled construction commencement.

To date, bid activity has already commenced for pre-construction professional services, design, demolition and various enabling works/surveys.

Continued stakeholder engagement will run in parallel to all design, procurement and pre-construction activity.

Risk Management: Set out your detailed risk assessment

The Kent County Council Risk Management Policy and Strategy (2021-24) which is included as an appendix is informed by the Cabinet Office publication Management of Risk: Guidance for Practitioners, the HM Treasury Orange Book, and is informed by the UK implementation of the international standard for risk management BS ISO 31000:2018. It takes into account the operating environment for local government, and has been updated to reflect the major social and economic impacts of the coronavirus pandemic. The Policy is reviewed at least annually with changes presented to the Governance and Audit Committee for approval.

This policy applies to all of KCC's core functions, as well as any partnerships and third party agreements that KCC enters into. Significant contractors must have risk management arrangements at a similar level.

It is built around five key principles. Risk management is:

An essential part of governance, and fundamental to how the organisation is directed, managed and controlled

An integral part of all organisational activities to support decision-making

Collaborative and informed by the best available information

Structured, with the process recognised as iterative rather than sequential

Continually improved through learning and experience

Project risks are managed around a cycle of identification and assessment, treatment, monitoring, and reporting. Risks should be identified and escalated as needed by all members of the project team, whether or not the sources are under KCC's direct control.

KCC's approach to determining risk levels is also highlighted in this strategy with risks assigned an overall rating of between 1 and 25, by multiplying the likelihood of occurrence by the impact of the risk.

Each risk is assigned a 'current' and 'target' risk rating, considering existing mitigation measures. KCC recognises that risk is inherent in delivering and commissioning services and does not seek to avoid all risk, instead aiming to have an 'open' approach, with risks managed in a proportionate manner. Risks rated as "High" are deemed to have exceeded tolerance levels and are subject to escalation for review and action.

The frequency of risk assessment, analysis and review is determined by how fast risks are emerging and the level of their materiality. Ongoing monitoring provides an understanding of whether and how a risk profile is changing, and the extent to which mitigation measures are effective. For this project Senior officers and elected Members must receive unbiased information about KCC's principal risks and how management is responding to them.

KCC will continue to work with DHB to establish and manage risk in relation to the delivery of the project . The project risks will be managed based on the principles set out in the KCC Risk Management Strategy. Mitigation measures have and will be identified as part of the risk management process to reduce the likelihood and impact of these risks going forward.

A detailed version of the Risks and Opportunities register can be found in the appendix named: PoD_Dover Access Improvements_RO Schedule (LUF). This quantified risk assessment is currently being reviewed by Gleeds.

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

KCC has taken a lead role in delivering externally funded schemes in recent years, such as a new station at Thanet Parkway and overseeing the implementation of Government funding to deliver improvements to Road and Harbour infrastructure in the county.

The Major Capital Programme Team is set up as shown in the file included in the appendix (MCPT updated structure). The team has a successful track record in the development and delivery of complex and varied major infrastructure projects on time and within budget, and that deliver the scheme objectives.

In terms of scheme construction, KCC works closely with the construction industry and has successfully delivered the following schemes over the last 10 years:

- East Kent Access Phase 2, Thanet - £87m
- Sittingbourne Northern Relief Road - £40m
- M20 J9 and Drovers Roundabout Improvements, Ashford - £25m
- St Clements Way Improvement, Greenhithe - £6.9m
- M20 Junction 4 Bridge Widening - £5m
- Maidstone Bridge Gyratory - £5.7m
- North Farm Link Road, Tunbridge Wells - £7.4m
- Rathmore Road - £9.5m

The East Kent Access 2 Scheme, completed in May 2012, was designed to support economic development, job creation and social regeneration, improving access with high quality connections between the urban centres, transport hubs and development sites in East Kent. The overall objectives of the scheme were to unlock the development potential of the area, attract inward investment and maximise job opportunities for local people. It delivered five miles of dual carriageway around the Isle of Thanet reducing traffic congestion, improved journey time reliability, and improved connectivity with the ports of Dover, Ramsgate and Kent International Airport.

At the heart of this project was the innovative design and build of two key structures, the underpass at Cliffsend and the over-rail bridge at Cottington Road. The underpass at 126m long was the longest box jacked structure in the world at the time. The scheme also provided 8 kilometres of dual carriageway connecting the A299 at Minster Roundabout, and the A256 at Richborough Roundabout, to an improved Lord of the Manor Junction.

The over rail bridge at Cottington Road involved working with Network Rail to obtain night possessions to deliver this two-span concrete integral bridge, carrying the new dual carriageway over Network Rail's Ramsgate line, local high speed rail infrastructure and a local road. The scheme was delivered without interruption to railway services.

There were protected wildlife species and habitats within the footprint of the scheme, and mitigation proposals were developed with environmental organisations. This included trapping and relocating protected species and encouraging them to move away naturally from the area of the new road. Extensive landscape planting has been carried out to reflect the local area and to help mitigate the visual intrusion of the new road.

The scheme was successfully delivered within budget and five months ahead of programme (against the original 3 year programme) through the adoption of a robust management system. The total value of the scheme was £87.0m of which £81.25m was funded by Central Government. It won the Innovation Award and was highly commended in the Structures category of the ICE South East England Engineering Excellence Awards 2013.

This experience puts KCC in a strong position to support Dover Harbour Board to drive the delivery of the Dover Access Improvements scheme and to realise the benefits intended on the Kent road network.

Dover Harbour Board also has a history of delivering large scale, complex construction projects. Examples include the successful delivery of the “Buffer Zone” in 2015 and the first phase of the Dover Western Docks Revival Programme in 2019. It should be noted that the Buffer Zone project was similarly delivered within the live operational area of the Eastern Docks of PoD.

Much of the team (which is outlined in full in the appendix document “project delivery team”, and the resourcing profile) remain from these programmes of work, supplemented by new expertise. Chris Hughes joined PoD in 2020 and leads the procurement and contracting teams having joined with a rich history from Associated British Ports. Similarly, Tony Yates will join DHB in September 2022 from London Gatwick Airport and will lead the Engineering and delivery of the scheme.

Through both the outlined experience within DHB, complemented by KCC and supplemented by the strong working relationships with industry partners through existing world class frameworks, the scheme is set up for success.

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

KCC will achieve the necessary approval to accept a successful LUF Grant and enter into a funding agreement with Dover Harbour Board. The Section 151 Officer can confirm that KCC has adequate assurance systems in place to ensure the expenditure on the project is only approved once agreed milestones have been met, and once adequate checks on quality and of output are complete. It should be noted that the Section 151 Officer also forms part of the Sponsoring Group Project Board.

KCC will follow a Gateway Process as a mechanism for assessing the project at critical stages in its lifecycle prior to commencing the next stage. The successful use of a Gateway process in managing KCC projects enables:

- Realistic and achievable targets to ensure successful delivery
- Deployment of relevant skills and competencies to a project
- Compliance with best practice
- Key Stakeholder input and understanding
- Project feedback through lessons learnt
- A visible audit trail

The Gateway Review process may involve appointing an independent consultant(s) who can carry out the Independent Technical Evaluator Role potentially through an external body such as Transport for the South East (TfSE), or which has been employed through the South East Local Enterprise Partnership

(SELEP). KCC plans to undertake an independent review of the project at RIBA stage 4, the recommendations of which will be reviewed and addressed through the next stage (Construction).

KCC are happy to agree a process with DfT if necessary, including for example following the process that has been incorporated by the IPA: https://www.gov.uk/government/publications/infrastructure-and-projects-authority-mandate/infrastructure-and-projects-authority-mandate

KCC have long established assurance procedures that are set out in the KCC Financial Regulations document which is included as an appendix to this bid.

The Council's Financial Regulations set the control framework for five key areas of activity:

Financial Planning - Covers Performance Planning, Capital Strategy, Treasury Management Strategy, Pension Fund Investment and Administration Strategy, Revenue Strategy, Revenue Budgeting, Capital Programme and Budgeting, Reserves and Key Decisions

Financial Management - Covers Revenue budget monitoring and control, Virement, Treatment of year end balances, Capital Budget Monitoring, Accounting Policies, Accounting records and returns, Annual Statement of Accounts, Contingent Liabilities and Financial implications of Reports.

Risk management and Control of Resources - Covers Risk Management and insurance, Internal Control, Audit requirements, Preventing fraud and corruption, Assets, Treasury Management, Investments and Borrowing, Trust funds and funds held for third parties, Banking, Imprest Accounts and Staffing Costs.

Systems and Procedures - Covers general processes and procedures, Income, Ordering and Paying for Works, Goods and Services, Payments to employees and Members, Taxation, trading accounts/business units and Internal Recharges.

External Arrangements - Covers Partnerships, External Funding, Local Authority Companies and Work for third parties.

The KCC Corporate Director of Finance (Section 151 officer) is responsible for promoting the same high standards of conduct in the financial management of partnerships and companies as within the Council.

The KCC Corporate Directors are responsible for ensuring that the Council's interests are protected in such arrangements and that appropriate advice is taken at all stages.

For assurance of the financial surety of DHB and governance procedures, please refer to appendix document PoD_Dover Access Improvements_CFO confirmations. This letter outlines the the Role and Structure of the Board, that of the Audit Committee and internal controls, including DHB schedule of delegated authority, approach to cyber other policies.

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

The Dover Access Improvements scheme is an asset replacement and improvement scheme. To that end, maintenance costs are forecast to reduce from as is.

The new asset's operational and maintenance costs will be included within the DHB cost base which will then form a part of the "Ferry Tariff Framework" ("FTF"): FTF is the pseudo-regulated pricing model created to provide transparency and predictability to ferry operators after a section 31 inquiry in 2011 (through which DHB was successful). The FTF model calculates a Gross Revenue Requirement (GRR) for each year since 2014 much like regulated businesses such as Ofwat and Network Rail.

The GRR is constructed from the operating expenditure, amortisation (return of assets) and allowed return on assets. The return on assets is calculated by applying a Weighted Average Cost of Capital (WACC) to the Ferry Framework Asset Base (FFAB). These assets are either fully recognised as for the ferry business or a share of those counted as overheads (i.e. neither ferry nor non-ferry businesses). This is calculated from the proportion of ferry operating costs which has been between 70-75% since 2012. GRR is funded from ferry charges. This is required to maintain the ferry infrastructure and annual running costs. For the avoidance of doubt, only the proportion of the scheme cost funded by DHB will be added to the FFAB.

Due to the design of the new scheme infrastructure, running costs are also envisaged to reduce due to the PV panels and other build quality items.

The delivered scheme will be managed by DHB Operations (and relevant agencies) and maintained by DHB Engineering directly as part of it's asset management plan, otherwise managed by DHB and delivered by the framework, under strict monitoring protocol.

For assurance on the financial security of DHB, please refer to the Annual Reports (2020 and 2021) provided in the appendix.

Upload further information (optional)

Set out proportionate plans for monitoring and evaluation

The proposed approach for the Monitoring & Evaluation of the scheme is proportionate and is aligned with the Magenta Book and DfT's 'Monitoring and Evaluation Strategy' (March 2013). By the nature of the scheme, the benefits realisation can be explicitly demonstrated through journey time reliability. This will be the primary means of demonstrating the outcomes have been achieved alongside reduced incidents of TAP and Brock. KCC's close working with local stakeholders and partners from the Kent Resilience Forum (KRF) will provide scope for road user surveys, business surveys, and customer satisfaction surveys to also demonstrate the benefit of the scheme.

The Monitoring and Evaluation Plan will be developed (in addition to Table E of the Costings and Planning Workbook) to describe how the scheme's delivery, construction, impacts and budget management, are to be evaluated. It will culminate with a brief Post-Implementation Review approximately one year after scheme opening. A follow-up review will be undertaken approximately five years after scheme opening. The Monitoring and Evaluation Plan will be prepared by Dover Harbour Board, although the overall plan will be owned and regularly reviewed by the Senior Responsible Owner (SRO) and delegated as necessary.

Post-implementation Review
This will be in two parts: Scheme Implementation and Scheme Impacts.

Scheme Implementation
The first part of the Post-Implementation Review will focus on scheme delivery, covering the following aspects:

· Construction – including the efficiency and cost of the infrastructure contractor's procurement exercise, and the extent to which the construction programme was delivered within the estimated timescales and budget and

· Project Management – including the cost of project management resources, as well as the extent to which overall scheme timescales were adhered to.

This review will be completed approximately one year following the opening of the final component of the proposed package. A key output of the review will be a log of the lessons learnt, which will assist in the planning and delivery of future schemes so best practice can be taken forward. To ensure that an accurate and informative Post-Implementation Review can be undertaken, the SRO will maintain detailed records in relation to procurement processes, the scheme budget and expenditure and project management meetings.

Scheme Impacts
The second part of the Post-Implementation Review will focus on the impacts as a result of the scheme:

· Scheme benefits – a summary of the formal benefits review, one year and five years post scheme completion and
· Unexpected (dis)benefits – identifying any additional impacts that were not planned for as part of the projects.
Evaluation Milestones and Outputs

It is proposed the evaluation process consists of three key phases:

· Phase 1: Pre-Construction Baseline
· Phase 2: One Year After Implementation and
· Phase 3: Five Year After Implementation.

Data will be collected for baseline conditions during 2022/2023 following confirmation of funding, prior to construction works commencing. This will ensure that the data is not compromised by the construction period. Before and after scheme monitoring will be undertaken to evaluate the projects' effectiveness against the objectives for the Levelling Up Fund and local policies.

Research Questions
The following research questions will guide the evaluation.

Design evaluation / Delivered scheme -
Was the scheme delivered as planned (did it match the outputs specification)?
If not, what changes had to be made, and why?
What impact did these have?
Could they have been foreseen or avoided?
What went well and what went less well?
How accurate were the cost estimates?
If out-turn costs were different from expectations, why was this, and what actions were taken?
Does it meet the needs of end users?

Delivery process -
Was the scheme delivered in line with expectations (cost, programme, quality)?
Have any lessons been learned?

Impacts -
Did the scheme address the problems identified?
Did the scheme deliver the objectives?
Did the scheme deliver its intended outcomes (improved journey times, reduction in the need for TAP, Operation Brock, reduced carbon emissions, increased customer, business and road user satisfaction)
Were the economic benefits distributed as predicted?
Were there any unintended outcomes?
Are stakeholders satisfied?
Has public support for the scheme increased or decreased since its completion?
How effective was the public engagement with stakeholders during construction?

Value for Money -
Was the scheme delivered in line with the benefits predicted?
Was the scheme delivered in line with expected costs?
Is the delivered scheme considered to be Value for Money?
What impact did any cost changes have on the overall value for money?
Were the allowances for quantified risk and optimism bias reasonable, or should a different approach be taken in future?

This evaluation will be framed by the Theory of Change framework, as illustrated earlier in this bid, which identifies the inputs, outputs, outcomes and impacts and addresses the standard monitoring measures such as:

· Scheme build
· Delivered scheme
· Costs
· Scheme Objectives
· Journey times

Monitoring of the construction process during implementation will also be undertaken to ensure any mitigation measures required.

The overall Monitoring and Evaluation Plan will be initially owned by the Senior Responsible Owner (SRO), with responsibility for overseeing the monitoring and particular tasks will be delegated as necessary. The owners for each monitoring aspect will be defined following funding approval.

The Dover HB Project Manager will be responsible for delivery of the monitoring and evaluation reports, which will be reviewed by the KCC Programme Manager.

Section 9: Declarations

Senior Responsible Owner Declaration

Upload pro forma 7 - Senior Responsible Owner Declaration

LUF Round 2 Pro formas V6.1 Proforma 7 SRO (Dover Access).docx

Chief Finance Officer Declaration

Upload pro forma 8 - Chief Finance Officer Declaration

LUF Round 2 Pro formas V6.1 Proforma 8 S151 (Dover Access).docx

Publishing

URL of website where this bid will be published

www.kent.gov.uk

Additional attachments

Additional file attachment 1 Letters of Support (combined) - Dover LUF.pdf
Additional file attachment 2 2020 DHB Annual Report & Accounts_Spreads FINAL.pdf
Additional file attachment 3 DHB Annual Report & Accounts 2021_Pages_Hi Res Display.pdf
Additional file attachment 4 Brock, Brock Zero, TAP plan - April 22.pdf
Additional file attachment 5 Kent Countywide Model - Base Model Development and Validation Report v1.0_No Appendices_External.pdf
Additional file attachment 6 Op Fennel Plan Version 5.2 Feb 22.pdf
Additional file attachment 7 PoD_Camber Slab location.pdf
Additional file attachment 8 PoD_Dover Access Improvements design overview.pdf
Additional file attachment 9 PoD_Dover Access Improvements_CFO confirmations.pdf
Additional file attachment 10 PoD_Dover Access Improvements_DRAFT Communications Plan.pdf
Additional file attachment 11 PoD_Dover Access Improvements_DRAFT Stakeholder Plan.docx
Additional file attachment 12 PoD_Dover Access Improvements_option review_Feasibility-2020.01.13 Meeting_V1.pdf
Additional file attachment 13 PoD_Dover Access Improvements_Procurement Strategy (DRAFT & under review).pdf
Additional file attachment 14 PoD_Dover Access Improvements_PSG ToR.pdf
Additional file attachment 15 PoD_Dover Access Improvements_Resource scheduling example.pdf

Additional file attachment 16 PoD_Dover Access Improvements_RO Schedule (LUF).pdf

Additional file attachment 17 PoD_Dover Access Improvements_Stage 3 Cost Plan Rev.2 (Qualifications, Exclusions & Assumptions).pdf

Additional file attachment 18 Project Delivery Team.pdf

Additional file attachment 19 001652 Support Information For Fund Application - 2022.06.28 v1.docx

Additional file attachment 20 MCPT updated structure.docx

Additional file attachment 21 GET EqIA governance process.pdf

Additional file attachment 22 KCC Risk-management-toolkit.pdf

Additional file attachment 23 KCC Financial Regulations.pdf

Additional file attachment 24 Dover Harbour Board - Dover Access Improvements - Subsidy Control Opinion - Final - 01.08.2022 (v2).pdf

Additional file attachment 25 (BS_KCC) LUF 2 Application - Subsidy Advice for Dover Access Improvements (02.08.2022).pdf

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