

KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TAKEN BY:

Peter Osborne, Cabinet Member for Highways and Transport

DECISION NO:

26-00035

For publication *[Do not include information which is exempt from publication under schedule 12a of the Local Government Act 1972]*

Key decision: YES / NO

- Expenditure over £1m
- Significant in terms of its effects on a significant proportion of the community living or working within two or more electoral divisions

Subject Matter / Title of Decision

Dover Border Access Improvement Project (DBAIP)

Decision:

The Cabinet Member for Highways and Transport agree, subject to the Department for Transport (DfT) confirming the grant funding agreement to:

- APPROVE the acceptance of £20m DfT grant funding for the Dover Border Access Improvement Project and entering into necessary arrangements to facilitate and support the Dover Border Access Improvement Project;
- APPROVE entry into the required funding agreement with the Department for Transport and Dover Harbour Board for the receipt, management and deployment of central government grant funding, constituting a subsidy under the Subsidy Control Act 2022, of £20m for the implementation of the Dover Border Access Improvement Project
- DELEGATE authority to the Corporate Director of Growth, Environment & Transport to take relevant actions, including but not limited to negotiating, finalising and entering into contracts and other legal agreements, as necessary to implement the decision.

Reason(s) for decision:

The decision is needed to deliver improvements for Dover constituents and any others more widely impacted by traffic management associated with the Port of Dover, by obtaining Levelling Up Funding to increase capacity and throughput of the Port, and by ensuring it meets border regulations.

DfT is providing the grant funding for the Dover Border Access Improvement Project, and its decision-making process has completed so that funds can be awarded to KCC.

Background

Dover is a Levelling Up Fund priority 1 area – the highest classification in the UK. Kent County Council (KCC) as the Local Transport Authority bid for funding in 2022, with an award announced by government in January 2023, subject to business case and subsidy assessment.

While the grant was provisionally proposed at £45m, we have – working with DfT and Port of Dover – established that similar benefits can now be achieved with a significantly reduced grant of £20m. This saving of public money has been enabled by: (i) leveraging the benefits of the extensive work

which the port (aided by central government) has undertaken to prepare for the EU Entry/Exit System including the extensive redevelopment of the Western Docks and (ii) significant development of the proposals by the port aimed at substantially reducing costs more generally in several areas.

The scheme is designed to add capacity and throughput in the Port which could reduce the need for Dover TAP and Brock by up to 80% and thereby remove congestion on the public highway network. This will support the resilience of the Kent transport network and be a positive outcome for the wider economy.

The decision will be implemented once the government takes a final decision to award the grant and enter a funding agreement with KCC and the Dover Harbour Board. This will then enable KCC to receive funding from the DfT and manage the release of funds based upon the roles, responsibilities and governance processes established in the Grant Funding Agreement.

How the proposed decision supports the Council Strategy Reforming Kent 2025-2028

Objective 3: Seek fair funding from Government which properly recognises Kent's unique needs.

This objective specifically cites the pressure of international Heavy Goods Vehicle (HGV) traffic on the Kent road network as one of the unique needs of the county. Securing the Levelling Up Fund (LUF) grant will represent a success in securing further funding to address this challenge in Kent.

Objective 5: Support local businesses to attract investment and create job opportunities for people in Kent.

This objective specifically cites the ambition to support projects such as the Port of Dover 2050 masterplan. The Dover Board Access Improvement Project (DBAIP) project seeks to use LUF grant funds to guarantee and accelerate delivery of improvements the Dover Harbour Board has set out to deliver over the longer term as part of its masterplan. This will help to reduce the negative externalities created by the Port which will help to attract investment and create job opportunities in Kent, especially in Dover which experiences the most acute impacts of traffic congestion due to queues extending out of the Port.

Financial Implications

The decision will release £20m to KCC from the government.

The £20m is the limit of the funding the government and KCC will release to Dover Harbour Board per the terms of the Grant Funding Agreement.

The Grant Funding Agreement will absolve KCC of any financial liability with respect to Dover Harbour Board's undertaking.

As the accountable body, KCC will carry limited liabilities to the DfT should KCC commit an Event of Default per the Grant Funding Agreement.

KCC will receive funding of £405,000 from the DfT to support its administration costs of the grant, in addition to LUF capability and capacity grant funding of £78,692 in 2026/27 and £62,500 in 2027/28. Officers consider this funding sufficient to cover KCC's likely costs.

The Dover Harbour Board will provide funding for the remaining investment necessary to deliver the project.

Legal Implications

Owing to the set up of the Levelling Up Fund, which awards funding to local authorities to level up their communities, KCC is required to be the recipient of the grant funding from government. KCC will commission the Dover Harbour Board to implement the project at the Port of Dover. KCC must sign a tripartite Grant Funding Agreement with the DfT and the Dover Harbour Board to secure and defray the grant.

Given the Levelling Up Fund grant constitutes a subsidy under the Subsidy Control Act 2022, it has been subject to an assessment considering how it is consistent with the subsidy control principles within the Act. A decision by KCC to sign the agreement will therefore be a decision (along with the government who will also be party to the agreement and be providing the subsidy) that the subsidy complies with the Act's subsidy control principles. KCC's summary of the assessment sets out that it has concluded that the proposed subsidy would be compliant with the control principles of the Act. KCC's summary is contained in Appendix C which is exempt from disclosure under LGA 72 Schedule 12A paragraph 3.

KCC officers have taken legal advice concerning the Grant Funding Agreement and planned subsidy, the detail of which is contained in Appendix D which is exempt from disclosure under LGA 72 Schedule 12A paragraph 5.

KCC is subject to the Public Sector Equality Duty (PSED) under the Equality Act 2010 and must actively consider how its decisions and services affect people with protected characteristics..

Equalities implications

An Equality Impact Assessment (attached as Appendix B) was carried out to assure KCC that its public sector equality duty could be fulfilled. The assessment indicates that 'there are no concerns at this stage which indicate the possibility of inequalities or negative impacts. No key issues were found in the assessment and therefore no mitigation has been included.

Cabinet Committee recommendations and other consultation:

[TBC]

Any alternatives considered and rejected:

The possibility for awarding the grant directly to the Dover Harbour Board was considered; however, due to the conditions for Levelling-Up Funding and precedents set with other awards across the country, the DfT requires that the grant be paid to the bidding authority.

The option not to progress the project following the successful bid was also discarded due to the significant benefits the project will deliver locally and nationally. Additionally, there is no match funding required from KCC as the investment from DfT and the Dover Harbour Board is sufficient to deliver the project.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer: [TBC]

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signed

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date