

## Strategy Implementation

It is recommended that implementation of the RegenCo strategy starts with commissioning a new Masterplan. This will clearly need to take full account of, and partially run in parallel to, a strategic reassessment by PortCo of future port capacity requirements based on updated traffic forecasts for ferry, cruise and general cargo shipping. The Masterplan would be prepared by and for RegenCo but constructive dialogue with major Dover stakeholders (including Dover District Council, Dover Town Council and potential partners/investors) would enable the Masterplan to incorporate a comprehensive and holistic review of all Dover town centre/waterfront regeneration opportunities.

Once completed, the Masterplan would form the basis for the RegenCo strategy. Given a constructive relationship with other key stakeholders, this will facilitate much needed "joined-up" thinking and action by all parties involved in regenerating Dover. The new Masterplan could also add considerable value to the regeneration and development projects already envisaged by Dover District Council's Local Development Framework. If all stakeholders cooperate constructively, the timing and scope of each project can be coordinated to maximise the regeneration and financial benefits.

The preliminary nature of this Report coupled with the lack of access to DHB, DDC and other relevant key commercial information precludes a detailed financial viability plan for specific projects at this juncture. Necessarily, this Report therefore focusses primarily on principles and strategy.

### 1. Investing in "Owned" Projects and Property Assets

With the Masterplan completed, RegenCo should clearly prioritise its investment in those projects where it (or DPPT/Portco) is the land-owner, specifically a "Waterfront" project around the Wellington/Western Docks and (in combination or separately) taking advantage of redevelopment potential of DHB's other non-operating property assets in the Waterloo Crescent seafront area. It is suspected that several of these properties are under-rented, in need of major refurbishment and/or could benefit from change of use e.g. office to residential. There may well be scope for added-value refurbishments and other investments to improve income and capital returns.

Further overview commentary is given on the Waterfront project below:-

#### Waterfront Development

Owned by DHB, the "Waterfront" development has long been targeted as arguably the key development within the Dover town area. The current Masterplan was developed by DHB in conjunction with the proposed ferry terminal expansion scheme in the Western Docks to create Terminal 2 ("T2"). Plans include the development of a new marina, hotel, residential, commercial, retail and leisure uses. However, the project is currently stalled now that the T2 project appears postponed for the foreseeable future (current estimates are that this will not be required before 2020).

It is recommended therefore that a key action for RegenCo is to engage with all relevant

stakeholders including DDC, Highways Agency and potential development partners to re-examine the feasibility of the Waterfront site through the master-planned approach referred to above. This needs to establish the practicability for a waterfront development that is independent of, but not ultimately prejudicial to, any future operational development of the Western Docks by PortCo.

Clearly, a development scheme which provides attractive high-quality residential and retail offers together with waterfront restaurants, bars and potentially a landmark hotel would be transformational for Dover, creating huge employment and a complete step-change in Dover's image, just as the Gunwharf Quays development has achieved in Portsmouth. The right quality of retail offer (e.g. a Bicester Village or House of Bruar concept) could be a massive draw for domestic visitors from East Kent and beyond, for visitors from the Continent and for visiting cruise/ferry passengers. De Bradelei Wharf already attracts 800,000+ visitors per annum so a transformed waterfront could reasonably be expected to attract much larger numbers, thereby creating significant long-term employment and acting as the catalyst for wider regeneration of Dover.

Careful consideration would need to be given to how to create a unique statement as for example the Spinnaker Tower has achieved in Portsmouth. It is clearly not necessary to have a construction as costly as that but there does need to be a focus that gives the Dover waterfront a special identity. One of many early suggestions is to include an iconic heritage vessel such as the SS Dover in the Masterplan.

At this juncture it is impracticable to establish a reliable development cost or expected returns. There are considerable challenges facing the project. These include heavy potential costs for road infrastructure, the partial in-fill of Wellington Docks, cost of marina construction, and car parking provision. Note that DDC appears to envisage most parking being off-site e.g. via Park and Ride but clearly this could have a huge negative impact on the attractiveness of the project to customers/retailers (one of the core attractions of Gunwharf Quays is the ease of on-site parking). The close proximity at some future juncture of a large ferry terminal with accompanying vehicle traffic (and associated optical, noise and air quality issues) is a further major challenge.

A further very important factor is how connectivity between the waterfront and the town centre can be achieved. The T2 project proposed a statement "land-bridge" over-head walkway from the town centre to the Wellington Docks. As currently proposed, the cost of such a land-bridge would be very significant (a cost of up to £5 million has been mentioned from unofficial sources) and it is recommended that a full range of alternatives are considered including for example cheaper options such as an enhanced underpass through to major alterations to the A20. For example, a fly-over or tunnel for a short section of the A20 in the centre of Dover could create a "piazza" experience between town centre and waterfront, would be truly transformational for the town's image and might mitigate the noise/air quality issues which could otherwise preclude residential development. Such major infrastructure changes would almost certainly necessitate very substantial subsidy from public funds.

With so many uncertainties, projecting project costs (let alone potential returns) is almost impossible at this juncture but an illustrative scheme cost (excluding an hotel and assuming a contribution of £40m to infrastructure costs) would possibly be £300m+. Assuming a hypothetical 50% LTV would indicate an equity requirement of £150m+. RegenCo could seek to negotiate with a lead development partner and take a minority equity stake in return for cash and injection of a leasehold land interest with RegenCo/ DPPT retaining the freehold ownership for the people of Dover.

## 2. Investment in Third Party Town Centre Projects

The second recommended investment category would be any Dover town centre developments that RegenCo believes could kick-start regeneration and provide acceptable financial returns. These would potentially include mixed-use developments that require significant investment and would provide large scale benefits to the community such as employment, retail, leisure and/or residential benefits. RegenCo investment might be by way of equity or loans in developments, led by third parties, to provide a return for RegenCo. Sections 2 and 3 below comment on two potential schemes currently in progress. These are referred to because of their prime locations but insufficient information is publicly available to establish whether RegenCo should support such schemes as to content or investment potential. Again, to the extent that these schemes are not irrevocably committed, the Masterplan process referred to above could play a crucial role in identifying and delivering the viability/returns/regeneration benefits.

The following are examples of a major and a smaller town centre scheme that are already in contemplation and are illustrative of the type of project that RegenCo could invest in.

### Dover Town Investment Zone

This scheme is critical to the physical regeneration of Dover as it is a large site right in the town centre. It is being led by Dover District Council (DDC) which is believed to have purchased the whole site (assisted by a grant from SEEDA). They are working in partnership with a small private developer, Bond City, a subsidiary of Stonehurst Estates.

### York Street/ Town Wall Street Project

A town-centre scheme is proposed for the location near the roundabout on York St. / Town Wall Street including the main King Street leading to the Market Square. Adjacent to the proposed DTIZ and the current subway link to the waterfront, the area includes a series of retail and other outlets and flats, some of which have been demolished although most are currently occupied. Given minimal updating over the years, the area has unfortunately taken on a depressed quality that urgently needs to be rejuvenated. Plans for the area could include new residential units (as noted above, air quality/ noise issues may preclude this) and a retail area with a boutique appeal similar to the 'Brighton Lanes'.

Developer David Schreiber and DDC are believed to have acquired a significant amount of property in this area but may have differing aspirations for redevelopment. Again there may be an opportunity for RegenCo to work with the relevant stakeholders to create value-added regeneration improvements.

## 3. Investments in Smaller RegenCo or Third party Investments/Developments

The third investment category would be investments or development projects that are not part of the core "Waterfront" or larger town centre developments, but still contribute to the regeneration of Dover. Broadly they can be seen as projects that might be supported by RegenCo to unlock other opportunities or maximise benefits of other investments. An example would be purchasing one or more individual town-centre units for refurbishment or reconstruction, re-letting and sale, usually in conjunction with other relevant stakeholders and as part of a master-planned approach. Another would be facilitation of or investment in housing schemes which provide much needed residential stock in Dover town centre.

#### 4. Business Support, Community Engagement and Public Realm Improvements

The final investment category consists of specific smaller-scale activities/initiatives that could be undertaken to support the wider economic development of Dover. Some of these may not have an expectation of direct financial return and it would be for further consideration whether funding for these should come from DPPT because of its charitable status. The key factor across these investments will be their contribution to the growth and development of Dover. Specific selection criteria will be developed for such projects.

Investments could include targeted business support programmes or activities that strengthen the town's social fabric and may be linked to distinct physical developments. For instance, business coaching could be provided to enterprises locating within new developments, or community engagement activities could be linked to the launch of new sites. Dover Chamber of Commerce is already very active in this area and can provide a vital focus and coordinating role for many of these programmes. Another area deserving more detailed consideration than time has currently allowed is further education and the potential role of RegenCo in facilitating or supporting, for example a Maritime Training College (as currently being developed by Viking) or other further education campus/facility. The key factor across these initiatives will be their contribution to the growth and development of Dover – selection criteria will reflect these priorities.

The section below outlines a range of business support activities, community engagement and public realm improvements which could go a long way towards rejuvenating the town with relatively minimal investment.

##### Investments in Small Business

To support the success of small business in Dover, RegenCo has the opportunity to establish or support a programme that improves the financial environment for SMEs. The model for the programme could be similar to the EU Directorate's Joint European Resources for Micro to Medium Enterprises (JEREMIE) initiative, which uses a range of financial instruments to invest in and develop SMEs. In the northeast for instance, a JEREMIE fund has been set up to support angel investments, the very early stages of business creation within the technology sector, cash injections to support growth for relatively mature companies, and seed funding for pre-start enterprises. The programme provides regions with the opportunity to develop funds suitable for the maturity of their SME community. The investments can range from £50K to over £1 million, depending on the need and the type of fund created, and criteria can be set to determine the potential of these investments to generate a return. In the case of RegenCo, these smaller SME investments could be set to mirror broader priorities to invest in projects that can support the recycle-able nature of the fund.

##### Growth Coaching and Mentoring for Local SMEs

In the UK, the Birmingham City Council has run a series of high growth coaching programmes under the ERDF funded Enterprise City High Growth programme. Delivered over a three year period, the programme provides up to 60 businesses a year with tailored and expert business coaching combining the expertise of a top professional services firm with experienced businesses coaches. Specialist teams work hand-in-hand with businesses over 10 months to launch growth strategies, address key business issues and create a culture of supportive enterprise among local businesses. The impact of the programme has been significant. Evaluations from 2009 have revealed that 25% of participants have taken on additional employees, 60% have increased their turnover and 80% have engaged with

new markets.

The success of this model has inspired several other councils such as Doncaster Metropolitan Borough Council to launch a similar programme of one-to-one mentorship. It is a model that could be suitable for Dover as it helps to accelerate a local entrepreneurial culture and business growth, while supporting the development of the local economy.

### Public Realm Improvements

The quality of Dover's public realm areas, including the river, requires great improvement in order to provide places of interest which also link the individual parts of the centre and make walking and exploration enjoyable. Although the town has several natural and historic assets, it lacks the connectivity from site to site and the general appearance of the town centre extends from the relatively tired and unappealing to the very poor.

RegenCo could contribute to targeted public realm improvements particularly if they enhance project investments around the Waterfront, for instance. Such investments could improve the overall pedestrian experience of Dover and shift public/visitor perception.

It may be that public realm improvements would be coordinated by RegenCo but funded by DPPT since DPPT as a charity may be able to fund such benefits in a more tax-advantageous manner.

### Community Engagement and Culture

The following are additional project options that RegenCo may either be able to initiate , facilitate or support, working in conjunction with other relevant local bodies involved in regeneration:

Introduce locals to the heritage and culture of the town through regular media reporting, local adult education courses, outings for local schools, pubs, senior citizens etc. Improve the marketing/awareness/usage of the current heritage facilities Introduce annual events that entrench the town's heritage in the town's calendar, e.g. Dover Day, Roman festival, a Viking boat race etc. Share the rich cultural heritage of the Dover Harbour Board with the town, e.g. exhibit the art collection of the Harbour Board as is the case for the Port of London Authority's collection which is managed by the Museum of London. Allow space on the waterfront for a monthly market, e.g. a farmers' market (the people of Dover are keen horticulturalists as is evident from the large number of allotments throughout the town), create a 'Garden of England Market' featuring local produce, an English Crafts Market, antique markets, etc. Establish local volunteer schemes for the town's archaeological digs. Utilise the scheme established by the Museum of London, and the statistical review which shows the successful engagement of local unemployed in such schemes. Promote adult education, supported by consequential social enterprise. Support/ launch Art and music events. Establish virtual office centres. Create service centres for local business people in the outlying villages, enabling them to work at home with a business support hub in Dover. Consider what sport-based projects could be developed and consider links with Olympics and Para-Olympics for inspiration.

Of the varied options illustrated above, RegenCo could potentially invest in or facilitate any which could serve to add value directly or indirectly to their investment portfolio provided that RegenCo's overall financial targets are not compromised.