



PRESIDENT: BRIGADIER M.A.ATHERTON CBE JP DL

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Lord Adonis  
Secretary of State for Transport  
Department of Transport  
Great Minster House  
76 Marsham Street  
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19 March 2010

Dear Secretary of State

### **PORT OF DOVER RESTRUCTURING PROPOSALS**

Having considered Dover Harbour Board's restructuring proposals and consulted our members, The Dover Society would urge you to consider its views.

The Dover Society is an amenity society with over 400 members whose objectives include the promotion of high standards of planning and architecture, informing the public about the geography, history etc of the area and; the preservation and improvement of features of public interest. Needless to say, we are also keenly interested in the regeneration of the town of Dover and minimising the adverse impact of the port upon the town and its citizens.

The town of Dover exists primarily due to its proximity to the continent and its associated harbour. This brings benefits to the residents in the form of employment, directly in the port and on the ferries as well as indirectly. That said, there is a considerable downside particularly since the growth of international road freight transport. The town suffers badly from traffic congestion and air pollution. The Dover Society would like to see in any restructuring some direct benefit for the town and its people in compensation. That said, The Dover Society appreciates the present high standard of maintenance of the harbour beach, promenade and seafront properties by the Board.

Our conclusions are:

1 There is very strong feeling in the local community that the port is held in trust by the Harbour Board as a local and national asset and should not be sold. The Society considers that whilst the existing Trust Port status has delivered an efficient and expanding port, in the present economic climate we do not believe that continuation of the present Trust Port status without any change is realistic. We understand that, purely as the result of recent

administrative decisions, at present Trust Port status prevents the Harbour Board from borrowing for development, since it would add to the government's borrowing requirement. If this is so, we would wish any change in status to include benefits to the town, which the present status precludes.

2 Our preference would be for an amended version of Trust Port status retaining all the present obligations and responsibilities, but with an ability to secure funding for development (such as the Board's proposed T2 project) without adding to the government's borrowing requirement. This would ensure that any port profits would continue to be reinvested in the port (including beach, promenade and property maintenance) rather than disappearing into shareholders' pockets (at home or overseas). In addition any change in Trust Port status should include the following concepts (also set out below when dealing with the privatisation proposals) viz. the port should be directed and managed financially and operationally from a Dover headquarters, there should be a charitable trust using its income from the port to invest in the local community and an employee profit-sharing arrangement.

3 Should selling the port be HMG's decision, we believe our members would be more likely to accept a partial privatisation. The government, the Charitable Trust and the Employee Share Scheme could between them retain a 51% stake. This could have the advantage of a more effective protection of minority interests. As HMG would be a minority shareholder any borrowing should not form part of government debt.

4 If this is not possible, because of the government's financial need to sell Trust Ports, then we would accept DHB's privatisation proposals, which include some benefit to the local community. It is essential that the following provisos are subject to effective regulation and legal enforcement:

4.1 The proposals should be approved in their entirety (and not cherry picked)

4.2 HMG should have powers to direct the actions of any owner such that the port's operations both comply with national strategic requirements and, insofar as is reasonable, support the local community's needs and aspirations. In the latter matter HMG should have regard to the views of the Trustees of the Port Community Charitable Trust (see 3.7 below)

4.3 Any new owner should be able to demonstrate capacity and commitment for future investment and development

4.4 The port should continue to be directed and managed financially and operationally from a Dover headquarters.

4.5 A condition of sale should include outline planning approval for development of the waterfront regeneration sites associated with the T2 development

4.6 If the new owner wished to sell the port in the future, there should be built-in assurances that its obligations be legally enforceable upon any subsequent owner(s).

4.7 We welcome the proposed Community Charitable Trust which if sympathetically constituted would give the people of Dover some ownership of, and involvement with, the port. The Trust would, hopefully, provide a long term means of making the town attractive not only to residents but visitors. We seek the following:

- Regarding the welcome proposal to allocate shares in the new company for the Charitable Trust, there is a concern that for many years any gross profits could be reduced to zero by repayment of the T2 development loan and the money used to purchase the port. There is, therefore, no guarantee of income for the Trust to spend on community projects. The Trust should, therefore, receive part of the current value of

the port as a capital sum, not to be spent but any income available for community projects.

- In addition the Trust should be allocated shares in the new company with any income used for the benefit of the community. Because of its minority holding the Trust's shareholding and resultant income should be protected from oppressive action by the majority owner.
- In both of the cases set out above the Society looks forward to discussing with your officers what should be considered a fair and reasonable allocation for the Charitable Trust because at this stage we do not have the knowledge or expert advice to make a judgement.
- The Trust's foundation document should be drawn up by a Steering Group comprising representatives of the Harbour Board (DHB), Dover District Council (DDC), Dover Town Council (DTC), The Dover Society and the Dover Chamber of Commerce.
- Trustees should be representative of the community and not purely from local government. Suggested representation is one representative from each of the following: DHB, DDC, DTC, The Dover Society, Dover & District Chamber of Commerce Ltd, White Cliffs Country Tourism Association, Sport/Leisure interests, Health/Aged interests plus an independent chairman of standing such as the Lord Warden or the Bishop of Dover.
- It should be independent and able to make grants only for projects within the Dover Town Council boundary (since it is only the town of Dover that suffers from the adverse impact of the port) and, exceptionally, outside this area if a project would directly benefit the town of Dover.
- Grants should not be substitutes for proper local or national government funding (no additionality).

4.8 We welcome the employee share scheme, which would add to community involvement in the port.

4.9 The DHB pension fund should be put into balance before privatisation.

4.10 The 'treasures' of DHB eg paintings and its Royal Charter should remain in Dover, possibly transferred to the Charitable Trust and be made available for display to the public

4.11 The present high standard of maintaining the beach, promenade and seafront properties should continue.

We are happy to expand on the views expressed herein and/or to be involved in any associated discussions if that is considered necessary. We look forward to learning of your decision on the future of the Port of Dover in due course. Thank you for your consideration.

Yours sincerely

Derek Leach  
Chairman

Cc Dr. Goldfield, CEO Dover Harbour Board; Paul Watkins, Leader, Dover District Council and Susan Jones, Mayor of Dover.