

Economic Impact Assessment

Weymouth Peninsula

Prepared for:
Dorset Council

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Quality information

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Executive Summary

Dorset Council has been successful in securing £19.5m from the government Levelling Up Fund (LUF) for a range of preliminary site works that will prepare three underutilised sites within Weymouth town centre to a point where they can be released for a more productive economic use. This economic impact assessment (EIA) focuses on one of the three sites, the Peninsula. It assesses options to bring forward this site to make it ready for development.

The experience of similar investments in relation to harbour regeneration suggest that bringing forward the Peninsula site would be a catalyst for increased visitor numbers, creation of a day-to-night-time economy and long-term economic growth in Weymouth.

There are currently multiple potential scenarios for investment at the Peninsula site. These are not mutually exclusive and are assessed to demonstrate the varying economic impact of each:

- **Option A (Harbour Infrastructure Improvement)** – Confirmed and progressing to extend and improve current harbour facilities. £3.7 million has been secured from the Coastal Communities Fund to support these improvements.
- **Option B (Hybrid)** – A combination of uses in Option A and C, delivering both harbour improvements and regeneration of the remaining Peninsula land. Delivery of a mixed-use development (commercial, leisure, and residential) and public realm enhancements to open up the quayside to public access.
- **Option C (Regeneration (Levelling Up Fund))** – Mixed-use development incorporating a hotel, leisure facilities, residential units, and public realm improvements. This option does not include improvements to harbour facilities.

The analysis presented in this EIA demonstrates that development at the Peninsula site could drive a range of benefits summarised in Table 1.

Table 1 Summary of Economic Benefits by Option

| Benefit | Option A – “Harbour Infrastructure Improvements” | Option B – “Hybrid” | Option B – “Hybrid – Excluding Residential Development” | Option C – “Regeneration” |
|---------------------------------------|--|---------------------|---|---------------------------|
| Direct LVU | n/a | £1,633,050 | £108,194 | £1,542,907 |
| Wider LVU | n/a | £11,761,175 | £6,916,294 | £10,082,256 |
| Amenity Benefit | £408,138 | £3,827,774 | £3,827,774 | £3,717,405 |
| Construction Jobs and Economic Growth | £2,270,555 | £10,511,258 | £2,732,927 | £11,155,451 |
| Operational Jobs and Economic Growth | n/a | £16,928,888 | £16,928,888 | £15,184,970 |
| Additional Footfall | n/a | £21,933,923 | £17,547,138 | £20,837,226 |
| Visitor Expenditure | n/a | £2,687,815 | £2,687,815 | £2,687,815 |
| Total | £2,678,693 | £69,283,881 | £50,749,029 | £65,208,030 |
| Non-monetised Benefits | Low | Medium-High | n/a | Low-Medium |

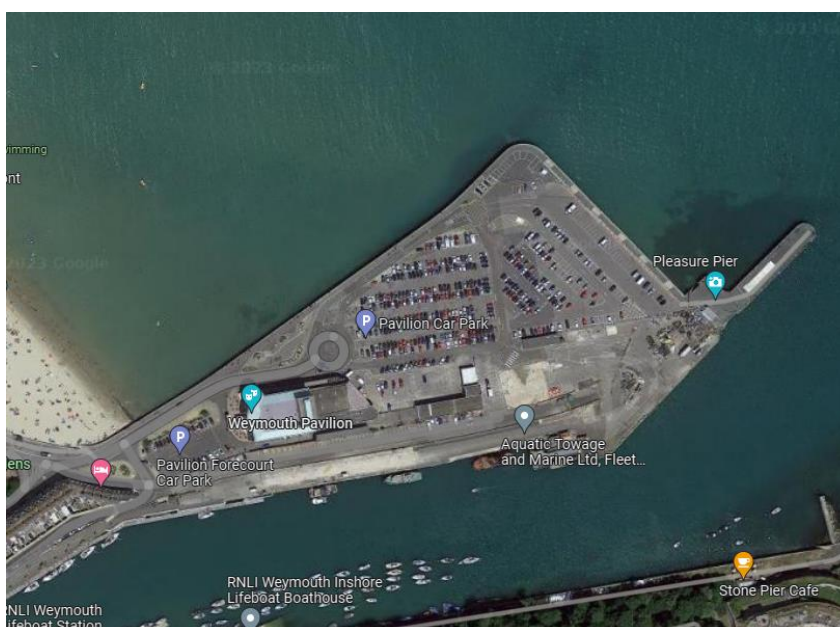
The assessment indicates that **Option B – Hybrid** delivers the highest economic benefit in comparison to the other options, with the potential to realise £69,283,881. It also demonstrates the most substantial impact in terms of non-monetisable benefits, with a “medium-high” impact categorisation for this. Option B was additionally assessed with the exclusion of residential development elements. The outcome of this further assessment reveals that 27% of the total benefits realised by Option B can be directly attributed to its residential elements, highlighting the tangible value realised by the inclusion of residential components.

1. Introduction

Approach

- 1.1 AECOM has been appointed Dorset Council to carry out an Economic Impact Assessment (EIA) of three proposed use options to inform the future use of the Weymouth Peninsula site in Weymouth. The purpose of the study is to present and robustly demonstrate the potential economic benefits of each option in the context of the local economy.
- 1.2 The document is structured as follows:
 - Introduction and site context
 - Socio-economic context and baseline
 - Assessment of benefits
 - Conclusions
- 1.3 The Peninsula site covers an area of approximately 4.5 ha and is a man-made structure, located adjacent to the town centre of Weymouth, south-east of Weymouth Bay beach, and east of the historic harbour. The harbour has until recently been primarily used as a ferry terminal which is now no longer in use. It also comprises the Pavilion Theatre and car park, and several derelict and redundant buildings currently waiting for demolition or repurposing. The Harbour and related activities are a key feature of Weymouth and an important asset to Dorset Council.
- 1.4 The land at the Peninsula site is under the control and responsibility of Dorset Council in its role as a Statutory Harbours Authority (SHA) and is governed by the Weymouth Harbour Revision Order 2021 (HRO). For future development, there are requirements under the HRO to be considered including engagement with the consultative groups, harbour business plans and statutory obligations within the HRO itself to be complied with. Decision making is through the Council's Cabinet.

Figure 1 Weymouth Peninsula Site



Source: Google Maps (2023)

- 1.5 In 2023 it was announced that Dorset Council were successful in securing £19.5m from the Levelling Up Fund (LUF) for a range of works to prepare various underutilised sites in Weymouth to a point where they can be released for economic use. To implement the LUF allocation, the Council must deliver a series of outputs across the sites (including the Peninsula) including residential units, commercial and leisure space, improved flood defences, land remediation, and improved public realm.

1.6 Development at the Peninsula will boost activity and prosperity around the Harbour. In addition, it will also contribute to wider economic growth by enhancing the visitor offering and creating a new type of residential development, attracting new visitors and increasing investment opportunities in the town. Weymouth Harbour is a key asset to Dorset Council and also provides a location for a fishing fleet, charter sea angling fleet, sightseeing tours, and maritime leisure activities. An ambition of the Council is to enhance these facilities to enrich the harbour experience for users and visitors. External funding from the Coastal Communities Fund has been secured to support this ambition and infrastructure improvements are due to commence in October 2023 (see Option A below).

1.7 This EIA will review three proposed use options from an economic perspective to inform the future use of the Peninsula site in Weymouth. It is important to note that these options are not mutually exclusive and are assessed to demonstrate the varying economic impact of each. The options are as follows:

A. Harbour Infrastructure Improvement

1.8 This option is confirmed and progressing to extend the current harbour facilities in order to provide new and improved facilities for boat crews, new pontoons, training facilities, improved fish landing, and storage premises on a portion of the Peninsula site. In addition, the quayside will be opened up to enable public access from the Weymouth beach around the Peninsula and back into the harbour forming an attractive walk encompassing key views of the town and harbourside. This option would retain the car parking facilities and other existing features. £3.7 million has been secured from the Coastal Communities Fund to support these improvements.

B. Hybrid

1.9 Option B proposes a combination of the uses described in Option A and Option C, accommodating both improved harbour infrastructure and facilities, and regeneration of the remaining land on the Peninsula. This will take the form of a mixed-use development incorporating residential, commercial, leisure, and retail uses, including retention of the Theatre and the potential to adjoin it with a new cinema complex to create a contemporary cultural district. Public realm enhancements are also proposed to open up the quayside to public access.

C. Regeneration (Levelling Up Fund)

1.10 Option C proposes to repurpose the Peninsula site with a mixed-use development which incorporates a, hotel, leisure space, residential units, restaurant space, and other commercial uses, along with public realm improvements. It seeks to retain but renew the existing Theatre, and the potential to adjoin it with a wider leisure complex. This option does not include improvements to harbour facilities, and is related to the £19.5m of LUF funding as noted previously.

Case Studies

1.11 This section provides an overview of three case studies where similar interventions to the proposed options have been seen. A long list of case studies was prepared before this was narrowed down to Ocean Village; Fish Quay; and Newlyn Harbour. These areas demonstrate evidence of success and lessons learnt which can be used to guide the development of Weymouth Peninsula.

Ocean Village, Southampton

Ocean Village is a mixed-use development located in Southampton. The marina was previously used for commercial ships, but redevelopment began in the 1980s and the area now comprises marina, residential, business, and leisure uses. Facilities include boat lifting and storage, a spa hotel, restaurants, cinema, and a multi-storey car park. The marina is also home to Ocean Village Innovation Centre which provides office space and meeting rooms for local and national businesses. The harbour has also seen significant development, with marina berths reconfigured to meet growing demands of berth holders and visitors.

Ocean Village has also been the focus of a large amount of residential development in recent years. Developments such as Admiral's Quay and Splash have changed the landscape of the residential market and it is estimated that a 'marina premium' of 20% occurs on properties within and around the marina, reflecting increased desirability and demand.



Source: MDL Marinas (2023).

Fish Quay, North Shields

Fish Quay is situated in North Shields at the mouth of the River Tyne. A mixture of public and private sector funding has allowed the revitalisation of the area, improving the landscape and infrastructure, attracting new businesses, creating jobs, and preserving the history of the working quay.

A key aspect of regeneration has been the major development in commercial properties. This has included the refurbishment and modernising of several large properties for a range of small and medium sized businesses, ranging from IT companies, training providers, architects, and artist studios. The variety of successful businesses operating on the Fish Quay has created a bustling day time economy, where the traditional and modern sit alongside each other. The newly established North Shields Fish Quay Coastal Community Team and long-established North Shields Chamber also promotes general commerce, trade, and the economy as well supporting tourism in the area.

Regeneration has meant that the area is now home to fishing related industries, restaurants, bars, and small to medium size businesses, including a broad range of professional, leisure, and creative industries. This mix of uses give Fish Quay a unique day-to-night-time economy. It has also experienced growth in its residential market, increasing the resident population. Additionally, The Fishermen's Mission organisation, along with an array of wet fish shops and processors, is a reminder that the Fish Quay is still a working environment.



Source: North Tyneside Council (2023).

Newlyn Harbour, Cornwall

Newlyn is a seaside town and fishing port in south-west Cornwall, located next to Penzance. It is home to one of the largest fishing fleets in the UK and contributes a significant amount to Cornwall and the country's economy each year. The town is home to a large fish market where more than 600 vessels and 100 fishermen land a variety of fish each day. To the south of the coast, Sandy Cove provides low cost, temporary facility sites for early-stage companies in the marine sector, storage for fishing gear, and boat repair space. In addition, the Newlyn FISH (Fishing Industry Seafarers Heritage) Trust hope to transform a former ice works in the town into a Fishing Heritage Centre which is estimated to attract 30,000 visitors per annum on completion.

Alongside its harbour and marine focus, the town also has a successful leisure and cultural offering. Newlyn is home to a small cinema, art gallery, and school of art, nodding to its rich history of copper and art. In addition, the Newlyn Fish Festival is held each year, where stalls and cafes occupy the quays for the day. This attracts visitors from across the country and is a key asset for the local economy.

As part of the government's Town Deal, Penzance and Newlyn secured £21.5 million for seven core projects to strengthen economic growth in the area. One of the projects located in Newlyn is the Harbour Marine Skills and Resource Centre which will aim to support the local marine sector by recruiting and training a local workforce. It is hoped that the new development will catalyse wider collaboration to foster innovation and growth and attract further investment.



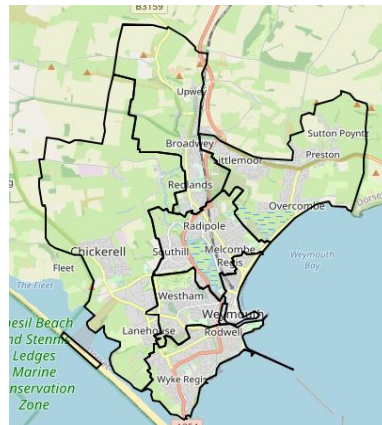
Source: Newlyn Pier & Harbour Commissioners (2023).

2. Socio-economic Context & Baseline Position

2.1 This section provides an overview of the current socio-economic conditions in the Study Area (Melcombe Regis ward), the wider Weymouth area (Chickerell; Littlemoor & Preston; Melcombe Regis; Radipole, Rodwell & Wyke; Upwey & Broadway; and Westham wards) Dorset (district), and England (national). It provides context for the proposed development, as well as an overview of how the local area is performing when compared with the wider area and economy. The baseline position will also help to provide a position prior to investment and act as the basis for stakeholders to evaluate and gauge the success of any development options taken forward.



Melcombe Regis Ward



Wider Weymouth Area

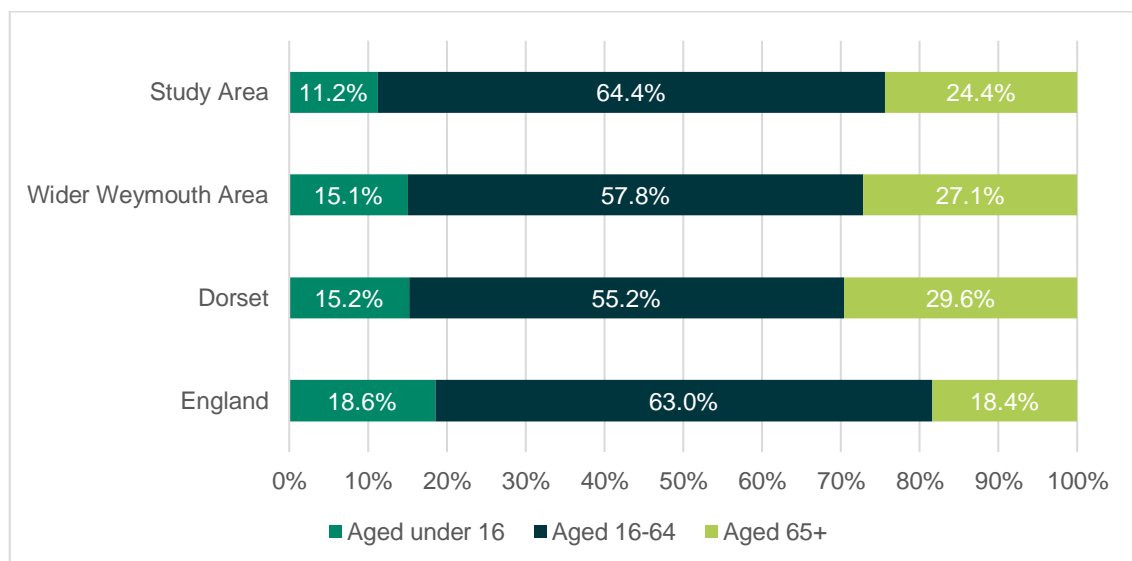


Dorset

Population

2.2 According to the most recent census¹, the population of the Study Area was 4,300 in 2021. 64.4% of residents in the Study Area were of working age (aged 16 to 64), a higher proportion than in the wider Weymouth area (57.7%), Dorset (55.2%) and nationally (63.0%). However, the Study Area contained a larger than average share of people aged 65 or over at 24.4% compared to the England average of 18.4%. Additionally, since 2011 this age group has increased from 18.6%, suggesting an ageing population.

Figure 2 Age Breakdown



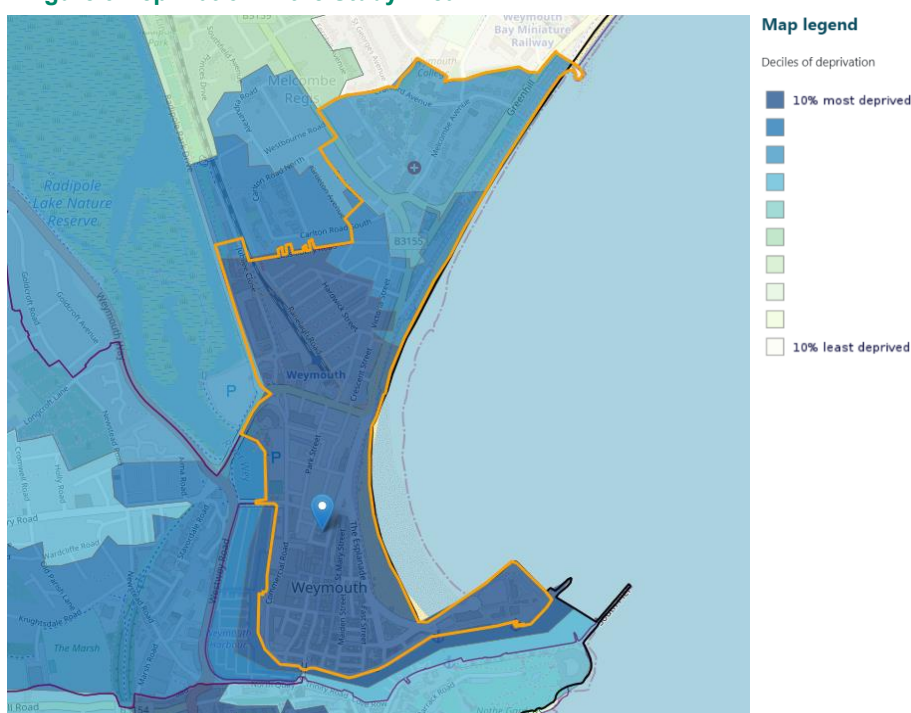
¹ Office for National Statistics (2022). Census 2021.

Source: ONS (2022). Census 2021.

Deprivation

- 2.3 At local authority level, in 2019, Dorset was ranked as the 197th most deprived local authority in England (out of 317) for overall deprivation². This rank is based on a combination of nine different deprivation domains for which Dorset performs most poorly in the ‘barriers to housing and services’ domain. For this, Dorset is ranked as the 92nd most deprived local authority in England. Conversely, Dorset performs best for the ‘Income Deprivation Affecting Older People Index’ domain, for which it is ranked as the 249th most deprived.
- 2.4 Deprivation is also recorded at the smaller Lower Super Output Area (LSOA) level. Weymouth Peninsula sits within Weymouth and Portland 004B (Figure 3) which is amongst the top 10% most deprived neighbourhoods in England. This LSOA is also the most deprived in Dorset district, suggesting a need for intervention and investment.

Figure 3 Deprivation in the Study Area



Source: Ministry of Housing Communities & Local Government (2019). English IMD Map.

- 2.5 Labour Market In 2021, the Census recorded that there were 3,816 people aged 16 years or over living in the Study Area, and 1,971 of these were in employment. The Business Register and Employment Survey recorded approximately 5,335 jobs located in the Study Area. This suggests that most of the employment in the Study Area is held by people living outside of the Study Area.
- 2.6 The economic activity rate for residents aged 16 or over in the Study Area was 55.9%, higher than the average for the wider town (54.7%), Dorset (54.3%), but lower than for England (60.9%)¹. The unemployment rate in the Study Area was 4.1%, considerably higher than in the wider Weymouth area (2.3%), Dorset (1.8%), and nationally (2.9%).

Table 2 Economic Activity

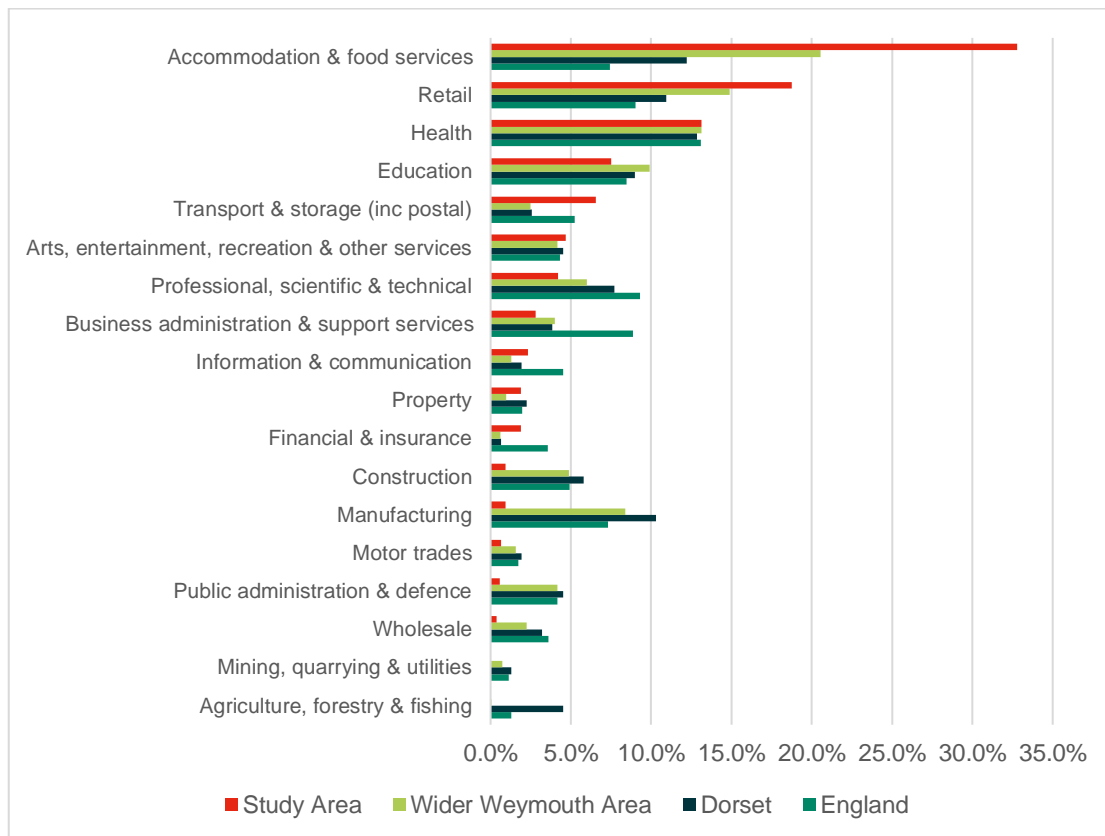
| Economic Indicator | Study Area | Wider Weymouth Area | Dorset | England |
|-----------------------|------------|---------------------|--------|---------|
| Economic Activity (%) | 55.9 | 54.7 | 54.3 | 60.9 |
| Unemployment rate (%) | 4.1 | 2.3 | 1.8 | 2.9 |

² Ministry for Housing, Communities and Local Government (2019). English Indices of Deprivation

Source: ONS (2022). Census 2021.

2.7 Analysis of employment by sector in the Study Area also provides an insight into the economic structure of the area. The sector representing the highest proportion of employment within the Study Area is ‘accommodation and food services’, contributing to 32.8% of employment³. Additionally, the retail sector represents 18.7% of employment. Together these sectors contribute to 51.5% of employment in the Study Area, a much higher proportion than in the wider Weymouth area (35.5%), Dorset (23.2%) and England (16.5%). This is likely due to the emphasis on tourism and leisure in the local area.

Figure 4 Employment by Industry



Source: ONS (2022). Business Register and Employment Survey 2021.

Skills

2.8 In regard to skills, residents in the Study Area are generally less qualified than people living across the wider Weymouth area, Dorset and England. Within the Study Area, in 2021, 27.2% of people aged 16 or over held a degree level qualification or above (NVQ Level 4+), similar to the wider Weymouth area (27.5%). However, these figures are low compared to 31.5% in Dorset and 33.9% in England¹. Furthermore, 19.4% of residents had no qualifications, a higher proportion than across the wider Weymouth area (17.3%), in Dorset (15.8%), and nationally (18.1%).

Industry

2.9 Business count data published by the ONS can provide an insight into the industrial composition of an area. Data is unavailable at ward-level and so the Middle Super Output Area (MSOA) of Weymouth and Portland 004 has been used as the Study Area, covering a slightly larger area than Melcombe Regis. Additionally, a collection of MSOAs⁴ has been used as the ‘Wider Weymouth Area’.

2.10 The data shows that in 2022⁵, there were 515 businesses registered in the Study Area. When looking at the sectoral breakdown of these businesses, the general trend is similar to that of employment sectors.

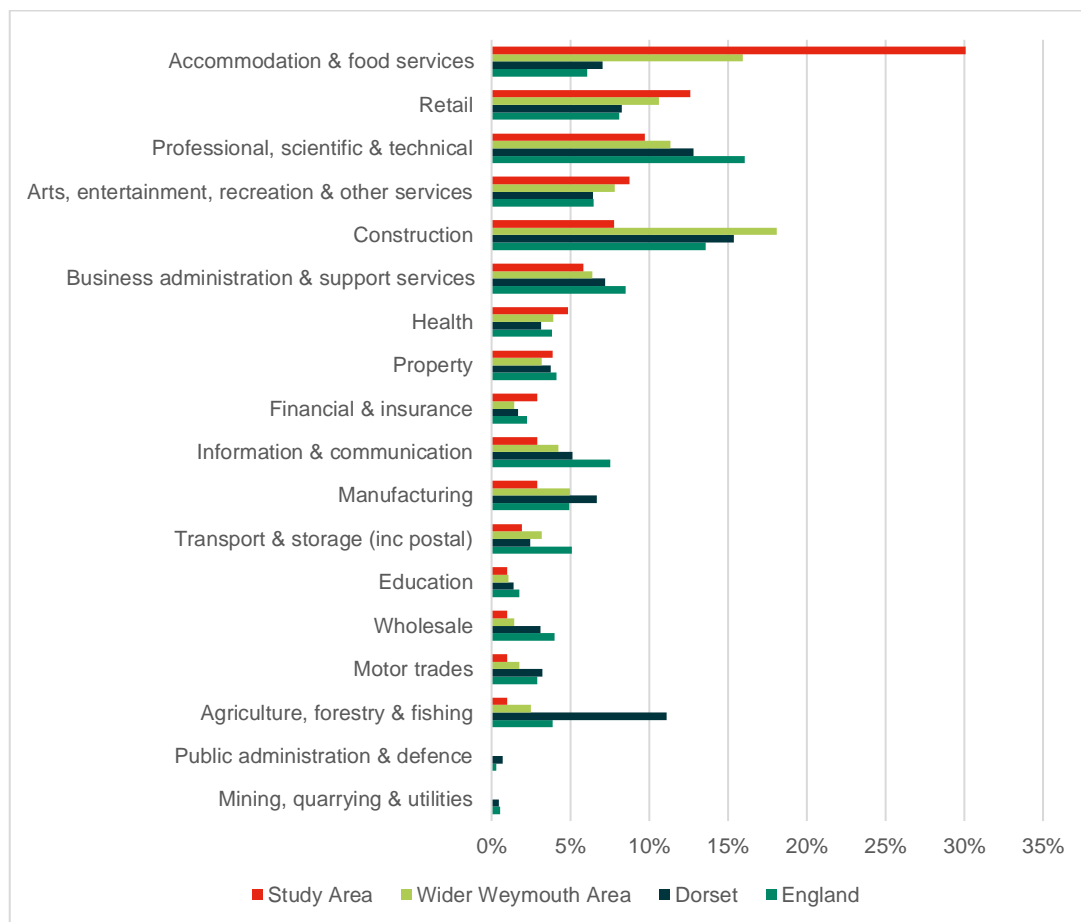
³ Office for National Statistics (2022). Business Register and Employment Survey.

⁴ Weymouth and Portland 001, 002, 003, 004, 005, 006, and 007.

⁵ Office for National Statistics (2023). UK Business Counts 2022.

The sector representing the largest proportion of businesses is accommodation and food services (30.1%), followed by retail (12.6%). Again, this was a considerably larger proportion than in the wider Weymouth area, Dorset or England on average. Of the 515 businesses in the Study Area, most businesses (72.8%) turn over up to £200,000 per year, whilst none turn over £1 million or more per year.

Figure 5 Business Counts by Sector



Source: ONS (2023). UK Business Counts 2022.

Earnings and Income

- 2.11 The Annual Survey of Hours and Earnings⁶ presents data at local authority level and above regarding salaries and wages. It shows that the median annual pay for residents in Dorset was £31,123 in 2022. This was slightly lower than the average across England, which was £33,208.
- 2.12 Conversely, Gross Disposable Household Income (GDHI) in Dorset in 2020 was £22,657, slightly more than the average nationally which was £21,962⁷.

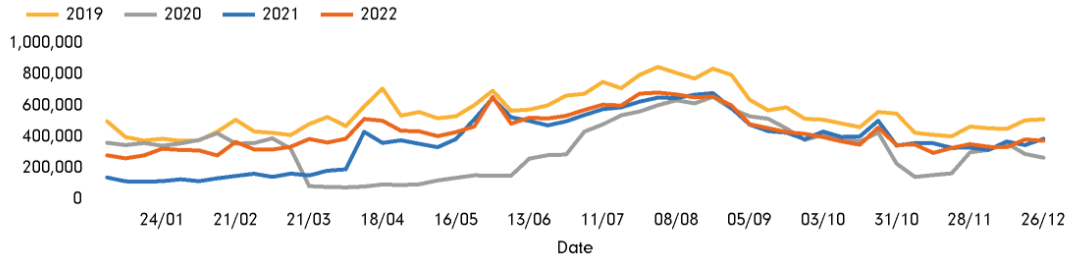
Baseline Footfall

- 2.13 Footfall data can be used to demonstrate how people engage with local areas. In 2022, the total number of visitors to Weymouth was 22,610,120, which was up 15.6% on the previous year⁸.
- 2.14 In the week commencing 26 December 2022, there were 373,541 visitors in Weymouth. The busiest day was Wednesday, accounting for 18.8% of footfall for the week⁹. The most popular area for visitors was St Mary Street South in the heart of the town centre which has been the busiest area consistently over the last few years.

⁶ Office for National Statistics (2023). Annual Survey of Hours and Earnings 2022.
⁷ Office for National Statistics (2021). Gross Disposable Household Income at current basic prices.
⁸ Weymouth Town Council (2023). Footfall Report for Weymouth Town Council. Week 52, 2022.
⁹ Note: Christmas period may influence data

2.15 In addition, as shown in Figure 6, footfall in 2022 was higher than 2021 in January to April, and broadly in line with 2021 levels from May onwards. However, footfall in 2022 was lower than it was in 2019, likely due to impacts following the Covid-19 pandemic. On average, highest footfall is seen in the summer months with peaks in August, compared to January and February in which footfall is generally at its lowest.

Figure 6 Annual footfall trends in Weymouth



Source: Weymouth Town Council (2023). Footfall Report for Weymouth Town Council.

3. Assessment Methodology

Introduction

- 3.1 This section provides a summary of the methodology that has shaped the economic impact assessment for the three development options for the Weymouth Peninsula site, in order to provide an objective assessment of the relative benefits during both its construction and once it is complete and operational.

Key Assumptions

- 3.2 To ensure the assessment is as robust standard methodologies have been used to estimate the benefits, including:
- DLUHC (formerly MHCLG), VOA Land Value Estimates for Policy Appraisal, 2019
 - HM Treasury, (2018); The Green Book, Central Government Guidance on Appraisal and Evaluation
 - Homes and Communities Agency (HCA) Employment Densities Guide, 2015 (3rd Edition)
 - Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.
 - Communities and Local Government Guidance, Valuing the Benefits of Regeneration, 2010
- 3.3 The following additionality factors have been considered based on the HCA Additionality Guidance (4th Edition, 2014)¹⁰; in order to determine the net impacts.
- **Deadweight** refers to the outcomes or outputs that would happen anyway without a proposed intervention going ahead.
 - **Displacement** refers to the number or proportion of intervention outputs that will be accounted for by a reduction in outputs elsewhere within a given spatial area. Displacement therefore needs to be deducted to calculate additional net employment.
 - **Leakage** refers to the number or proportion of outputs from a given intervention that benefit those outside of an intervention's target area.
 - **Multiplier effects** can be defined as further economic activity (jobs, expenditure or income) associated with additional local income and local supplier purchases that result from a given intervention.
- 3.4 Table 3 presents the key assumptions that have been applied within the assessment of benefits.

Table 3 Economic Impact Assessment Key Assumptions

| Input | Value | Source | Justification |
|-------------------------|--------------------------|---|--|
| Price base | 2023 | N/A | Current price year. |
| Appraisal start year | 2023 | AECOM | First year of benefit following the start of the construction period. |
| Appraisal period | 30 years (unless stated) | HM Treasury Green Book | In line with standard appraisal periods as per Green Book guidance. |
| Discount factor | 3.5% | HM Treasury Green Book | This is the social discount rate as applied in Green Book guidance. |
| Persistence of Benefits | 2 – 10 years | Homes England (formerly HCA) Additionality Guide Fourth Edition | Applying the BISIEF+ Persistence Factors to relevant benefits as best practice evidence. |

Overview of Benefits

- 3.5 The following benefits are assessed for each option:

¹⁰ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide

Initial

- **Direct LVU:** Generated at each of the development sites to represent the change in property values from a change in land use.
- **Wider Land Value Uplift (WLVU):** For surrounding residential and commercial properties resulting from improvements to the quality of public realm, greenspace, and natural surveillance, as well as collective value uplift from the combination of changed use sites.
- **Amenity Benefits:** Calculated using the length/scale of new routes and areas of public realm and application of published benchmark data for comparable schemes produced by DCMS and DLUHC.
- **Construction Jobs and Economic Growth:** Calculated based on construction output based, costs and construction period.

Adjusted

- **Operational Jobs and Economic Growth:** Calculation would be based on the floorspaces provided for relevant uses using established evidence on job densities and average GVA output for the study area.
- **Visitor Expenditure:** Associated with relevant leisure and tourism uses (noting the need to avoid double counting); This is calculated based on the capacity of additional accommodation that is included in the relevant options and applying published benchmarks for visitor expenditure in the South West. The approach would also assume a relevant occupancy rate comparable to existing accommodation in the Region.
- **Additional Footfall:** Assessment of increased footfall and local expenditure as a result of the development. This is informed by professional judgement and case studies of town centre regeneration. Published benchmarks for expenditure on local amenities (£36.63 spend per visit) is applied to the calculated uplift as an average spend per head. Calculating the total additional local expenditure and applying the GVA / Turnover ratio of the national Food, Arts, and Retail industries (16%) models the output.

Table 4 Matrix of Benefits Assessed by Option

| Benefit | Direct LVU | Wider LVU | Amenity | Construction Jobs and Economic Growth | Operational Jobs and Economic Growth | Additional Footfall | Visitor Expenditure |
|---|------------|-----------|---------|---------------------------------------|--------------------------------------|---------------------|---------------------|
| Option A (Harbour Infrastructure Improvement) | | | ✓ | | ✓ | | |
| Option B (Hybrid) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Option C (Regeneration) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Non-Monetised

3.6 Non monetised impacts consider, but are not limited to:

- **Wellbeing Benefits:** Relating to the provision and use of new routes, access, and public realm within the site; dependent on the availability of footfall and usage data to understand potential uplifts with the provision of additional space and routes. Comparable evidence available from existing tools including AMAT (DfT).
- **Tax Receipts:** Based on assumption around new residents (for relevant options) including business rates & council tax.
- **Reduction in Crime:** Relating to the intervention in currently underutilised economic sites which may have effect on level of anti-social behaviour in the local area.
- **Air Quality:** Improved from reduction in car parking spaces and car movement on the site.

- **Improved Perceptions:** Increase resident and visitor perceptions of the town and Weymouth Peninsula specifically, relating to improved amenity and infrastructure.
- **Encourage private sector investment:** Promoting competitiveness of the area.
- **Community Engagement and Social Value:** Reinforcing civic pride and encouraging social inclusion and interaction, supporting improved health and wellbeing outcomes.
- **Ensuring Labour Market and Economic Success:** Helping to redress structural imbalances in the local labour market, including providing a short-medium term response to help with Covid-19 recovery.
- **Complementing Town Regeneration and Place-Shaping:** Improving the viability of wider planned public and private-led schemes across the town, including forthcoming projects
- **Flooding (Reduction in Damage to property):** Estimate of damages to property as an extra 1027 properties in Weymouth will be at significant or very significant risk of flooding by 2030 if harbour walls work not undertaken. This impact is not monetised in the assessment as the scope and scale of flood mitigation works is not defined at this stage of the Peninsula development. As a result, this is considered as non-monetised benefit.
- **Additional Berth Capacity:** This considers the benefit of berthing additional and larger boats at the Peninsula Site, which will benefit the local economy. This impact is not monetised in the assessment due to its association to the complimentary Marina regeneration works which are considered in other feasibility studies for the Weymouth Harbour and Cove development, which is separate to this Impact Assessment¹¹.

Economic Impact Assessment

Option A – Harbour Infrastructure Improvement¹²

Amenity Benefit

- 4.1 The Scheme proposes a total of 0.32Ha of public realm improvements¹³. The economic value has been calculated consistent with the MHCLG (now DLUHC) guidance which assumes delivering a net additional 2-Ha of public realm, has an economic benefit of £229,400 per hectare¹⁴. Using the GDP deflator, this equated to £306,719 in 2023 prices. Benefit is assumed to persist over a 10-year period, in line with BIS IEF + proxies adopted for “public realm” interventions¹⁵. The total (gross) amenity benefit for Option A is estimated to be £49,075 per annum, and £490,751 persisted over 10 years.

Net Present Value

- 4.2 The amenity benefit is realised in the year of delivery of the development. It is assumed that the Scheme will be completed by 2023/24. The benefit is discounted in the year of realisation to obtain the Net Present Value of this economic benefit estimated at **£408,138 persisted over 10 years**.

Construction Jobs and Economic Growth

- 4.3 Option A of the Weymouth Peninsula Scheme will create employment during the construction phase, expected to last approximately six months and expected to commence in October 2023 at the earliest. It is

¹¹ Dorset Council: Weymouth Marina Development Feasibility Report, April 2023

¹² Due to the nature and scope of Option A, the following benefits are excluded from assessment: Land Value Uplift, Wider Land Value Uplift; Operational Jobs and Economic Growth; and Visitor Expenditure.

¹³ Dorset Council, Option A (Harbour Infrastructure Improvements) Masterplan, September 2023

¹⁴ Communities and Local Government Guidance, Valuing the Benefits of Regeneration, 2010. Available at: [Valuing the Benefits of Regeneration. Economics paper 7: Volume I - Final Report \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/428482/Valuing_the_Benefits_of_Regeneration_Economics_paper_7_Volume_1_-_Final_Report.pdf)

¹⁵ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide (BIS IEF +, Persistence of Benefits, Intervention Type: Public Realm).

anticipated there could be beneficial effects for employment through the creation of temporary jobs during this period.

- 4.4 The analysis examines the extent that construction employment will create additional Gross Value Added (GVA). The employment will also generate further demand across the new businesses' supply chains, which in turn creates additional economic growth and jobs.
- 4.5 Based on construction cost and period, there are anticipated to be **119 gross direct construction jobs created as a result of the Scheme**.

Additionality Adjustments

Table 5 Option A Construction Jobs and Economic Growth Additionality Adjustment

| Additionality Factor | Adjustment | Justification |
|----------------------|------------|---|
| Displacement | 25% | Due to the flexibility of a typical construction workforce (i.e. it is possible for workers to move from project to project) displacement effects are considered to be medium. The Homes and Communities Agency (HCA) Additionality Guide suggests using 25% as a 'ready reckoner' for such levels of displacement, for example when there are expected to be some displacement effects, although only to a limited extent ¹⁶ . |
| Leakage | 38% | This is based on Travel to Work data which indicates 62% of the Study Area (Weymouth and Portland 004 MSOA) travel less than 10km (including working from home) to work, which is classified as a short distance in the ONS Guidance note ¹⁷ . This suggests 62% of employment benefits will be retained in the Study Area. |
| Multiplier | 1.3 | Employment growth is anticipated to arise locally through manufacturing services and suppliers to the construction process (indirect or supply linkage multipliers). Additionally, part of the income of the construction workers and suppliers will be spent in the Wider Impact Area, generating further employment (induced or income multipliers). The effect of the multiplier depends on the size of the geographical area that is being considered, the local supply linkages and income leakage from the area. The HCA Additionality Guide provides 'ready reckoner' composite multipliers (the combined effect of indirect and induced multipliers) to account for this. Therefore, a low multiplier effect of 1.3 has been considered appropriate ¹⁸ . |

- 4.6 Based on the gross construction worker requirements for construction of the Proposed Development and the additionality factors outlined above, **42 net construction jobs would be generated in the Study Area**.
- 4.7 Applying the average gross direct value added per construction worker in the area to the net construction workers generated from the Scheme gives the total GVA arising from the construction period. Output generated by activity in the construction sector is estimated by taking the total employment in the region's (South West England) construction sector in 2021 (238,900 employees) against the sector's GVA output in the same period (£12.9 billion), equating to £53,997 GVA per worker¹⁹. By applying this figure to the total net construction workers generated by the Scheme, it is estimated that **construction activity will contribute approximately £2,270,555**.

Net Present Value

- 4.8 The construction employment benefit is realised in the years of construction. It is assumed that the construction period of the Scheme will span 6 months from October 2023 to March 2024. The benefit is discounted in the year of realisation to obtain the Net Present Value of this economic benefit estimated at **£2,270,555**.

Appraisal Summary Table

- 4.9 Table 6 summarises the benefits as outlined above that are attributable to Option A of the Weymouth Peninsula Scheme, discounted and persisted over the referenced period.

¹⁶ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

¹⁷ ONS, Distance Travelled to Work (Table TS058), Census 2021. Available at: [Distance travelled to work - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/statistics)

¹⁸ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

¹⁹ Construction Skills Network, Labour Market Intelligence Report, South West, 5-year Outlook, 2022 – 2026. Available at: [southwest-lmi-final.pdf \(citb.co.uk\)](https://www.citb.co.uk/southwest-lmi-final.pdf)

Table 6 Option A (Harbour Infrastructure Improvements) Appraisal Summary Table

| Benefit | Net Present Value (Discounted and Persisted) | |
|---------------------------------------|--|--|
| | Initial | |
| LVU | n/a | |
| WLVU | n/a | |
| Amenity Benefit | £408,138 | |
| Construction Jobs and Economic Growth | £2,270,555 | |
| Adjusted | | |
| Operational Jobs and Economic Growth | n/a | |
| Visitor Expenditure | n/a | |
| Additional Footfall | n/a | |
| Total | £2,678,693 | |

Non-Monetised Benefits

Table 7 Option A (Harbour Infrastructure Improvements) Non-Monetised Benefits

| Qualitative Benefit | Description | Level of Impact |
|--|---|-----------------|
| Improved Perceptions | Improvements to harbourside infrastructure and public realm may increase resident and visitor perceptions of the town and Weymouth Peninsula specifically. | Medium |
| Wellbeing Benefits | The planned improvements to harbourside infrastructure and public realm may offer wellbeing benefits to residents, businesses, and visitors owing to the provision of improved facilities and public realm along the Peninsula. | Low |
| Complementing Regeneration and Place-Shaping | The infrastructure improvements and safeguarding of the fishing sector's operation as part of the Scheme may contribute to the improvements in viability of wider planned public and private-led schemes across the town, including forthcoming projects. | Low |
| Safeguarded jobs | Safeguarding and potential creation of fishing sector employment via vital improvements to infrastructure and facilities. | Low |
| Businesses supported | Continued and additional operation of fishing sector businesses supported via improvements to infrastructure and facilities. | Low |
| Community Engagement | Reinforcing civic pride via the improved infrastructure works to the fishing industry in Weymouth and specifically on the Peninsula Site. | Low |
| Visitor Numbers | The improvement works which will enable continued operation of the fishing sector and harbour infrastructure may safeguard and attract visitors to the Weymouth Peninsula site as a result of improved amenity and facilities. | Low |
| Additional Berth Capacity | The development will compliment the wider Marina regeneration works which proposes deeper berths to enable additional and larger boats to moor. | Low |

- 4.10 On balance, the non-monetised benefits of Option A – “Harbour Infrastructure Improvements” are assessed to have a Low level of impact.

Option B – Hybrid

Land Value Uplift

- 4.11 It is expected that Option B of the Weymouth Peninsula Scheme will deliver a more economic use of the land than the current use, delivering a Land Value Uplift (LVU). The LVU is therefore the value of the land in future (proposed) use against the value of the land in current use.
- 4.12 The value of the land in future use (residual land value) has been assessed following the DCLG Appraisal Guide (2016)²⁰ using land value proxies informed by the Valuation Office Agency Land Value Estimates for Policy Appraisal²¹. The residual land value of the Scheme is a function of the quantum of space delivered and sales market value that could be achieved.
- 4.13 The benchmark land value per hectare for Weymouth and Portland locality stands at £865,000 per Ha for commercial land, and £2,200,000 per Ha for residential land²². This is applied to the size of the respective uses on the proposed site (1.25 Ha residential land and 1.12 Ha commercial land). Together, the residual land value is estimated to be **£3,714,351**.
- 4.14 The Existing Use Value (EUV) is based on the assumption that the current land can be predominantly classified as industrial use owing to the current carpark and harbourside infrastructure on the Site, with the benchmark land value per hectare for Weymouth and Portland locality informed by the Valuation Office Agency Land Value Estimates for Policy Appraisal (£750,000 per Ha)²³. Based on the size of the existing site (2.37 Ha), the EUV is estimated to be **£1,774,800**.
- 4.15 Based on the above the total (gross) LVU is estimated at **£1,939,551**.

Additionality Adjustments

Table 8 Option B LVU Additionality Adjustment

| Additionality Factor | Adjustment | Justification |
|----------------------|------------|--|
| Deadweight | 0% | The benefit (the future value) is directly compared to the current value of the scheme. The total value of the residential and commercial stock is the value if the intervention does not occur. |
| Displacement | 0% | Displacement is not applicable to Land Value Uplift |
| Leakage | 0% | Leakage is not applicable to Land Value Uplift |
| Multiplier | 0% | Multiplier is not applicable to Land Value Uplift |

Net Present Value

- 4.16 The LVU is an assumed one-time benefit to be realised in the year of delivery of the development. It is assumed that the developments will be completed by 2028. The LVU is discounted in the year of realisation to obtain the Net Present Value of this economic benefit estimated at **£1,633,050**.

Wider Land Value Uplift

- 4.17 Option B will create additional demand to live, work and shop close to the developments, and this will likely reflect in higher land values for residential and commercial premises as a result. The interventions proposed are expected to go further than just the benefit for those within the scheme boundary and will be dependent on The Scheme to come forward. These include benefits to:

²⁰ [DCLG Appraisal Guide \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

²¹ DLUHC (formerly MHCLG), VOA Land Value Estimates for Policy Appraisal, 2019. Available at: <https://www.gov.uk/government/publications/land-value-estimates-for-policy-appraisal-2019>

²² DLUHC (formerly MHCLG), VOA Land Value Estimates for Policy Appraisal, 2019. Available at: <https://www.gov.uk/government/publications/land-value-estimates-for-policy-appraisal-2019>

²³ DLUHC (formerly MHCLG), VOA Land Value Estimates for Policy Appraisal, 2019. Available at: <https://www.gov.uk/government/publications/land-value-estimates-for-policy-appraisal-2019>

- Residential properties: The increased willingness to pay to live in an area with a higher quality-built environment. For example, due to the effect on mental health, a reduced fear of crime, an improved shopping experience and a greater pride in place.
- Commercial properties: The increased willingness to pay for shop owners to locate in an area with higher footfall and higher potential revenue.

Residential WLVU

- 4.18 Residential WLVU has been calculated based on the DLUHC Appraisal Guide for assessing externalities associated with development²⁴. This monetises the gross wider area impacts by estimating the potential uplift to the capital value of the surrounding housing stock.
- 4.19 In alignment with guidance for schemes below 1,000 units, a 1.5km radius is identified as the impact area from the centroid of the site. Using professional judgement, the existing housing stock²⁵ in each LSOA within the impact area is weighted proportionally based on a best-fit approach (Table 9).

Table 9 Option B Residential WLVU Calculation

| 2011 LSOA Boundaries | Number of Units (2017) | Number of Units (2021) | Rate of Development | Proportion in Impact Area (%) | Proportion in Impact Area (No) |
|----------------------------|------------------------|------------------------|---------------------|-------------------------------|--------------------------------|
| Weymouth and Portland 004B | 1,290 | 1,320 | 2.3% | 90% | 1188 |
| Weymouth and Portland 004E | 1,200 | 1,190 | -0.8% | 70% | 833 |
| Weymouth and Portland 004F | 880 | 880 | 0.0% | 100% | 880 |
| Weymouth and Portland 005B | 1,000 | 1,020 | 2.0% | 50% | 510 |
| Weymouth and Portland 004C | 860 | 850 | -1.2% | 50% | 425 |
| Total | 7247 | 7281 | 0.5% | - | 3836 |

- 4.20 The existing housing stock in 2021 (latest available data) and 2017 is gathered to calculate the rate of development (0.5%) which is classified as “low development” (less than 4% growth) according to the DLUHC Appraisal Guide. For the South West of England, this equates to a 1.01% uplift factor.
- 4.21 The median house price by MSOA boundary for Weymouth and Portland 004 MSOA boundary (£200,000)²⁶ is multiplied by the total number of units in the impact area (3,836) to calculate the total value of housing stock in the impact area (£767m).
- 4.22 The uplift factor (1.01%) is applied to this value, which equates to a residential WLVU value of £7,748,720.

Commercial WLVU

- 4.23 The current commercial stock is calculated using the latest data on rent rates and market sale prices for properties, obtained through CoStar²⁷. Data obtained from CoStar provides average market rents, market sale prices and yields for the commercial properties within 1.5km of the scheme. Based on this data, the current commercial stock for all retail units in the 1.5km buffer is estimated to be **£243,750,000**.
- 4.24 The commercial uplift value has been approximated following a literature review of similar studies. These are summarised in Table 10 below.

²⁴ DLUHC Appraisal Guide, Annex G: Externalities Associated with Development, March 2023. Available at: [DLUHC appraisal guide - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/111111/dluhc-appraisal-guide-2023.pdf)

²⁵ Valuation Office Agency (VOA), Council Tax: Stock of Properties data provided by LSOA, 2017 & 2021. Available at: [Council Tax: stock of properties, 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/111111/council-tax-stock-of-properties-2021.pdf)

²⁶ ONS, Median house prices by middle layer super output area, HPSSA (Weymouth and Portland 004 MSOA Boundary) September 2023. Available at: [Median house prices by middle layer super output area: HPSSA dataset 2 - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/property-prices/articles/median-house-prices-by-middle-layer-super-output-area-hpssa-dataset-2)

²⁷ CoStar, 2023. [Available at this link.](#)

Table 10 Case Studies of Commercial Uplift Values

| Report name | Type of intervention | Year | Location | Magnitude of uplift | One time or per annum uplift? |
|--|--|------|----------------------------------|---|-------------------------------|
| Paved with Gold: Design Council | Street improvements - uplift based on increases in PERS assessed at an 800m radius. | 2007 | London 800m benefit radius | 4.9% retail uplift per 1 point increase in PERS scale | One time |
| The Impact of a Pedestrianisation Scheme on Retail Rent-an Empirical Study in Hong Kong. | A study in Hong Kong, which controlled for confounding variables, found a 17% increase in retail rents from pedestrianisation of streets. The study considered only buildings that were directly adjacent to the pedestrianised streets. | 2010 | Hong Kong 100m benefit radius | 17% increase in retail rents | One time |
| Street Appeal: The value of street improvements | Improvements to the quality of streets led to an uplift of surrounding retail rental values by an additional 7.5% per annum. This study assess the impacts through area-wide intervention areas in Bromley North Village, Hornchurch Town Centre, Clapham, Woolwich Town Centre and Walworth Road, all located in London. | 2016 | London 250m benefit radius | 7.5% per annum increase to retail rental values | Per annum |
| Whitehead et al. (2006) | In a synthesis of the literature on the relationship between walking interventions and property value, Whitehead et al. (2006) found an increase in value of 21.7% for retail rents and 24.2% for commercial rents. Order of magnitude usually between 10% and 30%. (Sourced from the Pedestrian Pound) | 2006 | Various | 21.7% for retail rents 24.2% for commercial rents | One time |
| CBRE: Value and the Public Realm | Case study of regeneration impacts in multiple locations. Liverpool One has seen retail rates increase by 17.5% in nearby areas, compared with a 7.4% decline in Liverpool as a whole since 2008. In Porta Nuova, retail rents increased by 27% as a result of the intervention. Regeneration impacts were considered at a city-wide level for this study. | 2016 | Various | 17.5% in Liverpool One and 27% for Porta Nuova | One time |

- 4.25 The average uplift for commercial units, in terms of both values and rents is 17.1%, however, the use of different measurements for this average implies that the uplifts within these studies may not be as consistent with this intervention methodology. Furthermore, the uplifts discovered within these studies apply to other geographies and impact areas (average 383m benefit radius), with some areas of a greater employment and population density than that of Weymouth.
- 4.26 However due to the nature of the intervention it is justifiable to assume that Option B of the Weymouth Peninsula Scheme will generate a commercial uplift within the impact area. The impact area of this appraisal (1.5km) compared to the average impact area found in the literature review equates to a ratio of 3.9:1. This ratio is applied to the average uplift value found from the literature review to calculate the uplift value to apply to this appraisal, which equates to 4.4%. This assumption has been made in line with professional judgement for commercial properties, which is a lower value than the case studies presented above, but representative of planned development within this Option.
- 4.27 The uplift factor (4.4%) is applied to this value, which equates to a commercial WLVU value of £10,788,531.

Additionality Adjustments

Table 11 Option B WLVU Additionality Adjustment

| Additionality Factor | Adjustment | Justification |
|----------------------|------------|--|
| Deadweight | 0% | The benefit (the future value) is directly compared to the current value of the scheme. The total value of the residential and retail stock is the value if the intervention does not occur. |

| Additionality Factor | Adjustment | Justification |
|----------------------|---|---|
| Displacement | 19% (residential) 21% (commercial) | The residential additionality rate is in accordance with the HCA Additionality Guide ²⁸ for 'housing in the immediately adjoining area' and the commercial additionality rate is for 'development in the immediately adjoining area'. Such rates of displacement are considered appropriate for this scheme given it being unlikely that property values elsewhere would be adversely affected. The additionality consideration also accounted for the possibility of some of the WLVU benefit to be felt outside of the intervention's target area – this is possible where properties inside the impact area are owned by people living elsewhere. |
| Leakage | 6% | This is based on the "Housing and environment" leakage factor as detailed in the 2014 Additionality Guide by Homes England ²⁹ . |

- 4.28 The resulting additionality factor is 76% for the residential WLVU and 74% for the commercial LVU, which is then applied to the corresponding WLVU benefits.

Net Present Value

- 4.29 The WLVU is an assumed one-time benefit to be realised in the year of delivery of the development. It is assumed that the developments will be completed by 2028/29. The WLVU is discounted in the year of realisation to obtain the Net Present Value of this economic benefit estimated at **£11,761,175**.

Amenity Benefit

- 4.30 The Scheme proposes a total of 3.44Ha of public realm improvements³⁰. The economic value has been calculated consistent with the MHCLG (now DLUHC) guidance which assumes delivering a net additional 2-Ha of public realm, has an economic benefit of £229,400 per hectare³¹. Using the GDP deflator, this equated to £306,719 in 2023 prices. Benefit is assumed to persist over a 10-year period, in line with BIS IEF + proxies adopted for "public realm" interventions³².
- 4.31 The total (gross) amenity benefit for Option B is estimated to be £528,155 per annum, and £5,281,552 persisted over 10 years.

Net Present Value

- 4.32 The amenity benefit is realised in the year of delivery of the development. It is assumed that the Scheme will be completed by 2028/29. The benefit is discounted in the year of realisation to obtain the Net Present Value of this economic benefit estimated at **£3,827,774 persisted over 10 years**.

Construction Jobs and Economic Growth

- 4.33 Option B of the Weymouth Peninsula Scheme will create employment during the construction phase, expected to last approximately 2 years and expected to commence in 2026/27 at the earliest. It is anticipated there could be beneficial effects for employment through the creation of temporary jobs during this period.
- 4.34 The analysis examines the extent that construction employment will create additional Gross Value Added (GVA). The employment will also generate further demand across the new businesses' supply chains, which in turn creates additional economic growth and jobs.
- 4.35 Construction costs have also been informed by the Development Appraisal provided by Dorset Council produced by Vail Williams LLP³³. Costs include:
- Construction costs, including building costs, enhanced sustainability measures, external works, and services (£41,262,275)

²⁸ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

²⁹ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

³⁰ Dorset Council, Option B (Hybrid) Public Realm Areas Plan. Produced by HGP Architects, September 2023

³¹ Communities and Local Government Guidance, Valuing the Benefits of Regeneration, 2010. Available at: [Valuing the Benefits of Regeneration. Economics paper 7: Volume I - Final Report \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/42484/Valuing_the_Benefits_of_Regeneration_Economics_paper_7_Volume_1_-_Final_Report.pdf)

³² Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide (BIS IEF +, Persistence of Benefits, Intervention Type: Public Realm).

³³ Dorset Council, Option B (Hybrid) Development Appraisal. Produced by Vail Williams LLP, August 2023

- Other costs (contingencies, developer's contingency, CIL/S106 (£6,948,195))
- Abnormal development costs (£7,500,000)
- Professional fees (£4,876,228)
- Disposal fees (£1,858,462)
- Finance (£3,758,775)

4.36 The total construction cost of the Scheme is estimated to be **£66,504,667**.

4.37 Based on construction cost and period, there are anticipated to be **616 gross direct construction jobs created as a result of the Scheme**.

Additionality Adjustments

Table 12 Option B Construction Jobs and Economic Growth Additionality Adjustment

| Additionality Factor | Adjustment | Justification |
|----------------------|------------|---|
| Displacement | 25% | Due to the flexibility of a typical construction workforce (i.e. it is possible for workers to move from project to project) displacement effects are considered to be medium. The Homes and Communities Agency (HCA) Additionality Guide suggests using 25% as a 'ready reckoner' for such levels of displacement, for example when there are expected to be some displacement effects, although only to a limited extent ³⁴ . |
| Leakage | 38% | This is based on Travel to Work data which indicates 62% of the Study Area (Weymouth and Portland 004 MSOA) travel less than 10km (including working from home) to work, which is classified as a short distance in the ONS Guidance note ³⁵ . This suggests 62% of employment benefits will be retained in the Study Area. |
| Multiplier | 1.3 | Employment growth is anticipated to arise locally through manufacturing services and suppliers to the construction process (indirect or supply linkage multipliers). Additionally, part of the income of the construction workers and suppliers will be spent in the Wider Impact Area, generating further employment (induced or income multipliers). The effect of the multiplier depends on the size of the geographical area that is being considered, the local supply linkages and income leakage from the area. The HCA Additionality Guide provides 'ready reckoner' composite multipliers (the combined effect of indirect and induced multipliers) to account for this. Therefore, a low multiplier effect of 1.3 has been considered appropriate ³⁶ |

4.38 Based on the gross construction worker requirements for construction of the Proposed Development and the additionality factors outlined above, **220 net construction jobs would be generated in the Study Area**.

4.39 Applying the average gross direct value added per construction worker in the area to the net construction workers generated from the Scheme gives the total GVA arising from the construction period. Output generated by activity in the construction sector is estimated by taking the total employment in the region's (South West England) construction sector in 2021 (238,900 employees) against the sector's GVA output in the same period (£12.9 billion), equating to £53,997 GVA per worker³⁷. By applying this figure to the total net construction workers generated by the Scheme, it is estimated that **construction activity will contribute approximately £11,854,457 in the study area**.

Net Present Value

4.40 The construction employment benefit is realised in the years of construction. It is assumed that the construction period of the Scheme will span 24 months from 2026/27 to 2028/29. The benefit is discounted in the year of realisation to obtain **the Net Present Value of this economic benefit estimated at £10,511,258**.

³⁴ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

³⁵ ONS, Distance Travelled to Work (Table TS058), Census 2021. Available at: [Distance travelled to work - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/statistics)

³⁶ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

³⁷ Construction Skills Network, Labour Market Intelligence Report, South West, 5-year Outlook, 2022 – 2026. Available at: [southwest-lmi-final.pdf \(citb.co.uk\)](https://www.citb.co.uk/southwest-lmi-final.pdf)

Operational Jobs and Economic Growth

- 4.41 Output is calculated on the assumption that Option B of the Weymouth Peninsula Scheme will deliver 5,574 sqm of commercial space. In the absence of detailed information on the proposed breakdown of use class of this commercial space, assumptions have been based on the Masterplan provided by Dorset Council, as produced by HGP Architects³⁸. This is summarised in Table 13.

Table 13 Option B Commercial Space Assumptions for Jobs and Economic Growth Assessment

| Use Class (AECOM assumption) | Scheme Use (Masterplan) | Sqm (NIA) | % |
|------------------------------|-------------------------|--------------|-------------|
| A3 | Restaurant | 1,500 | 27% |
| A1 | Commercial | 4,074 | 73% |
| C1 | Luxury Hotel | 75 room | - |
| Total | | 5,574 | 100% |

- 4.42 Additional employment is calculated on this basis according to the Employment Density Guide taking an average of “A3 – Restaurant and Cafe”, “A1 – Town Retail” (both 17.5 sqm per FTE) and “C1 – Hotel (1 FTE per room)”³⁹. **This equates to c. 391 gross employees supported at the new premises.**

Additionality Adjustments

Table 14 Option B Operational Jobs and Employment Growth Additionality Adjustments

| Additionality Factor | Adjustment | Justification |
|----------------------|------------|--|
| Deadweight | 7.5% | Research undertaken on behalf of BIS by CEA has identified deadweight estimates for a range of intervention types based upon evaluations of economic development and regeneration. According to BIS factors – “regeneration through physical infrastructure, capital projects (sub regional)” a deadweight factor of 7.5% has been applied as a ready reckoner ⁴⁰ . |
| Displacement | 25% | The Homes and Communities Agency (HCA) Additionality Guide suggests using 25% as a ‘ready reckoner’ for low levels of displacement, for example when there are expected to be some displacement effects, although only to a limited extent ⁴¹ . |
| Leakage | 38% | This is based on Travel to Work data which indicates 62% of the Study Area (Weymouth and Portland 004 MSOA) travel less than 10km (including working from home) to work, which is classified as a short distance in the ONS Guidance note ⁴² . This suggests 62% of employment benefits will be retained in the Study Area. |
| Multiplier | 1.3 | The effect of the multiplier depends on the size of the geographical area that is being considered, the local supply linkages and income leakage from the area. The HCA Additionality Guide provides ‘ready reckoner’ composite multipliers (the combined effect of indirect and induced multipliers) to account for this. Therefore, a low multiplier effect of 1.3 has been considered appropriate ⁴³ |

- 4.43 Based on the gross operational worker creation and the additionality factors outlined above, **218 net jobs would be generated in the Study Area.**
- 4.44 Applying the average gross direct value added per worker in the area to the net operational employment generated from the Scheme gives the total GVA output. This is estimated by taking the total employment in the Study Area (Weymouth and Portland 004 MSOA) in 2020 (3,000 employees)⁴⁴ against the GVA

³⁸ Dorset Council, Option B (Hybrid) Masterplan. Produced by HGP Architects, August 2023

³⁹ Homes and Communities Agency (HCA) Employment Densities Guide, 2015 (3rd Edition)

⁴⁰ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

⁴¹ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

⁴² ONS, Distance Travelled to Work (Table TS058), Census 2021. Available at: [Distance travelled to work - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/statistics/distance-travelled-to-work)

⁴³ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

⁴⁴ Business Register and Employment Survey, FTE Employment Count (Weymouth and Portland 004 MSOA Study Area), 2020. Available at: [Business Register and Employment Survey - Nomis - Official Census and Labour Market Statistics \(nomisweb.co.uk\)](https://www.nomisweb.co.uk/business-register)

output in the same period (£95,263,000)⁴⁵, equating to £31,754 GVA per worker. Benefit is assumed to persist over a 3-year period⁴⁶. By applying this figure to the total net employment generated by the Scheme, it is estimated that **the commercial space will contribute approximately £6,933,906 per annum, and £20,801,719 persisted over 3 years.**

Net Present Value

- 4.45 The jobs and economic growth benefit is realised in the year of delivery of the development. It is assumed that the Scheme will be completed by 2028/29. The benefit is discounted in the year of realisation to obtain the Net Present Value of this economic benefit estimated at **£16,928,888 persisted over 3 years.**

Visitor Expenditure

- 4.46 Visitor expenditure is calculated based on the capacity of the additional accommodation provided by the development of the 72 Keys hotel. Under the assumption that the luxury hotel will provide 72 rooms, which based on average hotel bed numbers per room, is estimated to provide 144 beds⁴⁷. Average occupancy rate of the accommodation sector in the South West of England across 2022 indicates average annual occupancy of 73%⁴⁸. This equates to an average number of visitors as 105.
- 4.47 Average nightly spend from holiday visitors in the South West of England stands at £120.96⁴⁹. Taking this figure against the average number of visitors provides the total average spend (£12,715). Applying this over a year, equates to an average total visitor spend per annum of £4,641,090.
- 4.48 Applying the GVA / Turnover ratio for the Accommodation and Food sector in the United Kingdom across 2021 (1:0.42) calculates the additional GVA from visitor expenditure^{50 51}. This stands at £1,938,560 per annum.

Additionality Adjustments

Table 15 Option B Visitor Expenditure Additionality Adjustments

| Additionality Factor | Adjustment | Justification |
|----------------------|------------|--|
| Displacement | 25% | The Homes and Communities Agency (HCA) Additionality Guide suggests using 25% as a 'ready reckoner' for low levels of displacement, for example when there are expected to be some displacement effects, although only to a limited extent ⁵² . |
| Leakage | 14% | BIS / CEA guidance provides ready reckoners based on type of intervention. Evidence indicates that a leakage factor of 14% for schemes in the category of "regeneration through physical infrastructure" is appropriate ⁵³ . |
| Multiplier | 1.3 | The effect of the multiplier depends on the size of the geographical area that is being considered, the local supply linkages and income leakage from the area. The HCA Additionality Guide provides 'ready reckoner' composite multipliers (the combined effect of indirect and induced multipliers) to account for this. Therefore, a low multiplier effect of 1.3 has been considered appropriate ⁵⁴ |

- 4.49 Benefit is assumed to persist over a 2-year period⁵⁵. Based on the gross visitor expenditure and the additionality factors outlined above, **£1,623,592 in GVA would be generated in the Study Area from additional visitor expenditure per annum, and £3,247,185 persisted over 2 years.**

⁴⁵ ONS, Gross Value Added (GVA) Estimates for Small Geographies (Weymouth and Portland 004 MSOA Study Area), 2020. Available at: <https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/uksmallareagvaestimates>

⁴⁶ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide (Persistence of Benefits, Intervention Type: Skills and Workforce Development).

⁴⁷ Scheme Input

⁴⁸ Visit Britain, Average Occupancy for the South West of England, 2022. Available at: <https://www.visitbritain.org/accommodation-occupancy-latest-results>

⁴⁹ Visit Britain, Inbound Visitor Statistics, South West of England, 2022. Available at: [Q1 2023 inbound data | VisitBritain](https://www.visitbritain.org/q1-2023-inbound-data)

⁵⁰ ONS, Regional Gross Value Added (balanced) by Industry. Available at: [Regional gross value added \(balanced\) by industry: all ITL regions - Office for National Statistics](https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/regional-gross-value-added-balanced-by-industry)

⁵¹ ONS, Average Turnover by Industry. Available at: [Average turnover by industry - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/average-turnover-by-industry)

⁵² Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

⁵³ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

⁵⁴ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

⁵⁵ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide (Persistence of Benefits, Intervention Type: Image, Events, and Tourism).

Net Present Value

- 4.50 The visitor expenditure benefit is realised in the year of delivery of the development. It is assumed that the Scheme will be completed by 2028/29. The benefit is discounted in the year of realisation to obtain the Net Present Value of this economic benefit estimated at **£2,687,815 persisted over 2 years.**

Additional Footfall

- 4.51 Published case studies suggest evidence that town centre regeneration can result in an uplift in footfall, with figures ranging from 28% to 35%⁵⁶. Based on previous experience and professional judgement, an assumption of a 10% uplift is applied for this Option. This owes to Option B being considered the maximum impact for this benefit due to the balance of regular base revenue from the residential element together with the retail and commercial uses to drive expenditure from the local area. This figure has been selected to account for spatial and geographic differences from the aforementioned case studies (i.e., Weymouth being a coastal location opposed to a town centre) and recognising the potential of optimism bias in such examples. Applying this figure to the baseline footfall in Weymouth (22,610,120 in 2022), provides an additional footfall of 2,261,012 per annum.
- 4.52 Published evidence provides estimates for average spend per head on local amenities, which stands at £36.63 in 2017⁵⁷. Using the GDP deflator, this equates to £43.73 in 2023 prices. Taking this figure against the additional footfall calculated provides an average for total additional spend per annum. Applying the average GVA / Turnover ratio for the Food, Arts, and Retail sector in the United Kingdom across 2021 (1:0.16) calculates the additional GVA from additional footfall and spend^{58 59}. This stands at £15,819,626 per annum.

Additionality Assumptions

Table 16 Option B Additional Footfall Additionality Adjustments

| Additionality Factor | Adjustment | Justification |
|----------------------|------------|--|
| Displacement | 25% | The Homes and Communities Agency (HCA) Additionality Guide suggests using 25% as a 'ready reckoner' for low levels of displacement, for example when there are expected to be some displacement effects, although only to a limited extent ⁶⁰ . |
| Leakage | 14% | BIS / CEA guidance provides ready reckoners based on type of intervention. Evidence indicates that a leakage factor of 14% for schemes in the category of "regeneration through physical infrastructure" is appropriate ⁶¹ . |
| Multiplier | 1.3 | The effect of the multiplier depends on the size of the geographical area that is being considered, the local supply linkages and income leakage from the area. The HCA Additionality Guide provides 'ready reckoner' composite multipliers (the combined effect of indirect and induced multipliers) to account for this. Therefore, a low multiplier effect of 1.3 has been considered appropriate ⁶² . |

- 4.53 Benefit is assumed to persist over a 2-year period⁶³. Based on the gross expenditure on local amenities and the additionality factors outlined above, **£13,249,332 in GVA would be generated in the Study Area from additional footfall per annum, and £26,498,664 persisted over 2 years.**

Net Present Value

- 4.54 The additional footfall benefit is realised in the year of delivery of the development. It is assumed that the Scheme will be completed by 2028/29. The benefit is discounted in the year of realisation to obtain the Net Present Value of this economic benefit estimated at **£21,933,923 persisted over 2 years.**

⁵⁶ Living Streets, Pedestrian Pound, 2018. Available at: [pedestrian-pound-2018.pdf \(livingstreets.org.uk\)](https://www.livingstreets.org.uk/pedestrian-pound-2018.pdf)

⁵⁷ Savills, Consumer Spending Report, 2017. Available at: [Savills UK | Consumer insights](https://www.savills.co.uk/consumer-insights)

⁵⁸ ONS, Regional Gross Value Added (balanced) by Industry. Available at: [Regional gross value added \(balanced\) by industry: all ITL regions - Office for National Statistics](https://www.ons.gov.uk/regional-gross-value-added-balanced-by-industry-all-ITL-regions-office-for-national-statistics)

⁵⁹ ONS, Average Turnover by Industry. Available at: [Average turnover by industry - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/average-turnover-by-industry-office-for-national-statistics)

⁶⁰ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

⁶¹ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

⁶² Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

⁶³ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide (Persistence of Benefits, Intervention Type: Place).

Appraisal Summary Table

- 4.55 Table 17 summarises the benefits as outlined above that are attributable to Option B for the Weymouth Peninsula Scheme, discounted and persisted over the referenced period.

Table 17 Option B (Hybrid) Appraisal Summary Table

| Benefit | Net Present Value (Discounted and Persisted) | |
|---------------------------------------|--|--|
| | Initial | |
| LVU | £1,633,050 | |
| WLVU | £11,761,175 | |
| Amenity Benefit | £3,827,774 | |
| Construction Jobs and Economic Growth | £10,511,258 | |
| Adjusted | | |
| Operational Jobs and Economic Growth | £16,928,888 | |
| Visitor Expenditure | £2,687,815 | |
| Additional Footfall | £21,933,923 | |
| Total | £69,283,881 | |

Non-Monetised Benefits

Table 18 Option B (Hybrid) Non-Monetised Benefits

| Qualitative Benefit | Description | Level of Impact |
|--|---|-----------------|
| Improved Perceptions | The works planned to regenerate the Peninsula site, including the commercial, residential, public realm, and complimentary harbourside development may increase resident and visitor perceptions of the town and Weymouth Peninsula specifically. | High |
| Wellbeing Benefits | The planned development may offer wellbeing benefits to residents, businesses, and visitors owing to the provision of commercial and residential offer, improved facilities, public realm, and routes along the Peninsula. | Medium |
| Complementing Regeneration and Place-Shaping | The strong focus on regeneration of the Peninsula involves increasing the commercial and residential offer available. This could improve the viability of wider planned public and private schemes across Weymouth and attract more initiatives to positively shape the town. | High |
| Safeguarded jobs | Safeguarding of fishing sector employment via complimentary works to the harbourside infrastructure and facilities. Jobs from the existing theatre and other operations on the Peninsula site may also be safeguarded due to the proposed development of commercial and residential infrastructure. | Medium |
| Businesses supported | Continued and additional operation of fishing sector businesses supported via complimentary works to harbour infrastructure and facilities. Encouragement of new businesses to locate at the Peninsula to support the proposed mixed-use development. | Medium |
| Community Engagement | Reinforcing civic pride via the improved offer on the Peninsula site may encourage social inclusion and interaction, thus improving health and wellbeing of residents, businesses, and visitors. | Low |
| Visitor Numbers | The improved offer as a result of development may safeguard visitors to the Peninsula. Regeneration and creation of a new mixed-use development could attract further footfall by increasing the visitor offering, catering for a wider audience. | High |
| Tax Receipts | New businesses and residents locating at the peninsula could boost local tax revenues in the form of business rates and council tax. | Low |
| Private Sector Investment | The mixed-use development could attract private leisure, hospitality, and residential businesses, improving the competitiveness of Weymouth. | Medium |

| Qualitative Benefit | Description | Level of Impact |
|---|---|-----------------|
| Reduction in Crime | The Peninsula site is currently underused and could attract anti-social behaviour. Creation of a mixed-use development could maximise utilisation of the site and dissuade crime and associated behaviour. | Low |
| Economic Success | Increased employment opportunities could help to redress imbalances in the labour market. | Low |
| Flooding Benefit: Reduction in Damage to Property | Research provided by Dorset Council indicates that an extra 1027 properties in Weymouth will be at significant or very significant risk of flooding by 2030 if harbour wall infrastructure improvements are not undertaken across Weymouth ⁶⁴ . The Development is to involve flood mitigation works across the Peninsula Site which will address the risk of property damage. | High |
| Additional Berth Capacity | The development will compliment the wider Marina regeneration works which proposes deeper berths to enable additional and larger boats to moor. | Medium |

4.56 On balance, the non-monetised benefits of Option B – “Hybrid” are assessed to have a medium to high level of impact.

Option B – Hybrid: Excluding Residential Development

4.57 Option B “Hybrid” has been modelled excluding the residential elements of the development. It is noted that if this scenario was progressed, there would be development of alternative uses in the place of residential elements. However, in absence of detail in this regard, the sole purpose of this assessment is to model the value of the residential element of the Scheme. A summary of the economic impact of this Option is included in Table 19.

Table 19 Option B (Hybrid: Excluding Residential Development) Appraisal Summary Table

| Benefit | Net Present Value (Discounted and Persisted) | % Variance from Option B – “Hybrid” |
|---------------------------------------|--|-------------------------------------|
| Initial | | |
| LVU | £108,194 | -93% |
| WLVU | £6,916,294 | -41% |
| Amenity Benefit | £3,827,774 | 0% |
| Construction Jobs and Economic Growth | £2,732,927 | -74% |
| Adjusted | | |
| Operational Jobs and Economic Growth | £16,928,888 | 0% |
| Visitor Expenditure | £2,687,815 | 0% |
| Additional Footfall ⁶⁵ | £17,547,138 | -20% |
| Total | £50,749,029 | 27% |

4.58 The results of the economic impact assessment indicate that the residential element of the Scheme accounts for 27% of the total benefits that may be realised.

⁶⁴ Weymouth FCRM Scheme SOC, Appendix A - Economics Assessment Technical Note page 19 & 23)

⁶⁵ 8% uplift applied to baseline footfall (20% reduction from Option B – Hybrid which is considered to deliver maximum impact for this benefit). This owes to the removal of regular base revenue of the residential elements of the Scheme. This is based on professional judgement as informed by published case studies. Detailed explanation of benefit is provided in 4.52 – 4.55.

Option C – Regeneration

Land Value Uplift

- 4.60 It is expected that Option C of the Weymouth Peninsula Scheme will deliver a more economic use of the land than the current use, delivering an LVU. The methodology for assessing LVU is set out in 4.11 to 4.14.
- 4.61 The benchmark land value per hectare for Weymouth and Portland locality stands at £865,000 per Ha for commercial land, and £2,200,000 per Ha for residential land⁶⁶. This is applied based on the size of the respective uses on the proposed site (1.16 Ha residential land and 1.30 Ha commercial land). On this basis, the residual land value is estimated to be **£3,675,240**. The Existing Use Value (EUV) is based on the assumption that the current land can be predominantly classified as industrial use owing to the current carpark and harbourside infrastructure on the Site, with the benchmark land value per hectare for Weymouth and Portland locality informed by the Valuation Office Agency Land Value Estimates for Policy Appraisal (£750,000 per Ha)⁶⁷. Based on the size of the existing site (2.46Ha), the EUV is estimated to be **£1,842,750**.
- 4.62 Based on the above the total (gross) LVU is estimated at **£1,832,490**.

Additionality Adjustments

Table 20 Option C LVU Additionality Adjustment

| Additionality Factor | Adjustment | Justification |
|----------------------|------------|--|
| Deadweight | 0% | The benefit (the future value) is directly compared to the current value of the scheme. The total value of the residential and retail stock is the value if the intervention does not occur. |
| Displacement | 0% | Displacement is not applicable to Land Value Uplift |
| Leakage | 0% | Leakage is not applicable to Land Value Uplift |
| Multiplier | 0% | Multiplier is not applicable to Land Value Uplift |

Net Present Value

- 4.63 The LVU is an assumed one-time benefit to be realised in the year of delivery of the development. It is assumed that the developments will be completed by 2028. The LVU is discounted in the year of realisation to obtain the Net Present Value of this economic benefit estimated at **£1,542,907**.

Wider Land Value Uplift

- 4.64 Option C of the Weymouth Peninsula Scheme will create additional demand to live, work and shop close to the developments, and this will likely reflect in higher land values for residential and commercial premises as a result. The interventions proposed are expected to go further than just the benefit for those within the scheme boundary and will be dependent on The Scheme to come forward. These include benefits to:
- Residential properties: The increased willingness to pay to live in an area with a higher quality-built environment. For example, due to the effect on mental health, a reduced fear of crime, an improved shopping experience and a greater pride in place.
 - Commercial properties: The increased willingness to pay for shop owners to locate in an area with higher footfall and higher potential revenue.

⁶⁶ DLUHC (formerly MHCLG), VOA Land Value Estimates for Policy Appraisal, 2019. Available at: <https://www.gov.uk/government/publications/land-value-estimates-for-policy-appraisal-2019>

⁶⁷ DLUHC (formerly MHCLG), VOA Land Value Estimates For Policy Appraisal, 2019. Available at: <https://www.gov.uk/government/publications/land-value-estimates-for-policy-appraisal-2019>

Residential WLVU

4.65 The methodology for assessing Residential WLVU is set out in 4.17 to 4.22.

Commercial WLVU

4.66 The methodology for assessing Commercial WLVU is set out in 4.23 to 4.27.

Additionality Adjustments

4.67 The additionality adjustments are consistent with those assumptions for Option B WLVU appraisal. A summary is included in Table 21.

Table 21 Option C WLVU Additionality Adjustment

| Additionality Factor | Adjustment | Justification |
|----------------------|---------------------------------------|---|
| Deadweight | 0% | The benefit (the future value) is directly compared to the current value of the scheme. The total value of the residential and retail stock is the value if the intervention does not occur. |
| Displacement | 19% (residential) 21% (commercial) | The residential additionality rate is in accordance with the HCA Additionality Guide ⁶⁸ for 'housing in the immediately adjoining area' and the commercial additionality rate is for 'development in the immediately adjoining area'. Such rates of displacement are considered appropriate for this scheme given it being unlikely that property values elsewhere would be adversely affected. The additionality consideration also accounted for the possibility of some of the WLVU benefit to be felt outside of the intervention's target area – this is possible where properties inside the impact area are owned by people living elsewhere. |
| Leakage | 6% | This is based on the "Housing and environment" leakage factor as detailed in the 2014 Additionality Guide by Homes England ⁶⁹ . |

4.68 The resulting additionality factor is 76% for the residential WLVU and 74% for the commercial LVU, which is then applied to the corresponding WLVU benefits.

Net Present Value

4.69 The WLVU is an assumed one-time benefit to be realised in the year of delivery of the development. It is assumed that the developments will be completed by 2028. The WLVU is discounted in the year of realisation to obtain the Net Present Value of this economic benefit estimated at **£10,082,256**.

Amenity Benefit

4.70 The Scheme proposes a total of 3.34Ha of public realm improvements⁷⁰. The economic value has been calculated consistent with the MHCLG (now DLUHC) guidance which assumes delivering a net additional 2-Ha of public realm, has an economic benefit of £229,400 per hectare⁷¹. Using the GDP deflator, this equated to £306,719 in 2023 prices. Benefit is assumed to persist over a 10-year period, in line with BIS IEF + proxies adopted for "public realm" interventions⁷².

4.71 The total (gross) amenity benefit for Option C is estimated to be £512,927 per annum, and £5,129,266 persisted over 10 years.

Net Present Value

4.72 The amenity benefit is realised in the year of delivery of the development. It is assumed that the Scheme will be completed by 2028/29. The benefit is discounted in the year of realisation to obtain the Net Present Value of this economic benefit estimated at **£3,717,406 persisted over 10 years**.

⁶⁸ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

⁶⁹ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

⁷⁰ Dorset Council, Option C (Regeneration) Public Realm Areas Plan. Produced by HGP Architects, September 2023

⁷¹ Communities and Local Government Guidance, Valuing the Benefits of Regeneration, 2010. Available at: [Valuing the Benefits of Regeneration. Economics paper 7: Volume I - Final Report \(publishing.service.gov.uk\)](#)

⁷² Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide (BIS IEF +, Persistence of Benefits, Intervention Type: Public Realm).

Construction Jobs and Economic Growth

- 4.73 The Scheme will create employment during the construction phase, expected to last approximately 2 years and expected to commence in 2026/27 at the earliest. It is anticipated there could be beneficial effects for employment through the creation of temporary jobs during this period.
- 4.74 The analysis examines the extent that construction employment will create additional Gross Value Added (GVA). The employment will also generate further demand across the new businesses' supply chains, which in turn creates additional economic growth and jobs.
- 4.75 Construction costs have also been informed by the Development Appraisal provided by Dorset Council produced by Vail Williams LLP. Costs include:
- Construction costs, including building costs, enhanced sustainability measures, external works, and services (£44,016,649)
 - Other costs (contingencies, developer's contingency, CIL/S106) (£7,244,290)
 - Abnormal development costs (£7,500,000)
 - Professional fees (£5,151,665)
 - Disposal fees (£2,028,958)
 - Finance (£4,268,060)
- 4.76 The total construction cost of the Scheme is estimated to be £70,580,476.
- 4.77 Based on construction cost and period, there are anticipated to be **654 gross direct construction jobs created as a result of the Scheme**.

Additionality Adjustments

Table 22 Option C Construction Jobs and Economic Growth Additionality Adjustment

| Additionality Factor | Adjustment | Justification |
|----------------------|------------|---|
| Displacement | 25% | Due to the flexibility of a typical construction workforce (i.e. it is possible for workers to move from project to project) displacement effects are considered to be medium. The Homes and Communities Agency (HCA) Additionality Guide suggests using 25% as a 'ready reckoner' for such levels of displacement, for example when there are expected to be some displacement effects, although only to a limited extent ⁷³ . |
| Leakage | 38% | This is based on Travel to Work data which indicates 62% of the Study Area (Weymouth and Portland 004 MSOA) travel less than 10km (including working from home) to work, which is classified as a short distance in the ONS Guidance note ⁷⁴ . This suggests 62% of employment benefits will be retained in the Study Area. |
| Multiplier | 1.3 | Employment growth is anticipated to arise locally through manufacturing services and suppliers to the construction process (indirect or supply linkage multipliers). Additionally, part of the income of the construction workers and suppliers will be spent in the Wider Impact Area, generating further employment (induced or income multipliers). The effect of the multiplier depends on the size of the geographical area that is being considered, the local supply linkages and income leakage from the area. The HCA Additionality Guide provides 'ready reckoner' composite multipliers (the combined effect of indirect and induced multipliers) to account for this. Therefore, a low multiplier effect of 1.3 has been considered appropriate ⁷⁵ . |

- 4.78 Based on the gross construction worker requirements for construction of the Proposed Development and the additionality factors outlined above, **233 net construction jobs would be generated in the Study Area**.
- 4.79 Applying the average gross direct value added per construction worker in the area to the net construction workers generated from the Scheme gives the total GVA arising from the construction period. Output generated by activity in the construction sector is estimated by taking the total employment in the region's

⁷³ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

⁷⁴ ONS, Distance Travelled to Work (Table TS058), Census 2021. Available at: [Distance travelled to work - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/statistics)

⁷⁵ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

(South West England) construction sector in 2021 (238,900 employees) against the sector's GVA output in the same period (£12.9 billion), equating to £53,997 GVA per worker⁷⁶. By applying this figure to the total net construction workers generated by the Scheme, it is estimated that **construction activity will contribute approximately £12,580,970 in the study area.**

Net Present Value

- 4.80 The construction employment benefit is realised in the years of construction. It is assumed that the construction period of the Scheme will span 24 months from 2026/27 to 2028/29. The benefit is discounted in the year of realisation to obtain **the Net Present Value of this economic benefit estimated at £11,155,451.**

Operational Jobs and Economic Growth

- 4.81 Output is calculated on the assumption that Option C of the Weymouth Peninsula Scheme will deliver 7,360 sqm of commercial space. In the absence of detailed information on the proposed breakdown of use class of this commercial space, assumptions have been based on the Masterplan provided by Dorset Council, as produced by HGP Architects⁷⁷. This is summarised in Table 23.

Table 23 Option C Commercial Space Assumptions for Jobs and Economic Growth Assessment

| Use Class (AECOM assumption) | Scheme Use (Masterplan) | Sqm (NIA) | % |
|------------------------------|-------------------------|--------------|-------------|
| D2 | Cinema | 2,000 | 27% |
| D2 | Activity Centre | 1,000 | 14% |
| A3 | Bistro Pub | 1,500 | 20% |
| A1 | Commercial | 2,860 | 39% |
| C1 | Luxury Hotel | 75 room | - |
| Total | | 7,360 | 100% |

- 4.82 Additional employment is calculated on this basis according to the Employment Density Guide taking an average of "A3 – Restaurant and Cafe" and "A1 – Town Retail" (17.5 sqm per FTE), "D2 – Cinema (200 sqm per FTE)", "D2 – Amusement and Entertainment" (70 sqm per FTE), and "C1 – Hotel (1 FTE per room)"⁷⁸. **This equates to c. 350 gross employees supported at the new premises.**

Additionality Adjustments

Table 24 Option C Operational Jobs and Economic Growth Additionality Assumptions

| Additionality Factor | Adjustment | Justification |
|----------------------|------------|--|
| Deadweight | 7.5% | Research undertaken on behalf of BIS by CEA has identified deadweight estimates for a range of intervention types based upon evaluations of economic development and regeneration. According to BIS factors – "regeneration through physical infrastructure, capital projects (sub regional)" a deadweight factor of 7.5% has been applied as a ready reckoner ⁷⁹ . |
| Displacement | 25% | The Homes and Communities Agency (HCA) Additionality Guide suggests using 25% as a 'ready reckoner' for low levels of displacement, for example when there are expected to be some displacement effects, although only to a limited extent ⁸⁰ . |
| Leakage | 38% | This is based on Travel to Work data which indicates 62% of the Study Area (Weymouth and Portland 004 MSOA) travel less than 10km (including working from home) to work, which is classified as a short distance in the ONS Guidance |

⁷⁶ Construction Skills Network, Labour Market Intelligence Report, South West, 5-year Outlook, 2022 – 2026. Available at: [southwest-lmi-final.pdf \(citb.co.uk\)](https://www.citb.co.uk/southwest-lmi-final.pdf)

⁷⁷ Dorset Council, Option C (Regeneration) Masterplan. Produced by HGP Architects, July 2022

⁷⁸ Homes and Communities Agency (HCA) Employment Densities Guide, 2015 (3rd Edition)

⁷⁹ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

⁸⁰ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

| Additionality Factor | Adjustment | Justification |
|----------------------|------------|--|
| | | note ⁸¹ . This suggests 62% of employment benefits will be retained in the Study Area. |
| Multiplier | 1.3 | The effect of the multiplier depends on the size of the geographical area that is being considered, the local supply linkages and income leakage from the area. The HCA Additionality Guide provides 'ready reckoner' composite multipliers (the combined effect of indirect and induced multipliers) to account for this. Therefore, a low multiplier effect of 1.3 has been considered appropriate ⁸² |

4.83 Based on the gross operational worker creation and the additionality factors outlined above, **196 net jobs would be generated in the Study Area.**

4.84 Applying the average gross direct value added per worker in the area to the net operational employment generated from the Scheme gives the total GVA output. This is estimated by taking the total employment in the Study Area (Weymouth and Portland 004 MSOA) in 2020 (3,000 employees)⁸³ against the GVA output in the same period (£95,263,000)⁸⁴, equating to £31,754 GVA per worker. Benefit is assumed to persist over a 3-year period⁸⁵. By applying this figure to the total net employment generated by the Scheme, it is estimated that **the commercial space will contribute approximately £6,219,614 per annum, and £18,658,843 persisted over 3 years.**

Net Present Value

4.85 The jobs and economic growth benefit is realised in the year of delivery of the development. It is assumed that the Scheme will be completed by 2028/29. The benefit is discounted in the year of realisation to obtain the Net Present Value of this economic benefit estimated at **£15,184,970 persisted over 3 years.**

Visitor Expenditure

4.86 Visitor expenditure is calculated based on the capacity of the additional accommodation provided by the development of the 72 Keys hotel. Under the assumption that the luxury hotel will provide 72 rooms, which based on average hotel bed numbers per room, is estimated to provide 144 beds⁸⁶. Average occupancy rate of the accommodation sector in the South West of England across 2022 indicates average annual occupancy of 73%⁸⁷. This equates to an average number of visitors as 105.

4.87 Average nightly spend from holiday visitors in the South West of England stands at £120.96⁸⁸. Taking this figure against the average number of visitors provides the total average spend (£12,715). Applying this over a year, equates to an average total visitor spend per annum of £4,641,090.

4.88 Applying the GVA / Turnover ratio for the Accommodation and Food sector in the United Kingdom across 2021 (1:0.42) calculates the additional GVA from visitor expenditure^{89 90}. This stands at £1,938,560 per annum.

⁸¹ ONS, Distance Travelled to Work (Table TS058), Census 2021. Available at: [Distance travelled to work - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/statistics/tables/distance-travelled-to-work)

⁸² Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

⁸³ Business Register and Employment Survey, FTE Employment Count (Weymouth and Portland 004 MSOA Study Area), 2020. Available at: [Business Register and Employment Survey - Nomis - Official Census and Labour Market Statistics \(nomisweb.co.uk\)](https://nomisweb.co.uk/business-register-and-employment-survey)

⁸⁴ ONS, Gross Value Added (GVA) Estimates for Small Geographies (Weymouth and Portland 004 MSOA Study Area), 2020. Available at: <https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/uksmallareagvaestimates>

⁸⁵ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide (Persistence of Benefits, Intervention Type: Skills and Workforce Development).

⁸⁶ Scheme Input

⁸⁷ Visit Britain, Average Occupancy for the South West of England, 2022. Available at: <https://www.visitbritain.org/accommodation-occupancy-latest-results>

⁸⁸ Visit Britain, Inbound Visitor Statistics, South West of England, 2022. Available at: [Q1 2023 inbound data | VisitBritain](https://www.visitbritain.org/q1-2023-inbound-data)

⁸⁹ ONS, Regional Gross Value Added (balanced) by Industry. Available at: [Regional gross value added \(balanced\) by industry: all ITL regions - Office for National Statistics](https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/regional-gross-value-added-balanced-by-industry)

⁹⁰ ONS, Average Turnover by Industry. Available at: [Average turnover by industry - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/average-turnover-by-industry)

Additionality Adjustments

Table 25 Option C Visitor Expenditure Additionality Adjustments

| Additionality Factor | Adjustment | Justification |
|----------------------|------------|--|
| Displacement | 25% | The Homes and Communities Agency (HCA) Additionality Guide suggests using 25% as a 'ready reckoner' for low levels of displacement, for example when there are expected to be some displacement effects, although only to a limited extent ⁹¹ . |
| Leakage | 14% | BIS / CEA guidance provides ready reckoners based on type of intervention. Evidence indicates that a leakage factor of 14% for schemes in the category of "regeneration through physical infrastructure" is appropriate ⁹² . |
| Multiplier | 1.3 | The effect of the multiplier depends on the size of the geographical area that is being considered, the local supply linkages and income leakage from the area. The HCA Additionality Guide provides 'ready reckoner' composite multipliers (the combined effect of indirect and induced multipliers) to account for this. Therefore, a low multiplier effect of 1.3 has been considered appropriate ⁹³ . |

- 4.89 Benefit is assumed to persist over a 2-year period⁹⁴. Based on the gross visitor expenditure and the additionality factors outlined above, **£1,623,592 in GVA would be generated in the Study Area from additional visitor expenditure per annum, and £3,247,185 persisted over 2 years.**

Net Present Value

- 4.90 The visitor expenditure benefit is realised in the year of delivery of the development. It is assumed that the Scheme will be completed by 2028/29. The benefit is discounted in the year of realisation to obtain the Net Present Value of this economic benefit estimated at **£2,687,815 persisted over 2 years.**

Additional Footfall

- 4.91 Published case studies suggest evidence that town centre regeneration can result in an uplift in footfall, with figures ranging from 28% to 35%⁹⁵. Based on previous experience and professional judgement, an assumption of a 9.5% uplift is applied for this Option. This owes to Option C offering a marginally lesser balance of regular base revenue from the residential element together with the retail and commercial uses to drive expenditure from the local area. This figure has been selected to account for spatial and geographic differences from the aforementioned case studies (i.e. Weymouth being a coastal location opposed to a town centre) and recognising the potential of optimism bias in such examples. Applying this figure to the baseline footfall in Weymouth (22,610,120 in 2022), provides an additional footfall of 2,147,961 per annum.
- 4.92 Published evidence provides estimates for average spend per head on local amenities, which stands at £36.63 in 2017⁹⁶. Using the GDP deflator, this equates to £43.73 in 2023 prices. Taking this figure against the additional footfall calculated provides an average for total additional spend per annum. Applying the average GVA / Turnover ratio for the Food, Arts, and Retail sector in the United Kingdom across 2021 (1:0.16) calculates the additional GVA from additional footfall and spend^{97 98}. This stands at £15,028,645 per annum.

⁹¹ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

⁹² Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

⁹³ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

⁹⁴ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide (Persistence of Benefits, Intervention Type: Image, Events, and Tourism).

⁹⁵ Living Streets, Pedestrian Pound, 2018. Available at: [pedestrian-pound-2018.pdf \(livingstreets.org.uk\)](https://www.livingstreets.org.uk/pedestrian-pound-2018.pdf)

⁹⁶ Savills, Consumer Spending Report, 2017. Available at: [Savills UK | Consumer insights](https://www.savills.co.uk/consumer-insights)

⁹⁷ ONS, Regional Gross Value Added (balanced) by Industry. Available at: [Regional gross value added \(balanced\) by industry: all ITL regions - Office for National Statistics](https://www.ons.gov.uk/regional-gross-value-added)

⁹⁸ ONS, Average Turnover by Industry. Available at: [Average turnover by industry - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/average-turnover-by-industry)

Additionality Assumptions

Table 26 Option C Additional Footfall Additionality Adjustments

| Additionality Factor | Adjustment | Justification |
|----------------------|------------|---|
| Displacement | 25% | The Homes and Communities Agency (HCA) Additionality Guide suggests using 25% as a 'ready reckoner' for low levels of displacement, for example when there are expected to be some displacement effects, although only to a limited extent ⁹⁹ . |
| Leakage | 14% | BIS / CEA guidance provides ready reckoners based on type of intervention. Evidence indicates that a leakage factor of 14% for schemes in the category of "regeneration through physical infrastructure" is appropriate ¹⁰⁰ . |
| Multiplier | 1.3 | The effect of the multiplier depends on the size of the geographical area that is being considered, the local supply linkages and income leakage from the area. The HCA Additionality Guide provides 'ready reckoner' composite multipliers (the combined effect of indirect and induced multipliers) to account for this. Therefore, a low multiplier effect of 1.3 has been considered appropriate ¹⁰¹ . |

- 4.93 Benefit is assumed to persist over a 2-year period¹⁰². Based on the gross expenditure on local amenities and the additionality factors outlined above, **£12,586,866 in GVA would be generated in the Study Area from additional footfall per annum, and £25,173,731 persisted over 2 years.**

Net Present Value

- 4.94 The additional footfall benefit is realised in the year of delivery of the development. It is assumed that the Scheme will be completed by 2028/29. The benefit is discounted in the year of realisation to obtain the Net Present Value of this economic benefit estimated at **£20,837,226 persisted over 2 years.**

Appraisal Summary Table

- 4.95 Table 27 summarises the benefits as outlined above that are attributable to Option C for the Weymouth Peninsula Scheme, discounted and persisted over the referenced period.

Table 27 Option C (Regeneration) Appraisal Summary Table

| Benefit | Net Present Value (Discounted and Persisted) | |
|---------------------------------------|--|--|
| | Initial | |
| LVU | £1,542,907 | |
| WLVU | £10,082,256 | |
| Amenity Benefit | £3,717,405 | |
| Construction Jobs and Economic Growth | £11,155,451 | |
| Adjusted | | |
| Operational Jobs and Economic Growth | £15,184,970 | |
| Visitor Expenditure | £2,687,815 | |
| Additional Footfall | £20,837,226 | |
| Total | £65,208,030 | |

⁹⁹ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

¹⁰⁰ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

¹⁰¹ Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide.

¹⁰² Homes England (Formerly the Homes and Communities Agency), 2014 Additionality Guide (Persistence of Benefits, Intervention Type: Place).

Non-Monetised Benefits

Table 28 Option C (Regeneration) Non-Monetised Benefits

| Qualitative Benefit | Description | Level of Impact |
|---|--|-----------------|
| Improved Perceptions | The works planned to regenerate the Peninsula site, including the commercial, residential, and public realm would open up the quayside and make it a more vibrant place. This may increase resident and visitor perceptions of Weymouth and the Peninsula specifically. | Medium |
| Wellbeing Benefits | The planned development may offer wellbeing benefits to residents, businesses, and visitors owing to the provision of commercial and residential offer, improved facilities, public realm, and routes along the Peninsula. | Low |
| Complementing Regeneration and Place-Shaping | The strong focus on regeneration of the Peninsula involves increasing the commercial and residential offer available. This could improve the viability of wider planned public and private schemes across Weymouth and attract more initiatives to positively shape the town. | Medium |
| Businesses supported | Encouragement of new businesses to locate at the Peninsula to support the proposed mixed-use development. | Medium |
| Community Engagement | Reinforcing civic pride via the improved offer on the Peninsula site may encourage social inclusion and interaction, thus improving health and wellbeing of residents, businesses, and visitors. | Low |
| Visitor Numbers | The improved offer as a result of development may safeguard visitors to the Peninsula. Regeneration and creation of a new mixed-use development could attract further footfall by increasing the visitor offering, catering for a wider audience. | Medium |
| Tax Receipts | New businesses and residents locating at the peninsula could boost local tax revenues in the form of business rates and council tax. | Low |
| Private Sector Investment | The mixed-use development could attract private leisure, hospitality, and residential businesses, improving the competitiveness of Weymouth. | Medium |
| Reduction in Crime | The Peninsula site is currently underused and could attract anti-social behaviour. Creation of a mixed-use development could maximise utilisation of the site and dissuade crime and associated behaviour. | Low |
| Economic Success | Increased employment opportunities could help to redress imbalances in the labour market. | Low |
| Flooding Benefit: Reduction in Damage to Property | Research provided by Dorset Council indicates that an extra 1027 properties in Weymouth will be at significant or very significant risk of flooding by 2030 if harbour wall infrastructure improvements are not undertaken across Weymouth ¹⁰³ . The Development is to involve flood mitigation works across the Peninsula Site which will address the risk of property damage. | High |
| Additional Berth Capacity | The development will compliment the wider Marina regeneration works which proposes deeper berths to enable additional and larger boats to moor. | Medium |

4.96 On balance, the non-monetised benefits of Option C – “Regeneration” are assessed to have a low-to-medium level of impact.

¹⁰³ Weymouth FCRM Scheme SOC, Appendix A - Economics Assessment Technical Note page 19 & 23)

5. Summary

- 5.1 Table 29 provides a comparison of the monetisable benefits (discounted and persisted for the relevant period) arising from the economic benefits of each option for the Weymouth Peninsula Scheme.

Table 29 Summary of Economic Benefits by Option

| Benefit | Option A – “Harbour Infrastructure Improvements” | Option B – “Hybrid” | Option B – “Hybrid – Excluding Residential Development” | Option C – “Regeneration” |
|---------------------------------------|--|---------------------|---|---------------------------|
| Direct LVU | n/a | £1,633,050 | £108,194 | £1,542,907 |
| Wider LVU | n/a | £11,761,175 | £6,916,294 | £10,082,256 |
| Amenity Benefit | £408,138 | £3,827,774 | £3,827,774 | £3,717,405 |
| Construction Jobs and Economic Growth | £2,270,555 | £10,511,258 | £2,732,927 | £11,155,451 |
| Operational Jobs and Economic Growth | n/a | £16,928,888 | £16,928,888 | £15,184,970 |
| Visitor Expenditure | n/a | £2,687,815 | £2,687,815 | £2,687,815 |
| Additional Footfall | n/a | £21,933,923 | £17,547,138 | £20,837,226 |
| Total | £2,678,693 | £69,283,881 | £50,749,029 | £65,208,030 |
| Non-monetised Benefits | Low | Medium-High | n/a | Low-Medium |

- 5.2 Each of the Options considered in the economic impact assessment deliver a range of economic and wider benefits to support the local economy in Weymouth and help to boost activity and prosperity around the Peninsula site as a key asset for Dorset Council, as part of the wider strategic vision for Weymouth.
- 5.3 **The results of the economic impact assessment indicate that Option B – “Hybrid” delivers the highest economic benefit in comparison to the other options, with the potential to realise £69,283,881. Furthermore, Option B demonstrates the most substantial impact in terms of non-monetizable benefits, categorizing its overall impact as “medium-high.”** This is substantially higher than the economic benefit generated by Option A – “Harbour Infrastructure Improvements” which is assessed to deliver £2,678,693 in economic benefit. It also outperforms Option C – “Regeneration”, which delivers £65,208,030 in economic benefit. This is 6% less than the economic benefit realised for Option B and delivers a lower-level impact in terms of non-monetisable benefits, categorised as “low-medium”. This variance is attributed to the hybrid nature of Option B, which encompasses complementary developments for both harbour infrastructure and facilities, in addition to mixed-use residential and commercial regeneration initiatives.
- 5.4 Option B was also assessed with the exclusion of residential development elements. The outcome of this assessment reveals that 27% of the total benefits realised by Option B can be directly attributed to its residential elements. This underscores the tangible value brought by the inclusion of residential components within the Scheme.

