

# **Executive Committee**

**9 February 2017**

**Dorchester's Centre – Retail Enhancement**

## **For Decision**

### **Portfolio Holder**

Cllr J Russell – Environmental Protection & Assets

### **Senior Leadership Team Contact:**

S Hill, Strategic Director

### **Report Author:**

S Hill, Strategic Director

### **Statutory Authority**

Local Government 1972

## **Purpose of Report**

- 1 To update Members on progress with the soft market testing, archaeological peer review and to describe preparation of the development strategy.

## **Officer Recommendations**

- 2 Officer recommendations are as follows:
  - a) To receive the results of the soft market testing on development opportunities at Charles Street;
  - b) To receive the archaeological peer review for the Charles Street site;
  - c) To allocate up to £520k from the Corporate Projects Reserves to enable preparation of feasibility studies, the development strategy and then marketing of the Charles Street site and other Dorchester town centre sites;
  - d) To delegate authority to the Strategic Director, in consultation with the Charles Street Member Working Group to spend up to £520k on the preparation of feasibility studies, the development strategy and then marketing of the Charles Street side and other Dorchester town centre sites;
  - e) To commence initial discussions with interested food retailers for the Charles Street site so as to give direct market insight into their requirements and thus allow a faster decision making process when reporting back to members.
  - f) To commence discussions with owners, occupiers and interested parties on the Trinity Street and Fairfield car park sites so as to allow a better initial assessment of their potential viability and feasibility for redevelopment as part of the wider Dorchester Town Centre redevelopment options. These will then be reported back to members in conjunction with the other assessments and works.

## **Reason for Decision**

- 3 To update Members and also establish a budget for the next phase of work, which will focus on delivery at the Charles Street site and also feasibility and delivery at other Dorchester town centre site/s.

## **Background and Reason Decision Needed**

- 4 Recent previous reports on Dorchester's Centre have been considered by Executive on 12 April 2016 and 13 September 2016.
- 5 The last report gave approval to undertake soft market testing of the development opportunity at Charles Street car park and also to prepare an archaeological peer review of the site.
- 6 These works were commissioned under the direction of the Member led Charles Street Working Group, from GL Hearn and Dr Peter Wilson (Rarey Archaeological).
- 7 This report presents the results of the soft market testing and archaeological peer review for the Executive's information.
- 8 The report also recommends steps to prepare the development strategy for the site, and also consideration and progression of other town centre sites to meet Dorchester's retail need.

## **Soft Market Testing**

- 9 GL Hearn was commissioned on 21 October 2016 and completed its final soft market testing report briefing the Charles Street working group at its meeting on 17 January 2017.
- 10 This report explains that the results of the soft market testing have been completed. The soft market testing (Appendix 1) is a commercially confidential document and, therefore, that report is confidential.
- 11 The soft market testing concludes that there is a market for retail development at its Charles Street site based on a smaller and less intrusive scheme than previously promoted. There is interest from both food and comparison goods retailers.

## **Archaeological Peer Review**

- 12 Rarey Archaeology (Dr Peter Wilson) was commissioned on 29 November 2016 and has presented a draft review by end January 2017 and gave a verbal briefing to the working group at its meeting 17 January 2017.
- 13 This report presents the results of the draft peer review (as a Background Paper). The peer review is presented as a draft and will be subjected to an independent review. The Council has not considered the report.
- 14 The report concludes that the site could be developed with appropriate mitigation measure; taking the opportunity of developing a better understanding of the potential of site; appropriate design (location and construction type) and harm/loss being outweighed by the benefits.
- 15 A smaller, less intrusive store at the Charles Street site is more likely to be achieved by a food retail store when compared with a comparison goods store. From a landowner perspective this would allow more targeted marketing, giving an optimum opportunity for delivery. The planning perspective would look at the overall delivery and constraint issues and is considering this option but this would appear feasible from that perspective also. This may be confirmed following sequential testing.

## **Charles Street Development Strategy**

- 16 Based on the outcomes of the soft market testing and archaeological peer review, the Council now needs to decide whether or not to progress with the next stage, which is preparation of the development strategy for the site, as well as some more direct engagement with potential end users.
- 17 The strategy should:
  - consider and select a preferred option for development (eg joint venture development partner, council development, freehold/leasehold sale);
  - procurement advice;
  - car parking demand and capacity;
  - how car parking income will be governed, managed and operated including treatment of income;
  - further archaeology evaluation;
  - the type of development eg size, location, class, design and site permeability (pedestrian movements around the town and vehicular); and
  - Sequential testing of sites and food/comparison goods options.
- 18 There is significant work in assessing the options, which is likely to need financial evaluation skills as well as preparation of the development strategy and urban design/architecture.
- 19 This report Recommends delegating authority to the Strategic Director, in consultation with the Charles Street Member Working Group, to prepare the development strategy.
- 20 Initially, this will require preparation of the work specification and tendering before awarding the commission. The work is expected to take 4 months

before being reported back to Executive for decisions on how best to develop the site.

- 21 While this work is undertaken, given the potential site constraints, it is believed worthwhile to also progress on some of the findings of the initial phase. To this end opening dialogue with the various food retailers to determine more specifically their interest and requirements would give a market insight which would add to the other evaluation work. In addition it could speed up the final decision making and delivery when reporting back to members.
- 22 The Council may then progress to the implementation of the development strategy, which could for example include selecting a development partner or land sale.
- 23 This report Recommends delegating authority to the Strategic Director, in consultation with the Charles Street Member Working Group, on the marketing only of the Charles Street site, depending upon the preferred approach to marketing eg competitive dialogue or land sale.
- 24 The extent of previous surveys undertaken (for which the Council has the intellectual property rights) for example as part of the preparation of the planning application, will dictate what information remains relevant and can be re-used eg topographical survey; cultural heritage assessment; previous financial evaluations.
- 25 The Council may consider further works to de-risk the site and this could include in particular for example below ground conditions: geotechnical (ground condition) and archaeological trial holes. A separate budget for this work will be informed by the archaeological peer review.

### **Dorchester's Retail Need**

- 26 Dorchester's retail need assessment that has been used by GL Hearn (in its report, previously reported to Executive 13 September 2016) is based upon the current joint Town Centre and Retail Study, which was finalised in 2008, with an addendum prepared in 2010. Over recent years, there have been significant changes in the retail market and the economy. These are likely to have impacted on the assumptions which sit behind the growth in retail expenditure presented in retail studies.
- 27 The retail need assessment for West Dorset and Weymouth & Portland needs to be updated and will be commissioned early 2017 with the plan to complete by mid-2017. Therefore, a brief has been provided to advise on the potential retail capacity in Dorchester prior to the commissioning of the Retail Study covering West Dorset District Council and Weymouth & Portland Borough Councils.
- 28 The early review of Dorchester's retail need only will be commissioned to inform the Council and is expected to take one month to complete: end February 2017.
- 29 The previous (July 2016) GL Hearn report, reported to Executive 13 September 2016 suggested that smaller scale and less intrusive retail

development at Charles Street is unlikely to meet Dorchester's currently defined retail need. A smaller scale say 30,000- 40,000 sq ft store is, therefore, perhaps preferable for the Charles Street site, which matches a food store more than a comparison goods scheme at say 60,000 sq ft that would lack critical mass. A smaller scheme with a single store is perhaps also likely to better match the findings of the archaeological peer review.

- 30 An early review of Dorchester's retail need is required to inform the Council's strategy, but it is likely to indicate that further retail development at Dorchester's centre will be needed, in addition to any floorspace provided at the Charles Street site, to meet the re-assessed retail need.
- 31 The West Dorset and Weymouth & Portland Local Plan (Adopted October 2015) identifies development at Charles Street and Trinity Street car parks as potential for retail development and, therefore, includes policies.
- 32 Meeting Dorchester's retail need more closely (than only at Charles Street) will require a review and confirmation of other feasibility and viability of other potential central Dorchester retail development sites, more specifically from a sequential test basis Trinity Street car park and Fairfield car park.
- 33 Given the wish to progress a composite approach to the Dorchester Town Centre economic enhancements, it is believed appropriate to look at these two areas in more detail and to enter into initial discussions with owners, occupiers and interested parties. This will then give helpful and specific details to members when the various assessments are being reported back in due course.
- 34 Therefore, this report Recommends delegating authority to the Strategic Director, in consultation with the Charles Street Member Working Group, to consider the feasibility of development at other Dorchester sites to meet Dorchester's assessed retail need.
- 35 It is likely that most of the work described in paragraph 16 above will also be necessary for the appraisal of other Dorchester sites (eg sequential testing, car parking demand/capacity, preferred development type and size; urban design; and further archaeological peer review). Similarly, therefore, this work is expected to take 4 months from commissioning.
- 36 In the interim the council would as part of the review wish to limit any commitments to further occupancy so as to ensure maximum flexibility moving forward with the overall Town redevelopment strategy.
- 37 The Council may then progress to the implementation of the development strategy at Dorchester's town centre sites, which could for example include selecting a development partner or land sale.
- 38 Similarly, this report Recommends delegating authority to the Strategic Director, in consultation with the Charles Street Member Working Group, to market any other central Dorchester site/s within the Council's ownership.

## **Implications**

### **Corporate Plan**

- 39 The Charles Street development project is a top priority for the Council and matches the Economy priority.
- 40 It is important that the Council provides a simple proposition for potential developers as it enters the development market. This includes being clear what assets the Council is progressing for land sale/lease and for what purposes in what priority order. Reducing risk is inherent within that and includes minimising risk of any challenge. Risks include the ground condition and archaeology and also the procurement/disposal route.

### **Financial**

- 41 To allocate up to £520k from revenue reserves to enable preparation of feasibility studies, the development strategy and then marketing of the Charles street site and other Dorchester town centre sites;

### **Equalities**

- 42 None.

### **Environmental**

- 43 The Council's ownership at Charles Street has been the subject of much environmental interest, not least as a site with potential significantly important archaeological remains and a principal site in the historic town centre.
- 44 Related other work includes the early review of the Local Plan and associated supporting documents; the Dorchester Transport and Environmental Plan (DTEP); and review of traffic and parking, including preparation of a WDDC Parking Strategy.

### **Economic Development**

- 45 Is the proposal likely to lead to an increase in the level of skills needed in the local workforce? At this stage the consultant commission may identify options that increase in the level of skills needed in the local workforce.
- 46 Is the proposal likely to lead to growth in local employment? At this stage the consultant commission identifies options that promote local employment.
- 47 Is the proposal likely to lead to growth in the number of businesses? At this stage the consultant commission identifies options that promote local business.
- 48 If the overall economic implications are seen as negative what mitigating factors have been considered? The consultant commission includes consideration of economic implications.

## **Risk Management (including Health & Safety)**

- 49 A separate confidential Appendix 2 is included which relates to the options for procurement of development/land sale/lease.

## **Human Resources**

- 50 None.

## **Consultation and Engagement**

- 51 The work led by the Charles Street Working Group has an established e-Newsletter that people have signed up to receive.
- 52 Communications relating to this report are prepared with the Charles Street Working Group informing people of the recommendations and the objectives upon which those recommendations are made: to promote Dorchester as a retail centre.

## **Appendices**

*Appendix 1 and Appendix 2 Not for publication by virtue of paragraphs 3 and 5 of Schedule 12A, Part 1 of The Local Government Act 1972, as amended. The public interest in maintaining the exemption outweighs the public interest in disclosing it.)*

- 53 Appendix 1 - Soft Market Testing (GL Hearn) – commercially confidential  
Appendix 2 - Summary Opinion – legal privilege : confidential

## **Background Papers**

- 54 Previous Committee Reports and Minutes.  
Archaeological Peer Review (Rarey Architects)

## **Footnote**

- 55 Issues relating to financial, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

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