

Management Committee

7 March 2017

Town Centre Masterplan Update- Peninsula Economic Impact Assessment

For Decision

Briefholder

Cllr Jeff Cant

Senior Leadership Team Contact:

M Hamilton, Strategic Director

Report Author:

M Hamilton,

Statutory Authority

Purpose of Report

- 1 This report updates members on the potential economic impact of the proposed leisure led development on the Peninsula.

Officer Recommendations

- 2 To note that the Economic Impact Assessment undertaken for the Peninsula development projects the creation of 250 full time equivalent jobs, generating a £54m Gross Value Added for the town's economy over the first ten years of operation.

Reason for Decision

- 3 To ensure that members are aware of the potential economic impact of the peninsula development on the town.

Background and Reason Decision Needed

- 4 Over the past year Management Committee has received a series of reports dealing with the development of key sites identified in the Town Centre Masterplan. As an outcome of this process work is ongoing to establish a clear and viable delivery model for a leisure led redevelopment of the Peninsula site. Alongside the financial modelling of the development, and engagement with potential occupiers, Management Committee agreed to commission an Economic Impact Assessment (EIA) of the development. This EIA has been prepared by Regeneris Consulting, and is appended to this report.
- 5 The economic assessment takes as its starting point the Cushman & Wakefield indicative layout, which includes:

- Restaurants (1445sqm)
 - Café (139sqm)
 - Hotels (120 rooms total)
 - Leisure facilities (6968sqm)
 - Harbour quarter (696sqm)
- 6 Against this mix of facilities, Regeneris have applied standard methodologies detailed in Appendix 1 of the attached report. In addition they have drawn on local data regarding visitor numbers to the town from which to extrapolate key projections for the new development.
- 7 The projections from this analysis are necessarily high level, and will vary to some degree depending on the precise mix of facilities put on the Peninsula site. However, at this stage the analysis indicates that the proposed peninsula development will result in the following economic activity:
- 250 fte jobs on site, plus 170 jobs for the projected two year build period;
 - £2.5m pa gross expenditure in hotels, amounting to £18m over the first ten years (discounted to current value)
 - £5m pa gross expenditure by visitors, amounting to £38m over the first ten years (discounted to current value)
 - C.£440k pa in additional business rates, amounting to £3.4m over the first ten years (discounted to current value)
- 8 Over a ten year period, this employment and associated economic activity is projected to generate some £53m Gross Value Added to the local economy.

Additionality

- 9 An important consideration in the economic impact of the development will be the extent to which the peninsula adds to the overall economic activity in the town, versus the extent to which it displaces economic activity from elsewhere in the town. Even once displacement and leakage factors are applied, the Regeneris assessment indicates that impact of the development represents a significant boost to the borough's economy at £23m GVA.
- 10 Maximising the extent to which the peninsula development drives additional economic activity will be a important consideration for the Council in progressing other actions such as supporting the town centre, encouraging the updating of hotel stock, and ensuring that the borough is positively marketed as a destination of choice. Recent successes such as the profile awarded to Weymouth Beach through the Trip Advisor award, and the relaunch of the Visit Dorset offer will be important issues upon which to capitalise. Work ongoing to ensure the harbour can benefit from the Peninsula development should also aim to maximise additionality.

Implications

Economic Development

This report deals directly with the economic impact of the Peninsula development.

Appendices

Weymouth Peninsula Economic Impact Assessment

Background Papers

Footnote

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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