

Cabinet

7 November 2023

Weymouth Regeneration – Levelling Up Fund

For Decision

Portfolio Holder: Cllr S Gibson, Economic Growth and Levelling Up

Local Councillor(s): Cllr Jon Orrell, Clare Sutton, Brian Heatley, Kate Wheller, Gill Taylor, David Gray, Pete Barrow, Ryan Hope.

Executive Director: J Sellgren, Executive Director of Place

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Report Status: Part Exempt

Brief Summary: This report advises Cabinet on progress of the successful Weymouth Waterside Regeneration bid, asks Cabinet to agree to committing match funding to the project and seeks a delegation to move Levelling Up Funding with agreement of DHLUC.

Recommendation: Cabinet is requested to:

- i. Note the successful bid to the Levelling Up fund and the approach and progress to date.
- ii. Agree to allocate the sum of £3.5m match funding as proposed to DHLUC in the Council's LUF Bid from the approved Capital Programme.
- iii. Subject to agreement by DHLUC, delegate to the Executive Director, Place, in consultation with the Portfolio Holder for Levelling Up and the Executive Director Corporate Development, the decision to reallocate Levelling Up Funds from the proposed New Bond Street scheme to Weymouth Bowl site scheme, and other sites as appropriate.
- iv. Receive a further report to agree the approaches to development on the relevant sites.

Reason for Recommendation: These recommendations bring members up to date on the progress of the Weymouth Waterside Regeneration bid to the Levelling up Fund and take the next steps to allow further progress.

Background

Strategic Context

1. As members are aware Dorset as a whole, is a relatively prosperous area but the town of Weymouth has not shared this prosperity for many years. As a consequence, there is a desire for Weymouth to secure investment to kick start its economy.
2. Weymouth has a number of socio-economic challenges, with increasing levels of deprivation in certain areas. Some parts of the town have the lowest social mobility in England. Weymouth's economy is highly dependent on tourism, which offers seasonal jobs often with low wages.
 - Ten out of eleven areas in Dorset that are considered Significantly Deprived (top 20 per cent nationally Index of Multiple Deprivation 2019) are within Weymouth and Portland.
 - Gross Value Added (GVA) for Weymouth & Portland has historically been low, the UK Competitive index ranked Weymouth & Portland 372 out of 379 in 2019.
3. Weymouth has many unique selling points and has the potential to be a highly desirable place to live and visit. The Levelling Up Fund award presents a once-in-a-lifetime opportunity for Dorset Council to create lasting positive change which will benefit the town for many years to come, which fits with the Dorset policy established by the Council Plan, which commits to.
 - Make the best use of our assets and leading economic growth
 - Create sustainable development and housing
 - Driving economic prosperity

Levelling Up Funding

4. Levelling Up is a national Government policy, its ambition is to reduce the imbalances between areas and social groups across the United Kingdom through multiple projects intended to improve transport, communication, education, skills, healthcare, urban regeneration, employment, housing and more. Clearly the Weymouth context outlined above fits this agenda. The Levelling Up the United Kingdom White Paper was published on 2 February 2022 (Appendix i) with its policies set to be achieved by 2030. Councils all

over the country have been able to bid for a share of a £4.8 billion Levelling Up Fund (LUF) for projects in their area.

The Dorset LUF Bid

5. To date there have been two rounds of the LUF application process. Dorset Council submitted an unsuccessful bid under round one for regeneration of the Peninsula and North Quay sites in Weymouth plus a navy “BattleLab” on Portland to work alongside the BattleLab facility at Winfrith.
6. Following lobbying, Dorset was moved into a tier with enhanced need for the purposes of the second round of funding. In July 2022 the council made a submission to LUF round two. The bid submission, titled “Weymouth Waterside Regeneration” built on aspects of the previous round one application and was supported by, Richard Drax MP.
7. The Weymouth Waterside Regeneration bid aligns with the Weymouth Town Centre Masterplan and associated Supplementary Planning Document (SPD) and forms part of the wider regeneration plans for Weymouth.
8. Weymouth Waterside Regeneration is a “Package Bid” to the Levelling Up Fund consisting of 3 projects, as follows:
 - Project 1: To bring forward the Weymouth Peninsula site, to make it ready for development. Project 1 covers site preparation and rehabilitation costs relating to utilities diversions and replacement of harbour walls F and G.
 - Project 2: To bring forward the Weymouth North Quay site, to make it ready for development. Project 2 covers site preparation and rehabilitation costs relating to utilities diversions, additional archaeological survey work, highways and public realm works, and reinstatement of harbour walls 4 and 4i.
 - Project 3: This is for site assembly relating to land around the Commercial Road and New Bond Street area.
9. In January 2023 the council received confirmation that its Weymouth Waterside Regeneration bid had been successful, and Government intended to award the full £19.47m.
10. As set out in the bidding process the council was required to include an element of match funding towards the project costs, the submission included £3.5m of council contribution.

11. There followed a period of further legal works and due diligence with final confirmation of funds via a Memorandum of Understanding with Government being agreed in March 2023 (the “**MOU**”).
12. The council submission offered a series of outputs that would be realised through the successful delivery of the project. These outputs included upgraded or repaired harbour walls, enhanced public realm works, all with a view to enabling the delivery of 7,818 metres squared leisure-led commercial development with 374 market and affordable homes. The council has committed to delivering these outputs in the MOU.
13. In addition to specific outputs generated by the projects there are a number of outcomes that the council aims to achieve through the provision of the LUF funding which are incorporated into the MOU. These include:
 - Hospitality space created or improved;
 - New residential units;
 - Public realm created or improved;
 - Green or blue space improved;
 - Site clearance;
 - Retail space created.
14. It is expected that the activity funded by LUF and the development enabled by the remediation of the above project sites will generate a series of long-term positive impacts across Weymouth. Under the MOU, the council will monitor and report on the following intended impacts to Government:
 - Change in business sentiment
 - Change in perception of place
 - Additional footfall around the harbour
 - Change in business investment

The council’s vision for Weymouth Town Centre and the LUF sites

15. The council has a number of strands of activity that are aimed at the improvement of Weymouth as a place and economy. These include not only the commitments made to DHLUC referred to above, but emerging ideas on developing and enhancing the Harbour; work to improve facilities for fishing businesses at the Harbour Quayside funded through the Coastal Communities Fund started in October, and the consolidation of planning policy through a new Town Centre masterplan. To ensure these are aligned it is important that

there is a vision for the area which can be used as a guide to the strands of work, and against which progress can be monitored.

16. The Council commissioned local government academic Professor Tony Bovaird, to draft this and he has been engaged in interviews with a range of key stakeholders. His final document will be included in a future report to Cabinet.
17. However, it is already clear that in arriving at a vision for regeneration, the Council must decide how it wishes to balance its priorities between:
 - achieving short-term capital gains or revenue streams (favouring high quality commercial and residential development at market value);
 - enhancing the long-term attractiveness and viability of the harbour (favouring marine uses, car parking other facilities for boatowners, stacking for boats, etc.);
 - reinvigorating the local economy, improving business profit levels and employment opportunities (both by making them less seasonal and improving wage levels);
 - supporting the long-term regeneration of the town as a whole (potentially including cultural facilities, active leisure facilities, educational premises, wide-ranging retail facilities, and extension of the public realm in a way that would be attractive for residents and visitors);
 - increasing the long-term attractiveness of the town as a national (and international) high quality visitor destination, which offers an outstanding natural and built environment, hospitality and retail venues, and year-round leisure activities, consequently attracting high visitor spend.
18. Professor Bovaird's early findings suggests that there is a continuum of possible scenarios for the vision. This ranges from the short-term work which must be done, including improvements to the Harbour and Peninsula, the fish landing quay, progressing the redevelopment of North Quay and demolishing and identifying the future of the Weymouth Bowl site.
19. In the medium-term opportunities include delivering the commitments made to Government through potential residential, commercial and leisure developments to the Peninsula together with improved public realm, and possible harbour extensions.
20. For the long -term reconsideration of New Bond Street may be relevant together with the potential development of the west side of the Harbour. There is also a possible scenario where national or international facilities might be sought for the town, although this is a labour intensive and inherently uncertain objective.

21. In support of the vision document an economic impact study has been commissioned through the Council's advisers Aecom, examining the economic impact of initiatives, particularly as they relate to the Peninsula. This will be available in the next report.
22. Professor Bovaird's draft vision document will be subject to wider engagement.

Change request - New Bond Street

23. The council owns the freehold of the multi storey car park at Commercial Road, together with the neighbouring Cineworld outlet and the TK Maxx retail unit in the high street vicinity. At the time of the submission of the bid, the long leasehold on this site was for sale and it was anticipated that the council would look to secure this to pair with the freehold ownership and bring forward as a redevelopment site. Between bid submission and announcement by government of bid success the site was subsequently purchased by another investor.
24. Discussions have been held with the investor to establish their intentions with regard to the site. These discussions continue but the council has conducted a number of appraisals for the redevelopment of the site which have indicated that redevelopment would not be commercially viable, even with the LUF funding. This may change in future, but it will need reconsideration at a later date.

Reallocation of LUF funding

25. The council, by accepting the LUF funds, has committed to the achievement of outputs from within the New Bond Street site. The allocation of Levelling Up Funding for New Bond Street amounts to £4million which was allocated for the purposes of land acquisition. The council has begun discussions with DHLUC with a view to reallocating this funding to alternative sites and the continued achievement of the scheme outputs.
26. To gain approval for the reallocation of LUF funding the council will need to ensure any new sites or projects continue the delivery of the original Weymouth Waterside objectives (regeneration around Weymouth harbour and quayside, housing delivery, creation of new jobs) and be located within the same vicinity as the New Bond Street site. LUF funding cannot be reallocated to projects elsewhere in Weymouth or Dorset.
27. Consequently, Officers are seeking Cabinet endorsement to request reallocation of part of the New Bond Street funding for project costs for the

Weymouth Bowl site as discussed below. Other sites may be available to which further funding could be allocated subject to the agreement of DHLUC.

28. Cabinet is requested to approve the submission to DHLUC of a change request to reallocate the funding reserved for New Bond Street, in the first instance to the Weymouth Bowl site.

Weymouth Bowl

29. The site is located approximately 150m south of the New Bond Street site and the main shopping area within Weymouth.
30. The Weymouth Bowl building is of brick construction and glazed frontage, and is accessed from St Nicholas Street, by which it is bounded to the east. To the north there are commercial buildings and the main shopping area. To the south is St Nicholas Street Euro Car Parks Pay and Display car park and commercial and residential properties fronting onto Weymouth Harbour. Westwards is an area of commercial and residential properties also fronting onto Weymouth Harbour and Marina.
31. The council acquired the leasehold interest in the site in 2022 to regain control of the building after the bowling operator ceased trading and tenants could not be found to take over the site.
32. Currently the council is developing a planning application for demolition and is seeking pre-application advice on this. The long-term use of the site is likely to be residential, as with the previous proposed scheme, but there may be a relationship between this site and other Levelling Up Funded schemes in terms of ensuring delivery of outcomes, and the submission of a planning application for new development will wait on more clarity on the other schemes. In the short term it is likely that the site will be used as temporary car parking until a future use is agreed.

Consultation/ Engagement

33. To date, the council's communications and engagement approach has been to inform local stakeholders as and when milestones are reached in the individual programmes of work and when new work is about to start.
34. Communication and activity plans are in progress for the three Levelling Up Funded projects. Formal, statutory consultation within the planning process does not form part of the communications activity and objectives at this stage.
35. In agreement with the Portfolio Holder for Levelling Up, a continuation of this approach will stay in place throughout the programme until work is complete.

36. Publicity for the Levelling Up Funding awarded to Dorset Council is governed by branding guidelines set out by DLUHC. There is an ambition to link construction sites with bold, carefully branded hoardings which publicises that Dorset Council is investing in Weymouth.

Financial Implications

37. The council secured £19.468m from the Levelling Up Fund and has received an MOU from government setting out the terms and conditions of this funding. Government is currently stating that this funding must be spent by March 2025.

38. The funds are apportioned to each of the three projects on the following basis:

- Peninsula - £11.348m
- North Quay - £4.12m
- New Bond Street (currently) £4m

39. In addition to the LUF funding the council identified in its bid submission a total of £3.5m from council funds to be used as a local, match funding, contribution towards the total project costs. Providing local matching contributions of at least 10% were a requirement of the bidding process.

40. These local funds have been identified as being allocated from the following projects contained within the capital programme:

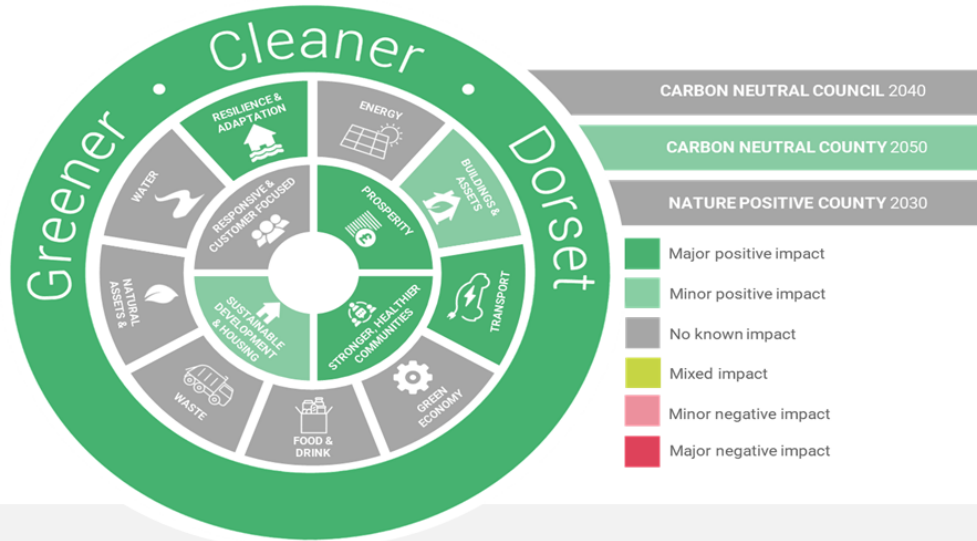
- North Quay Archaeology
- North Quay Planning Consent for Scheme and Demolition
- Weymouth FCRM OBC
- Weymouth Harbour & Esplanade FCRM Scheme
- Weymouth Peninsula including Harbour Walls (W&PBC)
- Weymouth Bowl Acquisition

Natural Environment, Climate & Ecology Implications

41. The project should achieve positive impacts in four respects: (a) improving flood resilience through harbour wall upgrades; (b) improving sustainable travel through enhancements to active travel infrastructure, reducing the domination of car movement and the aligned Park and Ride upgrades through the complementary LUF Transport Bid; (c) improving building sustainability through a commitment to build to Building Regulations standards as a

minimum; (d) reducing the need to commute through more localised workspace development.

42. Further aspects of the projects environmental impact are not presently defined by the bid or MoU, and they will be contingent upon the approach to site development and finalisation of the vision – which is to be determined. The approach has the potential to be positive or negative in those respects, which is why ‘no known impact’ is currently noted for many segments until that is defined. This may consider opportunities to improve the impacts further, such as building to higher standards. The approach will be defined with consideration of key relevant documents, such as the council’s Planning Sustainability Checklist; Electric Vehicle Strategy; Natural Environment, Climate & Ecology Strategy.



- CARBON NEUTRAL COUNCIL 2040
- CARBON NEUTRAL COUNTY 2050
- NATURE POSITIVE COUNTY 2030
- Major positive impact
- Minor positive impact
- No known impact
- Mixed impact
- Minor negative impact
- Major negative impact

Quantitative Impact on CEE targets (if known)		
	Unit	Number of units (+/-)
2030 - Natural asset extent & condition	Ha	0
2040 - Operational Emissions	CO ₂ (tonnes)	0

Natural Environment, Climate & Ecology Strategy Commitments	Impact
Energy	No known impact
Buildings & Assets	Minor positive impact
Transport	Major positive impact

Green Economy	No known impact
Food & Drink	No known impact
Waste	No known impact
Natural Assets & Ecology	No known impact
Water	No known impact
Resilience and Adaptation	Major positive impact

Corporate Plan Aims	Impact
Prosperity	strongly supports it
Stronger healthier communities	strongly supports it
Sustainable Development & Housing	supports it
Responsive & Custome Focused	neutral

Well-being and Health Implications

43. The Levelling Up Fund, together with the objectives set out in the Council Plan are intended to improve the wellbeing and health outcomes of the residents of Weymouth. It is generally recognised that improved economic performance results in improved health and wellbeing outcomes and the targets for this will be subject to monitoring by the Council and the government.

Other Implications

44. None at this time

Risk Assessment

45. A risk assessment has been carried out and is attached at Appendix v.

Equalities Impact Assessment

46. At this stage it is premature to assess the detailed impacts, positive or negative on members of groups with protected characteristics. A detailed equalities impact assessment will be carried out for each site as more detailed plans are produced.

Appendices

- i. Levelling Up Fund White Paper 2022 - [Levelling Up the United Kingdomr \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/106471/levelling-up-white-paper-2022.pdf)
- ii. Weymouth Waterside Regeneration 2022 – Dorset’s LUF Bid - [Levelling Up Fund Round 2: application guidance \(dorsetcouncil.gov.uk\)](https://www.dorsetcouncil.gov.uk/media/106471/levelling-up-fund-round-2-application-guidance.pdf)

- iii. Project Progress to date (Part Exempt)
- iv. Governance and assurance
- v. Risk assessment

Background Papers

none