

# Recommendation to Cabinet

19 November 2024

From Harbours Advisory Committee on 25 September 2024

## Weymouth Harbour - Future Development and Open Port Duty

### For Decision

**Cabinet Member and Portfolio:**

Cllr J Andrews, Place Services

**Local Councillor(s):**

All Councillors

**Executive Director:**

Jan Britton, Executive Lead for Place

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**Report Status:** Public

**Brief Summary:**

This report provides an update on the progression of Weymouth Harbour's future development, focusing on the modification of the Harbour's Open Port Duty to allow for commercial development opportunities in line with the Council's Government funding (previously known as the Levelling Up Fund) commitments. The proposal requires a Harbour Revision Order (HRO) to restrict the current Open Port Duty, allowing the harbour to accommodate vessels of a specified size while ensuring compliance with Statutory Harbour Authority obligations.

**Recommendation:**

That Cabinet approves:

- i) An application be made to the Marine Management Organisation for a Harbour Revision Order in respect of Weymouth Harbour to restrict the Open Port Duty.
- ii) Delegated authority be given to the Executive Lead for Place Services in consultation with the Cabinet Member for Place Services to determine the wording of the Harbour Revision Order based on legal advice and to undertake all procedures for the submission of the Harbour Revision Order to the Marine Management Organisation
- iii) A budget of £40,000 is allocated for the work set out in recommendations i) and ii) from Harbour Reserves.

### **Reason for Recommendation:**

The recommendations will allow Weymouth Harbour to:

- Develop the Peninsula in line with the Harbour Business Plan and the Government funding commitments, which include public space enhancements, commercial developments, and housing.
- Reduce the financial and operational burden imposed by the unrestricted Open Port Duty, which currently requires the harbour to accommodate large commercial vessels that are no longer viable or necessary for future growth.
- Secure long-term financial sustainability through commercial opportunities aligned with the Government funding programme.

## **1. Report**

1.1 Weymouth Harbour is a significant asset for Dorset Council, playing a critical role in the region's maritime economy and broader regeneration efforts. As part of these efforts, the Council successfully secured £19.47 million through the second round of the (at the time) Levelling Up Fund in November 2023, with an additional £3.5 million required in match funding. This funding is targeted toward key infrastructure and development projects that aim to rejuvenate the harbour and surrounding areas.

The allocated funding resources will support various projects, including:

- Upgrading and repairing harbour walls to ensure the infrastructure can meet modern standards and support both commercial and leisure activities.
- Enhancing public spaces, particularly along the waterfront, creating nearly 8,000 square meters of leisure-led commercial areas, aimed at attracting businesses, tourists, and visitors.

- Delivering new homes, with a mix of affordable and market-rate housing, contributing to the broader goals of economic and social regeneration in Weymouth.

1.2 The harbour's current status under the Open Port Duty presents a major obstacle to these plans. As a statutory obligation, the Open Port Duty requires that Weymouth Harbour must remain open for the "shipping and unshipping of goods" and the embarkation and disembarkation of passengers. This duty applies to all vessels, regardless of size, including large commercial ships. While this provision was essential in the past when Weymouth served as a hub for large-scale ferry services, the last ferry service ceased in 2015. Since then, no viable proposal for reinstating such services has been presented, and the economic rationale for maintaining facilities for large vessels has diminished.

1.3 The harbour infrastructure that once accommodated large ferries is now outdated for current requirements. Since 2015, with the cessation of regular ferry services, marine activity in Weymouth has shifted towards smaller commercial operations and leisure craft. The harbour's physical limitations, including depth restrictions and berth configurations, make it unsuitable for the modern generation of ferries, which are significantly larger. Today's ferries, particularly those serving cross-Channel routes, have increased in size to accommodate more passengers, vehicles, and cargo. This trend in ferry design is driven by the need for greater fuel efficiency and economic scalability, leading to larger draughts and overall dimensions that exceed the capacity of many older ports like Weymouth. Ferries now typically require deeper harbours and more extensive shore facilities than Weymouth can provide without significant, costly upgrades.

Given these trends, maintaining the infrastructure for large vessels under the Open Port Duty seems increasingly impractical. The investment needed to adapt Weymouth Harbour for larger, modern ferries would far outweigh any potential economic benefits, especially in the absence of a clear demand for such services. The focus has shifted toward optimising the harbour for smaller vessels and leisure use, which better aligns with current local needs and offers more sustainable prospects for the future.

1.4 The unrestricted Open Port Duty currently necessitates that the harbour retains substantial infrastructure to accommodate large vessels, including space for loading lanes, border control facilities, and other associated services. This requirement is at odds with the Council's vision for developing the Peninsula site as part of the regeneration project.

Maintaining this infrastructure not only incurs high costs but also limits alternative commercial development opportunities for the quayside and the wider Peninsula area, such as small-scale marine businesses, leisure activities, residential development, and public access improvements.

- 1.5 The need for a HRO to amend the Open Port Duty has been identified, allowing it to be restricted to vessels of a certain size (under 24 meters in length). This would provide the necessary flexibility to continue accommodating smaller vessels, such as fishing boats, leisure yachts, and local commercial traffic, while freeing up space and resources for the redevelopment of the Peninsula. Restricting the duty to smaller vessels would also enable the removal of outdated infrastructure, such as the redundant ferry linkspan ramp, paving the way for new uses, including slipway, boat haul-out facilities, and marine services.
- 1.6 The Harbour Business Plan, approved by the Council in January 2024, underscores the importance of this revision in enabling the transformation of the quayside and Peninsula area. The modification of the Open Port Duty through a HRO is a key step in ensuring that the Government funding commitments can be delivered while securing the long-term financial sustainability of Weymouth Harbour.
- 1.7 In March 2024, the Harbours Advisory Committee recommended that the Portfolio Holder for Highways, Travel, and the Environment grant authority for consultation on the proposed HRO. The Portfolio Holder subsequently approved the recommendation, allowing the Harbour Consultative Group to consider the proposal to restrict the Open Port Duty. This group, which includes a range of stakeholders with interests in the harbour's operations and future, met on the 3rd of September 2024 to discuss the implications of the proposed HRO in detail.
- 1.8 Key points raised during the consultation include:
  - *Economic Flexibility:* Members recognised that restricting the Open Port Duty would provide the harbour with greater control over the types of vessels it can accommodate, allowing it to focus on more viable commercial and leisure activities. The current unrestricted duty is seen as a financial burden, requiring the harbour to maintain expensive infrastructure for large vessels, even though there is no foreseeable demand for such services.
  - *Concerns about Tall Ships and Larger Vessels:* Some members of the group expressed concerns that restricting the duty could deter

visits from vessels such as Tall Ships, which often exceed 24 meters in length. These ships attract significant tourism and are seen as beneficial to Weymouth's cultural and economic landscape. In response, Council officers clarified that the proposed wording of the HRO would not automatically exclude larger vessels. Instead, the restriction would provide flexibility, allowing the harbour to accommodate such ships on a case-by-case basis, ensuring that the attraction of these vessels would not be lost.

- *Consultation Process and Legal Implications:* Members were assured that a full consultation process would be completed. The legal framework for applying for an HRO involves further formal consultation once the application is submitted to the Marine Management Organisation. Stakeholders will have additional opportunities to provide input during this phase, and the Council will take legal advice to ensure the wording of the HRO reflects the concerns raised during this initial consultation.
- *Ferry Service Considerations:* The group revisited the historical context of ferry services in Weymouth, noting that no viable proposal for a replacement ferry service has been presented to Dorset Council since the cessation of services in 2015. While the harbour had previously been a ferry terminal, the economic landscape has shifted, and there is little justification for maintaining facilities for large ferry operations. The HRO is seen as a necessary response to the evolving nature of the harbour's operations, allowing it to move in new commercial directions while aligning with the Council's long-term development plans.

1.9 In light of these discussions, the Harbour Consultative Group endorsed the proposal to apply for the HRO, noting the benefits it would bring in terms of both economic sustainability and development opportunities. The feedback from the group will be taken into account as the Council proceeds with the legal process for obtaining the HRO.

## 2. **Financial Implications**

2.1 The immediate financial considerations linked to this recommendation are the requirements for legal advice and associated costs.

2.2 The key costs associated with this recommendation are the application fee of £15,579 levied by the Marine Management Organisation, approximately £5,000 for advertisement and public notices of the Harbour Revision Order

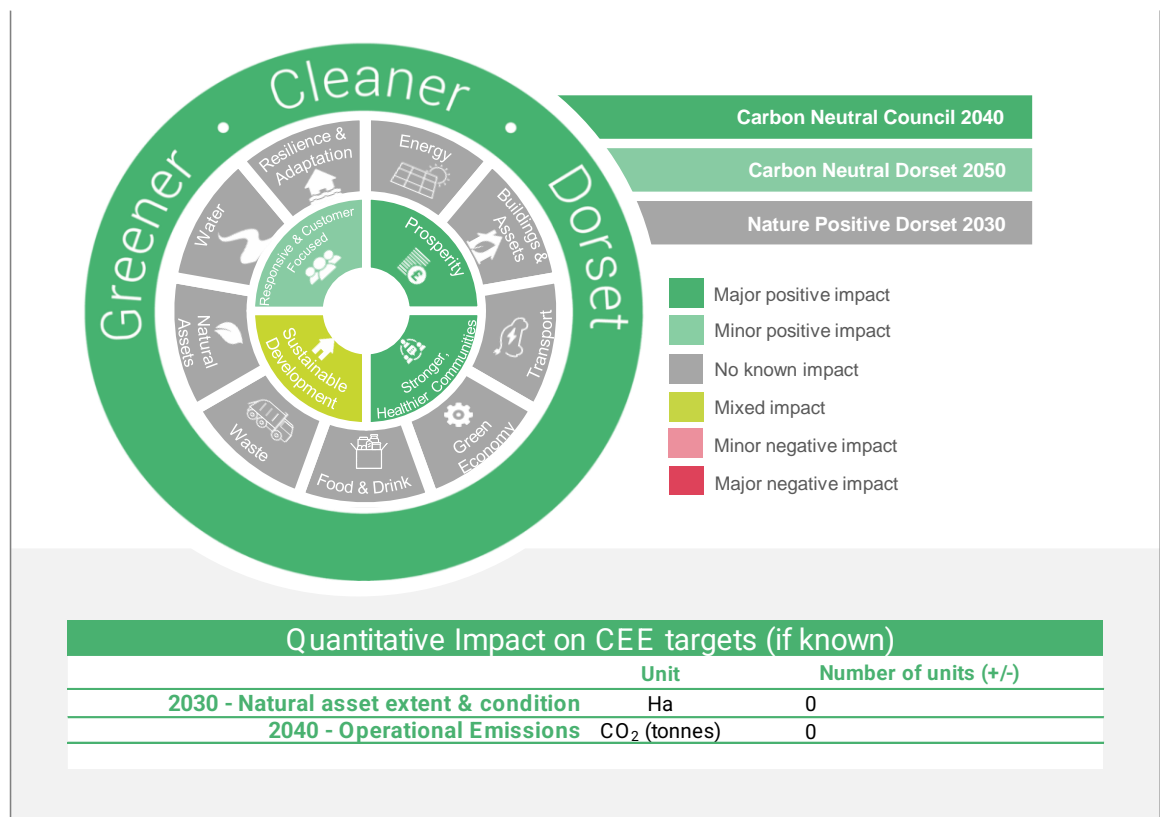
in local newspapers and the London Gazette, and for the legal advice, which is expected to be around £15,000 (+ VAT). However, it should be noted that the legal costs could be subject to substantial increase should complex objections arise.

- 2.3 It is expected that these costs will be funded primarily from Harbour Reserves.
- 2.4 The wider financial considerations predominantly concern the risks inherent by not pursuing an amended HRO. By not amending the Open Port Duty, Weymouth Harbour would continue to be legally obligated to accommodate large commercial vessels, even though no demand exists for such services. This would require the harbour to maintain costly infrastructure, such maintenance obligations would require significant capital investment over time, diverting resources from more productive and economically viable uses.
- 2.5 Weymouth Harbour would continue to bear the financial burden of retaining unutilised capacity for large commercial vessels. With no viable ferry services or alternatives on the horizon, these expenditures would represent a drain on financial resources without contributing to the harbour's economic growth.
- 2.6 The inability to diversify the harbour's uses and sources of revenue due to the constraints of the Open Port Duty could weaken its long-term financial sustainability. Without the flexibility to pursue new commercial and tourism opportunities, the harbour's financial dependence on outdated commercial shipping operations would limit its adaptability to changing economic circumstances, and hinder the harbour's self-sufficiency, potentially requiring future subsidies from Dorset Council to cover maintenance and operational costs.
- 2.7 The failure to seek a new HRO could limit the Council's ability to fully capitalise on the £19.47 million in Government funding it secured for Weymouth Harbour's regeneration. Several funding-supported projects, including the upgrading of public spaces, the provision of leisure, residential, and commercial development of the Peninsula, are contingent on modifying the Open Port Duty to free up space and reduce unnecessary infrastructure maintenance.
- 2.8 Should the Council fail to align harbour operations with its Government funding commitments, there could be impact on its reputation with funding bodies and potentially affect future eligibility for grants and funding. If

projects fail to deliver intended outcomes due to operational constraints like the Open Port Duty, the Council may be viewed as less capable of managing and delivering large-scale regeneration projects, thereby affecting future funding bids.

### 3. Natural Environment, Climate & Ecology Implications

3.1 There are no natural environment, climate & ecology implications linked to the subject of this report. However, the Harbours aim to meet the targets adopted by Dorset Council in 2023, setting out a framework for action to become a carbon neutral Council and the direction of travel needed for a County-wide approach. Harbours have an important role in helping to deliver some of the goals set out within the strategy and will aim to reduce their carbon footprint in line with that of other Council Services.



### 4. Well-being and Health Implications

4.1 The provision of improved facilities and infrastructure promote health and wellbeing through encouraging people to be outdoors and active, whether it be through boating and water related activities, or through encouraging

people to visit the harbours and enjoy each Harbour's natural and cultural heritage. Established safety management systems at the harbours also support the ongoing health and well-being of harbour users and harbour employees.

## 5. **Other Implications**

5.1 None

## 6. **Risk Assessment**

6.1 **HAVING CONSIDERED:** the risks associated with this decision; the level of risk has been identified as:

Current Risk: Low

Residual Risk: Low

6.2 While the immediate risks associated with this recommendation are low, this is not after all the 'point of no return', there are future risks inherent in this process, most specifically should the decision be taken to not pursue an amended HRO, as detailed in this report.

6.3 The ongoing expenses of maintaining or re-establishing costly infrastructure for large commercial vessels at Weymouth Harbour are an unnecessary obligation, especially given the lack of demand, and the current requirements of Open Port Duty are limiting revenue diversification. This situation not only reduces the harbour's flexibility to pursue new opportunities but could also jeopardise current regeneration projects and hinder potential growth. Additionally, underutilised infrastructure poses safety hazards and may lead to resource diversion from essential safety upgrades, increasing the risk of accidents or structural failures. If the harbour continues to be seen as outdated and inefficient, it may deter investors, commercial partners, and visitors, further limiting its competitiveness.

6.4 Failure to amend the Open Port Duty could place additional financial pressure on Dorset Council, potentially requiring subsidies for the costly maintenance of underutilised facilities. This could impair the Council's ability to realise strategic regeneration projects, and limit opportunities for economic development in commercial, leisure, and tourism sectors. Moreover, the risks associated with ageing infrastructure may expose the Council to legal and financial liabilities if safety hazards arise. Inability to effectively utilise government funding could harm the Council's reputation,



resulting in diminished public trust and reduced investment opportunities, ultimately undermining regional economic objectives and critical services that support local activity.

- 6.5 While there are many variables to be considered, a high-level summary of these risks and potential consequences, based on Dorset Councils adopted Risk Methodology, can be viewed at Appendix One.

## 7. **Equalities Impact Assessment**

- 7.1 There are no equalities impact issues resulting from the subject of this report.

## 8. **Appendices**

- 8.1 Appendix One – Risk Summary

## 9. **Background Papers**

- 9.1 Harbours Advisory Committee Meeting 6<sup>th</sup> March 2024  
Agenda Item 12: Weymouth Harbour – Future Development and Open Port Duty

Harbours Advisory Committee Meeting 25<sup>th</sup> September 2024  
Agenda Item 12: Weymouth Harbour – Future Development and Open Port Duty

## 10. **Report Sign Off**

- 10.1 This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Portfolio Holder(s)