

**Meeting:** Council

**Date:** 19 October 2017

**Wards Affected:** All wards

**Report Title:** Oxen Cove Landing Jetty

**Is the decision a key decision?** Yes

**When does the decision need to be implemented?** Immediately

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## 1. Proposal and Introduction

- 1.1 The Council is being asked to authorise a capital scheme at Brixham harbour.
- 1.2 A growing demand exists for new infrastructure in support of the shellfish sector of the fishing industry in Brixham. To this end the construction of a new landing jetty is required adjacent to Oxen Cove in Brixham Harbour. This scheme will need to be included in the Council's Capital Plan and an appropriate level of borrowing approved.
- 1.3 This scheme is not currently listed within the Council's agreed Capital Plan.
- 1.4 At its meeting held on 26 June 2017, the Harbour Committee agreed to support proposals for the development and future use of Oxen Cove and/or Freshwater Quarry to provide facilities connected with the shellfish industry. Furthermore the Committee authorised the Executive Head of Business Services to work up detailed proposals for a dedicated landing jetty adjacent to Oxen Cove or Freshwater Quarry.
- 1.5 The Minutes of the Harbour Committee also state that, "*subject to a viable business case, the Executive Head of Business Services is asked to submit detailed proposals in a further report to the Harbour Committee and Council, to enable development to commence.*"
- 1.7 An appropriate business case for this proposed capital project is set out in Appendix 1.

## **2. Reason for Proposal**

- 2.1 A growing demand exists for new infrastructure in support of the shellfish sector of the fishing industry in Brixham. To this end the construction of a new landing jetty is required adjacent to Oxen Cove in Brixham Harbour. This scheme will need to be included in the Council's Capital Plan and an appropriate level of borrowing approved.
- 2.2 The future use of Oxen Cove and/or the Freshwater Quarry area of Brixham, for employment purposes, is clearly identified in a number of strategic plans. In particular the Torbay Local Plan, the Tor Bay Harbour Port Masterplan and the emerging Brixham Peninsula Neighbourhood Plan.

## **3. Recommendation(s) / Proposed Decision**

- 3.1 That the proposal to construct a new landing jetty at Brixham harbour is approved as detailed in the business case set out in Appendix 1 to the submitted report and that the scheme be included in the Council's Capital Plan.
- 3.2 That, subject to a successful application(s) for external grant funding, an appropriate level of prudential borrowing is approved in line with the business case set out in Appendix 1 to the submitted report.
- 3.3 That authority to determine the exact level of borrowing, which is expected to be between £1m and £1.5m, be delegated to the Chief Financial Officer, in consultation with the Mayor, the Chairman of the Harbour Committee and the Executive Head of Business Services.

## **Appendices**

- Appendix 1 Business Case for the Oxen Cove Landing Jetty (October 2017)
- Appendix 2 Offshore Shellfish Ltd – Outline Business Development Plan (May 2017)
- Appendix 3 Oxen Cove Landing Jetty - Conceptual Drawing (September 2017)

## **Background Documents**

Report to Torbay Council's Harbour Committee - Employment Use at Oxen Cove (26<sup>th</sup> June 2017)

<http://www.torbay.gov.uk/DemocraticServices/ieListDocuments.aspx?CId=188&MId=7420&Ver=4>

Tor Bay Harbour Authority Port Masterplan – July 2013

[www.tor-bay-harbour.co.uk/harbours/aboutus/portmasterplan](http://www.tor-bay-harbour.co.uk/harbours/aboutus/portmasterplan)

Torbay Local Plan 2012 ~ 2030

[www.torbay.gov.uk/localplan](http://www.torbay.gov.uk/localplan)

Brixham Peninsula Neighbourhood Plan Submission Document (August 2017)

[www.brixhampeninsula.com/submission/](http://www.brixhampeninsula.com/submission/)

## Section 1: Background Information

### 1. What is the proposal / issue?

A growing demand exists for new infrastructure in support of the shellfish sector of the fishing industry in Brixham. To this end the construction of a new landing jetty is required adjacent to Oxen Cove in Brixham Harbour. This scheme will need to be included in the Council's Capital Plan and an appropriate level of borrowing approved.

The future use of Oxen Cove and/or the Freshwater Quarry area of Brixham, for employment purposes, is clearly identified in a number of strategic plans. In particular the Torbay Local Plan, the Tor Bay Harbour Port Masterplan and the emerging Brixham Peninsula Neighbourhood Plan.

### 2. What is the current situation?

Brixham harbour remains the largest fishing port in England and Wales in terms of the value of the fish landed and/or sold on the market. In 2016/2017 the total value of the fish sold on Brixham fish market amounted to £35.7m with some £805k passing through the harbour account in the form of fish tolls.

A £22m regeneration scheme in 2010/11 led to the construction of a new fish market and landing facilities, which were formally opened by HRH Princess Royal in March 2011. This investment in modern and fit for purpose facilities has seen an increase in the number of vessels landing at Brixham and an associated growth in the value of fish sold on the market.

In recent years both existing and new shellfish operators have expressed an interest in developing specific facilities for the landing, handling, storage, depuration and processing of their products. The investment and regeneration of the fish market and associated facilities in 2010/11 was not particularly aimed at the shellfish sector although early proposals did see buildings designed with salt water extraction and these were to be located in Oxen Cove. However, this element of the regeneration scheme was later removed as a cost reduction measure.

One particular local company, Offshore Shellfish Ltd (OSL), have had extended discussions with the Harbour Authority and the Torbay Development Agency, regarding their desire to invest in new facilities. OSL have agreed that their Outline Business Development Plan can form part of this report and it is attached as Appendix 2. Offshore Shellfish Ltd (OSL) was established to develop the first fully offshore, large scale, suspended rope grown mussel farm in Europe. Brixham was chosen as their shore base due to the existing port services along with the future potential and ambition for additional port infrastructure, which is clearly evidenced and described in the Tor Bay Harbour Port Masterplan. The first phase of the OSL mussel farm began build-out in 2016 and approximately 150 headlines are currently in place and these are expected to produce a harvest in 2017 of around 1,000

tonnes. Additional headlines will be added over the next few years, which will steadily increase production capacity to around 10,000 tonnes per year. Over the next five years, the staged development will see the company increase the total annual production of farmed mussels in the UK by 40% and generate a first sale value of £10m ~ £15m. Assuming that these values can be achieved a new revenue stream of between £250,000 and £375,000 per year could be generated based on landing fees of 2.5%. However, new landing fee income for the first year after construction of the jetty (2019/20) is expected to be between £65k and £100k. As the offshore mussel farm develops towards full production it will have the capacity to harvest and despatch 50 to 100 tonnes of high quality mussels per day in bulk.

In order to supply the market, OSL has an urgent need for a dedicated landing jetty, which needs to be separately located away from the core activity of the established catching sector, so as to avoid obvious conflict and congestion.

The expanding shellfish sector, including OSL, also have an urgent need for additional but related onshore infrastructure that will facilitate the storage of a buffer stock that will enable better continuity of supply of live mussels to customers during periods of poor weather. Such a facility will also allow the sector to rest and re-water the mussels after the stress of harvesting; this will reduce losses and improve quality and shelf life, making long distance live transport more practical. In addition to facilitating better quality product for the bulk markets, the wet storage units will feed directly into adjacent primary and secondary processing, packing and chilling facilities. Further proposals for developing these facilities, which will be a different and separate capital scheme, will come forward when a suitable business case can be made.

Predicted mussel landings from OSL during 2017/18 can be reasonably accommodated within the current infrastructure of Brixham harbour, but from 2018/19 onwards predicted volumes mean that it will be necessary to have a dedicated landing berth and OSL have indicated that it would be most practical for the jetty to be adjacent to any future wet storage and processing facility.

OSL's medium-term proposals will bring significant employment and other economic benefits to the Torbay region, as well as an economic benefit to the national economy through exports or indeed the reduction of imports. OSL currently employ 8 people and are recruiting 4 more in 2017. These are full-time salaried positions with training and long-term career possibilities in a growing and sustainable industry. The company have an existing 15m harvesting vessel and a new 24m harvesting vessel arriving this autumn. At full production OSL expect to have other additional vessels, around 20 seagoing crew, 3 maintenance yard staff, 5 administration, sales and management personnel, and 50 or more staff in the wet store and processing plant, depending on throughput and product types. In total this one employer could generate in the region of 80 jobs based in Brixham.

Oxen Cove is currently used for a variety of different purposes including car parking, coach parking, boat storage and other miscellaneous storage. Freshwater Quarry is also used for car parking and the South West Coastal Footpath runs along the seaward edge of both areas.

	<p>In the Torbay Local Plan, Policy SS5 identifies Oxen Cove &amp; Freshwater Cove for mixed use harbourside development with a focus on marine related employment uses. Policy SDB1 sets out the growth for the Brixham Strategic Delivery Area, with a clear indication that Oxen Cove provides an opportunity for the Neighbourhood Plan to include the site as a source for employment floor space, indicating 2,000m<sup>2</sup>. There are several other references within the Local Plan that suggest that Oxen Cove is allocated for employment, targeted at the maritime sector.</p> <p>The Tor Bay Harbour Port Masterplan suggests that a new reclaimed area along the south western side of the Outer Harbour should provide “<i>a berth for Pelagic fishing vessels, facilities for a hatchery and shellfish storage and depuration, a boat maintenance facility, a recreational slipway (to replace the Oxen Cove slipway), boat repair businesses, boat building &amp; marine related retail premises, additional car parking and boat storage, a Facilities Building for a new marina and improved access to Oxen Cove</i>”. Reclaiming land may well be cost prohibitive but without additional space, the existing area of Oxen Cove is simply not large enough to accommodate all of the activities identified in the above statement. Even a smaller footprint of 1650m<sup>2</sup>, set aside for employment use, will occupy the majority of the available space in Oxen Cove. The Port Masterplan goes on to say that Oxen Cove is a good site for marine related industry.</p> <p>Policy E1 within the emerging Brixham Peninsula Neighbourhood Plan sets employment land and Oxen Cove is identified, along with Freshwater, as collectively allocated for 2000m<sup>2</sup> of floor space. The draft Plan also refers to a short re-alignment of the route of the South Devon Coastal Path to accommodate the change to employment use, which is eminently sensible and for safety reasons it is entirely necessary.</p>
<p><b>3.</b></p>	<p><b>What options have been considered?</b></p> <p>To do nothing. This option would represent a missed opportunity to diversify the fishing industry in Brixham, create new jobs and provide clear economic benefits.</p> <p>To use existing port infrastructure. This option would lead to increased congestion of the existing facilities and inevitable conflict with the already successful and expanding catching sector of the fishing industry.</p> <p>For the Council to endorse the Harbour Committee’s support of proposals for the development and future use of Oxen Cove and/or Freshwater Quarry for employment purposes so as to provide facilities connected with the shellfish industry. That the proposal to construct a new landing jetty at Brixham harbour is approved as detailed in the business case set out in Appendix 1 and that the scheme should be included in the Council’s Capital Plan. Furthermore, that the Executive Head of Business Services should commission the Torbay Development Agency (TDA) and/or other specialist professional support services to undertake additional ground investigation work, including design, cost estimates, statutory consents, tendering and project management for the construction of the new landing jetty. Also, for the TDA and Executive Head of Business Services to submit an application for external grant funding. This is the preferred and recommended option.</p>

<p><b>4.</b></p>	<p><b>How does this proposal support the ambitions, principles and delivery of the Corporate Plan 2015 - 19?</b></p> <p>This proposal supports the Council’s ambition to be a ‘Prosperous’ Torbay.</p> <p>This proposal supports the principle “Use reducing resources to best effect” by addressing “new ways to generate income using our current resources”.</p> <p>A new landing jetty at Oxen Cove, Brixham harbour, will provide additional port infrastructure in support of the shellfish industry. This proposal therefore aligns with three specific actions from ‘Targeted Action 2’ within the Corporate Plan Delivery Plans, namely;-</p> <ul style="list-style-type: none"> <li>• Continue delivery of the Port Masterplan</li> <li>• Continue delivery of the Local Plan and associated growth</li> <li>• Deliver the Corporate Capital Plan, maximising the use of Council assets for development with the aim of increasing revenue to the Council</li> </ul>
<p><b>5.</b></p>	<p><b>How does this proposal contribute towards the Council’s responsibilities as corporate parents?</b></p> <p>This proposal has no direct link to the Council’s responsibilities as corporate parents.</p>
<p><b>6.</b></p>	<p><b>How does this proposal tackle deprivation?</b></p> <p>This proposal will provide future employment opportunities.</p>
<p><b>6.</b></p>	<p><b>Who will be affected by this proposal and who do you need to consult with?</b></p> <p>The Torbay Local Plan, the Tor Bay Harbour Port Masterplan and the emerging Brixham Peninsula Neighbourhood Plan have all undergone extensive public consultation exercises. Furthermore the Brixham Harbour Liaison Forum is aware of proposals for the Oxen Cove area.</p> <p>As part of the ground investigation works local stakeholder groups will be contacted regarding these specific proposals, however, the allocation of space in the Oxen Cove/Freshwater Quarry area for employment related use (a departure from the existing uses) represents a policy that is well established in a range of strategic plans.</p> <p>Any construction work on or over the water will require a marine license issued by the Marine Management Organisation. Also, the development of a new jetty will require planning consent. Both of these consent processes will incorporate further public consultation.</p> <p>The fishing industry and other harbour users will be affected by this proposal. Some nearby residents and users of the SW coastal footpath may also be</p>

	affected. Consultation has been undertaken with the Harbour Committee, Brixham Harbour Liaison Forum, ward Councillors and Brixham Trawler Agents.
<b>7.</b>	<p><b>How will you propose to consult?</b></p> <p>Consultation has been undertaken with the Harbour Committee, Brixham Harbour Liaison Forum, ward Councillors and Brixham Trawler Agents. A number of statutory consents will be required before any work can proceed and further public consultation will be required as part of those consent processes.</p>

## Section 2: Implications and Impact Assessment

### 8. What are the financial and legal implications?

An outline of the breakdown of the expected costs are shown in the table below and further details can be seen in the attached Appendix 1

Activity	Costs (A)	Costs (B)	Costs (C)
Construction	£1,500,000	£1,500,000	£1,500,000
Contingency (20%)	£300,000	£300,000	£300,000
TDA fees (8%)	£120,000	£120,000	£120,000
TDA fees fixed	£11,500	£11,500	£11,500
Site investigation, EIA, etc.	£25,000	£25,000	£25,000
<b>Total</b>	<b>£1,956,500</b>	<b>£1,956,500</b>	<b>£1,956,500</b>
MMO grant funding (up to 75% max £1m) **	£1,000,000	£750,000	£500,000
Balance	£956,500	£1,206,500	£1,456,500
Non-eligible costs – consent fees, etc.	£10,000	£10,000	£10,000
Borrowing Total	£966,500	£1,216,500	£1,466,500
Borrowing & capital costs pa (40 years) ***	£49,926	£62,840	£75,755
New landing income pa	£65,000 to £100,000	£65,000 to £100,000	£65,000 to £100,000

\*\* The Marine Management Organisation (MMO) manage the European Maritime and Fisheries Fund (EMFF). The EMFF follows the European Fisheries Fund (EFF) and will run until 2020 or until all available money has been allocated. The MMO started to accept applications for EMFF funding from early 2016. The UK has €243 million (around £190 million) of the programme of which England has a split of €92.1 million. In particular the EMFF will support projects investing in

	<p>fishing ports, auction halls, landing sites and shelters. The grant rates as a percentage of eligible costs for such projects is up to 75% from the EMFF, up to a maximum value of £1m.</p> <p>Assuming that the direct sale of mussels achieve the values set out in section 2 above, a new revenue stream of between £250,000 and £375,000 per year could be generated based on landing fees of 2.5%. Given that a new landing jetty could be completed by early 2019, a more cautious figure of £65,000 to £100,000 has been assumed because the mussel farm will not have reached full production.</p> <p>*** Existing approved prudential borrowing rate of 4.30%. The Treasury Management Strategy is being reviewed and it is possible that this may translate to the rate being lowered for new schemes.</p>
<p><b>9.</b></p>	<p><b>What are the risks?</b></p> <p>A budget of approximately £160,000 will be required to undertake site investigation works, along with the scheme design, external grant funding application and various consent fees, including a planning application. There is a possibility that these proposals may not reach the construction phase and therefore the funding for this work is being undertaken at risk.</p> <p>There is a risk that marine licensing and land use planning consent is not forthcoming but this matter is mitigated by clear policy statements within a range of existing and emerging strategic plans.</p> <p>Development in Oxen Cove/Freshwater Quarry for employment use may upset local residents and ramblers using the South West Coastal Footpath. Local residents should be aware of the policies within the local strategic plans and it is an established practice to divert public footpaths around areas where the operational needs of the harbour have primacy.</p> <p>There is a risk that a significant opportunity will be missed for the local shellfish industry, as well as the local economy and local employment, if the Council do not explore further the potential for a dedicated landing jetty adjacent to Oxen Cove, along with new processing facilities, in the future.</p> <p>There is a risk that the mussel landing income is not achieved, however, this new facility can be used for a variety of different uses that can generate new income streams. e.g. boat-lifting, landing of other fish products including crabs or an additional passenger landing berth (charter boats).</p>
<p><b>10.</b></p>	<p><b>Public Services Value (Social Value) Act 2012</b></p> <p>Issues connected with Social Value will be given appropriate consideration when the contract work is procured.</p>
<p><b>11.</b></p>	<p><b>What evidence / data / research have you gathered in relation to this proposal?</b></p> <p>Research has been undertaken by examining UK wide mussel landings data to determine the likely first sale value of live mussels. Also, for evidence of demand</p>



	<p>and other supporting data please refer to the full report presented to the Harbour Committee on 26<sup>th</sup> June 2017.</p> <p><a href="http://www.torbay.gov.uk/DemocraticServices/ieListDocuments.aspx?CId=188&amp;MId=7420&amp;Ver=4">http://www.torbay.gov.uk/DemocraticServices/ieListDocuments.aspx?CId=188&amp;MId=7420&amp;Ver=4</a></p>
<b>12.</b>	<p><b>What are key findings from the consultation you have carried out?</b></p> <p>These proposals have been discussed with the Harbour Committee, the Mayor, his Executive Group, local ward Councillors and the Brixham Harbour Liaison Forum. Following such discussions/briefings the proposals have been supported.</p>
<b>13.</b>	<p><b>Amendments to Proposal / Mitigating Actions</b></p> <p>The new landing jetty could be used for a variety of different uses that can potentially generate new income streams. e.g. boat-lifting, landing of other fish products including crabs or an additional passenger landing berth (charter boats). Brixham is expected to grow in popularity as a fishing port and any additional capacity would contribute to the harbour business.</p>

## Equality Impacts

14.	Identify the potential positive and negative impacts on specific groups			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people			No differential impact - this scheme will create a landing jetty for shellfish products and will not be available for public access.
	People with caring Responsibilities			No differential impact - this scheme will create a landing jetty for shellfish products and will not be available for public access.
	People with a disability			No differential impact - this scheme will create a landing jetty for shellfish products and will not be available for public access.
	Women or men			No differential impact - this scheme will create a landing jetty for shellfish products and will not be available for public access.
	People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			No differential impact - this scheme will create a landing jetty for shellfish products and will not be available for public access.
	Religion or belief (including lack of belief)			No differential impact - this scheme will create a landing jetty for shellfish products and will not be available for public access.
	People who are lesbian, gay or bisexual			No differential impact - this scheme will create a landing jetty for shellfish products and will not be available for public access.

	People who are transgendered			No differential impact - this scheme will create a landing jetty for shellfish products and will not be available for public access.
	People who are in a marriage or civil partnership			No differential impact - this scheme will create a landing jetty for shellfish products and will not be available for public access.
	Women who are pregnant / on maternity leave			No differential impact - this scheme will create a landing jetty for shellfish products and will not be available for public access.
	Socio-economic impacts (Including impact on child poverty issues and deprivation)			No differential impact - this scheme will create a landing jetty for shellfish products and will not be available for public access.
	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			No differential impact.
<b>14</b>	<b>Cumulative Impacts – Council wide</b> (proposed changes elsewhere which might worsen the impacts identified above)	None		
<b>15</b>	<b>Cumulative Impacts – Other public services</b> (proposed changes elsewhere which might worsen the impacts identified above)	None		