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Dear Member

**HARBOUR COMMITTEE - TUESDAY, 5 DECEMBER 2017**

I am now able to enclose, for consideration at the Tuesday, 5 December 2017 meeting of the Harbour Committee, the following reports that were unavailable when the agenda was printed.

<b>Agenda No</b>	<b>Item</b>	<b>Page</b>
6.	<b>Port Marine Safety Code - Annual Compliance Audit (Appendix 2)</b>	(Pages 112 - 113)
10.	<b>Oxen Cove Fish/Shellfish Processing Facility</b>	(Pages 114 - 133)







Yours sincerely

Lisa Antrobus  
Clerk



## Tor Bay Accident / Incident List








	Date	ID Code	Accident Category	Name		
	22/11/2017	TOR0782IVD	Capsizing/Listing	Seaking Capsized on mooring		
	12/11/2017	TOR0783REP	Breaking Free of Mooring	Mooring failure Tringo		
	12/11/2017	TOR0780REP	Breaking Free of Mooring	Break off of Blue 2		
	12/11/2017	TOR0781REP	Breaking Free of Mooring	Break Off of Scarborough Fair		
	03/11/2017	TOR0779REP	Dangerous occurrence	Open Water Swimmer Near Miss		
	28/09/2017	TOR0777IVD	Other personnel or public safety item	Female jumped from Princess Pier		
	28/09/2017	TOR0778IVD	Other personnel or public safety item	Unconscious person in Paignton Harbour		
	09/09/2017	TOR0774REP	Other nautical safety	Vehicle hand brake failure		
	08/09/2017	TOR0775CLO	Drowned, asphyxiated or exposed to harmful substance	Body found on Torre Abbey Sands		
	02/09/2017	TOR0773IVD	Slip, trip, fall same level	Trip on decking, Beacon Quay		
	30/08/2017	TOR0776IVD	Dangerous occurrence	Person in Water Princess Pier		
	28/08/2017	TOR0772REP	Other nautical safety	Angling boat wash swamped kayak in the Outer Harbour at Brixham		
	18/08/2017	TOR0771IVD	Other nautical safety	Western Lady VII / Birchell Marine		
	16/08/2017	TOR0769IVD	Contact - Fixed object	Brixham Belle North Quay		
	14/08/2017	TOR0768REP	Collision - Not underway	Damage of vessel Rainbow Chaser		
	24/07/2017	TOR0767IVD	Slip trip or fall from steps	Western Lady Fall Into Water		
	22/07/2017	TOR0766IVD	Other nautical safety	We Ferry / Western Lady VI and Western Lady VII		
	19/07/2017	TOR0765IVD	Dangerous occurrence	Person in the water at Princess Pier		
	12/07/2017	TOR0764IVD	Slip, trip, fall same level	Male fell on Bridge		
	05/07/2017	TOR0763IVD	Slip, trip, fall same level	Trip/Fall on Beacon Quay Decking.		
	03/07/2017	TOR0762IVD	Collision - Not underway	Severn Sins / Poohstix		
	28/06/2017	TOR0760IVD	Slip, trip, fall same level	Slip on Torquay Harbour Footbridge		
	26/06/2017	TOR0759INV	Contact - Fixed object	Brixham Express - contact with passenger pontoon		
	22/06/2017	TOR0761CLO	Flooding/Foundering	Sea King sinking on mooring		
	06/06/2017	TOR0757INV	Breaking Free of Mooring	Windfola Broke Free From Mooring		
	04/06/2017	TOR0756CLO	Dangerous occurrence	HMS Somerset crew		
	30/05/2017	TOR0754CLO	Equipment failure (Vessel)	Torbay Clipper Breakdown & Tow		
	29/05/2017	TOR0753CLO	Contact - Fixed object	Motor vessel "Freedom" hitting seaward cill gate		
	28/05/2017	TOR0755REP	Collision - Multiple underway	Collision Ivory Gull		
	26/05/2017	TOR0751CLO	Fire/Explosion	Fat Cat Fire		
	24/05/2017	TOR0752INV	Other nautical safety	Mer L Eau & Riviera Princess		
	12/05/2017	TOR0758INV	Pollution - Water	Diesel Spill near Fuel Berth.		
	09/05/2017	TOR0770IVD	Loss of control	Yacht Jury		
	17/03/2017	TOR0750CLO	Other nautical safety	Mormaen 15 Pilotage		
	06/03/2017	TOR0749CLO	Dangerous occurrence	Person in water Princess Pier		
	13/02/2017	TOR0748CLO	Flooding/Foundering	Blue Dolphin sinking on mooring		
	13/01/2017	TOR0746IVD	Breaking Free of Mooring	Fox Draco Broke Free Of Outer Harbour Mooring		
	13/01/2017	TOR0747IVD	Pollution - Water	Diesel Spill Brixham Harbour		
	12/01/2017	TOR0744IVD	Breaking Free of Mooring	Lylphus Rider Broke Free Of Outer Harbour Mooring		
	12/01/2017	TOR0745IVD	Breaking Free of Mooring	Wind Rush Broke Free Of Outer Harbour Mooring		

	09/01/2017	TOR0743CLO	Drowned, asphyxiated or exposed to harmful substance	Body located in water at Inner Dock	
	24/12/2016	TOR0742CLO	Drowned, asphyxiated or exposed to harmful substance	Body recovered from Paignton Harbour	
	22/12/2016	TOR0741CLO	Contact - Fixed object	Serena hitting cill gate	

### Number of Accidents listed = 43

Incident report status as follows;

Reported = 8; Investigating = 4; Investigation Complete = 19; Actioned-Closed = 12

Key	
Symbol showing the record type:	Symbol showing the record status:
 - Incident	 - Reported
 - Potential Incident	 - Investigating
 - Details not yet completed	 - Investigation Complete
	 - Actioned-Closed



**Meeting:** Harbour Committee & Council

**Date:** 5<sup>th</sup> & 7<sup>th</sup> December 2017

**Wards Affected:** All Wards

**Report Title:** Oxen Cove Fish/Shellfish Unit

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

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

**Executive Lead Contact Details:** Elected Mayor Gordon Oliver, [mayor@torbay.gov.uk](mailto:mayor@torbay.gov.uk) 01803 207001.

**Supporting Officer Contact Details:** Kevin Mowat, Executive Head of Assets and Business Services, [kevin.mowat@torbay.gov.uk](mailto:kevin.mowat@torbay.gov.uk) 01803 292429.

## 1. Proposal and Introduction

- 1.1 The Council is being asked to authorise funding to carry out the design works to RIBA Design Stage 4, for a potential capital scheme at Oxen Cove, Brixham Harbour at a cost of £400,000. If the scheme does not proceed then the harbour reserve fund, in combination with the capital contingency budget, will underwrite these at-risk costs but otherwise the cost of these works will be recovered as part of the budget for the capital project.
- 1.2 Proceeding to the end of Design Stage 4, (tenders received by client), is a specific requirement of the grant funding process, which are an essential part of the funding package for this proposal. The works which have to be undertaken include obtaining all necessary planning/legislative consents, carrying out ground and utility investigation studies and subsequently designing a building to be located in the Oxen Cove area of the harbour estate. Market testing of the potential tenant occupiers will also be undertaken, as well as tendering the completed design for the building. In tandem with this, a formal grant application will be submitted to the Marine Management Organisation (MMO) for funding from the European Maritime and Fisheries Fund (EMFF).
- 1.3 Subject to a satisfactory outcome, the results will then be reported back to the Harbour Committee and the Council, seeking approval to proceed.
- 1.4 A growing demand exists for new infrastructure in support of the shellfish sector of the fishing industry in Brixham. The Council, at its meeting on the 19th October 2017, approved a feasibility stage and then, if appropriate, the construction a new shellfish landing jetty adjacent to Oxen Cove. This report concerns the proposal, for a high quality industrial unit on Oxen Cove, which will provide the space for the value added, secondary activity after the landing and sale of the catch.

- 1.5 Recent discussions with the MMO have indicated that provided the scheme can be completed within the 2019 calendar year, individual EMFF grants of up to £2m may be available.
- 1.6 This scheme is not currently listed within the Council's agreed Capital Plan.
- 1.7 At its meeting held on the 26th June, 2017, the Harbour Committee agreed to support proposals for the development and future use of Oxen Cove 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 unit in Oxen Cove to be used to add further value to fish landings.
- 1.8 The Minutes of the Harbour Committee also stated 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 commence*".
- 1.9 An appropriate business case for the feasibility study into this potential capital project is set out in Appendix 1.

## **2. Reason for Proposal**

- 2.1 The future use of Oxen Cove for employment purposes, is clearly identified in a number of the Councils strategic plans, In particular, the Torbay Local Plan, the Tor Bay Harbour Port Masterplan and the emerging Brixham Peninsula Neighbourhood Plan.
- 2.2 A growing demand exists for new infrastructure in support of the shellfish sector of the fishing industry in Brixham. Within the last six months, three separate groups have come forward asking if space could be made available in Oxen Cove.
- 2.3 Due to a slow take up of potential European Union grant funding by the UK fishing industry, the MMO finds itself with significant amounts of funding and a rapidly arriving deadline for it to be spent. Within the last few weeks the MMO has increased the maximum grant for each local authority project from £1m to £2m. They have also indicated that where appropriate, they may consider more than one application for each project. Senior funding officers from the MMO have visited site and have confirmed they would be very happy to receive applications for a project such as this, as long as it can be delivered within the required timescales.

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

- 3.1 **That the proposal to construct a shellfish/fish unit in Oxen Cove 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 a budget of £400,000 be authorised so that the Executive Head of Assets and Business Services can commission specialist professional support to undertake the necessary design work and also submit a bid for grant funding from the European Maritime and Fisheries Fund (EMFF), in addition to seeking tenants for the proposed new shellfish/fish unit, via a marketing campaign.**

- 3.3 That subject to a successful application(s) for grant funding, a further report is submitted to the Council with the outcome of the RIBA Design Stage 4 work and the marketing campaign for potential tenants. A future report to the Council will, if necessary, request an appropriate level of prudential borrowing in support of a viable scheme.**
- 3.4 That the Executive Head of Assets and Business Services be asked to work with Brixham Town Council and other local stakeholder groups to establish the likely impact on parking capacity in Brixham, should this scheme proceed, and identify appropriate and reasonable mitigating actions that could be implemented.**

## **Appendices**

Appendix 1: Business Case for Oxen Cove Fish/Shellfish Unit (2017)

Appendix 2: Oxen Cove Fish/Shellfish Unit – Conceptual Drawing (2017)

## **Background Documents**

Report to Council on 19<sup>th</sup> October 2017 - Oxen Cove Landing Jetty

<http://corp-modgov1/documents/s43510/Oxen%20Cove%20Landing%20Jetty.pdf>

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 fishing industry in Brixham and in particular the shellfish sector. The Council, at its meeting on the 19<sup>th</sup> October 2017, approved undertaking the feasibility stage of a proposal to construct a new shellfish landing jetty adjacent to Oxen Cove. This report concerns the proposal for a high quality industrial unit on Oxen Cove, which will provide the space for the value added activity after the landed catch has been sold. 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.

During soft market testing of this proposal, a number of local companies have expressed interest in the proposed facility. One in particular, Offshore Shellfish Ltd (OSL), have had extended discussions with the Harbour Authority regarding their desire to invest in new facilities. The detail surrounding the operations and future ambitions of OSL were covered extensively in the report to Council in October (see Background Information).

Other expressions of interest have been received from the Dartmouth Crab Company Ltd, Brixham Sea Farms Ltd, Waterdance Ltd and Brixham Seafish Ltd. All of these local companies are looking at opportunities to expand and/or consolidate their operations in Brixham, which is very challenging given the limited availability of suitable employment land. The Stage 4 Design costs include a sum for marketing this opportunity to a wider industry audience in addition to those local companies that are known to be interested.

The expanding shellfish sector 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 product to customers during periods of poor weather. Such a facility will also allow the sector to rest and re-water their products 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.

These proposals will bring significant employment and other economic benefits to the Brixham and Torbay area.

It is intended that a formal open marketing campaign will be undertaken to establish the level of demand and to secure a tenant on a pre-let/agreement to lease basis before a final business plan and report to Council is submitted.

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.

In the Torbay Local Plan, Policy SS5 identifies Oxen Cove & 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.

The Tor Bay Harbour Port Masterplan suggests that a new reclaimed area along the south western side of the Outer Harbour should provide “*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 & marine related retail premises, additional car parking and boat storage, a Facilities Building for a new marina and improved access to Oxen Cove*”. 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>Policy J7 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. Furthermore, a rare opportunity to capitalise on a significant level of external grant funding (up to 75% of the project cost capped at £2m, potentially with multiple applications) would be missed.</p> <p>By approving this business case and including the scheme in the Capital Plan, the Council will be supporting this proposal and endorsing the Harbour Committee’s recommendation for the delivery of fish/shellfish unit on the harbour estate at Oxen Cove, Brixham harbour.</p> <p>To seek approval for the Executive Head of Assets and Business Services to commission specialist professional support services to undertake additional ground investigation work, including design, cost estimates, statutory consents, tendering and project management for the construction of a fish or shellfish unit. Also, for the Executive Head of Assets and Business Services to submit an application for external grant funding and to secure a tenant for the building. 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 fish/shellfish unit 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>
6.	<p><b>How does this proposal tackle deprivation?</b></p> <p>This proposal will provide future employment opportunities.</p>
7.	<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 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>The new unit will, potentially, require a marine license issued by the Marine Management Organisation for sea water extraction. Also, the development 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 affected. Consultation has been undertaken with the Harbour Committee, Brixham Harbour Liaison Forum, Ward Councillors and Brixham Trawler Agents.</p>
8.	<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, Brixham Trawler Agents and the Council's Senior Leadership Team. 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

### 9. 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	£2,600,000	£2,600,000	£2,600,000
Contingency (15%)	£390,000	£390,000	£390,000
Professional fees & Site investigation	£410,000	£410,000	£410,000
<b>Total</b>	<b>£3,400,000</b>	<b>£3,400,000</b>	<b>£3,400,000</b>
MMO single grant funding (up to 75% max £2m) **	£2,000,000	£1,500,000	£1,000,000
Balance	£1,400,000	£1,900,000	£2,400,000
Borrowing Total	£1,400,000	£1,900,000	£2,400,000
Borrowing & capital costs pa (40 years) ***	£72,320	£98,148	£123,977
New rental income pa	£130,000	£130,000	£130,000

\*\* 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 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 £2m.

\*\*\* 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.

### 10. What are the risks?

A budget of approximately £400,000 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 the scheme may not reach the construction phase and therefore the funding for this work is being undertaken at risk. It is being recommended that the harbour reserve fund, in combination with the capital contingency budget, be

used to underwrite the at-risk costs on the understanding that all costs will otherwise be recovered as part of the capital budget for the delivered scheme. This risk will be mitigated by reviewing the at-risk spend in line with the forecast harbour income and harbour reserve balance, at monthly milestone intervals.

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.

Development in Oxen Cove 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.

There is a risk that a significant opportunity will be missed for the local fishing industry, as well as the local economy and local employment, if the Council do not explore further the potential for a dedicated fish or shellfish unit in Oxen Cove.

In the unlikely event that no expressions of interest are received from any fish or shellfish companies then the process can be aborted. The marketing exercise will be undertaken immediately to ensure that, if required the feasibility work can be stopped early in the process, which will minimise the risk exposure.

The unit will not be constructed without an agreement to lease being secured in advance, however, if for whatever reason the unit becomes void in the future, the facility will be to a standard design and will therefore be suitable for a variety of different uses.

The proposal would result in the loss of 84 car parking spaces and some, if not all of the coach parking in Oxen Cove. Currently this car park generates a net income of £64,000 per annum. A number of the users of these spaces may well relocate to other Council car parks. For example, with the exception of the busy summer period, the adjacent Freshwater Quarry car park has the spare capacity to take a large number of these displaced users. Parking may well be displaced to other parking capacity in Brixham. The potential for any loss of income is therefore likely to be considerably less than that indicated above. Furthermore, as part of the design process a number of potential alternative provisions will be investigated. These will include options for parking on top of the proposed unit, or building a deck above the existing spaces and thereby raising the proposed unit, or to construct a single deck of additional parking in the adjacent Freshwater Quarry car park. Having recently consulted with the Brixham Chamber of Commerce, the Executive Head of Assets & Business Services will also investigate options for increasing capacity at the Brixham central car park.

Discussions will continue with local stakeholder groups, including Brixham Town Council, to establish the likely impact on parking capacity in Brixham, should this scheme proceed. The purpose of these discussions will be to identify appropriate and reasonable mitigating actions that could be implemented.

11.	<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>
12.	<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 and other supporting data please refer to the full report presented to the Harbour Committee on 26<sup>th</sup> June 2017.  <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>
13.	<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, the Brixham Harbour Liaison Forum and the Council's Senior Leadership Team. Following such discussions/briefings the proposals have been supported.</p>
14.	<p><b>Amendments to Proposal / Mitigating Actions</b></p> <p>The new unit will be to a standard design and could therefore be used for a variety of different uses.</p>

## Equality Impacts

15.	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.
	People with caring Responsibilities			No differential impact.
	People with a disability			No differential impact.
	Women or men			No differential impact.
	People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			No differential impact.
	Religion or belief (including lack of belief)			No differential impact.
	People who are lesbian, gay or bisexual			No differential impact.
	People who are transgendered			No differential impact.

	People who are in a marriage or civil partnership			No differential impact.
	Women who are pregnant / on maternity leave			No differential impact.
	Socio-economic impacts (Including impact on child poverty issues and deprivation)			No differential impact.
	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			No differential impact.
16.	<b>Cumulative Impacts – Council wide</b> (proposed changes elsewhere which might worsen the impacts identified above)	None		
17.	<b>Cumulative Impacts – Other public services</b> (proposed changes elsewhere which might worsen the impacts identified above)	None		



## Capital Scheme Business Case

Oxen Cove – Fish and/or Shellfish Unit

Version:	1.0
Date:	16/11/2017
Author:	Kevin Atkinson
Director/Executive Head:	Kevin Mowat
Project Manager:	TDA
Business Unit/Service:	Assets and Business Services



## 1. Executive Summary

The Council is being asked to authorise funding to carry out the design works to RIBA Design Stage 4, for a potential capital scheme to construct a fish and/or shellfish unit to be located at Oxen Cove, on the harbour estate at Brixham.

The design stage will include obtaining all necessary planning/legislative consents, carrying out ground and utility investigation studies and subsequently designing a suitable building. Soft market testing of the potential tenant market will also be undertaken, as well as tendering the completed design. In tandem with this, a formal grant application will be lodged with the Marine Management Organisation (MMO).

Subject to a satisfactory outcome, the results of the design stage will then be reported back to Harbour Committee and/or the Council, seeking approval to proceed with a scheme.

A growing demand exists for new infrastructure in support of the shellfish sector of the fishing industry in Brixham. The Council, at its meeting on the 19th October 2017, approved a design stage and then, if appropriate, the construction a new shellfish landing jetty adjacent to Oxen Cove. This business case concerns the proposal, for a high quality industrial unit on Oxen Cove, which will provide the space that will allow the industry to increase the value added on the landed catch.

Recent discussions with the MMO have indicated that provided the scheme can be completed within the 2019 calendar year, European Maritime and Fisheries Fund (EMFF) grants of around £2million could be made available.

This scheme is not currently listed within the Council's agreed Capital Plan.

At its meeting held on the 26th June, 2017, the Harbour Committee agreed to support proposals for the development and future use of Oxen Cove 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 fish/shellfish facility in Oxen Cove.

The Minutes of the Harbour Committee also stated 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."***

## 2. Strategic Fit

### 2.1 Scheme objective

A growing demand exists for new infrastructure to support the shellfish sector of the fishing industry in Brixham. The Council, at its meeting on the 19th October 2017, approved a design stage and then, if appropriate, the construction a new

shellfish landing jetty adjacent to Oxen Cove. This proposal, for a high quality industrial unit on Oxen Cove, will provide the space that the fishing industry can use to add extra value to the landed catch.

Soft market testing of the possible demand for such a unit has been undertaken, with very positive results. Three organisations have expressed interest. When the opportunity is advertised on the open market, it is possible further interest will come forward.

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

## **2.2 Statutory Framework**

Under Clause 33 of the Harbour, Docks and Piers Clauses Act 1847, Tor Bay Harbour is subject to what is called the “Open Port Duty”. This means that the harbour must be open to anyone “for the shipping and unshipping of goods and the embarking and landing of passengers”, on payment of the rates and other conditions set by the Council. A harbour authority has a duty to conserve the harbour so that it is reasonably fit for use as a port, and a duty of reasonable care to see that the harbour is in a fit condition for a vessel to use it.

## **2.3 Policy Framework**

This proposal supports the Council’s ambition to be a “Prosperous” Torbay. It also supports the principle “Use reducing resources to best effect” by addressing “new ways to generate income using our current resources”.

The creation of a fish or shellfish unit at Oxen Cove, will provide additional port infrastructure in support of the shellfish industry. It will also create new job opportunities, many of which will potentially be suitable for the under employed youth sector of the Brixham employment market.

This proposal therefore aligns with three specific actions from “Targeted Action 2” within the Corporate Plan Delivery Plans, namely;

- Continued delivery of the Port Masterplan
- Continued delivery of the Local Plan and associated growth
- Deliver the Corporate Capital Plan, maximising the use of Council assets for development with the aim of increasing revenue to the Council.

## **2.4 Equality, Diversity and Deprivation**

No differential impact – this scheme will create a facility for the storage and handling of fish and/or shellfish products. It will create a number of new jobs within the Port.

## **2.5 Condition of the asset**

This business case supports the construction of a new asset.

## **2.7 Interfaces and Critical Dependencies**

Rental income from the new unit will be critical to support the prudential borrowing costs. The scheme is also dependent on external grant funding to help reduce the level of borrowing.

The soft market testing exercise identified that potential tenants would be prepared to pay a market rate for the accommodation provided. This will be confirmed as part of the open market testing carried out during the design stage.

Recent meetings and subsequent discussions with the MMO have indicated that provided the scheme can be completed within the 2019 calendar year, they would welcome applications from this project.

The proposed development would remove Car and Coach parking spaces as well as the winter boat storage facility which currently operate within Oxen Cove on the harbour estate. Whilst the design stage for this project is underway, the Council will need to assemble a team to work with Brixham Town Council and other local stakeholder groups to establish the likely impact on parking capacity in Brixham and identify appropriate and reasonable mitigating actions that could be implemented.

## **2.8 Critical Success Factors**

Obtaining an external grant of between £1m and £2m from the European Maritime and Fisheries Fund (EMFF) and a market rental from a tenant are both critical to the delivery of this new infrastructure. The project will be considered a success if the new unit is used for the intended purpose and subsequently helps deliver a new income stream which will be used to support the cost of borrowing. If the maximum grant can be secured, the project could also produce a new revenue stream for the Council.

Further critical success factors include completion of the works without major disruption, on time and within the forecast budget. Wider success factors will relate to the creation of new jobs, inward investment and delivery against a number of strategic objectives, not least the consolidation of Brixham's position as a leading fishing port.

### 3. Options Appraisal

Options considered	Brief explanation of options (including justifying options exclusion where applicable)
Do nothing	This option would represent a missed opportunity to diversify the fishing industry in Brixham. Shellfish landed from the new jetty would be loaded onto lorries and, likely, taken out of Torbay. Shellfish handling often needs access to seawater, which cannot be economically obtained, for example, on the Ring Road Industrial estates. With the lorries would go new local jobs and other clear economic benefits such as increased Torbay GDP. Furthermore, a rare opportunity to capitalise on a significant level of external grant funding (up to 75% of the project cost capped at £2m) would be missed.
For the Council to endorse the Harbour Committee's support of the proposal for a new fish or shellfish unit in Oxen Cove by approving this business case and including the scheme in the Capital Plan.	The Executive Head of Assets and Business Services should be asked to commission the 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 a fish or shellfish unit. Also, for the TDA and the Executive Head of Assets and Business Services to submit an application for external grant funding and to secure a tenant for the building. This is the preferred and recommended option.

### 4. Financial Aspects

#### 4.1 Financial Investment

	Option 1	Option 2	Option 3	Years 1 ~ 3	Years 4 ~ 7
Total Capital Investment	£3,400,000	£3,400,000	£3,400,000		
Made up of:					
External Grant Funding	£2,000,000	£1,500,000	£1,000,000		
Capital Receipt					
Allocated Capital Grant					
Unringfenced Capital Grant					
Prudential Borrowing	£1,400,000	£1,900,000	£2,400,000		
Ongoing Revenue Costs:					
Repairs and Maintenance				Nil	£5,000 pa
Staffing				Nil	Nil
Other (cost of borrowing)	£73,320	£98,148	£123,977	£98,482 pa *	£98,482 pa *
<b>Total Costs</b>	<b>£73,320</b>	<b>£98,148</b>	<b>£123,977</b>	<b>£98,482</b>	<b>£103,482</b>

\* Average cost of borrowing of Options 1 to 3

## 4.2 Financial Savings

	Option 1	Option 2	Option 3	Years 1 ~ 3	Years 4 ~ 7
Rent	£130,000	£130,000	£130,000	£130,000	£130,000
Total Costs	£73,320	£98,148	£123,977	£98,482	£103,482
Lost Winter Storage Income	£10,000	£10,000	£10,000	£10,000	£10,000
<b>Net additional income</b>	<b>£46,680</b>	<b>£21,852</b>	<b>-£3,977</b>	<b>£21,518</b>	<b>£16,518</b>

It has been assumed that all car/coach parking income will be displaced into other Council owned car parks

## 5. Outcomes, Benefits and Dis-benefits

The creation of a fish and/or shellfish unit will bring significant economic benefits to Torbay and specifically Brixham. This scheme also provides an opportunity to diversify the fishing industry in Brixham and create new jobs. Furthermore, it presents a rare opportunity to capitalise on a significant level of external grant funding (up to 75% of the project cost capped at £2m).

The soft market testing undertaken to date has indicated that the proposed unit is likely to create between 50 and 80 new jobs based in Brixham.

## 6. Risk Summary

### 6.1 Risk of not implementing the scheme

Risk Description	Risk Mitigation
A budget of £400,000 will be required to undertake the site investigation works, along with the scheme design, external grant funding application and various	Completion of the proposed scheme. It is being recommended that the harbour reserve fund, in combination with the capital

<p>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>contingency budget, be used to underwrite the at-risk costs on the understanding that all such costs will otherwise be recovered as part of the capital budget for the delivered scheme.</p> <p>This risk will be mitigated by reviewing the at-risk spend in line with the forecast harbour income and harbour reserve balance, at monthly milestone intervals.</p>
<p>There is a risk that a significant opportunity will be missed for the local industry, as well as the local economy and local employment opportunities, if new shellfish landings are taken out of Torbay to an alternative handling facility.</p>	<p>Completion of the proposed scheme.</p>

## 6.2 Risk of delivering the scheme

Risk Description	Risk Mitigation
<p>The scheme costs exceed the available budget.</p>	<p>Total scheme costs include a contingency allowance of 15%. By undertaking the design works to RIBA Design Stage 4 it will be possible to identify any below ground anomalies which will be included in the Tender documentation. A decision to proceed will only be made after the results of the construction tender process are known. TDA's project management team are well known to the Council and have a track record of bringing in its schemes, on time and on budget.</p>
<p>There is a risk that the mussel landing income is not achieved.</p>	<p>Soft market testing has shown that three groups are interested in taking space in the new fish or shellfish unit. One, whose interest was furthest developed in the</p>

	<p>time available, also indicated that the projected rentals were in the right area. Further, formal, marketing will take place during the design stage.</p> <p>In the unlikely event that shellfish companies decline to take the space, the new facility is itself, a standard design and will therefore be able to be used for a variety of different uses.</p>
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### 6.3 Strategic Risk Register

To be reviewed if the scheme progresses.

## 7. Project Delivery

### 7.1 Project Roles

The **Project Sponsor** will be Kevin Mowat, Executive Head – Assets and Business Services.

The **Project Manager** will be allocated by the Torbay Development Agency.

### 7.2 Milestones

Milestone	Date	Dependency/Interface
Council decision whether to proceed	December 2017	
Planning Application Approved	Summer 2018	
EMFF grant aid approved	Summer 2018	
Construction Tender process complete	Summer 2018	

This section will be completed if the scheme is agreed.