

Meeting: Harbour Committee & Council

Date: 5th & 7th 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

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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 19th 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 (26th 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

Torbay Local Plan 2012 ~ 2030

www.torbay.gov.uk/localplan

Brixham Peninsula Neighbourhood Plan Submission Document (August 2017)

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 19th 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 2,000m². 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 1650m², 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 2000m² 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>3.</p>	<p>What options have been considered?</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>4.</p>	<p>How does this proposal support the ambitions, principles and delivery of the Corporate Plan 2015 - 19?</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"> • Continue delivery of the Port Masterplan • Continue 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

<p>5.</p>	<p>How does this proposal contribute towards the Council's responsibilities as corporate parents?</p> <p>This proposal has no direct link to the Council's responsibilities as corporate parents.</p>
<p>6.</p>	<p>How does this proposal tackle deprivation?</p> <p>This proposal will provide future employment opportunities.</p>
<p>7.</p>	<p>Who will be affected by this proposal and who do you need to consult with?</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>
<p>8.</p>	<p>How will you propose to consult?</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
Total	£3,400,000	£3,400,000	£3,400,000
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>Public Services Value (Social Value) Act 2012</p> <p>Issues connected with Social Value will be given appropriate consideration when the contract work is procured.</p>
12.	<p>What evidence / data / research have you gathered in relation to this proposal?</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 26th June 2017.</p> <p>http://www.torbay.gov.uk/DemocraticServices/ieListDocuments.aspx?CId=188&MId=7420&Ver=4</p>
13.	<p>What are key findings from the consultation you have carried out?</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>Amendments to Proposal / Mitigating Actions</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.	Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)	None		
17.	Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)	None		