



Meeting: Harbour Committee

Date: 02nd May 2018

Wards Affected: All wards in Torbay

Report Title: Redevelopment of South Quay, Paignton Harbour

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1. Purpose

- 1.1 The Council is considering the redevelopment of South Quay, Paignton harbour and wishes to appoint a development partner who has the experience, expertise and funds to deliver a waterside development. Working with the Council this partner would produce and assess development options, which would be the subject of a future decision to determine whether to proceed with the preferred redevelopment proposal.
- 1.2 This report provides an update to the Harbour Committee on the proposed procurement of a development partner for South Quay, Paignton in order that the Committee may formulate and provide its views to Council to inform the subsequent process.

2. Proposed Decision

- 2.1 That the Harbour Committee supports the procurement of a development partner to identify a preferred and viable solution for the redevelopment of South Quay, Paignton harbour.
- 2.2 That a further report is received by the Harbour Committee, identifying a preferred and viable redevelopment scheme, so that strategic advice can be provided to the Council as required by the Committee's terms of reference.

3. Action Needed

- 3.1 Support the procurement of a development partner.

4. Summary

- 4.1 The Harbour Committee is empowered to provide such support because the Committee's terms of reference require it to provide strategic direction in relation to the assets within the harbour estate that are managed by the Harbour Authority (HA).

Supporting Information

5. Position

- 5.1 The Council is the freehold owner of Tor Bay Harbour and the harbour estate, which are managed by the HA and governed by the Harbour Committee via the *Asset Management Plan* and the *Port Masterplan*. Many of these assets are critical to the safe operation of the harbour, and others are essential in generating revenue.
- 5.2 The *Port Masterplan* recognises that Paignton Harbour hosts a number of marine related businesses and is an important sporting/social hub. However, there are a number of spatial constraints including: the lack of space to expand landward; no additional capacity for more marine businesses; and a lack of footfall because of the distance from the town centre. The *Port Masterplan* seeks redevelopment of South Quay to mitigate some of these issues.
- 5.3 A number of other Council plans and strategies also acknowledge the need to improve Paignton Harbour. These include:
- (i) **Paignton Town Centre Masterplan** (June 2015), which supports mixed use redevelopment of South Quay, including a flagship seafood restaurant, to ensure the harbour becomes more of a destination, with improved links to town centre
 - (ii) **Local Plan** (Dec 2015), which seeks an enhanced role and character for water based activities and businesses, with associated maritime and tourism facilities. It too supports a mixed use redevelopment, including retention of the best buildings and residential on upper floors of a new development.
 - (iii) **Emerging Neighbourhood Plan** which seeks to retain the quaintness of the Harbour and to continue the mix of traditional uses as a working harbour. It also suggests inclusion of commercial and residential accommodation.
- 5.4 In October 2017, following soft market testing, the Council's Town Centres Regeneration Programme Board (TCRPB) presented an outline business case to the Council (Appendix A) proposing the redevelopment of South Quay, Paignton harbour as part of a wider programme to redevelop Paignton's town centre. The objectives of the redevelopment include:

- (i) Retaining and improving Paignton's 'offer' by providing space for clubs which provide value to the community;
- (ii) Ensuring that the harbour becomes more of a destination;
- (iii) Ensuring that there is sufficient space for businesses and sports/social clubs which need a waterside location; and,
- (iv) Delivering a redevelopment that can make a meaningful financial contribution (estimated at around £250,000) towards other town centre regeneration projects.

5.5 The TCRPB has considered a number of concept / indicative redevelopment proposals and their headline viability. It is the view of the TCRPB that viable redevelopment can only be achieved by including Roundham car park in a redevelopment. The TCRPB noted that Roundham car park is used, on an annual basis, at less than 15% of its capacity. Such a redevelopment could provide a mixed use redevelopment of South Quay and Roundham car park, with space for existing tenants (e.g. commercial and business space, restaurant/café and shops) and residential units above. It is for the next stage of work, with a development partner, to review / test the concepts and produce other, viable options.

5.6 Existing Council owned buildings on the site generate just over £70,000 pa gross income from rents and rates. The proposed development is estimated to deliver £223,000 pa income from rents and rates.

6. Items for consideration

6.1 **Disruption during redevelopment.** The redevelopment will disrupt the activities currently undertaken on South Quay. This will affect existing businesses and clubs at South Quay, which would be displaced during the redevelopment. There is a risk that some activities may be permanently displaced e.g. businesses or clubs may decide not to return when the development is complete. It is understood that the Council is keen to avoid permanent displacement of sports and social clubs, and businesses that need a harbourside location, as it is these uses that help make up the character of the harbour.

6.2 **Loss of rental income during redevelopment.** Although difficult to quantify until the schedule of works and impact to tenants is known, the HA is likely to experience a reduction or loss of rental income during the redevelopment, which should be factored into future Harbour budgets. This would need to be the subject of further discussion with the Council.

6.3 **Parking.** Although Roundham car park is under-used for much of the year, the business case presented to Council recognised that its loss will impact on activities such as the Paignton Regatta and other large events. The loss of parking may also impact on delivering the objective of making Paignton Harbour a 'destination'. The outline business case presented to Council acknowledges there may be a need to find alternative parking provision near the harbour.

- 6.4 **Winter boat storage.** Boats over-winter on the 'hard' around Paignton Harbour. There is a risk that the loss or displacement of parking may reduce the space available for winter boat storage in the future. Alternatively a redevelopment could provide additional space for boat storage.
- 6.5 **Transport.** The businesses along South Quay are dependent upon vehicular access, including lorries and large vans. There is a risk that this would impact the commercial sustainability of South Quay. However, a number of sports and social clubs have advised that vehicle use of South Quay can present risks to other harbour users.
- 6.6 **Potential activity restrictions.** Many of the activities that currently take place on South Quay occur at weekends and into the evening. There is a risk that the presence of residential properties may result in noise complaints and potential conflict with harbour users.

7. Possibilities and Options

- 7.1 The HA could decide not to support the procurement of a development partner but this might be seen as a missed opportunity as a final decision on redevelopment will still be required by the Council with further input from the Harbour Committee.
- 7.2 The Harbour Committee could decide not to support the redevelopment of South Quay and to provide such strategic advice to the Council as required by the Committee's terms of reference.

8. Preferred Solution/Option

- 8.1 The Harbour Committee supports the procurement of a development partner, to explore viable options for redevelopment that take account of the general needs of the harbour and the specific needs of existing tenants at South Quay and other harbour users.

9. Consultation.

- 9.1 If appointed, the Council's development partner will need to work with and understand the needs of existing tenants and harbour users. There would be further informal and formal engagement before and after any future planning application for redevelopment.

10. Risks

- 10.1 Failure to engage with the procured development partner could result in a sub-optimal (from the HA's perspective) redevelopment being taken forward.
- 10.2 Failure to procure a development partner could mean that a decision on the future of this important facility is made without the benefit of detailed advice on the outcomes of redevelopment.

Appendices

Appendix A Outline Business Case presented to Council in October 2017

Additional Information

The following documents/files were used to compile this report:

Port Masterplan

Paignton Town Centre Masterplan

Local Plan

Emerging Neighbourhood Plan