

Report to: **Executive**
Date: **26 April 2018**
Title: **Batson Quay and Shadycombe Project;
Salcombe**
Portfolio Area: **Assets (Development)**
Wards Affected: **Salcombe and Thurlestone**
Relevant Scrutiny Committee: **Overview and Scrutiny Panel**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:
(e.g. referral on of recommendation or implementation
of substantive decision) **After Call in
Tuesday 8 May,
2018**

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Recommend:

1. To review the progress made to date on the Batson and Shadycombe Masterplan.
2. To approve in principle the proposals to develop a new Harbour Depot at the head of the public slipway
3. To agree to undertake improvement works to the commercial Fish Quay subject to funding from capital funding bids currently being sought through European Maritime and Fisheries Fund (EMFF) and Coastal and Communities Fund (CCF)
4. To endorse an undertaking to give priority to local marine businesses as part of the Coastal and Communities (CCF) funding application for the development of industrial units at Batson Quay.

1. Executive summary

- 1.1 A sum of £100,000 was approved in the Capital Programme this year to bring forward development plans for Batson Quay and Shadycombe as detailed in item 3.12 of the Capital Budget proposals brought before the Executive in February 2018.
- 1.2 There are significant benefits to be derived from a holistic approach to the regeneration of this area and the Council's assets. Notably the aim is to improve operating efficiencies and enhance revenues; to provide much needed workshop space, locally allocated affordable homes and new harbour facilities and to generate capital to support improvements to deteriorating infrastructure.
- 1.3 This report identifies the key aims and objectives of this project and highlights some of the potential benefits and associated risks.
- 1.4 It also draws member's attention to the request from the Coastal Communities Funding (CCF) that as part of our funding bid application, the commercial units for which we already have planning approved be used for marine traders and asks members to give approval for this in principle.

2 Background

- 2.1 Salcombe is a hugely popular holiday, sailing and leisure destination located on the Kingsbridge Estuary. Whilst the permanent resident population of Salcombe is only 1800 the visitor population of this harbour town swells during the summer months to around 22,000 people
- 2.2 Some of the issues associated with the Town's popularity and large seasonal influx are
 - 2.2.1 The highest house prices in the District with an average house price in excess of £500,000
 - 2.2.2 Proliferation of second homes which are for large parts of the year unoccupied
 - 2.2.3 Employment being heavily skewed to seasonal businesses and a lack of suitable or affordable premises for local businesses.
 - 2.2.4 Traffic congestion and increasing demand for car parking and boat storage
- 2.3 In 2017 planning consent was applied for and obtained for a standalone development of 7 industrial units at Batson Quay but high development costs undermined the scheme's viability.
- 2.4 A mixed use classification under the draft Joint Local Plan (JLP) s.29/20 along with local demand for affordable housing has triggered a review of the broader potential of developing and improving the Quay area.
- 2.5 In appointing consultants Barton Wilmore last year the Council set out a vision for the regeneration of the Quay..

... "to create an environment that is being used with maximum efficiency to balance the needs of many complimentary users, including car parking, boat parking, sports facilities (sailing and rowing), commercial fishing, employment, housing, harbour workshop and also to create a more welcoming arrival point into the town".

- 2.6 **The designated study area** includes the two major SHDC assets Batson Quay and Shadycombe car park along with adjoining land to the West of the Quay.
- 2.6.1 Batson Quay, under management of the Harbour Office offers estuary access to moorings and boat pontoons and provides facilities for the storage and maintenance of boats and trailers.
- 2.6.2 The Quay serves as an important landing stage for commercial fisheries; provides a working platform for local marine businesses and supports a diverse range of ground leases and licence operators such as the Salcombe Rowing and Yacht Clubs; The Crab Shed restaurant and Beehive nursery.
- 2.6.3 Batson and Shadycombe car parks collectively provide over 300 public car parking spaces serving the Town Centre and Harbour area over the summer months.
- 2.6.4 Land to the West of the Quay offers opportunities for development
- 2.7 A project team was established that currently includes the two SHDC Ward Councillors; a Town Councillor; the Harbourmaster; a number of SHDC officers and the consulting team.

2.8 Masterplan Progress Report

- 2.8.1 **Stage 1** of the assessment process (Desktop Study and Mapping) was completed at the end of 2017. This included the preparation of a baseline constraints and opportunities map informed by a well-attended and well-received stakeholder design workshop held in Salcombe.
- 2.8.2 The workshop groups identified 7 specific initiatives which had majority support:-

	Key Points of Discussion	Tables which raised key point			
		Yellow	Blue	Green	Red
1	Shadycombe car park to be reconfigured to include multi-storey building with car parking and possibly residential. Should not impinge on views from adjacent housing.				
2	Proposed buildings along the southern quayside for community and leisure use, to include commercial units to allow small marine traders to have a base on the Quay and expansion of arts and crafts and A3 units to augment the offer provided by the Crab Shack.				
3	Locate proposed harbourmaster building on eastern quayside in a direct view line from the western vehicle access on Gould Road and make a landmark building viewed from Batson Creek. This could include rowing club facilities.				
4	Existing boat parking on north of Quay to remain where it is and could be divided into areas defined as a secure boat compound, boat/trailer parking and access/preparation area. Permanent boat parking to the north and seasonal boat or car parking in southern area.				
5	An area on Crofts Hill to the west could provide community/affordable housing.				
6	Gould Road could be moved south to allow more space at the back of quay for a building to be built into the hillside as a continuation of the Coop site extending beyond the ownership boundary.				
7	The proposed development at back of quay could combine ground floor garages and marine work spaces with flats on first and second floors.				

- 2.8.3 From this workshop a first draft of the masterplan emerged (included at end of Appendix 1) that identified:-
- 2.8.3.1 Potential to develop the back of the Quay for a mixed use development (workshops and apartments) in conjunction with adjoining landowners
 - 2.8.3.2 A local desire to accommodate “nomadic” marine traders
 - 2.8.3.3 A need to address the physical settlement and deterioration of the Quay
 - 2.8.3.4 A responsibility to undertake health and safety improvements to the Fish Quay; replace freezers and plan to replace or refurbish the stores
 - 2.8.3.5 The potential to build a new Harbour depot alongside the public slipway
 - 2.8.3.6 The opportunity to improve operational efficiency of parking and boat storage and potentially relieve congestion on the Quay
 - 2.8.3.7 The potential to build a multi-deck car park on the Shadycombe car park to maintain existing levels of parking serving the Harbour
 - 2.8.3.8 The potential to bring forward plans for the development of a community housing project on adjoining land.
- 2.8.4 **Stage 2** (Concept Design), now underway includes high level appraisal, option and funding analysis, delivery and procurement programme and risk analysis. Officers will be reporting to the Project Team on 25th April 2017. Specific detail on these options are referred to in the section 3 of this report along with officers recommendations
- 2.8.5 **Stage 3** (Further Consultation and Stakeholder Engagement) is expected to take place in early summer 2018. It is recognised that open consultation is paramount to the success of this project and has laid the foundation for work to date. Officers recently met with representatives of the local Neighbourhood Plan and made representation into their consultation.
- 2.8.6 Subject to member approval it is envisaged that full design and a detailed planning application will be submitted for the development of the Harbour Office in the autumn.
- 2.8.7 Further updates on project assessment and programme will be provided to the Project Team and Portfolio Member for Assets.

2.9 Estimated stage 2&3 external consultancy costs

- 2.9.1 The following costs have been identified to be funded from the £100k capital programme allocation to move the programme forward:

Topography Ecology and Geology surveys	£12,000
Masterplan Design (stage 2) and assessment	£40,000
LVIA (landscape impact)	£ 5,000
Consultation event	£ 5,000
Infrastructure assessment and design	£10,000

Harbour Depot concept design	£ 8,000
Harbour Depot detailed design (subject to business case)	
Fish Quay improvements funding application	£ 5,000
Cost and planning consultants	£10,000
Legals and contingency	£ 5,000
TOTAL	£100,000

Should it prove viable to bring forward a Community Housing scheme as part of the development the project design costs for this element would be drawn from the Community Housing (CH) fund.

3. Initiative detail

Members' attention is drawn to these initiatives that will be brought forward in 2018/19

3.1 A new Harbour Depot

Currently the harbour facilities are separated into three sites: the harbour office at Whitestrand; the harbour depot on Island Street and the harbour compound on the Quay. It is intended to design and develop a new bespoke building on the Quay for all "back office" functions which will also offer oversight of the Quay; the slipways, marine traders and commercial fishing. The harbour office reception will remain at Whitestrand.

The new facility would include parking, compound storage and workshops. The cost (currently estimated at £500k) would be offset by rental income providing a commercial income return. The existing Depot at Island Street would be relet. A business case for this project would be presented to Executive (followed by Council) for approval of capital funds (and any associated revenue implications) for the development.

Recommendation: To approve in principle the development of a new Harbour Depot at the head of the public slipway leading to the submission of a planning application later this year, prior to a business case being presented to Executive/Council

3.2 Fish Quay Improvements

Over 15,000 tonnes of crab are landed at Salcombe each year. In terms of employment the industry is second only to the tourist industry; directly employing 60-70 people in 27 registered fishing vessels and others in the processing and packaging industry.

In 2011 the Council secured a grant from EMFF (European Marine Fisheries Fund) to rebuild the Fish Quay spur and landing stage. The Council is currently applying for additional EMFF funding for health and safety improvements (new fenders and pontoon access) and replacement freezers.

The cost of these works is estimated at £300,000 and a 75% grant has been applied for from EMFF with a top up (match funding) application made to CCF for the balance of 25%. A decision from these funders is likely to be known by end of June 2018. Should there be a funding shortfall a further report will be brought to members to review delivery options

The fishermen's stores which are leased from the Council are relatively lightweight timber-clad buildings built in 1982. We have agreed with the fishermen that the Council will review options for rebuilding or recladding these buildings over the next five years as part of the regeneration plan for the Quay. Government funding may be available post Brexit to support the rebuilding of the UK fishing fleet.

Recommendation: To undertake improvement works to the commercial Fish Quay subject to funding from capital funding bids currently being sought

3.3 Back of the Quay workshops

Planning consent was granted last year for the development of 7 industrial units on the Trailer Park at Batson Quay. The anticipated income however showed a return on capital well below market rates.

Seeking to improve financial viability the Council is currently applying for a support grant of £240,000 from the Coastal Communities Fund (CCF) that would improve the return on this investment to a level that is more in line with Council's target return of 5%+. The local Coastal Communities Team have sought a condition that funding is tied in to offering these units exclusively to marine traders at affordable rents. Officers are proposing to support these principles through exchange of correspondence. Officers are also reviewing the commercial viability of developing two stories of residential above the commercial units in line with the draft JLP allocation.

Recommendation: To endorse the Council offering an undertaking to give priority to local marine businesses as part of the Coastal and Communities (CCF) funding application for the development of industrial units.

3.4 Community and Affordable Housing

There is an acute need for affordable housing in Salcombe and the project seeks to address this in a number of ways: firstly by providing apartments available to rent in the harbour on secure tenancies, recognising there are few rental options in the Town other than holiday lets. Secondly by providing a range of single person and family accommodation giving priority to those with local connections.

In accordance with the Council's Village Housing Initiative the Council is also in discussions with an adjoining landowner seeking to bring forward an exception site development of community housing using the Council's Village Housing Initiative. A viability assessment is being undertaken including a review of challenging highways issues.

Councillors will appreciate that opportunities to acquire land suitable for development of affordable housing in Salcombe are extremely rare. The Council will be looking at all opportunities to provide additional housing providing this does not conflict with the commercial operations of the Quay.

5 Options and consideration of risk

5.1 Do Nothing...

- Fails to maximise benefits from assets (financial and community) which is a core objective of the Council's adopted Asset Management plan.
- Fails to support planning objectives
- Risk of deteriorating infrastructure

5.2 Develop only existing consented scheme

- Scheme unviable Does not generate financial surplus
- Fails to maximise benefits from assets (financial and community)
- Restricts future options

5.3 Staged development based on masterplan

- Coordinated and staged approach
- Range of long term benefits to the community
- Better opportunities for securing funding
- Improved infrastructure and operational efficiency
- Potential to generate revenues

6 Outcomes/outputs

6.1 Financial

6.1.1 The apportionment of the £100k capital programme allocation as per section 2.9 of this report will move the Batson Master Plan Programme forward in line with its objectives.

6.1.2 Currently the revenues received from the Quayside area totals £437,000 (car parking; boat storage and leases). The assessment phase of this project is considering the potential to increase operational revenue over the next 2-3 years

6.2 Employment

Up to 2000 m² of new employment space in accordance with the draft JLP offered to local businesses working in the harbour

6.3 Housing

Up to 40 new homes with a minimum of 30% being affordable and, subject to access and planning agreements, a further 12-15 affordable homes built as a community led housing scheme apportioned according to local need.

6.4 Harbour

New depot and compound facility.

6.5 Health and Safety Improvements

Improvements to the Fish Quay and repairs to infrastructure and flood defences.

7 Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	Title report already obtained. Adjoining Landowner agreements will be required. To check statutory obligations relating to utilities etc. Public and all stakeholder consultation will be carried out at the appropriate intervals
Financial	Y	Capital Programme approval for working budget of £100,000 for preliminary investigations and initial design, masterplanning work Capital requirements will be identified as part of this process.
Risk	Y	All development requires careful risk management. The initial viability assessment will include an analysis of risks such as planning; development costs; market pricing and availability of finance. Thorough site investigations; cost analysis and professional support throughout help to mitigate these risks. The risk of local community opposition are mitigated by close consultation with Town Council; NDP group and statutory consultees
Comprehensive Impact Assessment Implications		
Equality and Diversity	Y	Provision of affordable housing should be seen as positive impact on the community in terms of equality and diversity.
Safeguarding	N	None.
Community Safety, Crime and Disorder	N	Not relevant at this stage
Health, Safety and Wellbeing	Y	Sport and recreation facilities; better car park management; Health and Safety improvements to Fish Quay
Other implications		

Supporting Information

Appendix 1: Workshop report



Background Papers: