

East Riding of Yorkshire Council's Response in respect of Bridlington Harbour Commissioner's (BHC) Representations on the Jacobs Report of 2nd December 2011 (ED19c)

The Council's Response to the late representations on the Jacobs Report is summarised below. It draws attention to the main errors or misunderstandings, some of which were also repeated at the Examination Hearing. Specific commentary from Jacobs is appended.

The Jacobs Report(s) – [in response to BHC paras 2-5]

1. The Jacobs Report(s) as submitted at ED29 are no more than an initial draft – they were specifically issued by Jacobs for review and comment following which the views expressed would be considered and taken into account in finalising the Report and drafting conclusions. This was a process which was agreed with the Commissioners.
2. Jacobs have properly responded to the Study Management requirements set out in the Consultant's Study Brief in terms of research, liaison, review meetings and issuing Draft Report(s) for comments before issue of the Final Report.
3. As confirmed during the examination, the Commissioners have yet to formally respond to Jacobs Draft Report(s) and suggested at the examination that their points would not be restricted to those made to the Inspector in the examination.
4. The Study Brief was prepared and agreed jointly by the Council, the Commissioners and Yorkshire Forward. It was a difficult and protracted process taking nearly two years to reach agreement. For this reason, the Inception Meeting between the Partners and Jacobs did not take place until 8th July 2011. That meeting was attended by several Commissioners together with their Legal Adviser and Mr Trevitt. The Minutes record that "*BHC are joint partners with ERYC in the Jacobs Commission*" with Jacobs reporting to the Partners but that (for administrative and payment reasons only) the contractual commissioning body had to be the Council. The inferences that the Commissioners were not fully a party to the commissioning and management of Jacobs Study and/or that the Council has dragged its feet are incorrect and unfair .
5. A correct timeline for the Study (excluding informal liaison and exchange of information and comments) is:
 - (a) 8th July 2011 – Joint Inception Meeting
 - (b) 3rd August 2011 – first Technical Meeting
 - (c) 14th September 2011 – second Technical Meeting/Draft Technical Report – substantive technical issues were discussed
 - (d) 30th September 2011 – issue of updated Interim Technical Report
 - (e) Proposed 3rd October meeting cancelled by the Commissioners
 - (f) 26th October 2011 – updated draft Harbour and Marina Business Model Reports circulated. (Papers 2, 3 and 4)
 - (g) 2nd November – Draft Delivery Report (incorporating (f) above) circulated
 - (h) 10th November 2011 – joint Meeting on Jacobs Reports and Slide Presentation on Phasing and Overall Scheme Viability. (Replacing meeting cancelled on 3rd Oct)
 - (i) 15th November 2011 - Scheduled BHC Board Meeting to consider & comment on Jacobs Reports

- (j) 2nd December 2011 – Trevitt Report/comments submitted directly to the Examination Programme Officer.

As stated at the Examination Hearing, the manner and timing of the Commissioners comments was opportunistic, unhelpful and not consistent with the agreed arrangements and unfairly makes criticisms of the Jacobs Report without having communicated the comments or sought Jacobs' response first.

6. With regard to the BHC paragraph 5, the requirement for a self sustaining harbour/marina operation and one that satisfies operational needs is fully recognised and documented. It has long been an integral element of the developmental process and marina studies and also reflected in assurances given by the Council. The statement that the Commissioners have always maintained that the Marina development must "be constructed as a single unit" is not correct and is contrary to the evidence. More complete comments on Phasing are given later.

Background to Jacobs Report(s) – [in response to BHC paras 6- 68]

7. Most of these 62 paragraphs are a critique of the Marina and AAP process to date rather than providing a constructive response to the Jacobs Report(s) as might have been expected from one of the commissioning parties especially since, as the BHC said at the examination, their primary concerns are phasing and ensuring that the current operations are protected. As such they seem to lose sight of a number of points appearing in the following paragraphs.
8. A document setting out "Bridlington Harbour/Marina Scheme – Key Milestones" was issued in June 2011 as a Core Document (ED 16). Importantly, it sets out the partnership approach and developmental milestones in arriving at the current jointly agreed outline scheme upon which the Jacobs Report is based.
9. A Steering Group for the Harbour/Marina Scheme comprising the Council, Yorkshire Forward and BHC (the 'Partners') was set up in December 2005 together with a supporting Technical Group comprising representatives from all Partners and their respective consultants. A Conceptual Masterplan was agreed in December 2006 – the BHC scheme immediately following the 2001 Inquiry is therefore of little relevance.
10. The Regeneration Strategy and AAP process, consultations, documents, etc have been set out in full elsewhere; some of BHC's comments are inconsistent with such documents and are difficult to reconcile with earlier BHC representations. A response in respect of the comments on LD01 are set out in the annex to this document.
11. The Partners jointly commissioned, managed and signed off the PLB Demand & Supply Study (SD03) including an agreed target number of berths (320) and an initial indicative layout for the scheme. Importantly, the Study had full regard to the 2001 Marina Scheme proposals and Inspectors comments; all the regeneration policies and emerging AAP; all relevant technical data including the Scott Wilson Report and relevant marina industry research and standards and full input from the Council, BHC and their respective technical consultants. Given the above, singling out the Scott Wilson Report at this stage and in this context lacks logic. The Council's Response to the Inspector's Matter 3 addresses at Appendix 3.12 the Scott Wilson Report in its proper context. With regard to the BHC comments

about PLB not undertaking the Outline Business Plan element of their initial Brief; the Partners were in agreement not to progress that element at that time.

12. The same Partners and respective consultants agreed and managed the subsequent Hydraulic Model Studies (SD04 & SD05) and agreed the Design References/Standards for the proposed Harbour/Marina – all of which culminated in a jointly agreed Preferred Outline Layout in February 2010 and a subsequent Marina Berth Disposition Study and Commercial Operations Requirement Study.
13. The agreed Consultant's Brief to Jacobs specifically referred to, and incorporated all the above as core documents – the draft Report reviews and sets out the references in full. Jacobs have therefore drafted an informed and objective draft report as part of a process with which the BHC and their technical consultant have been fully involved. Throughout the process, it has been emphasised that the plans are 'work in progress' and that they will continue to evolve as details are discussed and a final designed scheme is ready, agreed and implemented. It is not in dispute that BHC (or indeed the Council) may not be in agreement with parts of the initial draft which is why Jacobs are to consider the commissioning parties' comments in response to the draft.
14. Given all the above, it is inappropriate and unfair of BHC and their consultant to now criticise either the structured development approach and progress since 2006, or the current Harbour/Marina proposals, or indeed the outcome of more than 30 formal joint meetings. Furthermore the AAP is simply a planning framework reflecting the agreed outline marina layout and setting out how it can be delivered: BHC confirmed they had agreed the layout during the examination. It does not claim to be a full technically designed marina scheme ready for application or construction, nor does it attempt to pre-empt or resolve all the statutory issues that have yet to be advanced and agreed - although the clear way forward is shown in ED22 Appendix 2.1.
15. Detailed design and many of the issues now raised by BHC are properly matters for subsequent development stages and studies and, importantly, for discussion in order to ensure that the final detailed scheme satisfies all operational and statutory requirements. In the Council's opinion, the draft Jacobs Reports does confirm that the proposals are robust, viable and deliverable from both a business and technical perspective and that the issues raised by BHC during the examination are not insuperable. The detailed technical and design issues raised by BHC, where relevant, are capable of being resolved reasonably and do not materially affect the current proposals or soundness of the AAP.

Jacobs Technical Report – [in response to BHC paras 69-103]

16. These comments should to be read in conjunction with (a) the Council's Response to Objectors issues on Matter 2 (including ED22 Appendix 2.2) which addressed many of the same or related technical comments and (b) with Jacobs response which is appended. We address below some brief comments :
17. **Access & Public Open Space** – [in response to BHC paras 72-79]

The requirement for effective and satisfactory vehicular and pedestrian access is understood. The Council has addressed this point in earlier submissions. Additionally, apart from its Planning & Highway functions, the Council does not intend to invest in the project without ensuring that a safe and satisfactory

access/egress for a successful Harbour/Marina scheme is provided and that appropriate access rights are granted.

The indicative plans tabled by BHC and Mr Trevitt at the Examination Inquiry showing potential access routes, turning circles, etc and also the public realm “Harbour Square” scheme has not correctly represented the situation. The existing operational land at the Harbour Top, West End, Langdales Wharf and Clough Hole is criss-crossed by access roads, turning areas, walkways, public access, etc. Furthermore, the two main operational land areas (Clough Hole and West End) are physically separated by the Council public car park and the ‘L-shaped’ fishermen’s units with an elevated public walkway above; access between them is limited to the narrow quaytop roadway. Firstly, the proposals will reorganise the operational harbour top land into a comparably sized but much more cohesive operational area. Secondly, the vehicular and pedestrian routes and public open spaces can be properly planned and managed. Finally, the option to put new buildings into the embankment on the North side was developed at the request of the Commissioners in full knowledge and accord with the suggested access route to Bridge Street.

Whilst ‘roads’ or ‘turning areas’ may have been indicated, this is likely to be in the form of different paving or delineations (for example, similar to outside the Spa and many other locations) rather than defined roads with kerbs, footpaths, etc that would adversely affect operational use. Similarly, the indicative Harbour Square can be achieved by paving solutions that can, for instance, provide scope for multiple use when not required for operational use (e.g. Seafood Festival) – a fairly common situation at many marina and quayside locations. Additionally, as said at the Examination, timing is a careful consideration. In any event, the details will have to be jointly agreed and this area forms part of the proposed operational area in the ownership and control of the Commissioners.

18. Berth Disposition – [in response to BHC paras 89-92]

All the background data and studies on berthing (including the Berthing Disposition Study) were incorporated in the Brief & Core Documents for Jacobs. The study reflects and references that information together with Jacobs own knowledge, experience and research.

19. Car Parking – [in response to BHC para 93]

Leaving aside parking in the Harbour Top area (full details are set out in the Report), the infill area south of the proposed new South Pier and the new South Pier itself is fully capable of accommodating all operational parking and on-shore requirements together with other uses as indicated in the AAP.

20. Phasing – [in response to BHC paras 94-103]

Jacobs responded to specific requirements in the brief and prevailing circumstances in setting out how the scheme can be phased in such a manner as to safeguard operational requirements.

The phasing, particularly in respect of the potential development of the Harbour Top as a first phase goes to the crux of the BHC’s concerns about adverse impact on operations and is dealt with in some detail. It is for that important reason that the Council included a copy of Jacobs presentational slides on phasing shown to

the Council and the Commissioners on 10th November 2011 in the Response to Objectors on Matter 2.

The comments made on phasing in Mr Trevitt's report and also at the Examination covered a broad range of points:

- (a) Proper consideration has not been given to phasing and the potential adverse impact on harbour operations.
- (b) The phasing proposals focus on a single option and the Jacobs Report lacks innovation and simply re-runs the earlier Council phasing proposals.
- (c) No agreement on phasing has been agreed. The Marina must be constructed as 'one unit' (i.e. not phased) and that the new works south of the existing South Pier should be started first.
- (d) It is unclear where alternative operational land and facilities are to be provided or whether the scheme will meet operational needs.
- (e) Essential Harbour Top operational land will be 'lost' or not in BHC control.
- (f) Harbour operations and viability will be jeopardised both on an interim basis and in terms of long term viability from their own estate.
- (g) The proposed construction of a 320 berth Marina and phasing arrangements in the current economic climate is inappropriate.
- (h) It may drive the Fishing Fleet elsewhere.
- (i) Detailed technical issues have not been adequately addressed potentially resulting in construction and/or cost problems, thus affecting phasing or completion.
- (j) The Council are only interested in the Harbour Top development

In reply to these points, and to avoid any continuing misunderstanding, the Council responds as follows, using the same lettering :

- (a) Delivery and phasing of the Harbour/Marina scheme has been uppermost throughout the long developmental process. The Council has addressed phasing in its previous considerations and submissions and all the evidence (including undertakings already given) reinforce that avoiding or mitigating adverse impact has been paramount. Jacobs Report covers the subject in considerable detail.
- (b) Jacobs responded to the brief and instructions from both the Council and BHC that new or radical alternative marina layout design options were not required; the agreed preferred layout was well conceived and achieved after protracted and detailed consideration. Equally, Jacobs responded to specific requirements in the brief and prevailing circumstances in setting out how the scheme can be phased in such a manner as to safeguard operational requirements. In this context, and given the developmental work to date, it is hardly surprising that no radical new approach was presented. That said, Jacobs Report does comprehensively provide phasing details, options and constructional/financial implications.

- (c) It is acknowledged that agreement has not been reached on phasing and that the release and phasing of the Harbour Top has been the subject of disagreement. However, the undertakings not to displace Harbour Top operational land and facilities until alternative provision is available and also to replace or recompense any financial impact is now enshrined in correspondence and the AAP. Originally, safeguards were set out in draft Memoranda of Understanding thrashed out (but regrettably not concluded) after 2 years of negotiations. In that context, the Council took comfort in a reported¹ unanimous decision of the Commissioners on 14th October 2008 - *“Provision of replacement facilities before any operational harbour land is released for the Town Centre scheme – a scheme and phasing to be agreed for both interim and permanent replacement facilities”*.

The late suggestion at the Examination that construction must be in ‘one unit’ and started south of South Pier first is inconsistent with the above, all subsequent evidence and with the reality of current circumstances.

- (d) As part of continuing attempts to clarify intentions and progress phasing solutions, the Council’s letter of 9th May 2011 (ED02 Appendix 1) set out existing/proposed land reorganisation at the Harbour Top, including a plan showing existing and proposed ownerships. This was subsequently reinforced in ED05. Even without the additional undercroft (operational) parking in the Harbour Top commercial development, it is evident that a comparable and much more cohesive operational quayside area will be available in this first phase of marina development.

In terms of the full marina scheme, all the extensive operational land and new facilities will be transferred to BHC at no cost. The new infill land south of the existing South Pier will be split between some operational use/land and new residential development. This has not yet been determined but assurances have been given that reasonable operational requirements will take priority. The Commissioners have failed to recognise and/or to respond to the proposed land reorganisation arrangements in respect of the Harbour Top - presumably because it does not assist their claims that satisfactory operational land can be made available.

The Preferred Outline Layout showed the location of all operational land and facilities. With regard to the Harbour Top being developed in advance of the main scheme, again the Council reiterated the proposals and phasing in its letter of 9th May 2011. These first phase or interim proposals are consistent with the agreed scheme (and some of the BHC alternative schemes) and can simply be adapted and linked into the subsequent phases. The Commissioners (including Mr Trevitt’s Report) have not provided a substantive response on the Harbour Top phasing as set out by the Council and/or Jacobs as clearly illustrated in the Phasing Slides: if they are not workable or capable of being improved and made workable, BHC have not said so.

The two suggested additional/interim infill options referred to in Jacobs Report were tabled for discussion; any technical ramifications as outlined by Mr Trevitt will of course will be dealt with in consideration of those options.

¹ Email from Harbour Master dated 14th October 2008

- (e) The operational land at the Harbour Top is not being 'lost' or taken out of BHC control. A comparable and improved area is being provided/transferred and it will be in BHC ownership and control. Suitable access from the public highways will be provided. General points on access, etc have been dealt with above.
- (f) Ensuring operational and financial viability at all phases has been a paramount consideration throughout the development process. In effect, a new Harbour/Marina and all new facilities will be given to the BHC. The proposed quality '5 Anchor' Marina, new fishing and commercial facilities will provide unparalleled competitive advantage on this section of coast. All the developmental processes and projections to date are robust and sound. Accordingly, the Council do not share BHC's concerns and their pessimism regarding the success and viability of the scheme. The Council has been comfortable in progressing and funding the developmental stages thus far and has made express commitments to progress the scheme.

The Jacobs Study and Report examines matters in more detail, including the physical and financial impact at each stage or phase and upon completion. Whilst the Report is yet to be finalised, its robustness is self-evident and the assumptions and assessments in respect of phasing and viability at all stages are not unreasonable or unfounded. Mr Trevitt's comments need to be judged in this context together with the appended Jacobs' response. The Commissioners concerns about a viable and a sustainable enterprise are understandable but their concerns and, consequently issues of soundness and delivery, are simply not substantiated.

- (g) To clarify any misunderstanding, the marina proposals contain flexibility to respond to prevailing market conditions. The proposed locked harbour provides c250 berths and the inner basin (accessed via an opening in the existing south pier) provides a further c70 berths to reach the target 320 berths. Construction and fit-out of pontoons can be adjusted or phased to suit take-up of berths.

Jacobs set out more detailed phasing scenarios and options for consideration which includes a separate or later phase in respect of the inner basin as circumstances require. Such inner basin can be constructed separately with access from the locked harbour through the South Pier (the submitted/preferred option) but technical options considered in conjunction with BHC confirm that it could also be constructed with access from the outer harbour through a half tide sill if necessary for whatever reason.

The BHC alternative scheme(s) indicates between 200-250 berths but physical constraints (water and land) and competing fishing and commercial requirements suggests the maximum would be closer to 200 marina berths. Phasing is not explained and BHC acknowledge that the quayside land is inadequate to fully meet operational requirements, let alone phasing and construction requirements. The Council are making a major long term investment to meet all requirements and also providing flexibility for expansion and growth; the phasing accommodates that objective.

- (h) The proposed scheme responds to the existing and potential requirements of the fishing and commercial fleet in terms of berthing arrangements and new on-shore facilities and improved access – all consistent with the Commercial Operations Study prepared by Mr Trevitt. The construction works can be

phased to achieve an almost seamless transition into expanded and flexible berthing and completely new fishing and commercial facilities; a point that should allay the Commissioner's concerns as expressed at the Examination.

- (i) Considerable technical details and issues have been considered during the developmental process, including significant input from the Mr Trevitt and the Council's marine consultants (Atkins). Jacobs study reflected earlier work and their Technical Report illustrates the further detailed consideration of all relevant technical issues and cost implications/risks, including optimism bias, scope for value engineering and also contingencies. Further technical stages and detailed design are required. Mr Trevitt's comments at paragraphs 80-88 of his report and the resulting assertions about impact on soundness and delivery need to be assessed against this backdrop. In the Council's opinion, many of the points raised are inappropriate at this stage and/or unsubstantiated; there are no technical show-stoppers or insurmountable issues affecting the soundness and delivery of the scheme.
- (j) The Council has explained why it is essential to include the Harbour Top in the Burlington Parade scheme and also why it is necessary (subject to agreed safeguards) to undertake this first phase of the marina in advance of the full scheme. At the same time it has reaffirmed its commitment to progressing the marina scheme. It is not the Council's intention to proceed with the Harbour Top and then ignore the rest of the marina scheme since would not be in the interest of the wider regeneration objectives, the harbour and its users and the local community.

However, the BHC's resistance to consider reasonable phasing for the overall scheme or the refusal to contemplate a first phase of the scheme at the Harbour Top - which will potentially improve rather than adversely impact upon operational activities and also help to secure regeneration for the town - is not considered to be in the wider public interest.

In summary, and as stated in the Council's Response, the Council is firmly of the opinion that there are options to ensure a satisfactory delivery of the marina in phases, to release the Harbour Top in advance and at the same time to protect the BHC's interests. The BHC have not advanced a justified case to the contrary, nor have they shown that the phasing proposals reiterated and expanded in Jacobs Report are unsound or such problems as are said to exist cannot be resolved.

Additionally, there is no evidence that the same forensic analysis of the impact and phasing of the alternative inner-harbour scheme(s) has been undertaken by BHC – though the claim of 'quart into a pint pot' alleged against the Council's proposals appears to apply with greater relevance to the BHC scheme(s). The Council considers that the alternative scheme(s) presents even fewer options, less space and flexibility for operational water or land side activities and, importantly, provide a much more serious threat to the long term success and expansion of the Fishing Fleet than does the Preferred Marina Scheme.

Leigh Fisher Outline Business Plan

- 21. The comments now received from BHC on the financial implications do require detailed consideration, discussion and response by Jacobs – this is appended. The Council's response in general terms is that:

22. Contrary to the BHC representations, the phasing is not of secondary importance. BHC have repeatedly stated their concerns about maintaining both operational and business viability during construction. Any scheme of this magnitude has to be phased way and Jacobs' draft Report demonstrates how this can be successfully achieved.
23. Whilst the draft Business Report from Jacobs is 'work in progress', nonetheless it does cover considerable detail including explanatory rationale, all the relevant assumptions, research, trends & references, etc and robust income and expenditure projections and sensitivity analysis. It demonstrates a professional and detailed approach from a major consultancy with considerable expertise in marine projects and development/business planning. Quite apart from reputational aspects, it has not been tabled for further input and comments from the partners without due regard to its importance and the current circumstances.

East Riding of Yorkshire Council
21st December 2011

Annex to ERYC's Response to BHC's Late Submission on the Jacobs Reports:

BHC (paras 21-26) are incorrect in their paraphrase of the statements in LD01, and therefore have apparently misunderstood what LD01 states:

1. LD01, para 6.17, parts 1. and 2., set out the report's conclusions in respect of the marina that is promoted by the AAP and list the several roles of a marina in achieving the types, scale and a quality of investment Bridlington needs but would not otherwise be forthcoming.
2. It *cannot* be concluded from the text of LD01 that the report provides "...no clear justification for a marina", nor can it be concluded that the evidential case for a marina was diminished because there was no further work, following the LD01 study, on the market for water sports facilities in Bridlington other than sailing (BHC, para 26).
3. BHC's references (BHC para 21) to the discussion in LD01 of the fishing industry are incorrect. LD01 considers the fishing industry in Section 4, paras 4.16-4.22 in addition to the single paragraph in Section 5, para 5.63. Section 5 provides a summary of demand in the local economy, and para 5.63 deals with the fishing industry in that context. It remains the case that there is no fish processing industry in Bridlington. There is also no *regular* retail outlet for shellfish landed in Bridlington, although from investigations carried out it appears that the fish shops can secure lobsters by special order. This indicates that the link with local retailers made by BHC during the examination should not be exaggerated.
4. The catalytic effect of the marina is its effect on the market's belief that the town will indeed be transformed (BHC para 233). The market's confidence is what is essential: that the Council will finance and deliver the marina and the harbour's regeneration (BHC, para 23). Looking at the overall public interest, the precise timing of the marina's construction is much less significant than the market's confidence that it will be forthcoming (BHC, para 24).
5. The catalytic effect has been misunderstood:
 - (a) facilities for the fishing industry are not one of the catalytic effects sought from the marina (i.e., the reference to "benefits that are ... already in place", BHC, para 24).
 - (b) The catalytic effect of the marina does not mean that the investment it generates must take place in the harbour (BHC para 24). Whilst the AAP seeks to protect the interests of the BHC and the harbour, the public benefits of the proposals are directed to the town as a whole and to the town centre in particular.

Bridlington Area Action Plan - Harbour and Marina Proposals Jacobs' Response to the Representation on the JACOBS' REPORT by W H Trevitt

1. Introduction

This paper summarises Jacobs' response to the "Representation on the Jacobs' Report by W H Trevitt" and addresses five key issues:

- The use of draft reports in a public process;
- Comments on the Jacobs appointment by East Riding of Yorkshire Council and compliance with the Brief;
- Technical Issues;
- Phasing; and
- Harbour Business Plan.

We have refrained from commenting on the issues that predate our appointment, and have not responded specifically to the many minor issues raised by Mr Trevitt, as these are largely insignificant.

2. Use of draft Jacobs and LeighFisher Reports

We object to the wholly inappropriate and unprofessional use of our draft documentation in a public process by Mr Trevitt. A simple statement of Mr. Trevitt's views on the APP and marina proposals, rather than a commentary on individual draft reports, would have been appropriate for this purpose. The comments have not been issued to us or discussed with us, and we consider it improper for a public process to be used to issue comments on reports that are work-in-progress and have not been approved by us for issue.

The draft reports were specifically issued for the Commissioners to review, so that we could consider and take into account their views when drafting our conclusions and finalising the reports. The draft reports have been used for a purpose they were not intended for and do not necessarily reflect our final conclusions.

Prior to the issue of the draft Outline Business Plan report, a series of papers setting out the cost and revenue assumptions were issued to the Commissioners. A few comments were received, which were taken into account in the drafting of the reports.

3. Jacobs' appointment by East Riding of Yorkshire Council and compliance with the Brief

Mr Trevitt's views on the client brief, Jacobs' proposal and Jacobs' service delivery is irrelevant to the AAP Hearing. The "Representation" should be specific to the harbour and marina proposals within the AAP. We consider Mr Trevitt's views to be inaccurate and the statement of these views in a public process to be unprofessional.

The detailed requirements of the brief were understood and this was confirmed and agreed with the Commissioners at the inception meeting on 08 July 2011.

4. Technical Issues

An Interim Draft Technical Report was issued to the Commissioners for review. The content of the report was discussed in detail with representatives of the Commissioners and the report was updated to reflect the feedback from the Commissioners.

Mr Trevitt's comments on the technical problems associated with the scheme and the potential cost implications are misleading. We have identified and taken into account the technical challenges associated with the scheme, which are identified in the risk register. For example, the capacity of the current dredge disposal ground may be subject to review or alternative disposal sites may be identified in future. The future annual maintenance dredging requirements for the scheme may require a variation to the existing disposal licence. In our experience this can be sought through discussions with the appropriate licensing authorities (principally the Marine Management Organisation) to establish appropriate options for additional dredge disposal, as detailed design proposals are developed.

The capital cost estimate includes a considerable contingency for risk items, taking into account our engineering experience and knowledge of such schemes, and including an additional contingency allowance for optimism bias, in-line with HM Treasury guidance.

Mr Trevitt also states that our reports "under estimate the difficulties of phasing the development". On the contrary, we have identified a wide range of issues which must be addressed before the scheme can be progressed, which are discussed in our Interim Technical Report and draft Outline Delivery Plan Report. However, we do not believe the technical challenges would be insurmountable or an obstacle to development.

5. Phasing

Mr Trevitt appears to believe the project should only be constructed in a single phase. Our Technical report identifies several phasing options for future consideration, in response to the brief.

The consideration of the phasing and its impact on the harbour operation and revenue was a requirement of the study. The brief called for an assessment of cash flows from the start of the development to seven years after completion (we have gone beyond this, to illustrate the lifecycle costs). As the scheme could take 5 years or more to develop, the effect of phasing on cash flow must be considered to comply with the brief. We chose to base our outline business plan assessment on a realistic phasing option to illustrate the effects on cash flow. Alternative phasing options are possible.

6. Harbour Business Plan

We believe we have made reasonable and conservative assumptions based on the data provided by the Commissioners. In the absence of the most recent data, we have taken a conservative value for the current level of net annual income of £100,000 based on the data provided, which is less than stated in the Representation document (£120,000). Our figures are subject to review pending the receipt of outstanding information. Please note the Commissioners failed to provide copies of their financial accounts for last year (2010/11) as requested. We believe the overall balance of income and expenditure in the base case is reflected our figures.

Overall, the impact of the proposed marina development can be considered as follows:

Harbour

The commercial harbour business will relocate from the existing harbour to a new main harbour basin. At worst, this should result in no loss of income. Given that there will be greatly improved facilities; we believe it is reasonable to assume a modest increase in revenue, due to improved access, higher usage and/or increased prices. As the project would address some key condition issues with the existing harbour, annual maintenance costs should also be reduced.

When alternative sources of income were discussed with the Commissioners, they were dismissive of support vessels for windfarms etc. providing significant additional income and we have not made any allowance for this.

The main impact on the harbour business would be the loss of harbour dues for small private craft. We have allowed for a loss of revenue from the current users. We have assumed provision for some existing users would be made in the new main basin and have allowed a small revenue amount for this.

Landside

The main effects on the landside facilities would be the loss of income from the Lawrence Complex and changes to car parking. Other facilities would be relocated and/or improved. The existing fishermen's' warehouses would be demolished and replaced/expanded in the new scheme. The Council has stated it will underwrite the revenue from the Lawrence Complex. They would also waive the current access charges for the car parks. This, combined with an increase in overall parking provision, should have a positive affect on harbour revenues. Increased car parking provision would provide an opportunity to increase revenues significantly, which could also offset any loss of harbour dues.

Marina

The main change to the harbour business would be the introduction of the new marina. The key factors dictating the viability of the marina are Demand/Usage levels, Pricing and Operating Cost.

Demand: We have recently experienced a severe economic downturn, which must have had a negative effect on demand in the short term. However, this

project is based on a long term vision for the town. The British Marine Federation spring industry trends 2011 report for the whole marine sector shows there was significant downturn during 2008/09/10, due to the recession, but the sector is starting to pick up. We expect that the construction phasing and commencement date would take berthing demand projections into account. The mix of berth sizes would be determined at the detailed design stage. We recognise that new users will have to be attracted to Bridlington and have included a marketing budget in our cost estimate.

Other existing sources of income for the harbour, such as fish landing dues, could fall in the future and the marina would provide a broader revenue base for a sustainable harbour.

Marina Pricing: We have based our assessment on a berthing charge rate of £183 per m per annum, which is at the low end of the expected range (£180 per m to £200 per m exc. VAT) and comparable to Hull marina. We have also assumed reduced charge rates in the first few years of operation, to allow for start-up costs, discounts, etc. Given the UK has just experienced a deep recession, it appears unlikely prices will fall significantly below the level assumed. Mr Trevitt's figures show there has been a "real" increase in berthing charges in the region over the past 10 years and the average berthing price in the NE region is £193/m, £10/m (5.5%) above that used in our assessment. So there is a distinct possibility a higher price could be realised. In our assessment we have not allowed for any real price increases in the future, which we consider to be a conservative assumption. We have also ignored additional revenue that may accrue from landside activities (such as a club house).

Operating Costs: We have also taken a conservative approach to the assessment of marina operating costs. We acknowledge that costs for dredging, insurance may be higher than assumed, but other running costs may be lower.

When estimating the balance of costs and revenues, Mr Trevitt has included lifecycle costs in his assessment. Whilst it is correct to assess these costs, they cannot be included when assessing what Mr Trevitt terms the "capital income", as it is these lifecycle costs the capital income is largely required to fund. Our assessment includes significant allowances for lifecycle costs.

Mr Trevitt implies we have failed to identify that a foreshore lease would be required. In fact, we highlighted this as an incomplete aspect of our report (this is work in progress and we currently await copies of relevant land ownership plans) and Mr Trevitt's statement on this issue misrepresents our report. We understand the cost of the foreshore lease would be set proportionate to the value created (through the marina). This would be agreed with the Crown Estate prior to commencing the scheme. Clearly, it would not be in anyone's interest to agree unsustainable lease charges, including the Crown Estate.

Mr Trevitt's view is that operating the expanded harbour and marina would not be a viable proposition. Given the effect of the development on the commercial harbour and landside operations should be positive, it is only the

marina that might be considered to be an uncertain proposition. As it is not proposed to burden the marina with financing the initial capital investment, it appears unlikely that a viable marina business could not be developed in a newly developed marina basin, particularly if implemented in a series of phases.

Mr Trevitt has combined reduced marina prices with a low occupancy rate in his analysis, which appears pessimistic. We would only expect prices to be reduced in response to low occupancy to help raise occupancy and hence raise overall revenue. It does not appear reasonable to assume lower rates would lead to lower occupancy. He has also adopted some increased harbour operating costs but has not allowed for any increase in future commercial or fish landing revenues. If this were true, then the future viability of the existing harbour business would be in question, as eventually costs would exceed revenue.

7. Conclusion

We have considered Mr Trevitt's comments and do not believe the technical issues raised would prevent the development from progressing. We have identified the key technical risks and have allowed a significant contingency sum in our cost estimate to address the potential works required. We have also identified how the works could be developed in phases. The exact sequence and timing of the phasing would be determined at a later stage, so we have considered a workable option for illustrative purposes. Finally, we concluded that the harbour business activities could benefit from the new development. The creation of a new marina would provide an opportunity for the harbour to significantly increase its revenue. We agree that the marina revenue would be sensitive to several factors, including berth pricing and occupancy rate, which are dependent on user demand. The time taken to reach a sustainable occupancy level is a key factor and we believe this risk could be mitigated through a phased development of the marina facilities.

Whilst we do not agree with many of Mr Trevitt's points, we will consider any relevant specific issues regarding the proposed scheme when finalising our reports. However, we do not believe they will affect our overall conclusions significantly.