

# Public Document Pack

Members of the Full Council  
(Councillors: All Councillors)



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Date 12 February 2019

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Dear Councillor

I hereby give you notice to attend the following meeting:

## **FULL COUNCIL**

**Date: Wednesday 20 February 2019**  
**Time: 4.30 pm**  
**Venue: Council Chamber - West Somerset House**

Please note that this meeting may be recorded. At the start of the meeting the Chairman will confirm if all or part of the meeting is being recorded. You should be aware that the Council is a Data Controller under the Data Protection Act. Data collected during the recording will be retained in accordance with the Council's policy. Therefore unless you advise otherwise, by entering the Council Chamber and speaking during Public Participation you are consenting to being recorded and to the possible use of the sound recording for access via the website or for training purposes. If you have any queries regarding this please contact the officer as detailed above.

Yours sincerely

A handwritten signature in black ink, appearing to read "Bruce Lang".

**BRUCE LANG**  
Proper Officer



## WEST SOMERSET DISTRICT COUNCIL

Meeting to be held on Wednesday 20 February 2019 at 4.30 pm

Council Chamber - West Somerset House

### AGENDA

1. **Apologies.**

2. **Minutes of the previous meeting of the Full Council.** (Pages 5 - 10)

3. **Declarations of Interest.**

To receive and record declarations of interest in respect of any matters included on the agenda for consideration at this meeting.

4. **Public Participation.**

The Chairman to advise the Committee of any items on which members of the public have requested to speak and advise those members of the public present of the details of the Council's public participation scheme.

For those members of the public wishing to speak at this meeting there are a few points you might like to note.

A three-minute time limit applies to each speaker and you will be asked to speak before Councillors debate the issue. There will be no further opportunity for comment at a later stage. Your comments should be addressed to the Chairman and any ruling made by the Chair is not open to discussion. If a response is needed it will be given either orally at the meeting or a written reply made within five working days of the meeting.

5. **Chairman's Announcements**

6. **Exclusion of the Press and Public**

To consider excluding the press and public during consideration of Item 7, Appendices A, B, C and D on the grounds that, if the press and public were present during this item, there would be likely to be a disclosure to them of exempt information of the class specified in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as amended as follows:

Item 7, Appendices A, B, C and D contains information that could release confidential information relating to the financial or business affairs of any particular person (including the authority holding that information). It is therefore proposed that after consideration of all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

7. **East Quay Development. Report of the Localities Manager. (attached).**  
(Pages 11 - 116)

**COUNCILLORS ARE REMINDED TO CHECK THEIR POST TRAYS**

## WEST SOMERSET COUNCIL

### Minutes of Full Council held on 12 December 2018 at 4.30 pm

#### Council Chamber - West Somerset House

##### Present:

Councillor B Heywood  
Councillor J Parbrook

Chairman  
Vice-Chairman

Councillor I Aldridge  
Councillor B Allen  
Councillor M Chilcott  
Councillor R Clifford  
Councillor H Davies  
Councillor M Dewdney  
Councillor S Dowding  
Councillor A Hadley  
Councillor I Jones  
Councillor B Maitland-Walker

Councillor C Morgan  
Councillor P Murphy  
Councillor P Pilkington  
Councillor S Pugsley  
Councillor R Thomas  
Councillor N Thwaites  
Councillor A Trollope-Bellew  
Councillor K Turner  
Councillor D Westcott  
Councillor R Woods

##### Officers in Attendance:

Krystyna Kowalewska  
Bruce Lang  
Penny James  
Paul Fitzgerald

#### C41 Apologies

Apologies for absence were received from Councillors S Goss, N Hawkins, R Lillis, K Mills and T Venner.

#### C42 Minutes of the previous meeting of the Full Council

(Minutes of the meeting of Council held on 21 November 2018 circulated with the Agenda.)

**RESOLVED** that, subject to the inclusion of Councillor B Allen to the list of apologies for absence, the Minutes of the meeting of Council held on 21 November 2018 be confirmed as a correct record.

#### C43 Declarations of Interest

Members present at the meeting declared the following personal interests in their capacity as a Member of a County, Parish or Town Council:

Name	Min No.	Member of	Action Taken
Cllr I Aldridge	All	Williton	Spoke and voted
Cllr M Chilcott	All	SCC	Spoke and voted
Cllr H Davies	All	SCC	Spoke and voted
Cllr B Maitland-Walker	All	Carhampton	Spoke and voted
Cllr C Morgan	All	Stogursey	Spoke and voted
Cllr P H Murphy	All	Watchet	Spoke and voted
Cllr J Parbrook	All	Minehead	Spoke and voted
Cllr P Pilkington	All	Timberscombe	Spoke and voted
Cllr R Thomas	All	Minehead	Spoke and voted
Cllr A H Trollope-Bellew	All	Crowcombe	Spoke and voted
Cllr K H Turner	All	Brompton Ralph	Spoke and voted
Cllr D J Westcott	All	Watchet	Spoke and voted

C44 **Public Participation**

No members of the public spoke at the meeting on any items on the agenda.

C45 **Chairman's Announcements**

The Chairman accompanied Councillor K Turner at Westminster to attend the launch of the Green Cities Initiative. Councillor Turner went on to provide further details about the event.

C46 **Heart of the South West - Joint Committee - Council Update**

(Report No. WSC 92/18, circulated with the Agenda.)

The purpose of the report was to provide Members with a progress report and set out the Heart of the South West Local Industrial Strategy, budget statement for 2018/19 in addition to the budget and cost sharing agreement.

The Leader of Council presented the report and proposed the recommendations which were seconded by Councillor A Hadley.

**RESOLVED (1)** that the progress report setting out the work of the Heart of the South West (HotSW) Joint Committee since its establishment in March 2018 be noted.

**RESOLVED (2)** that it be agreed to delegate the development and endorsement of the HotSW Local Industrial Strategy (LIS) to the HotSW Joint Committee (noting that final approval of the HotSW LIS rests with the HotSW Local Enterprise Partnership (LEP) and the Government).

**RESOLVED (3)** that the Budget statement for 2018/19 set out in Appendix B to the report be noted and that in accordance with the decisions taken at the time the Committee was established the Shadow Council be asked to make an annual

budgetary provision to meet the support costs of the Joint Committee in line with the Taunton Deane and West Somerset 2018/19 contribution. Final clarification on any additional 2019/20 budget requirement to be provided following the completion of the review of the Joint Committee's role, function and management support arrangements and development of its work programme for 2019/20.

**RESOLVED (4)** that the Budget and Cost-sharing Agreement set out in Appendix B to the report be agreed.

C47 **Confirmation of Appointment of Joint Chief Executive**

(Report No. WSC 91/18, circulated with the Agenda.)

In the light of the decision of the Shadow Council to appoint a new Chief Executive designate with effect from 1st January 2019, this report was to enable the Council to regularise the position and formally appoint James Hassett as the Joint Chief Executive for the Taunton Deane Borough Council and West Somerset Council with effect from 1st January 2019.

The Leader of Council presented the report and thanked the Chief Executive, Penny James, both personally and on behalf of the Council, for all her exceptionally hard work and commitment and for serving West Somerset over the past five years during a very difficult time.

The Leader proposed the recommendation which was duly seconded by Councillor K Turner.

The Monitoring Officer provided clarification on the powers of the Shadow Authority in regards to the appointment of the Joint Chief Executive.

The Leader and Councillor B Allen, who were involved in the interview process, were both in agreement that they were happy with the appointment of James Hassett and were delighted to welcome his brief time in charge of West Somerset Council.

**RESOLVED** that the appointment of James Hassett as Chief Executive (including being Head of Paid Service, Returning Officer, Electoral Registration Officer and a Core Member of the Central Implementation Team) for Taunton Deane Borough Council and West Somerset Council with effect from 1st January 2019 be confirmed.

C48 **Approval of Funding Request for the Transformation Programme**

(Report No. WSC 93/18, circulated with the Agenda.)

The purpose of the report was to request additional funding for the Transformation programme. The revised Business Case increases the savings from £3.1m to £3.5m with a revised investment of circa £9.5m delivering an attractive return of investment whilst protecting front line services and improving the customer experience.

The Lead Member for Resources and Central Support presented the item and outlined the details of the report. He went on to propose the recommendations of the report which were seconded by Councillor C Morgan.

A lengthy debate ensued and the main points of discussion focussed on:

- Particular points and concerns were raised regarding the budget, design and expertise in relation to the ICT project, and these were answered in detail by officers. There would be no change to the current ICT project plans or to the impact on the users. It was also confirmed that there would be contingency in the budget to enable pre-testing to be undertaken before the new technology went live to the customer.
- It was emphasised that there would be no reduction to service standards and whilst in the short term during transition there could be an impact on front line services, in the long term, transformation should improve the customer experience.
- A written answer would be provided as to which budget would be used to fund the audio visual equipment for the Deane House council chamber.
- The Section 151 Officer responded to a question on savings and highlighted that the revised budget total for the transformation programme was contained within the report and was a good estimate as to what the final position would be.
- The figures contained within the report were welcomed as it was important to understand how much had been spent on the project to date.
- Questions were asked about the Council's ability to now be able to fund the additional spending needed for transformation, and concerns were expressed on the planned use of earmarked reserves.
- An assurance was provided on the process for identifying the reserves, and, as a result of the good financial decisions taken over the last few years by Members, opportunities were being taken to reprioritise and the council was currently in a resilient position to fund an additional one-off cost which would provide ongoing financial benefits to the general fund and the housing revenue account.
- The impact of the inclusion of the DLO in the transformation programme was raised.

**RESOLVED (1)** that an increase to the Transformation Programme Budget of £2.387m be noted, and funding of £507k for West Somerset Council General Fund be approved. (Note £1.277m to be funded by TDBC Council General Fund and £603k by TDBC HRA.).

**RESOLVED (2)** that an increase to service budgets for transitional costs totalling £685k be noted, and funding of £121k for West Somerset Council General Fund be approved. (Note £386k to be funded by TDBC General Fund and £178k for TDBC HRA.)

**RESOLVED (3)** that the proposed increase of the annual savings target by £348k to £3.5m be supported.

**RESOLVED (4)** that it be noted that the Shadow Executive will consider basis for allocating increased savings target within the new Council's Budget and Medium Term Financial Plan.



In recognition of this being the last meeting which the Chief Executive would attend, the Chairman took the opportunity to express his sincere appreciation and thanked Penny for her achievements and long service to both Taunton Deane Borough Council and West Somerset Council presenting her with a gift and wishing her well for the future.

The Meeting closed at 5.59 pm



## West Somerset Council 20<sup>th</sup> February 2019

### East Quay Development

#### Report of Localities Manager – Chris Hall

(This matter is the responsibility of Lead Member for Resources Councillor Martin Dewdney)

#### 1. Executive Summary

This report updates Members on the recent progress made with The Onion Collective, seeks approval of the lease on part of the land at Easy Quay, Watchet, and approval of a loan to bridge their reducing funding gap.

Each of these aspects support The Onion Collective in their bid to the Coastal Communities Fund (CCF) for up to £5m of the overall development cost of £7m.

This report follows on from an all Member update briefing on the proposed development and bid for grant funding that took place on 12<sup>th</sup> December 2018.

#### 2. Recommendations

This committee is recommended to support to West Somerset Full Council:

- i) The award of the lease under the terms set out in the report upon resolution of the conditions in the confidential appendixes, with delegated authority to Head of Localities in consultation with the Leader of the Council to negotiate the final terms.
- ii) The principle of capital financing loan to The Onion Collective for the sum of up to £1.5m with delegated authority to the Head of Localities & S151 officer in consultation with the Leader of the Council to negotiate the final terms. Provision for such a loan to be included in the Capital Programme for 2019/20.

#### 3. Risk Assessment

##### Risk Matrix

Description	Likelihood	Impact	Overall
Risk: Onion Collective are unable to meet the criteria for the bid and it is not awarded	Possible (3)	Catastrophic (5)	Medium (15)
<i>Mitigation: The council have been working with OC to resolve a number of issues and give in principle support to the bid within the timeline necessary</i>	Unlikely (2)	Catastrophic (5)	Medium (10)
Risk: The bid fails to meet the criteria set by CCF or is otherwise unsuccessful under competition	Possible (3)	Moderate (3)	Medium (9)

<i>Mitigation: In this event the OC will not have a funded bid but do still have time within the option agreement to look for alternative funding streams</i>	Possible (3)	Moderate (3)	Medium (9)
Risk: Onion Collective do not secure sufficient funds to build out the development during construction	Possible (3)	Catastrophic (5)	High (15)
<i>Mitigation -WSC can take possession of the site under the terms of the building lease</i>	Possible (3)	Moderate (3)	Medium (9)
Risk: The cost of repairing the Impounding Wall is unknown at the present time so it could be that only a section of the repair works can be carried out.	Possible (3)	Catastrophic (5)	High (15)
<i>Mitigation- The council will prioritise its resources and maximise the positive impact of these for the safety of the public and to fulfil its responsibilities under the lease to the marina.</i>	Possible (3)	Major (4)	Medium (12)

#### 4. Background

4.1 In February 2015 West Somerset Council approved the following recommendations, which have set the parameters for this report:

- i) *To appoint the Onion Collective as the Council's preferred bidder for asset transfer of the land at East Quay, Watchet.*
- ii) *To approve the principle of entering into a three year option agreement with The Onion Collective to allow them to develop a detailed scheme design and funded business case that complies with the Council's conditions, prior to full asset transfer taking place.*
- iii) *To delegate authority to the Director of Housing and Communities to work with the Lead Member for Asset Management to negotiate and agree full terms of the agreement.*

4.2 The 2015 report also set out that the final decision to complete the transfer of the asset will be presented to Council for approval, this forms one of the recommendations of this report, but is now proposed as a lease, with the council retaining freehold ownership.

4.3 The approval delegated authority to a senior officer in conjunction with the Lead Member to negotiate the full detail of the agreement. Roles within the organisation have changed since this report was approved, and the role now responsible for this is the Head of Localities.

4.4 West Somerset Council granted planning consent in June 2018 for the development.

4.5 There is no other detailed scheme or opportunity for comparison of the Onion Collective's outcomes. Back in 2015 the partnership with Urban Splash was

terminated as, despite best efforts, no commercial development of the land could be established. This means that there is no alternative so readily on offer to the council or the community.

- 4.6 As part of the negotiations all parties supported a long term lease rather than a land disposal. Therefore keeping the land in public ownership whilst drawing a lease income.
- 4.7 There have been a number of complicating factors that have delayed the completion of the Option Agreement, each of these have been worked through and a practical solution found that ensures the development stands the best chance of receiving the funding (CCF) and therefore supports this community.
- 4.8 The Option Agreement was not entered into immediately following the 2015 report and the Option Agreement was instead exchanged on 18<sup>th</sup> January 2019. The agreement allows the Onion Collective to exercise the option at any time, subject to the satisfaction of the conditions precedents which are detailed in Appendix C which summarises the terms of the Option Agreement. The Onion Collective can serve the Option Notice up to 36 months after exchange of the Option Agreement.
- 4.9 Whilst Watchet is the one of the most deprived wards in the district it also has some key strengths. In CLG/DEFRA's benchmarking report on coastal towns Watchet appeared in the bottom ten in all economic domains, being among those with the 'greatest economic problems'. The more positive angle to Watchet is that it has relatively young population by comparison to local towns and villages, and has an industrial legacy, and coastal location. Most importantly, Watchet has an incredible community with abundant social capital, meaning people in Watchet work together to solve their problems despite the town suffering terrible deprivation. Throughout The Onion Collective's consultation there has been strong public support culminating in the successful achievement of planning consent.
- 4.10 The East Quay development provides many opportunities, not least of which being the chance to change the narrative of Watchet, transforming it into a destination that supports tourism, employment, skills development, and growth.
- 4.11 The Member briefing on 12<sup>th</sup> December '18 set out in detail the proposals of how the Onion Collective will develop and operate the site, including a question and answer session for Members to understand all aspects of the development and its mix of uses. Whilst this report is focused on the lease a number of the key benefits have been set out below as a reminder:
- 37 new direct jobs on the developed site
  - 166 new indirect jobs due to the increased tourism spend to the West Somerset area (valued at £6.7m per annum)
  - 17 safeguarded jobs
  - 76 construction jobs, for the duration of the build
  - Develop and fund the access road to the development and for the remainder of the site. (£300k - £400k)
  - Additional business rates for the council that could reach up to £960k over a decade, however this is subject to the occupants of the units.

- Approximately £230,000 in additional parking revenue over a decade.
- Bringing in £5m-£7m in external regeneration funding to the district.
- Delivering multi-layered social benefits to the tune of £3m per annum (wellbeing, culture, aspiration, mental health).
- Creating an arts/cultural and social enterprise development with a national profile, closely aligned with the interests of government.

4.12 The 2015 report identified a number of next steps which have had significant progress made or have been concluded. Updates against these actions are identified in bold text:

*i) Officers will work with the bidder and legal advisors to develop, agree and sign off an option agreement. – **Action Completed in January 2019***

*ii) The preferred bidder status and subsequent option agreement will allow the successful applicant to develop full details of a scheme, supported by the necessary approvals and a fully funded business case, with the Council's authority and sanction. The successful applicant will also have to satisfy the Council's two key conditions as set out at the outset of the process, namely: **Outline details have been provided and planning consent achieved. The final specification is being prepared. Approval of the lease is sought through this report.***

*- Scheme plans will be required to include the delivery of a substantial capital receipt or revenue stream for the Council. - **A revenue stream for the council is provided.***

*- Agreement must be reached with Watchet Harbour Marina in relation to all aspects of interaction between the marina operations and the development proposed, to incorporate issues such as on shore facilities, boat storage, car parking, access routes etc. This will ensure all outstanding matters and lease issues can be resolved between Watchet Harbour Marina and the Council prior to any asset transfer taking place. – **Progress has been made see confidential Appendix***

4.13 Onion Collective had a very tight timeline in which to submit the bid for CCF funding, (21<sup>st</sup> January 2019) the council have submitted a letter of support to the CCF assessors, Appendix 2. This letter sets out our intention to support their bid and its community outcomes subject to formal council approval. The letter includes the in principle support of a loan from the council.

4.14 Members can be assured that the council are not bound by this letter either for the provision of the loan or their continued support should the offer from OC change. It should also be noted that the lease and loan, if approved, are dependent on OC achieving the grant funding from the CCF.

4.15 Officers agree that approval of a loan would give the OC the best chance of success in securing their bid funding. It should be noted that this is a competitive process and if awarded this would be the largest single award by the CCF. This is one of the reasons to fully explore the role of the Council in enabling this development whilst also securing a reasonable rate of return for the authority.

- 4.16 A continued partnership approach between the Council and The Onion Collective will be required with responsibility for convening input from the various internal specialisms to deliver this project resting with the council's Localities team.

## **5. East Quay Wall**

- 5.1 As stated earlier the council owns the East Quay, which forms a perimeter wall of the marina. This is not only a built structure that allows for the existence of the East Quay but also acts as a coastal defence protecting Watchet. The wall is made up of a number of sections that have been replaced or refurbished over the years. The stability of the structure was in question and the council have undertaken survey works to establish what may be required. This report is not intended to be the feedback of these results but draws Members attention to the potential for further consideration. One important aspect is any additional loading that the development may place on the wall.
- 5.2 With questions on stability still under review the option agreement that has been negotiated allows the Council time to consider the impacts of the wall structure before entering into a lease, thus protecting the council from otherwise unknown liabilities. In practice WSC will not enter into the lease until the questions have been fully considered.
- 5.3 The Onion Collective have provided an engineer's assessment that the built development will not increase the wall loading, due to the proposed construction type. More detailed information has been requested from The Onion Collective and it is their responsibility to ensure that the information is accurate and capable of being relied upon. The repair scheme will then be designed in accordance with that information.
- 5.4 The marina have permission within their lease to load and unload vessels from the East Quay wall, this requires heavy traffic in the form road transport and a loading crane. This information will form part of the council's consideration of any work necessary to maintain the wall, which is our responsibility.

## **6. Grant Funding / construction timeline**

- 6.1 As identified earlier in the report the development, if funded, would be managed by the Onion Collective or their agents, as such this is not a project under the direct control of the council, we instead are undertaking an enabling role. WSC Have the right in the building lease to appoint a surveyor to monitor and sign off on behalf of WSC. Under the building lease WSC have the ability as a last resort to veto the certification of OC of the marina facilities and service road only.
- 6.2 Up until this point the Onion Collective have secured £150,000 from Esmee Fairbairn Foundation, £120,000 SIB/CRF and £91,000 from the Arts Council. They are also in the final round of a Magnox bid for £250,000 hopefully to be confirmed mid-February. OC also anticipate a £500,000 bid to ACE Small Capital in April. There is the potential therefore that the funding gap could be as low as £889,000 to borrow in a couple of tranches from the council.

- 6.3 Final Submission, including amongst other things RIBA stage 4 drawings and council support in principle, was submitted on 21<sup>st</sup> January 2019.
- 6.4 Decision on funding will be communicated during spring 2019.
- 6.5 Our understanding of the funding criteria is that it requires construction to start no later than autumn 2019, there is an estimated construction time of 15 months. At this stage there is no evaluation of what “starting” means. Consideration does need to be given to the work that may be required on the East Quay wall and how both aspects can be programmed on this site. The first aspect is for The Onion Collective to secure the CCF funding.
- 6.6 The development is due to be completed and opened in spring 2021. Subject to the above there may be a reasonable extension granted due to the nature of the site which may need to be considered.

## **7. Financial resource implications**

- 7.1 Financial implications of the councils proposed support and involvement have been considered by the finance team, with details provided in this and the confidential appendix A. Based on a review of The Onion Collective business case the advice given strikes a balance between a number of key factors, including securing a reasonable financial return for the authority, maximising the prospect of securing major external funding (£5m), ensuring the long economic viability of the community led project and enabling transformational economic and community benefits in an area of significant deprivation.
- 7.2 The loan is being offered as a minority, but none the less important element of the financing package. The Onion Collective have stated that they will only draw down on this loan as a last resort, should they not be able to source grant funding for the total cost of the East Quay re-development project.

## **8. Prudential Borrowing**

- 8.1 The Onion Collective have asked the council for a loan agreement for up to £1.5m to close the gap between grant funding and development costs. It is their intention, subject to their fundraising efforts, not to draw down the loan but for the purposes of the CCF bid they consider their best opportunity for success is to evidence a fully funded scheme. OC have confirmed that should they be unable to raise the gap funding from another source then the loan would be drawn down last in the sequence of financing.
- 8.2 Due diligence has been undertaken by the Council’s qualified finance professional with a review of the business plan for The Onion Collective, together with the creditworthiness and financial status of The Onion Collective as a prospective borrower/debtor of the Council. No loan investment is risk free, however based on the current proposal, there will be sufficient value in the asset to provide the necessary security required for the full value of the loan.
- 8.3 It is recommended that a Prudential Borrowing facility of up to £1.5m be made available to the Onion Collective with terms and interest rate under delegated



authority to the Leader of the Council and the S151 Officer, and that loan principal repayments received are set aside to reduce the related impact on the Council's capital financing requirement. The borrowing facility represents capital expenditure and if approved will be incorporated within the Capital Programme.

- 8.4 The loan facility is up to £1.5m for up to 30 years. The facility can provide for tiered drawdowns to enable flexibility in loan amounts and periods. It is recommended final terms are to be agreed by the S151 Officer and the Council Leader.
- 8.5 The interest rate chargeable on the loan is a concessionary rate based on PWLB plus a 1% premium to cover the costs and risk to the Council.
- 8.6 The loan conditions will contain provisions to ensure that in the event that The Onion Collective repay the loan early then any premium subsequently payable to the PWLB by the Council will be reimbursed by The Onion Collective.
- 8.7 Loans of this type are regarded as investments under the new MHCLG guidance on investments and details of which will be included in the new requirement for the Council to produce a Capital Strategy. The limits included in the proposed capital strategy include an allowance for this loan facility if approved by Council.
- 8.8 The Council will account for the loan as capital expenditure within its own accounts, and would be financed by borrowing thus adding to the Council's "capital financing requirement" (CFR). It is proposed the principal repayments received from The Onion Collective when the loan is repaid will be treated as capital receipts, which will be utilised to repay the Council's related borrowing, thus mitigating the requirement for a Minimum Revenue Provision cost to the General Fund.

## **9. Legal Implications**

- 9.1 External legal support was commissioned and has been involved throughout these discussions and negotiations.
- 9.2 The authority to complete the Option Agreement was delegated to the Head of Localities under the Resolution contained in the WSC Council Meeting minutes dated 18th February 2015.
- 9.3 Subject to both parties satisfying various Condition Precedent Clauses, the Option Agreement secured the right for the Onion Collective to take a new lease, expiring 26<sup>th</sup> July 2126, of an area of East Wharf.
- 9.4 There is a Condition Precedent clause in the Option Agreement which requires Full Council approval to key clauses contained in the Building Lease before the Option may be exercised and the Building Lease granted. It is the recommendation of this report that council approve the lease with delegation to the Head of Localities in consultation with the Leader of the Council to finalise the outstanding clauses.
- 9.5 The council have considered the implications of state aid against the details of the proposals. We do not consider that this constitutes state aid on the basis of the return being made to the council and community, the regeneration of a deprived area following years of inactivity, and that our involvement has the potential to

unlock the CCF bid. The loan, if approved, creates a return to the council on top of the regeneration benefits.

## **10. Environmental Impact**

- 10.1 There are no adverse impacts, the scheme will be undertaken in accordance with all relevant regulatory requirements. The scheme that has been granted planning permission will enhance the physical environment around the harbour.
- 10.2 There are no plans to carry out sea defence works along the outer sea wall of East Wharf. However it is not believed that either the Marina nor the Onion Collective's use of the East Wharf will impact on the integrity of the sea wall and vice versa at this point in time.

## **11. Safeguarding and/or Community Safety Implications**

- 11.1 There are no implications resulting from the recommendations of this report.

## **12. Asset Management Implications**

- 12.1 The Asset Management Team has been involved for a considerable time on the options and possibilities for the Harbour and the surrounding area. The Asset Management Group have also been involved in much of the historical debate relating to this area.
- 12.2 The team have ensured the documentation places requirements on The Onion Collective to comply with all statutory obligations.
- 12.3 The Council will retain freehold ownership of the land at East Quay. The lease clauses have safe guarded the council's position in terms of repair and maintenance of the service road as they have to contribute towards its upkeep. The Onion Collective have agreed to fully repair and maintain the land demised to them, they are further obliged to a contribution of a fair proportion of the costs of maintaining the service road and estate as defined by the lease.
- 12.4 The Option Agreement is attached under Appendix B and contains Condition Precedents which both parties to the agreement have to satisfy before the Option Notice can be issued by Onion Collective which will trigger completion of the Building Lease.
- 12.5 The Condition Precedents in the Option Agreement are contained in Confidential Appendix C.
- 12.6 The draft Building Lease is attached under Appendix B. The key clauses in the Building Lease which are recommended to be delegated to the Head of Localities are captured in confidential Appendix D.

## **13. Data Protection Implications**

- 13.1 There are no identified implications of the recommendations set out in this report.

## **14. Consultation Implications**

14.1 There are no identified implications of the recommendations set out in this report.

## 15. Equalities Impact

15.1 The project delivers an improved use of the land with all new building needing to conform to Building Regulations on accessibility.

## 16. Partnership Implications

16.1 The Onion Collective is the Council's preferred development partner for the East Quay and strong partnership has been instrumental in bringing the project to this stage. Maintaining and developing the partnership will remain vital as the project moves further into delivery.

### Appendices:

Appendix A	Further confidential narrative
Appendix B	Confidential - Option Agreement, Draft Building Lease, and Plans
Appendix C	Confidential - Summary of Conditions Precedent in Option Agreement
Appendix D	Confidential - Summary of key terms in Building Lease
Appendix E	WSC Council Minutes 18 <sup>th</sup> February 2015
Appendix F	Letter of Support from TDBC and WSC Leaders

### Democratic Path:

- **Shadow Executive – 11 February 2019**
- **WSC Full Council – 20 February 2019**

### Background reports:

WSC 23/15 – Regeneration of East Quay Watchet 4<sup>th</sup> February 2015

**Reporting Frequency: One off**

### Contact Officer

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### Risk Scoring Matrix

<b>Likelihood</b>	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
			<b>Impact</b>				

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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Appendix E

**WEST SOMERSET COUNCIL**

**Minutes of the Meeting held on 18 February 2015 at 4.30 pm**

**in the Council Chamber, Williton**

**Present:**

Councillor G S Dowding .....	Chairman
Councillor A F Knight .....	Vice-Chairman
Councillor M J Chilcott	Councillor S Y Goss
Councillor P N Grierson	Councillor A P Hadley
Councillor B Heywood	Councillor K V Kravis
Councillor R P Lillis	Councillor E May
Councillor I R Melhuish	Councillor K M Mills
Councillor C Morgan	Councillor P H Murphy
Councillor S J Pugsley	Councillor D D Ross
Councillor D J Sanders	Councillor L W Smith
Councillor M A Smith	Councillor T Taylor
Councillor A H Trollope-Bellew Councillor	Councillor K H Turner
D J Westcott	

**Officers in Attendance:**

Chief Executive (P James)  
Assistant Chief Executive and Monitoring Officer (B Lang)  
Director - Housing and Communities (J Barraha)  
New Nuclear Programme Manager (A Goodchild)  
Economic Regeneration and Tourism Manager (C Matthews)  
Finance Manager (S Plenty)  
Meeting Administrator (K Kowalewska)

Prior to the start of the meeting, the Chairman requested a minute's silence in memory of Pam Driver, an ex-West Somerset Councillor, and Alan Beynon, an exWest Somerset Council senior officer.

**C102 Apologies for Absence**

Apologies for absence were received from Councillors H J W Davies, M O A Dewdney, J Freeman and K J Ross.

**C103 Minutes**

(Minutes of the meeting of Council held on 21 January 2015, circulated with the Agenda.)

**RESOLVED** that the Minutes of the meeting of Council held on 21 January 2015 be confirmed as a correct record.

**C104 Declarations of Interest**

Members present at the meeting declared the following personal interests in their capacity as a Member of a County, Parish or Town Council:

Name	Minute No.	Member of	Action Taken
Cllr S Y Goss	All	Stogursey	Spoke and voted
Cllr P N Grierson	All	Minehead	Spoke and voted
Cllr P H Murphy	All	Watchet	Spoke and voted
Cllr L W Smith	All	Minehead	Spoke and voted
Cllr K H Turner	All	Brompton Ralph	Spoke and voted
Cllr D J Westcott	All	Watchet	Spoke and voted

In addition, the following interests were declared:

Name	Minute No.	Description of interest	Personal or Prejudicial	Action Taken
Cllr D D Ross	C109	Regal Theatre Board Member	Prejudicial	Left the Chamber

**C105 Public Participation**

John Irvén, Chairman of West Somerset Railway; Paul Upton, Watchet Conservation Society, and Vidya Alekson, Chief Executive Power to Change Trust, spoke in support of Agenda Item 6 Regeneration of East Quay, Watchet.

Jess Prendergrast, Director of Onion Collective addressed the Council on the plans for Watchet regeneration.

**C106 Chairman's Announcements**

The Chairman had no announcements to make.

**C107 Appointment of Deputy Leader**

Councillor K V Kravis announced that she wished to resign as Deputy Leader of the Council with immediate effect. She stated she would retain her role as Lead Member for Resources and Central Support, however felt



that it was the right time to tender her resignation as neither she nor the Leader of Council were standing for re-election in May and she was concerned that there would be a political void during the election period, and therefore wished for the role to be undertaken and carried forward post-election by another Member.

The Council were saddened by her resignation and the Chairman took the opportunity to thank Councillor Kravis for her hard work, commitment and immense enthusiasm during her time as Deputy Leader.

It was proposed and seconded to nominate Councillor Trollope-Bellew as Deputy Leader of Council.

**RESOLVED** that Councillor A H Trollope-Bellew be appointed as Deputy Leader of West Somerset Council with immediate effect.

**NOTE:** Having regard to the special circumstances pertaining in relation to this item – namely the need to ensure that the position of Deputy Leader of Council was filled as soon as possible – the Chairman was of the opinion that, despite its non-inclusion on the agenda, this item should be considered at this meeting as a matter of urgency.

**C108**      **Regeneration of East Quay, Watchet**

(Report No. WSC 31/15, circulated with the Agenda.)

The purpose of the report was to consider the outcome of the recent process of seeking expressions of interest from relevant organisations for proposals to facilitate regeneration of the area around the harbour at Watchet and to approve a preferred bidder to continue to work with the Council towards potential asset transfer.

The Leader of Council conveyed how great it was to see so much support for the Onion Collective proposals and stated that this was a great opportunity to move the development of Watchet forwards. He went on to present the report in detail. He explained the Community Asset Transfer route proposed to be taken and stressed that the key activities of the Watchet Harbour Marina would have to be integrated into any development proposals in order to operate effectively and for a viable development to take place. This was seen as a considerable challenge, however very important as it formed the basis of a Council condition as detailed in the report. The Leader congratulated the Onion Collective for their submission of the business plan which was very comprehensive and of high quality. He drew Members' attention to the next steps and process if the Onion Collective were to be appointed, reporting that the final decision to complete the transfer of the asset would be presented to a future meeting of Full Council for approval. The asset management implications contained within the report were also highlighted.

The Leader proposed the recommendations contained within the report which was seconded by Councillor C Morgan.

Members praised the exemplary work of the Onion Collective, and strongly expressed support for their proposals to regenerate Watchet.

**RESOLVED (1)** that the Onion Collective be appointed as the Council's preferred bidder for asset transfer of land at East Quay, Watchet.

**RESOLVED (2)** that the principle of entering into a three year option agreement with the Onion Collective to allow them to develop a detailed scheme design and funded business case that complies with the Council's conditions, prior to full asset transfer taking place be approved.

**RESOLVED (3)** that authority be delegated to the Director of Housing and Communities to work with the Lead Member for Asset Management to negotiate and agree full terms of the option agreement

**C109 Request for Allocation of Planning Obligations Funding – Minehead Illuminations Project**

(Report No. WSC 27/15, circulated with the Agenda.)

The purpose of the report was to make proposals for the allocation of monies secured through planning obligations to individual schemes.

The Lead Member for Resources and Central Support presented the item, reporting that this was the last tranche of the Morrisons Section 106 money and reference was made as to how the money had been allocated on a wide ranging, comprehensive list of projects that had met the tough criteria of the agreement. The Lead Member provided an overview of the project and advised that community and business consultation had been undertaken and overwhelming positive responses had been received especially via social media. She drew Members' attention to the practicalities of the project with regards to maintenance, health and safety checks etc., and the comprehensive cost breakdown, as detailed in the report. It was also reported that to enable the project to proceed WSC would own the lights for three years with no extra costs being incurred, after which time ownership would pass to the Minehead Chamber of Trade.

The Lead Member proposed the recommendations in the report which were seconded by Councillor I R Melhuish.

Members expressed support for the project and during the discussion the following points were raised:

- Any project that enhanced Minehead and further promoted tourism would benefit the whole of the district.

- The timescale for allocating section 106 monies and setting a more flexible criteria for future consideration of projects should be closely examined in the future.
- Concern was expressed regarding the requirement to remove the lights after 30 days and clarification was provided that by entering into a Section 50 Agreement with SCC Highways meant that the lights would not have to be taken down unless for maintenance purposes.

**RESOLVED (1)** that the allocation of £34,416.76 for the Minehead Illuminations Project to be added to the capital programme and funded from planning obligations contributions be approved.

**RESOLVED (2)** that £4,102.33 underspend from previous approved allocation from planning obligation contributions (related to same Agreement as outlined in paragraph 5.3 of the report) be approved to be reallocated to the Minehead Illuminations Project.

**C110 Hinkley Tourism Action Plan Strategy and Action Plan**

(Report No. WSC 30/15, circulated with the Agenda.)

The purpose of the report was to consult with Council on the contents of the Hinkley Tourism Action Partnership (HTAP) Strategy and Action Plan, and to outline proposals to Council for the drawdown of HPC S106 Tourism mitigation funding to support delivery of four projects in the action plan.

The Lead Member for Regeneration Economic Growth presented the report and provided Members with the background information, drawing particular attention to the vision of the Strategy and its three clear aims and nine priorities. She confirmed that in response to previous concerns regarding housing and the potential impact this could have on tourism businesses, strategic aim one, priority three of the vision would monitor and deal with these issues.

The Lead Member went on to propose the recommendations of the report which were duly seconded by Councillor A H Trollope-Bellew.

**RESOLVED (1)** that the HTAP Strategy and activity in the Action Plan be approved.

**RESOLVED (2)** that the drawdown of the Phase 1 S106 Tourism Contribution of £125,385 to support the delivery of the 4 projects identified within the HTAP Action Plan be approved.

**RESOLVED (3)** that £45,000 of the action plan delivery was previously agreed by Council in November 2014 be noted.

**C111 Hinkley Point C – Proposed Changes to EDF Energy’s Development Consent Order (DCO) Plans**

(Report No. WSC 28/15, circulated with the Agenda.)

The purpose of the report was to bring to Members’ attention EDF Energy’s proposed changes to the DCO ‘plot plan’ (essentially the detail plans of the buildings on site during operation) and to formulate West Somerset Council’s response to those changes.

The Lead Member for Environment - Hinkley presented the report in detail drawing attention to the fact that the proposed changes related to the small ancillary buildings on the edge of the site and there would be no significant visual impact locally.

The Lead Member proposed the recommendations which were duly seconded by Councillor T Taylor.

**RESOLVED (1)** that no objection be raised to the proposed changes to the DCO plans as proposed by EDF Energy and that delegated authority be granted to the New Nuclear Programme Manager to respond to the consultation undertaken by the Planning Inspectorate.

**RESOLVED (2)** that delegated powers be granted to the New Nuclear Programme Manager, following consultation with the Lead Member for Environment – Hinkley Point, to respond to further proposed non-material changes to the DCO plans relating to Hinkley Point where there are no significant effects identified from such changes.

**NOTE:** Councillor M Smith requested that it be recorded she had abstained from voting on this item.

**C112 Hinkley C Connection Project – Local Impact Report and DCO Examination**

(Report No. WSC 29/15, circulated with the Agenda.)

The purpose of the report was to provide Members with an overview of National Grid’s Hinkley C Connection Project; identified the key issues pertinent to West Somerset; set out the key steps in the Examination Timetable; explained and sought Member approval to submit the Joint Local Impact Report in accordance with the Examination Timetable; and finally set out the resource implications for the Council and sought approval to vire up to £25,000 from an Earmarked Reserve for the purposes of procuring specialist technical and legal advice during the Examination.

The Lead Member for Environment - Hinkley presented the item and provided Members with the background information contained within the

report, summarising the proposals and key issues for West Somerset. He went on to propose the recommendations which were duly seconded by Councillor K H Turner.

The New Nuclear Programme Manager provided additional information on the proposals contained within the DCO application, advising that the main issue of concern related to the amount of planting being delivered as part of the off-site planting and enhancement scheme because it was felt that the amount of planting was not considered to be sufficient to mitigate the community visual impact.

In response, it was confirmed that it was the onus of National Grid to acquire land and undertake the planting as set out in the scheme and WSC would act as observer/monitor of the situation.

The Lead Member wished Members to be highly aware of the issue concerning the visual impact as it would not be specific to the locality but would be seen across the whole district and would affect everyone; and he underlined the importance of the mitigation measures to mask the visual impact.

**RESOLVED (1)** that the content of the draft Local Impact Report (LIR) and grants delegated powers to the New Nuclear Programme Manager to submit the LIR on behalf of West Somerset Council on 26th February 2015 be endorsed.

**RESOLVED (2)** that up to £25,000 from the National Grid PPA Earmarked Reserve be vired to an expenditure budget for the purposes of procuring specialist technical and legal advice during the forthcoming Examination be agreed.

**NOTE:** Councillor M Smith requested that it be recorded she had abstained from voting on this item.

**C113 Minutes and Notes for Information**

(Minutes and Notes relating to this item, circulated via the Council's website.)

**RESOLVED (1)** that the notes of the WWQ Area Panel held on 16 December 2014 be noted.

**RESOLVED (2)** that the notes of the Exmoor Area Panel held on 20 January 2015 be noted.

**RESOLVED (3)** that the notes of the Dunster Area Panel held on 26 January 2015 be noted.

The meeting closed at 6.47 pm

## Appendix F



**Taunton Deane Borough Council**  
The Deane House, Belvedere Road,  
Taunton, Somerset TA1 1HE

**West Somerset Council**  
West Somerset House, Killick Way,  
Williton, Somerset TA4 4QA

Our Ref:

**Date: 18 January 2019**

Jessica Prendergast  
Director  
Onion Collective CIC  
Harbour Studios East  
Quay  
Harbour Road  
Watchet  
Somerset  
TA23 0AQ

### **Sent by email**

Dear Jessica,

### **Coastal Communities Fund (CCF) application for the development of East Quay, Watchet**

We are writing to express our Councils' support to Onion Collective's major (£5m) application to the Coastal Communities Fund for the development of East Quay, Watchet. You will, of course, be aware that a new larger district council (Somerset West and Taunton) will be created in April 2019, covering the area currently served by our two separate authorities.

The East Quay cultural and enterprise development will transform the economic landscape of West Somerset and bring prosperity and pride back to a coastal town currently experiencing severe economic deprivation following the closure of its defining industries, namely the docks in the 1970s and, most recently, the closure of Wansbrough Paper Mill in 2015.

This carefully thought out and community led development represents a guiding light for regeneration developments. Local people have been central to the concept and development of the plans and this will mean that both the purpose of the buildings and aesthetics of the design come from community voices. We believe this is an exemplar

model of regeneration, particularly for coastal towns seeking a new post-industrial identity and will be a flagship project for the government's civil society ambitions.

The Onion Collective scheme at East Quay will provide:

- 37 new direct jobs in the building
- 166 new indirect jobs due to the increased tourism spend to the West Somerset area
- 17 safeguarded jobs
- 76 construction jobs, for the duration of the build

The purpose of East Quay, as a culture, enterprise and tourism development means that it will support each one of those three vital sectors needed for economic growth in the district. West Somerset currently has the lowest social mobility, lowest wages and lowest SME productivity in the country. This type of statistic is so severe it will only be overcome by innovative thinking and collaborative working. Councils can no longer work alone to address such levels of deprivation and must act with like-minded organisations who also wish to shift economic and social circumstances of a place to one of prosperity and wellbeing. As a social enterprise committed to lifting economic and social deprivation, Onion Collective are just such an organisation and we are delighted to be working with you to raise the prospects of our district.

West Somerset Council (WSC) has worked with Onion Collective since 2014 and has collaborated on a number of previous regeneration projects, including the asset transfer of Council owned land to them for the development of a new Visitor Centre for Watchet and a new refurbished Boat Museum. The project was an excellent example of partnership working and is now run successfully as co-located space for Watchet Town Council, Friends of the Flatner Museum and a local taxi firm.

WSC also worked closely with Onion Collective and Watchet Coastal Community Team on their recent Place Based Social Action bid to DCMS, (decision pending January 2019), which, if successful, will focus on citizen participation to address social issues. WSC is proud of the strong trust and working relationship that exists with Onion Collective and this project will forge ever closer ties between the newly created council, benefiting the prosperity and well-being of the wider area.

In addition to the option agreement that is already in place to enable this project on Council owned land at East Quay, WSC has been working closely with the team at Onion Collective to provide a loan facility that gives assurance to CCF that the required match funding is in place. To this end, an enabling loan of up to £1.5m has been agreed in principle, and will be recommended for approval at WSC Full Council on 20 February 2019. The same meeting will also consider positive recommendations in respect of the long term lease that will sit alongside the already agreed option agreement. It had been originally envisaged by the option agreement that the lease approval would take place on confirmation of funding being secured but due to the more the more stringent requirement of CCF to put the lease in place within one month of funding, this has been brought forward to the same meeting so that it is agreed in advance.



Through this letter, we wholeheartedly commend the Coastal Communities Fund to support this ambitious and exemplar application for the development of East Quay. It will bring a desperately needed injection of investment into one of the most disadvantaged communities in the country. We anticipate this project to act as a catalyst for the economic recovery of the whole area and believe it to be a truly transformative regeneration project.

Yours sincerely

John Williams  
Leader, Taunton Deane Borough Council

Anthony Trollope-Bellew  
Leader, West Somerset Council

