Port of Falmouth
Masterplan Executive Summary

June 2011

European Regional Development Fund
Investing in your Future

convergence
for economic transformation

Falmouth Harbour Commissioners

CORNWALL COUNCIL

Falmouth Docks & Engineering Company

PENDENNIS
WORLDCLASS SUPERYACHTS

Contents

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1 Introduction

Introduction

1.1 Tibbalds Planning & Urban Design was appointed to lead a team of consultants to prepare a Masterplan by the Port of Falmouth Development Initiative (PoFDI) in December 2009. In addition to Tibbalds, the team comprises:

- Roger Tym and Partners (RTP), Economic Planning Consultants;
- Drewry Shipping, specialist advisors on port-related economics;
- Buro Happold, Consulting Engineers; and
- Davis Langdon, Cost Consultants.

1.2 Figure 1 shows the study area of the project, and the location of the Docks area, which contains all parts of the study area that lie above the high water mark.

Report Structure

1.3 This report is structured as follows:

Chapter 1 Introduction: This chapter introduces this document, the Masterplan project and the Port of Falmouth.

Chapter 2 Understanding the Port: This chapter provides an overview of the Port today. It summarises:

- existing port operations;
- socio-economic background;
- planning and economic policy context;
- how the Port expects to grow in the future; and
- key spatial issues.

Chapter 3 Options Development and Appraisal: The Masterplan has been developed from a process of testing a range of different options. This chapter summarises this process, so explaining how the final Masterplan has been arrived at.

Chapter 4 The Masterplan: This chapter explains the final Masterplan and sets out details of individual projects.

Chapter 5 Economic Impact Assessment: This chapter sets out the predicted economic impacts of the Masterplan.

Chapter 6 Conclusions and Next Steps: This chapter sets out the Masterplan's key spatial issues, outline design guidance for specific projects, and economic funding and delivery issues.

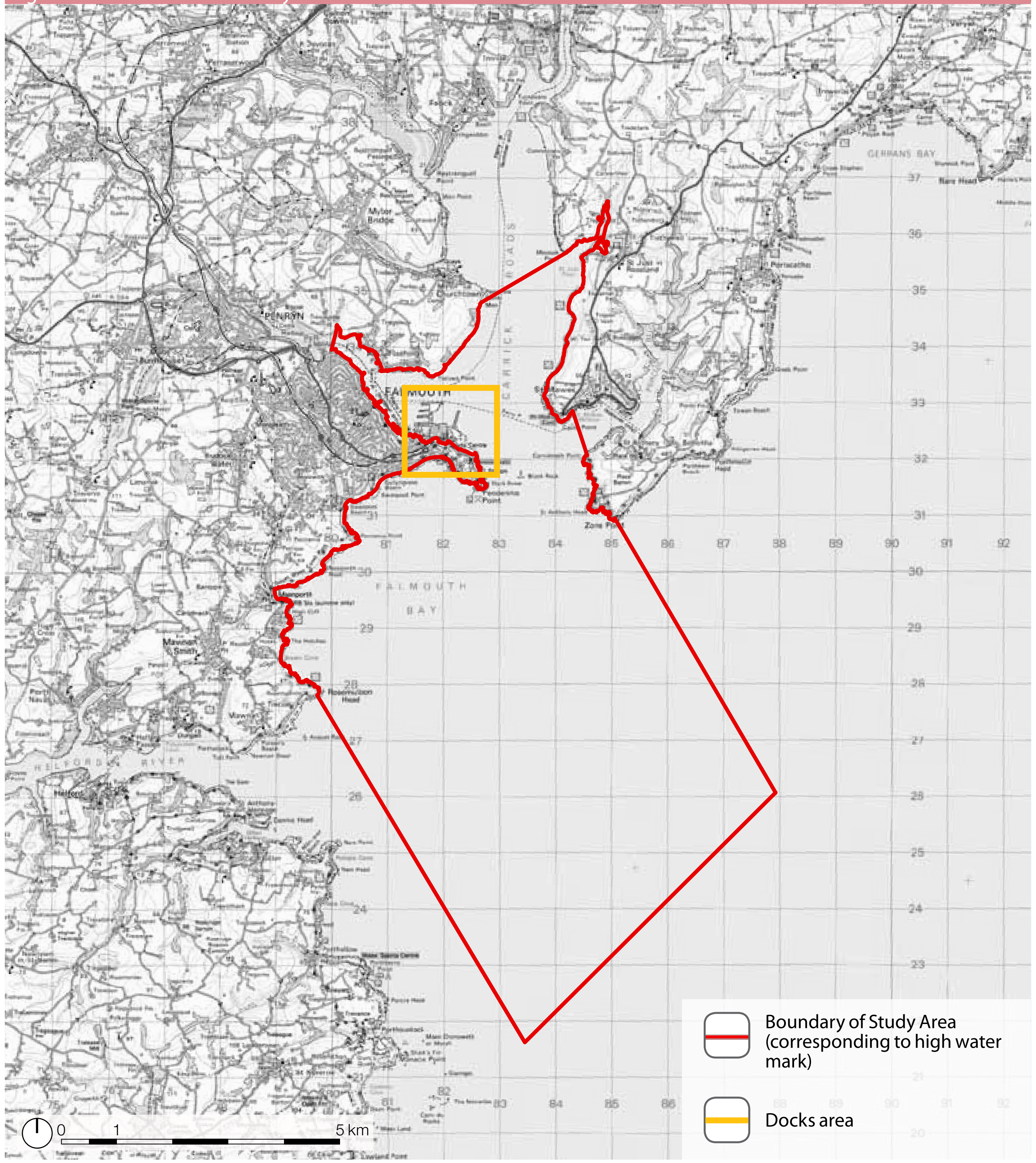
About PoFDI

1.4 The Port of Falmouth Development Initiative (PoFDI) was formed in 2008. It is currently made up of several organisations including:

- A&P Group (A&P);
- Falmouth Docks and Engineering Company (FDEC);
- Falmouth Harbour Commissioners (FHC);
- Cornwall Council (CC);
- Cornwall Development Company (CDC);
- South West of England Regional Development Agency (SW RDA);
- Falmouth Petroleum Ltd (FPL); and
- Pendennis Shipyard (Pendennis Superyachts) (PS).

1.5 The PoFDI partners are jointly committed to testing and developing proposals for the development of the Port which will safeguard and enhance the long-term viability and contributions to the sustainable growth of the economy in Falmouth, Cornwall and the South West. To help guide the development of the Port, PoFDI decided that a Masterplan was needed and commissioned this study.

Figure 1: The Wider Study Area



Why is a Masterplan needed?

1.6 There are many different businesses and public sector organisations involved in the Port of Falmouth. A Masterplan is a way of coordinating all of these different interests, so that everyone works towards a shared vision for the future. This coordination is especially important for deciding on how and when to invest in the Port – this investment includes both private funds and public money, such as EU Convergence funding.

1.7 The Masterplan will set out projects for the short term (that is, the next five years) as well as projects for the longer term, up to 2026.

Masterplanning Principles

Study Brief

1.8 PoFDI's Brief for the Masterplan study set out three key aims:

- Prepare ambitious, viable and deliverable proposals for development of the Port and related initiatives to secure its role in serving the economy of Cornwall. This study will reflect the joint aspirations for the future development of the Port, will build on a wide range of already completed work and will include strategic plans for the medium to long-term with sufficient detail and clarity to secure funding.
- Identify key developments which may be completed within the timescale for ERDF Convergence Programme funding. This is a particular priority.
- Work with and advise PoFDI through a structured programme of forecasting, option testing and refinement of a preferred option.

Strategic Aim and Objectives

1.9 The Strategic Aim for the Port of Falmouth was derived from the aspirations and vision of the key stakeholders on the client Working and Steering Groups. The Strategic Objectives flesh out the Strategic Aim. They are set out below:

Strategic Aim

Falmouth should be maintained and developed as a successful and viable operational Port that is of regional strategic significance and that makes a major and continuing contribution the Cornish economy and the wellbeing of local communities.

Strategic Objectives

- *Retain Falmouth's strategic significance as a deepwater port at the western approach to the English Channel;*
- *Maintain and develop existing port operations and related businesses;*
- *Introduce and support appropriate new functions and businesses;*
- *Ensure that growth is sustainable, with sea, land and infrastructure resources being capable of adaptation to meet changing demands ;*
- *Maintain and create high quality jobs through strong links with the education sector;*
- *Support the wider economy and community;*
- *Support sustainable development and sustainable transport;*
- *Support the development and use of renewable resources and associated technology;*
- *Ensure development contributes to Falmouth's distinctiveness and sense of place and respects its environmental and heritage assets; and*
- *Ensure that the vision is deliverable.*

Area of Study - The Port and The Docks

1.10 This is an economic-led Masterplan, and its principal aim is to deliver new jobs through a programme of investment in and improvements to existing businesses, as well as supporting emerging new business sectors. The focus of the Masterplan is therefore very much on the Docks, which form the economic hub of the study area.

1.11 However, the wider area is not forgotten in this Masterplan:

- the projects at the Docks will bring significant economic benefits for Falmouth, supporting jobs in the wider economy;
- initiatives are identified that will help support development elsewhere in the town; and
- the Falmouth Harbour Commissioners marina is identified as a longer-term project.

2 Understanding The Port

Introduction

2.1 The Port of Falmouth is located within the Fal Estuary, a natural, large, deepwater harbour, located in the southwest of the UK. Falmouth is the westernmost Port of its size on the British mainland, making it a strategic location for ships entering or exiting the English Channel to the Atlantic. This section sets out:

- an overview of current Port businesses;
- a summary of the planning and economic policy context affecting the Port;
- how the Port expects to grow; and
- the key physical issues the Masterplan will need to take into account.

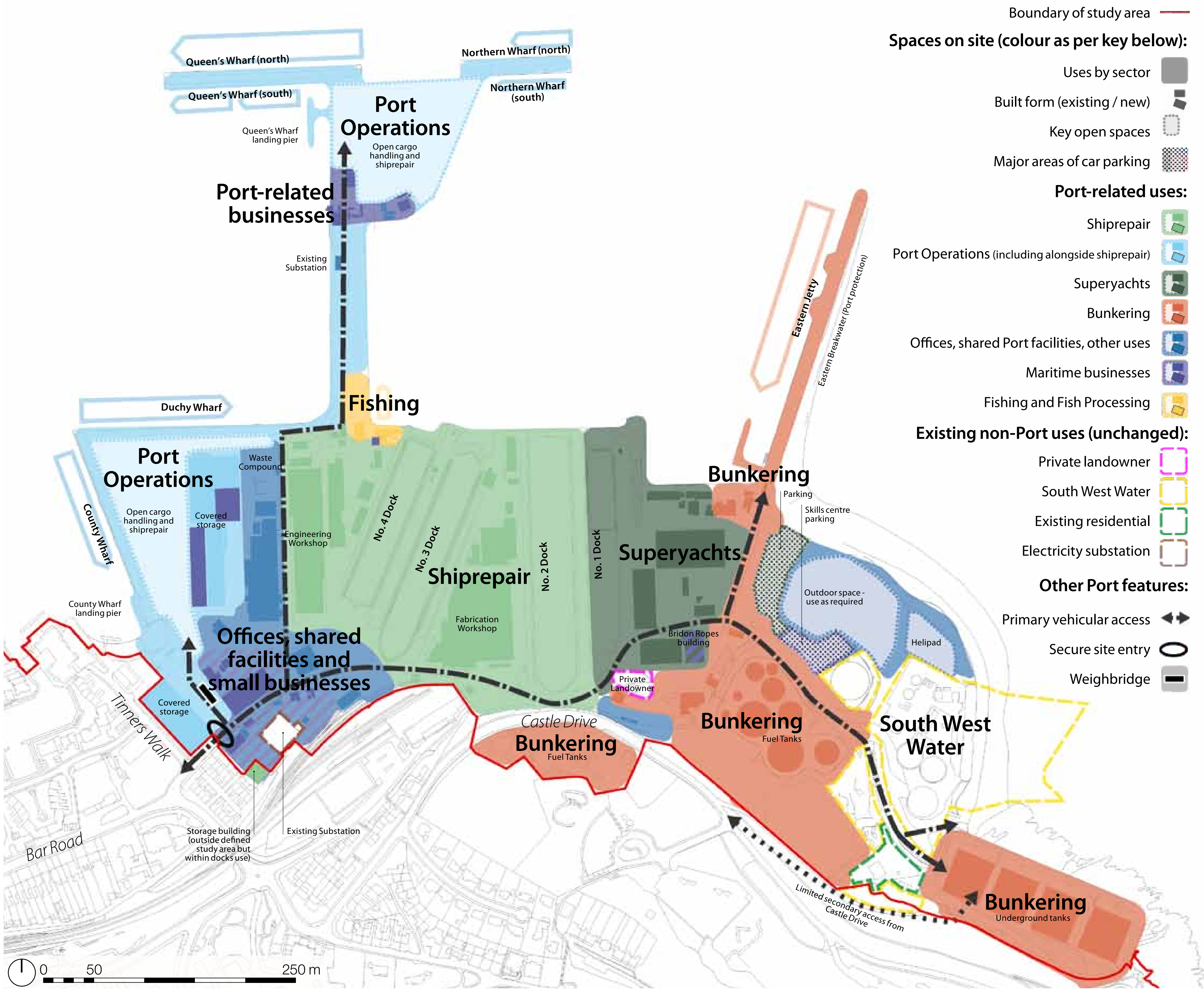
Current Port Businesses

2.2 The main Port activities are centred around the Docks, as shown in Figure 2 and include:

- Shiprepair, operated by A&P Group. This is a very significant part of the Port's economic activity. Contracts include the Royal Fleet Auxiliary and various ferry operators. Major repairs take place within numbers 2, 3 and 4 dry docks, with other repairs being carried out 'alongside' at the Queen's, Northern, County and Duchy Wharves.
- Port Operations - Cargo handling, operated by A&P. The main cargoes handled by the Port are:
  - animal feed, which makes up over 40% of cargo;
  - fertiliser, at just under 40%;
  - glass cullet exports (that is, glass for recycling);
  - a variety of other materials, including stone from local quarries and coal for local domestic use.

  Cargo handling is not expected to grow significantly in the future.
- Port Operations - Cruise ships, which either anchor in the Carrick Roads and tender passengers ashore

Figure 2: Existing land use plan



or - for smaller vessels - berth at one of the wharves, enabling passengers to disembark directly to land. The number of vessels calling at Falmouth varies - in 2000, there were 10 calls; in 2005, 40 calls; and in 2010 there were 26 calls.

- Pendennis Superyachts was founded in 1989, and has grown to a world-class business. It has seen continued growth, and operates from 6.5 acres of land that includes a dry dock (No. 1 Dock). Pendennis Superyachts acquired Devonport Yachts in 2010, so enabling it to enter the market for larger (over 60 metre) Superyachts.
- Bunkering services, operated by Falmouth Petroleum Ltd. Falmouth's strategic position at the 'gateway' to the English Channel from the Atlantic means that it is ideally situated to provide fuel to ships as well as services such as provision of fresh water. The bunkering business is related not only to 'passing trade' but also to ships that call at the Port - e.g. cargo vessels and ships arriving for repair.
- South West Water, which provides sewage treatment for the Falmouth and Penryn areas as a whole.
- A wide variety of smaller businesses including the Falmouth Fishselling Company (FalFish) and a range of companies providing support to the marine industry.

2.3 The Fal Estuary is a major centre for recreational boating with more than 5,500 vessels berthed on permanent facilities. There is an increasing demand for berthing facilities of all types and many facility providers have long waiting lists.

Figure 3: Photographs of existing businesses

Port Operations

A&P Shiprepair

Pendennis Superyachts

Falmouth Petroleum Ltd.

South West Water

Existing marina at Port Pendennis

Planning and economic policy context

2.4 The Port of Falmouth Masterplan will act as a material planning consideration in the determination of future planning and other associated applications at the Docks. It will not authorise permission in itself, but will act as a set of guiding principles in the way applications are assessed.

2.5 The Masterplan will not be a 'stand-alone' plan - it is important that it fits with, responds to and informs other plans for Falmouth, in particular:

- local planning policies;
- the Falmouth & Penryn Community Plan.; and
- the Falmouth and Penryn Strategic Investment Framework;

2.6 The key policies are set out below. These have been important in shaping the final Masterplan, which responds positively to them.

Local Planning Policy

2.7 Until the emerging Local Development Framework for the new Cornwall Council is completed and adopted, the development plan policy framework for Falmouth is provided by the Cornwall Structure Plan, 2004, and the saved policies in the Carrick District Wide Local Plan, 1998.

2.8 These documents contain key polices which support the safeguarding of waterside industrial uses and promote the employment, tourism and leisure potential of the Port. These policies are identified below and are supported by the Masterplan.

The Cornwall Structure Plan 2004

- The economic importance of ports is recognised in Policy 4: Maritime Resources. This requires the safeguarding of waterside sites within the developed coast for uses needing such locations, giving priority to maritime industries. It recognises that there is a need to balance the need for economic development with the conservation of the coastal and marine environment.

- Policies 11 of the Structure Plan promotes economic growth and employment within the main towns where it supports regeneration and benefits are accessible.
- Policy 13 supports development that will enhance opportunities for tourism and recreation in or close to existing towns.

The Carrick District Local Plan, 1998

2.9 The most relevant policies saved by the Secretary of State's direction of September 2007 are Policy 8EE: Waterside Industrial Sites and Policy 10L; Water Related Leisure Activities.

- Policy 8EE states that planning permission will not be granted for development which would result in the loss of existing waterside industrial uses from defined waterfront and Port areas (including the whole of the Falmouth Docks). The policy aims to promote the employment potential of the Port and the supporting text affirms that the Council will support development for Port-related uses within the docks.
- Policy 10L states that marina developments will be permitted in Falmouth-Penryn subject to:
  - provision of safe vehicular access capable of serving the traffic level generated;
  - provision of parking in accordance with Council standards;
  - design that respects a waterfront location in terms of scale and appearance;
  - accessibility by public transport;
  - provision of public launching facilities which do not require public access over private land; and
  - no conflict with the nature conservation interests of the Fal estuary.

The Cornwall Local Development Framework

2.10 The main part of the Local Development Framework (LDF) will be the Core Strategy. There are a number of stages to go through before the Core Strategy can be finalised and adopted by the Council as planning policy. A Core Strategy Options Paper, along with a number of 'Area Based Discussion Papers' have recently been published by Cornwall Council for consultation. Encouraging the growth of the Falmouth Docks is identified as a potential priority in the Area Based Discussion Paper.

2.11 As part of the evidence base for the Core Strategy, Cornwall Council is developing a 'Town Framework Plan' for Falmouth & Penryn. This will provide a vision and spatial strategy for the towns, as well as highlighting existing and future infrastructure requirements.

Community Plan

2.12 The Falmouth & Penryn Community Plan was launched in December 2009. It was prepared by the communities of the two towns, supported but not influenced by the local authorities and other public bodies. The aims of the Plan are to:

- guide and shape the work of Falmouth and Penryn Town Councils;
- set out and prioritise actions for the next five years;
- inform local and regional authorities and government bodies about the communities' wishes and expectations; and
- inform newly-elected Cornwall Council members of the communities' aspirations.

2.13 The key objective relating to the Port within the Community Plan is Objective 4 under Theme 2, which aims to:

> Achieve a vibrant future for the docks as part of a healthy local business infrastructure

2.14 It aims to do this by:

- supporting the Falmouth Harbour Commissioners in order to help achieve their development and diversification plans;
- supporting the plan for Falmouth Docks to include a new passenger terminal for cruise liners, and the dredging of the deep-water channel; and
- supporting Falmouth Docks to diversify its operation into the marina sector, as the yachting and leisure market is a significant, and growing, employer.

2.15 Another key objective is Objective 1 under Theme 3: Leisure, Recreation and Culture, which aims to:

> Maximise the opportunities for leisure and recreation provided by our water-front environment

2.16 It aims to do this by a range of initiatives, including:

- increasing berth capacity for leisure vessels in Falmouth and Penryn whilst limiting developments to existing mooring areas;
- increasing the provision of good quality fully serviced public moorings and marina berths in the Plan area;
- promoting high profile sailing events based in Falmouth;
- promoting improved water quality for areas used for recreation, and enhance and protect areas of environmental value, sites of special scientific interest, and wildlife habitats;
- promoting dry stacking and racking facilities to increase the capacity for vessel storage ashore; and
- safeguarding waterside sites for maritime use.

Strategic Investment Framework (SIF)

2.17 The Falmouth & Penryn SIF was produced by the Cornwall Development Company on behalf of the South West England Regional Development Agency (SW RDA) and published in January 2010. Its purpose is to guide the use of European Regional Development Funds (ERDF) under what is known as 'Priority 4' of the ERDF Convergence Funding Programme. Priority 4 seeks to develop the capacity of Falmouth and Penryn to accommodate new investment critical to the development of a knowledge based and higher value added economy. Projects eligible for funding include developing sites and premises, supporting related new public spaces, local transport infrastructure and investments linked to other ERDF supported projects. Projects must be environmentally sustainable and socially inclusive.

2.18 The SIF notes that some key issues for the marine sector are:

- protecting the range of smaller marine-related businesses along the waterfront;
- enhancing the long term competitiveness of businesses within the main Port area;
- promoting growth in research and specialist marine-related businesses associated with the Port area;
- improving public access to the waterside for marine leisure users; and
- meeting the demand for new marina berths in a sustainable manner.
- In addition, the SIF states that the marine renewables sector is an area of potential growth.

2.19 The SIF recommends that a Masterplan is produced for the Port, and this study is the result of that recommendation. The final Masterplan includes a range of projects, including those that may be suitable for Convergence investment.

How the Port expects to grow

2.20 At the beginning of the Masterplan, the consultant team researched the existing business sectors within the Port area, as well as potential new businesses. This research helped the team understand how the Port could be expected to grow.

2.21 Falmouth Docks represent a unique buoyant business cluster of different sectors. However, the businesses' future is affected by the limited depth of the access channel and a range of other infrastructure issues. A summary of the key sectors is set out below.:

- The shiprepair business is a major asset of Falmouth Port in terms of engineering skills, which have already had an impact on attracting the wave energy related projects and wave energy device developers. However, A&P is missing out on potential to tender for RFA contracts for larger vessels, which require deep water access for their larger vessels. These lost opportunities will increase as vessel sizes in most of the sectors increase.
- The bunkering sector is buoyant due to the favourable position of the Port in terms of EU fuel regulations, which mean that ships must take on cleaner fuel to access the English Channel. The prospects are positive even without dredging, however the business could increase the efficiency by accessing some markets like Brazil if larger tankers could enter the Port. Larger vessels brought in by all other Docks' sectors (cruise market and shiprepair) would benefit bunkering.
- The yacht building and refit sector is one of the major employers at the Docks and is a high value added business. This sector also has an impact on the image of Falmouth as a destination and will impact on the town's ability to continue attracting marine related events.
- The growth of the cruise market will be increasingly constrained by the channel depth due to the increasing size of cruise vessels in the long-term. However, the niche markets served by smaller vessels will continue to steadily grow.
- Cargo supports cost-effective ways of delivering goods like animal feed, fertilisers, and coal to Cornwall. However the growth in cargo is projected to be mostly zero or declining.
- There is an enormous long-term opportunity from the emerging wave energy sector that Falmouth Docks are well positioned to capture. Whilst growth will be slow until 2020 the sector may take off after delivering many large scale wave projects once the commercialisation stage is reached.
- The development of a marina will provide a good short, medium, and long term value as the demand for berths in the Falmouth and Penryn areas is very high.
- Modern hi-tech employment space is also in demand - however, this may be satisfied in locations outside of the Port area. There is some demand, however, for business space from marine-related sectors, including A&P itself.
- There is a demand for hotel space, especially from the commercial users of the Port.
- Annual events are key to supporting the tourism economy.

2.22 This positive baseline position may lead to a conclusion that investment in the future is not critical. However, what is also clear from the forecast scenarios is that the Port has already been losing out on some business associated with larger vessels, will continue to lose out more and its strong competitive position may be undermined in the long-term.

Key spatial issues

2.23 Figure 4 shows a summary of the key strategic spatial opportunities and constraints within the Docks, and these are summarised below.

Fal and Helford Special Area for Conservation (SAC)

2.24 Large parts of the Fal and Helford Estuaries are designated as a Special Area for Conservation (SAC) under the UK Habitats Regulations. This imposes strict criteria in relation to developments and requires plans to be "appropriately assessed" to determine if they will result in an adverse affect on the integrity of the SAC.

Dredging

2.25 The existing channel into Falmouth Docks has a minimum depth of 5.1m below chart datum which is a significant constraint on the size of vessels that can use it. Whilst vessels of a greater draft can use the channel according to the height of tide available at the time of use, this allows a typical maximum vessel draft of 8m at neap tides and 9.5m on spring tides.

2.26 The existing minimum channel depth and width is slowly reducing due to siltation. There is a general trend towards increasing vessels size, therefore dredging is required to safeguard the existing Port functions as well as developing businesses requiring use of the Port by larger vessels.

2.27 Capital dredging requires a Food and Environment Protection Act (FEPA) license and associated ministerial consent. An Environmental Impact Assessment was required to support the FEPA application in order to comply with the relevant European Directive. Royal Haskoning were commissioned to undertake a scoping study which was submitted in 2006. The scope of the EIA was approved by the Marine and Fisheries Agency and Royal Haskoning were subsequently commissioned to undertake this work in 2007. The Environmental Statement was completed in July 2009. It included details of a proposal for relaying maerl as a mitigation scheme to offset adverse environmental effects of the proposal. There was ongoing consultation with relevant interest groups and authorities during the development of the EIA.'

2.28 An application for a license to dredge a new navigation channel has been submitted jointly by Falmouth Harbour Commissioners and A & P Falmouth. Prior to the application being determined, it was necessary to undertake an Appropriate Assessment under the Habitats Regulations as the area has been designated a Special Area for Conservation (SAC). The Marine Management Organisation recently announced a negative Appropriate Assessment decision for the dredging element of the proposal. The applicants are working to address this issue, which requires to be resolved before the license applications can be determined.

Ammonium Nitrate storage

2.29 A licence to store Ammonium Nitrate at the docks is held by the Falmouth Docks and Engineering Company (FDEC), a sister company of A&P Group. The storage is part of WF Fertiliser's import business with AN being used for mixing fertiliser that is supplied to Cornish farmers. As a result of this storage, the Health and Safety Executive is opposing certain types of new development, such as large scale residential and employment uses for more than 100 employees, within an exclusion zone that extends over most of the Docks and outside towards Grove Place Car Park.

2.30 The Masterplan is based on the assumption that the Ammonium Nitrate business is appropriately managed in a way that allows development to take place.

Contamination

2.31 Falmouth Docks and the surrounding seabed are known to have areas of historical contamination that require consideration when undertaking dredging and/or construction works. The proposals for the new navigation channel have allowed for this and significant consultation has been undertaken to agree the options available.

2.32 On-site historical contamination is known to exist although the degree and extent has not been fully quantified. A full review of desk study and ground investigation data is required in order to identify data gaps and to bring site information and assessment of risks to human health and the environment up to date.

2.33 Planning Policy 23: Planning and Pollution Control (PPS23) is the national planning guidance for development on contaminated land. A key provision of this guidance is that the land is made suitable for its proposed new use.

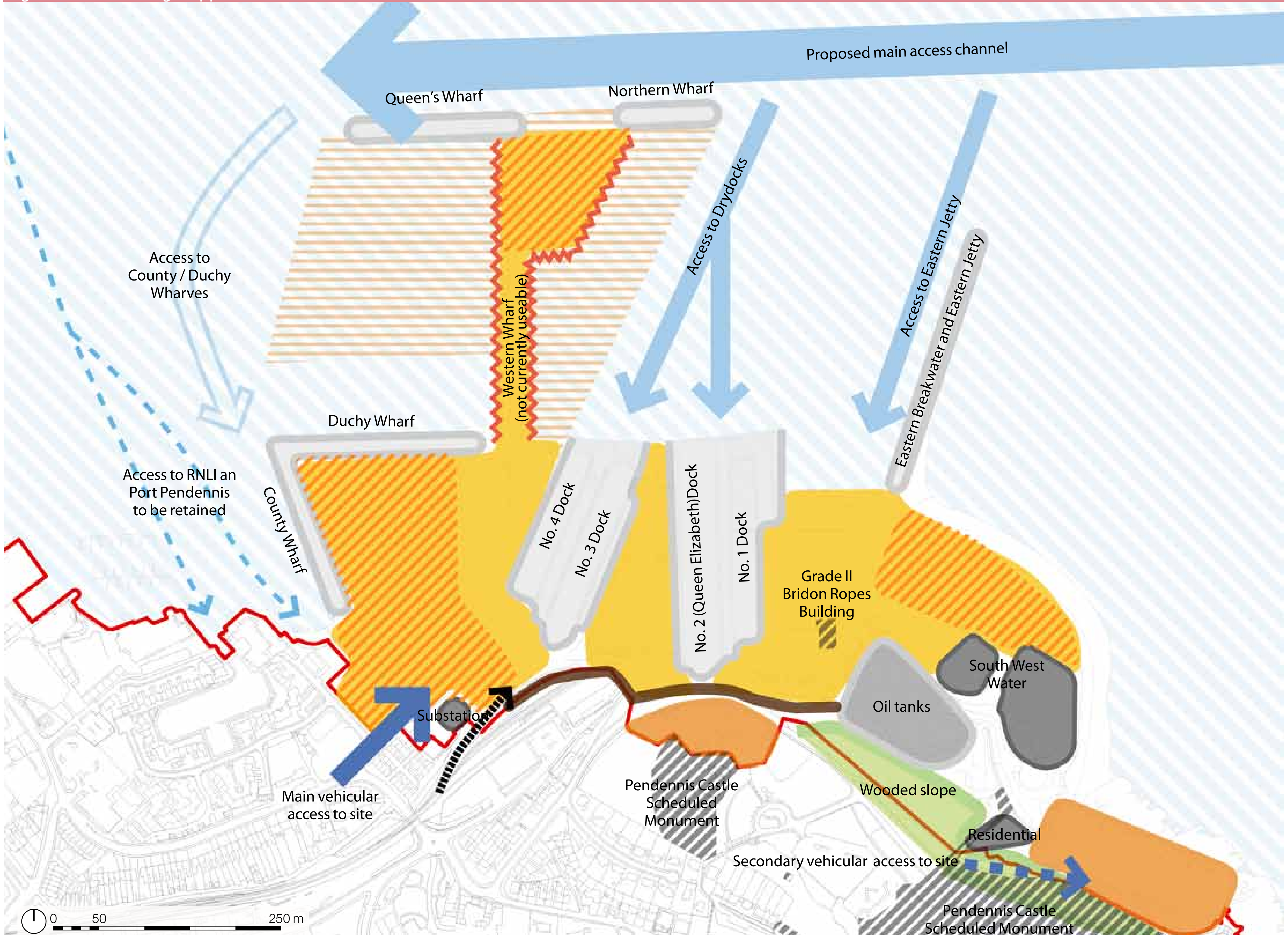
2.34 Heritage

Key heritage assets that may affect development of the Docks site include the following:

- the Bridon Ropes Building within the Docks, which is Grade II listed;
- the nearby Pendennis Castle, which is a Scheduled Monument. Part of the eastern arm of the Civil War hornworks (within the Scheduled Monument) extends into the Docks Area;
- the Falmouth Conservation Area, which includes most of the town, but excludes the Docks;
- other Grade II and Grade II* listed buildings within the town;
- undesignated heritage assets within the Docks themselves, which may include the breakwaters themselves, the four dry docks and the underground fuel tanks at Middle Point.

2.35 Any major redevelopment proposals that may adversely affect the evidential, historic, aesthetic or communal value of heritage assets will need to be subject to appropriate assessment.

Figure 4: Strategic Opportunities and Constraints



Study area boundary

Likely fixes

- Major docks, cranes, jetties, breakwater and related infrastructure
- Oil Tanks
- Other non-port uses likely to be retained on site

Other key constraints

- Fal and Helford Special Area for Conservation
- Cliff
- Environmentally Sensitive Wooded Slope
- Heritage constraints

Access

- Opportunities for enhanced waterway access through dredging
- Other major waterway access
- Offsite waterway access to be retained
- Road access to site
- Rail access to site

Development opportunities

- Opportunities for reconfiguration and consolidation of existing uses
- "Soft" areas, with potential for new uses within reconfigured area
- Underutilised waterside infrastructure with potential for improvement
- Waterside with opportunity for additional uses
- Tank sites with uncertain future

3 Options Development and Appraisal

The four options

3.1 Working with PoFDI stakeholders, the Masterplanning team devised the a range of options that were then narrowed down to the four options shown opposite. These encompass the wide range of scenarios and projects and provide sufficient diversity for a robust assessment of the alternatives.

Option A

Aims

- A reference case to compare other options against.
- To investigate the likely loss of existing infrastructure in the future and hence the viability of existing businesses without significant investment.

Summary of key changes to Port

- Port to continue as existing (including Ammonium Nitrate bulk import, storage, mixing and bagging), with investment only in essential maintenance of existing facilities for health and safety purposes.
- No dredging.

Option B

Aims

- Maximising Port uses without dredging.
- Investigating the possibility of a limited amount of Port land being redeveloped for alternative uses.

Summary of key changes to Port

- No dredging.
- New marina as per planning application.
- Bunkering to continue with proposed upgrade of fuel tanks.
- County and Duchy wharves replaced at end of lifespan. Western wharf reinstated with little buildout. Northern Wharf refurbished and extended to join Queen's Wharf. Additional dolphin also increases potential berthing.
- Superyachts to occupy No. 4 Dock and adjacent land.
- Fabrication workshop facilities reserved for potential marine renewables uses in longer term.
- A&P offices also consolidated.
- Port related businesses consolidated and located to SW. This area may be retained for Port-related businesses only (permitted development), or developed as mixed use.
- Multi-storey carpark (approx 200 vehicles).
- Castle Drive site, detached from adjacent site, is developed for residential uses.
- Middle Point site is developed for Port-related uses.

Option C

Aims

- A 'high investment' scenario, maximising the potential of all usable spaces for Port uses.
- Investigating the maximum benefit that dredging might bring to deepwater uses, such as the cruise sector, cargo shipping, and shiprepairs, without any non-Port uses being introduced.

Summary of key changes to Port

- Dredging of the approach channel and adjacent to Queen's / Northern wharves. Potential dredging to other wharves and graving docks.
- New Western Wharf constructed, including new crane, to maximum size to increase working land within the Port. Queen's and Northern Wharves combined into a single, larger wharf facility, capable of berthing panamax ships. A cruise quay terminal building and port control tower are also provided.
- A 290 berth Marina will be created on site.
- Port related businesses consolidated and located to SW, some outside of entrance to Port.
- A&P offices also consolidated.
- New multi-storey carpark provided on site, with secondary access from Castle Drive.
- Castle Drive site used for additional parking for port employees.
- Middle Point site developed for port related businesses if viable.
- Space reserved for marine renewables fabrication longer term.
- Superyacht shipyard expands northwards, with infill of existing waterside and new 80m berth.
- Floating drydock alongside Duchy Wharf.

Option D

Aims

- To investigate the potential of using residential / mixed-use areas to cross-fund investment in the Port.
- To investigate the effects that a reduced site area may have on Port uses.
- Consolidating cargo operations to a single area, on an extended Western Breakwater and Wharf. A logical block of County and Duchy wharves (at the end of their lifespan) are given over to mixed uses (including residential and marina), with public realm along the waterfront.

Summary of key changes to Port

- Dredging of the approach channel and adjacent to Queen's / Northern wharves. Potential dredging to other wharves and graving docks.
- Enlarged marina, for approximately 600 berths, with multistorey carpark provided.
- Large, mixed use development at the entrance to the Docks and between the former County and Duchy wharves. Uses will include residential, live/work, hotel, office accommodation and premises for Falmouth Marine School.
- Cargo and cruise consolidated to north of site (around enlarged Queen's / Northern Wharves, and new Western Wharf).
- Superyacht business expands eastwards and 2 new 15x75m drydocks are constructed within the existing waterside area.
- No. 4 dock and adjacent land identified as flexible space for use by ship building, superyachts, or renewables as appropriate.
- New multi-storey carpark provided for Port uses on site.
- Castle Drive and Middle Point sites developed for residential uses.

Option Appraisal & Recommendations

3.2 An appraisal of the options was carried out which included:

- an economic impact assessment;
- an outline appraisal of sustainability issues and impacts; and
- an urban design and planning appraisal.

3.3 A consultation workshop was also held with key stakeholders to discuss and debate the options.

Economic Impact Assessment

3.4 The Economic Impact Assessment of the options measured the options in terms of the jobs they created and the value to the local economy generated by these jobs.

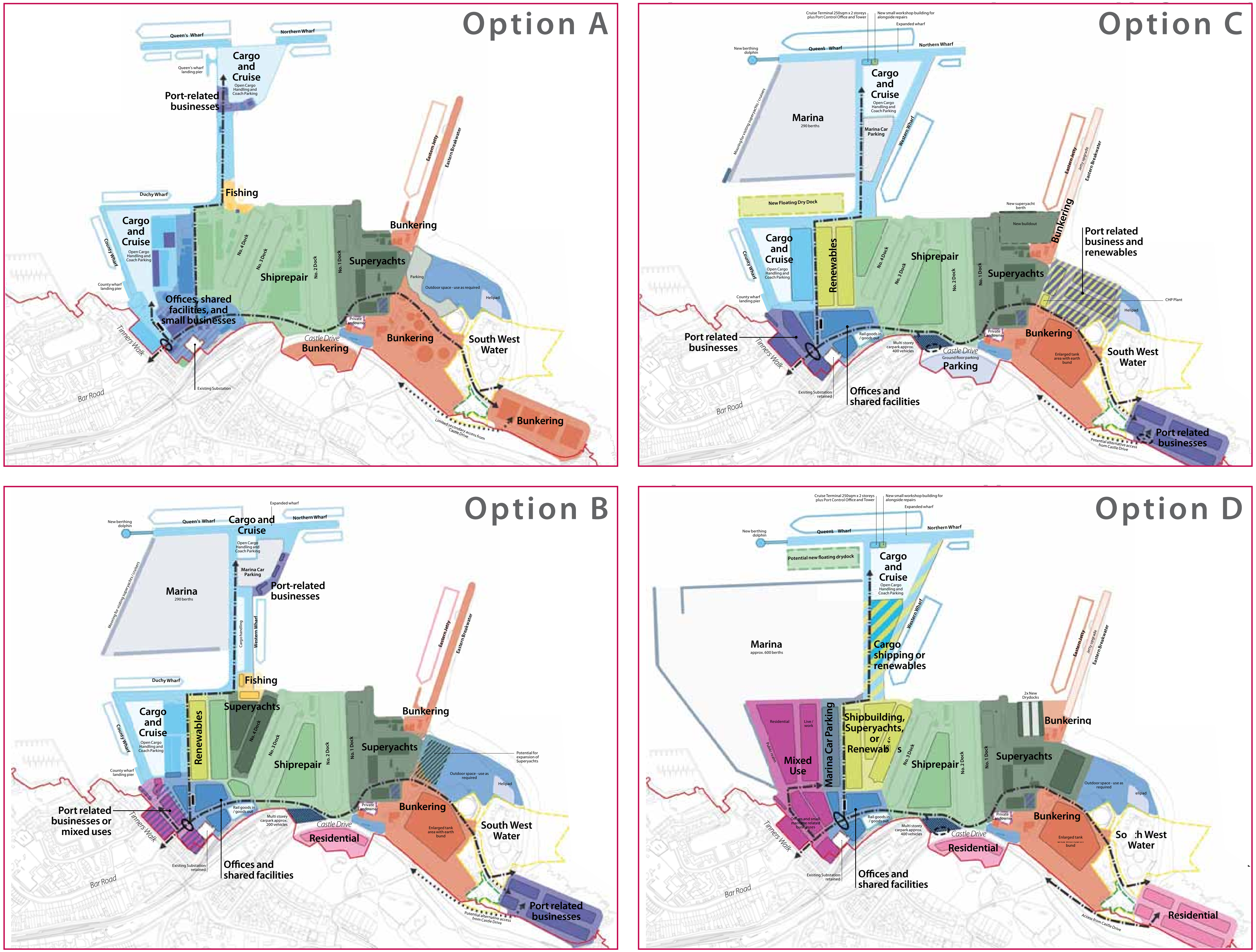
3.5 The overall outcome of this work was that Option D delivered higher levels of benefit when compared to the other options, followed by Option C. The analysis of individual sectors and projects within the options showed that the two key elements of Option D that contributed to its success were:

- the expansion of Superyacht facilities, with the investment in two small new drydocks; and
- the enlarged marina, with its corresponding ability to support jobs in the wider economy, especially those related to events.

3.6 Option C performed only slightly worse than Option D, despite not including these facilities. Key elements of Option C that contributed to its success included the retention and expansion of facilities for existing sectors such as Cargo and Shiprepair (where Option D saw these lost to other sectors).

3.7 Option B created modest economic growth (however not to the scale of Options C and D), whilst Option A resulted in a loss of jobs in the long term.

Figure 5: The four appraised options



Principal Port uses:

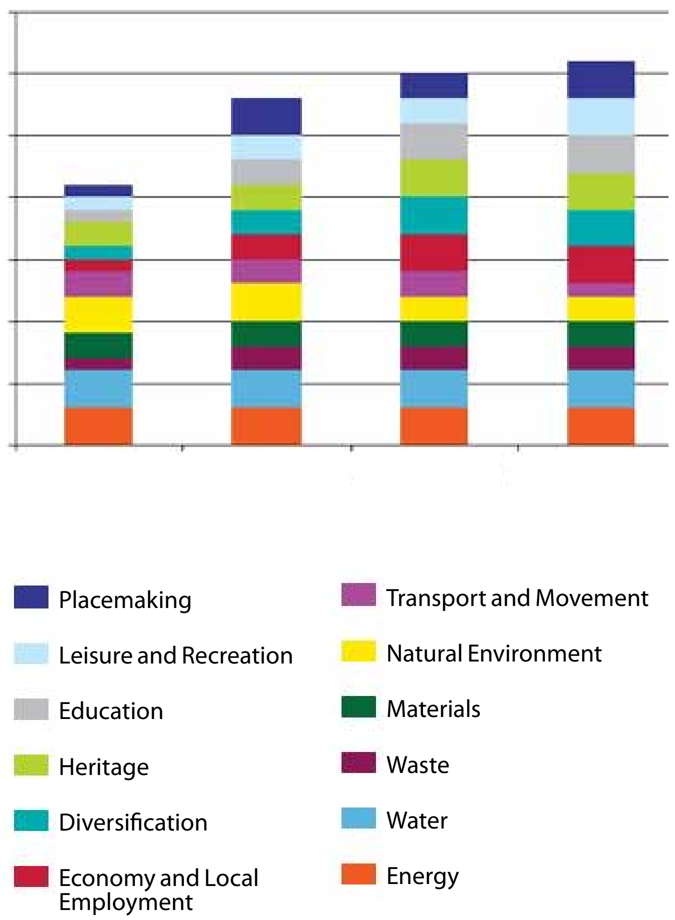
- Shiprepair
- Port Operations (including alongside shiprepair)
- Superyachts
- Bunkering
- Offices, shared port facilities, other uses
- Maritime businesses
- Marina
- Renewables
- Gateway development (mixed use)

Outline Sustainability Appraisal

3.8 The outline sustainability appraisal was structured around a series of environmental, economic and social criteria that were based around the headings provided in the South-West Sustainability Checklist. These included Energy/CO2, Water, Materials, Waste, Natural Environment, Transport and Movement, Economy and Local Employment, Divsersification, Heritage, Education, Leisure and Recreation and Placemaking.

3.9 The results of the initial sustainability appraisal for Options A-D (set out in Figure 6) show that failure to invest in the Docks at this stage (Option A) represents the least sustainable option.

Figure 6: Initial Masterplan sustainability options appraisal



3.10 Options C and D score similarly as they represent the best economic, social and environmental opportunity for the Port of Falmouth. Whilst they score less well under the natural environment criterion due to the increased short-term risks to the marine environment associated with the dredging activities, it is assumed that these risks can be sufficiently mitigated providing the measures proposed in the EIA are fully undertaken.

3.11 The scores used to illustrate the performance of each option against the sustainability criteria have not been adjusted to reflect the relative importance of each criterion to PoFDI. Assuming weighting were to be applied, it is anticipated that Options C and D would stand out even more against the other two remaining options.

Urban Design and Planning Appraisal

3.12 An 'objective achievement matrix' was developed for the options. This matrix was based around the ten strategic objectives for development of the Port of Falmouth (see Chapter 1 of this Document) broken down into a set of more specific sub-objectives derived directly from planning policies.

3.13 Key outcomes of the urban design and planning appraisal included the following:

- Options C and D scored significantly higher than A and B. This reinforced the importance of dredging a deep water access channel to the Docks to secure a successful and sustainable future for the Port of Falmouth.
- Option C appears overall the most effective in meeting the strategic objectives, however it did not perform well in relation to environmental and heritage protection (due to potential harms to the SAC because of dredging and also to the Scheduled Monument because of a major road access upgrade to Middle Point) and educational opportunities (where Options B and D performed better). Both these shortcomings in Option C could be rectified.
- Option D performs the best in terms of supporting the wider economy and community because it would result in the highest number of jobs being created. This is largely due to providing for significant expansion in the Superyacht-building sector. The dry dock and land-side facilities that enable this to happen could, however, be incorporated in a variation of Option C.
- Option D, however, performs poorly in terms of retaining the long-term strategic significance of the Port (due to permanent loss of wharves and operational land), environmental protection (due to potential harms to the SAC as in Option C and also a loss of distinctiveness in the docks that the development of mixed-use development would give rise to) and deliverability (due to the potential difficulties in gaining planning permissions for residential and commercial uses on port land, as well as environmental consents for dredging and additional marina operations).

3.14 The appraisal identifies a tension that exists between policy objectives for economic development and sustainable Port growth on the one hand and environmental protection on the other. The appraisal suggests that providing a deep water access channel to the Docks is vital to the long term sustainability of the Docks as the economic engine of the Port of Falmouth, and that the role of mitigation measures to eliminate or minimise adverse environmental impact will be of paramount importance.

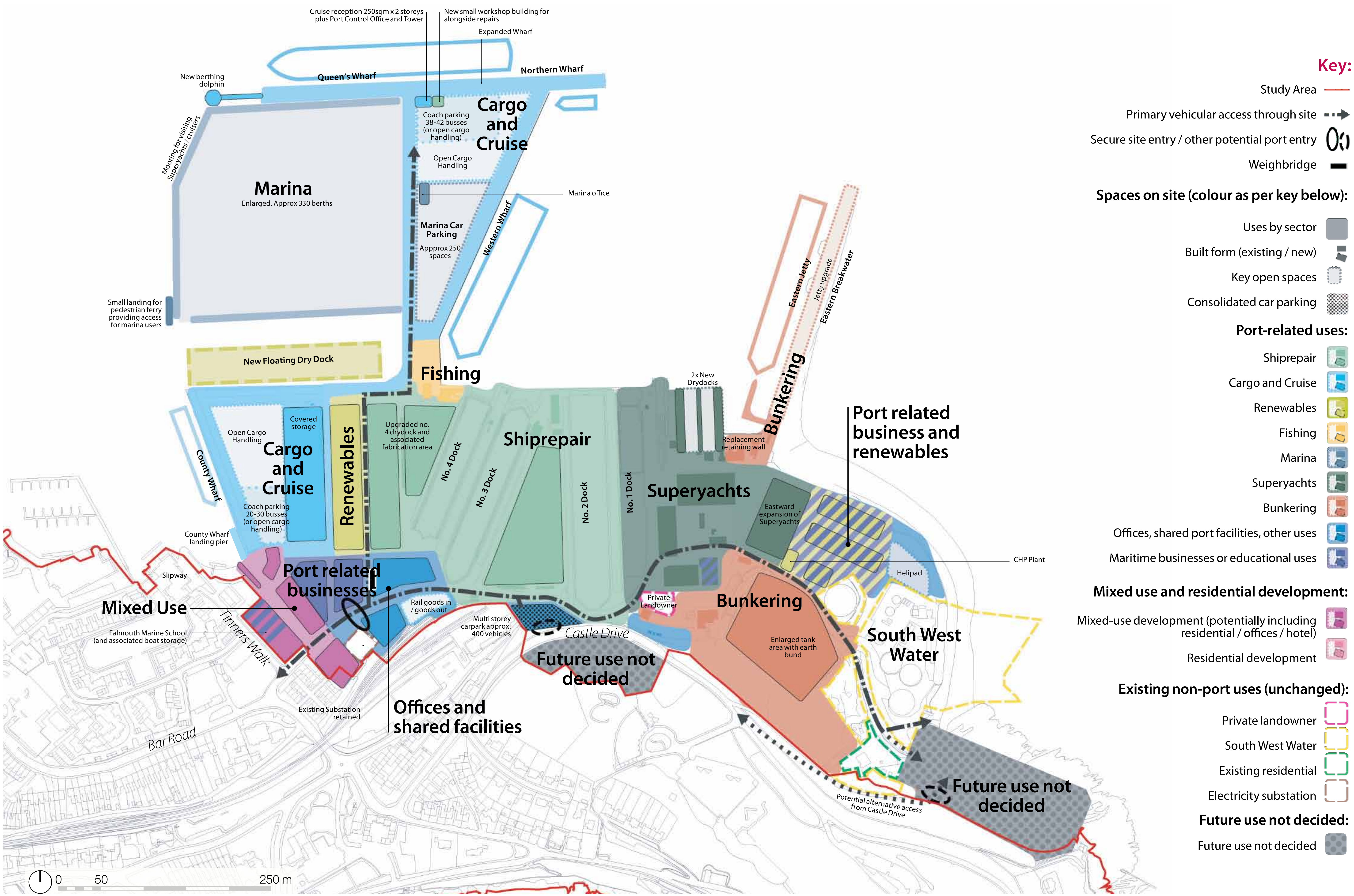
Recommendations

3.15 The process of appraising the options from four different viewpoints allowed the consultant team to make recommendations for the final Masterplan. These recommendations brought together the best elements of the options, and included:

- Dredging: Deep water access for larger ships via a dredged channel is essential for the long term future of the Port.
- Shiprepair: Retain the capacity of all three dry docks for shiprepair.
- Wharves and Dockside Areas: Avoid losing Duchy and County Wharves for as long as possible, preferably not at all.
- Western Wharf: maximum build out is recommended.
- Wharves and Dockside Areas: Consolidate traditional shiprepair fabrication in new facilities between No 2 and 3 dry docks.
- Superyachts: Provide a pair of dry docks east of the existing Pendennis Shipyard.
- Superyachts: Provide for an additional fabrication shed to the east (on western end of former tip).
- Superyachts: Provide for additional office space so that more of the Bridon Ropes building can be used for an expanded marine skills training centre.
- Bunkering: Redevelop facilities to cater for low flash slops.
- Bunkering: Refurbish the oil jetty.
- Marina: Allow for an expanded visitor yacht haven in the inner harbour (80+ berths).
- Marina: Investigate the potential to increase in size of the permitted 290 berth marina without cutting off Duchy and County Wharves.

3.16 These recommendations led to a fifth option, Option E, which is shown opposite. This was a midway step between the four options and the final Masterplan. The economic appraisal of all five options helped to confirm that Option E was heading in the right direction.

Figure 7: 'Option E'



3.17 All of the Masterplan options will generate an impact on the economy of Falmouth and the wider economy of Cornwall. The purpose of the economic impact assessment is to measure the comparative impact of each of these options as part of the process of selecting the options that best meets the overall objectives of the Port of Falmouth Masterplan. These economic impacts are best measured in terms of the jobs they create and the value to the local economy generated by these jobs.

3.18 The two principal measures used for the assessment of economic impact are therefore:

- Jobs – expressed as full-time equivalent (FTE) jobs. This adjusts for the fact that a full time job will be worth more than a part-time job.
- GVA – Gross Value Added (GVA) is the standard measure of economic output and accounts for the fact that some jobs will create more value than others.

3.19 Table 1 opposite sets out the jobs and GVA for each of the five options. In summary, this shows:

3.20 Option E delivers a higher level of benefit compared to all options with an additional 4,763 jobs and £233m GVA over and above the 'Do Nothing' reference case.

3.21 Whilst Option D appears to perform reasonably well, it does not meet the Masterplan objectives of keeping the Docks in long-term Port-related use. Option E not only performs much better economically, it also performs significantly more strongly in relation to meeting aspirations for the future of the Port.

3.22 Following the development of 'Option E', the Masterplanning team worked with stakeholders to develop their aspirations for the final Masterplan. This work culminated in the development of a 'draft final Masterplan' for public consultation. This final Masterplan is explained in Section 4.

Table 1: Net additional FTE jobs and GVA in 2015 and 2030 (2030 achieved benefits minus 'Do Nothing')

	FTE jobs			GVA		
	Docks' businesses	Wider economic benefits	Total	Docks' businesses	Wider economic benefits	Total
2015						
Option B - Do More	604	38	642	£29.71m	£1.23m	£30.94m
Option C - PoFDI Priorities Plus: emphasis on shiprepair	1,071	45	1,115	£52.25m	£1.41m	£53.66m
Option D - Maximise mixed-use opportunities	1,115	68	1,183	£54.51m	£4.47m	£58.98m
Option E	1,577	45	1,622	£76.76m	£1.43m	£78.20m
2030						
Option B - Do More	1,788	270	2,057	£87.10m	£17.14m	£104.24m
Option C - PoFDI Priorities Plus: emphasis on shiprepair	3,345	324	3,669	£161.83m	£18.52m	£180.35m
Option D - Maximise mixed-use opportunities	3,667	394	4,061	£177.37m	£21.88m	£199.25m
Option E	4,438	325	4,763	£214.74m	£18.54m	£233.28m

4 The Masterplan Proposal

Introduction

4.1 This section sets out the Masterplan for the Port of Falmouth. The plans shown in Figure 9 and Figure 10 are set out by business sector, so that they can easily be compared to the existing plan set out in Figure 2.

4.2 The Masterplan was the subject of a public consultation event was held between the 17th of March 2011 and the 14th of April 2011. This included an exhibition and the opportunity for stakeholders to feed back comments. A 'Statement of Community Involvement' (SCI) has been produced which sets out all of the consultation that has taken place to inform the Masterplan.

4.3 The vast majority of the feedback was very positive and generally comments received were supportive of the Masterplan. Very few of the comments were critical of the spatial layout of the Masterplan, and thus the Final Masterplan is the same spatial layout as that used for consultation.

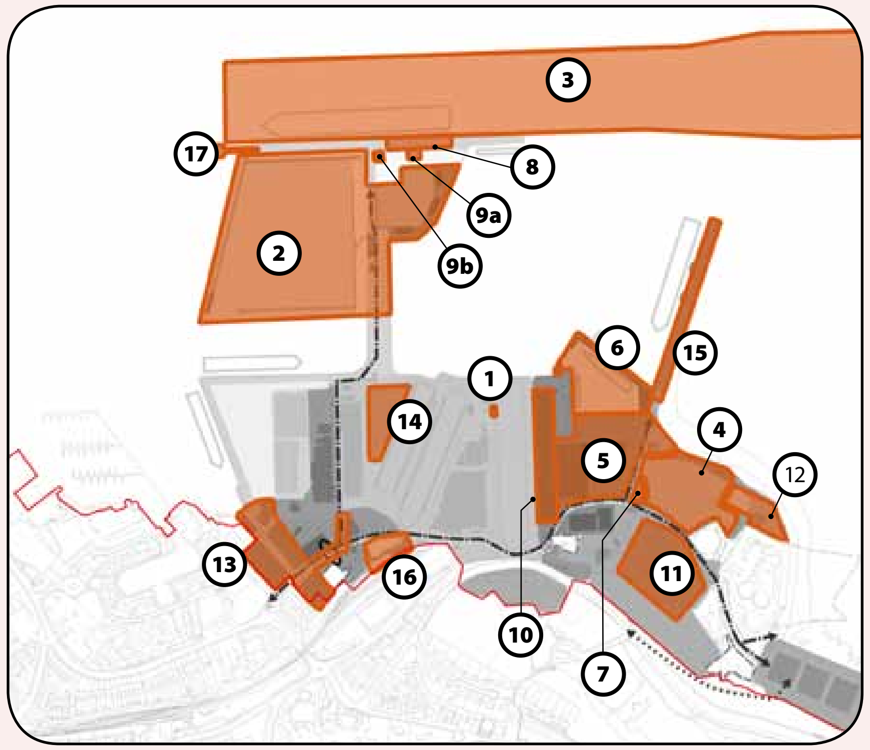
4.4 However, there were a number of key points arising from the consultation that have influenced the Masterplan, and it has been amended to provide, for example, greater background detail on dredging.

4.5 The Masterplan has been divided into two groups of projects. These are:

- Phase 1, which sets out projects intended to be completed by 2015; and
- Potential Future Projects, which set out a range of possibilities for the future following the implementation of Phase 1.

Figure 8: The Masterplan Summary of Projects

Summary of Projects - Phase 1:



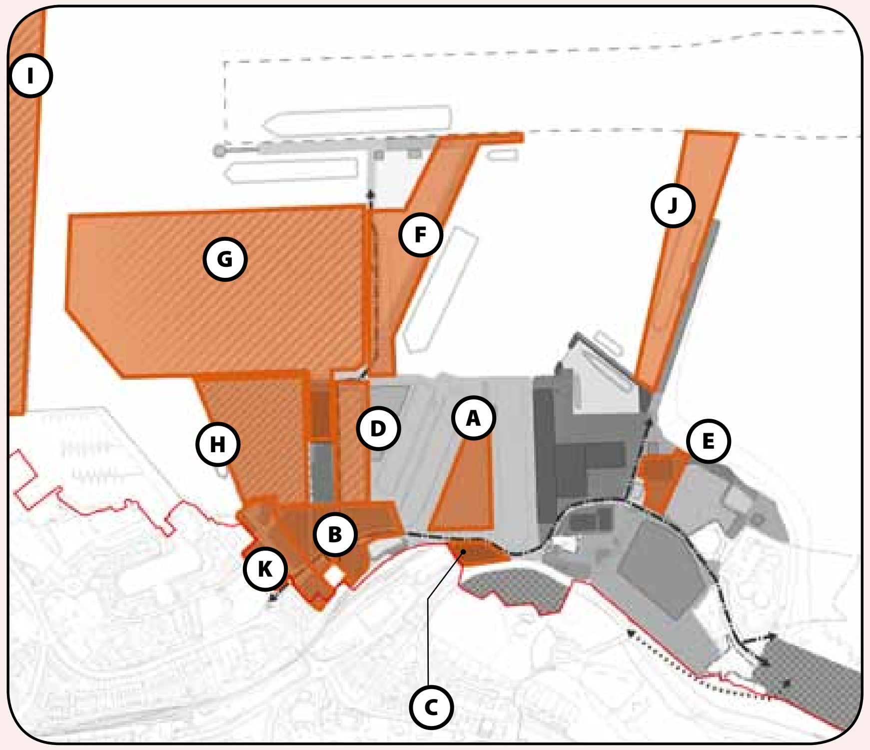
1. New crane adjacent to No. 2 Dock
2. Marina - 290 Berths including car park
3. Dredging of the main channel and deep water berth
4. Remediation, capping and car park over former landfill site
5. Superyacht workshops and bunkering offices
6. Superyacht dock basin and new pier
7. Combined Heat and Power (CHP) plant and docks heat main
8. Queen's / Northern Wharf infill / extension

9a. Port control offices

9b. Small workshop on Queen's Wharf

10. Enlarged workshop facilities at No. 1 Dock
11. Upgrade of fuel tanks
12. New low flash slops facility (including relocation of helipad if required)
13. Gateway Development (Stage 1) including relocation of Port weighbridge and Port health building / facility
14. New shiprepair workshops (Stage 1)
15. Refurbish Eastern Jetty and Breakwater
16. Sustainable transport package, rail and road upgrades - including pedestrian access from rail station, main access road upgrade and other improvements not shown on plan
17. Installation of berthing dolphin - Queen's Wharf

Summary of Projects - Potential Future Projects:



A. New shiprepair workshops (Stage 2)

B. Port related business and operations units

C. Cliff-face multi-storey car park

D. Multi-use shiprepair and renewables workshops

E. New superyacht workshops

F. Western Wharf load-out (potentially phased)

G. Enlarged and relocated marina (sizing subject to detailed design work) and consolidated marina car parking

H. County / Duchy wharf area. Future Port use undecided. Access will be affected by any enlargements to the marina

I. Potential expansion of Falmouth Harbour Commissioners Marina

J. Dredging of Eastern Jetty pocket for bunkering

K. Gateway Development (Stage 2)

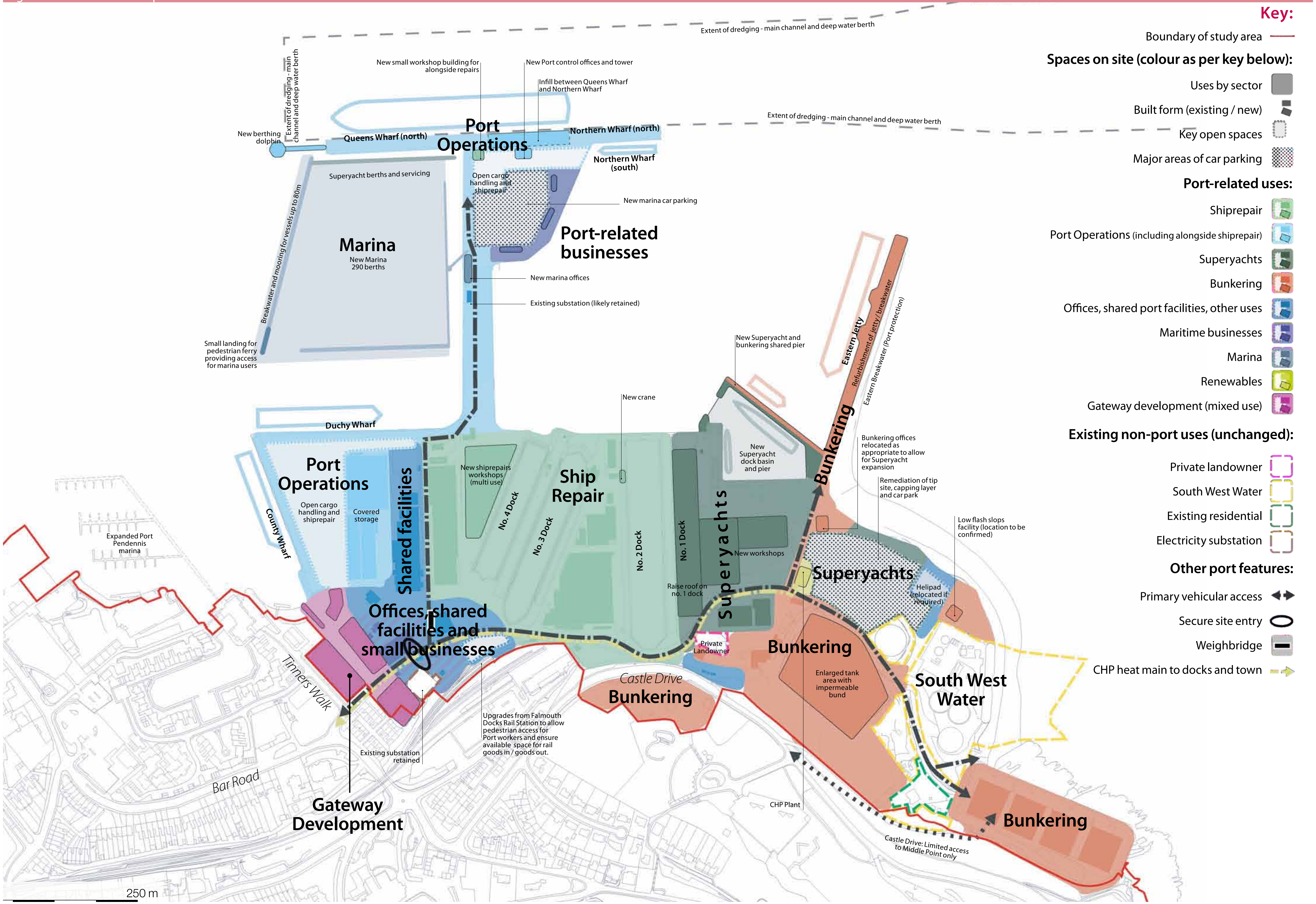


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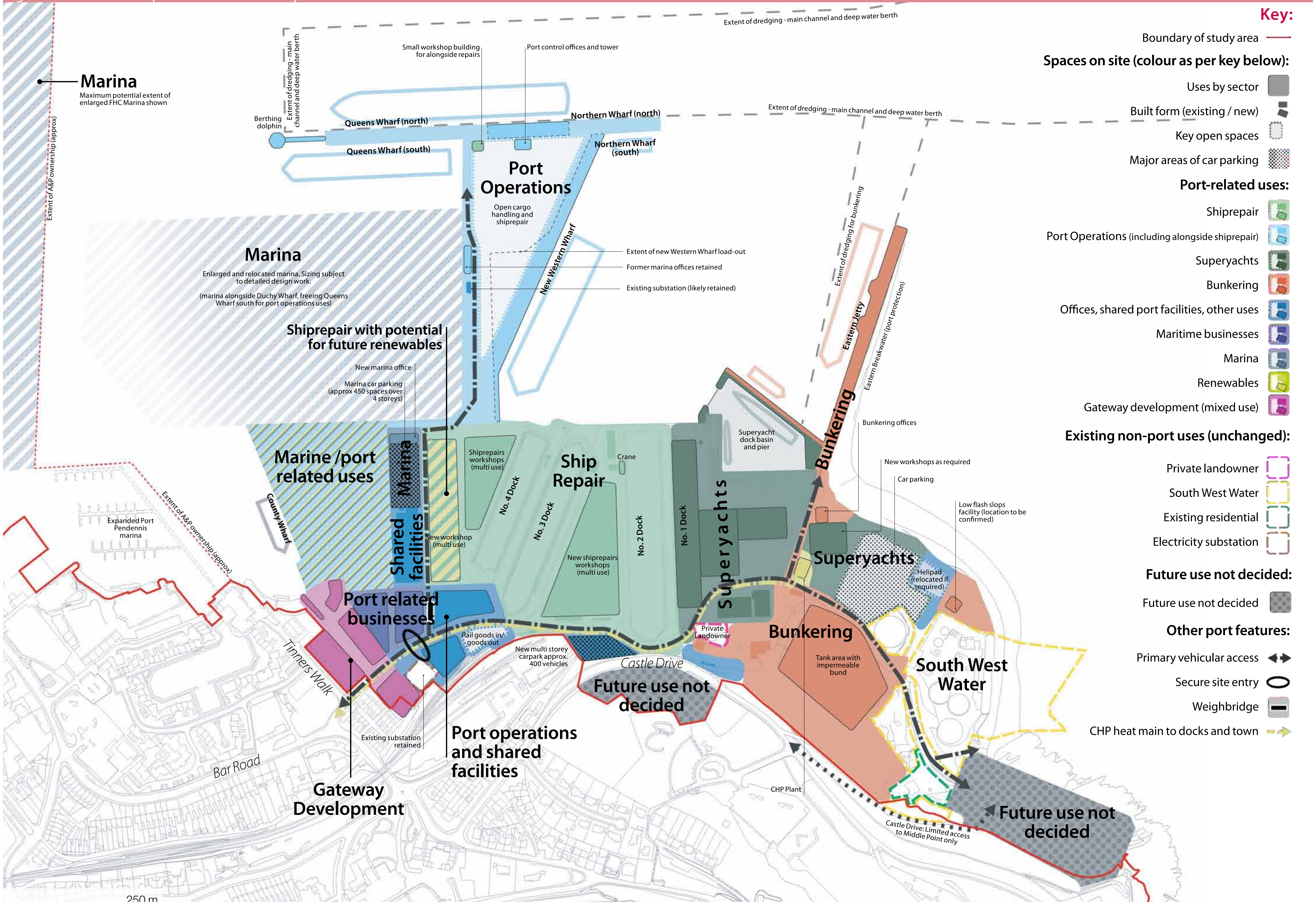
Figure 10: The Masterplan Potential Future Projects



Masterplan employment impacts

5.1 In this section we provide:

- an overview of the jobs created as a result of the Phase 1 Masterplan and as a result of the potential future projects.; and
- an overview of GVA for Phase 1 and potential future projects.

5.2 The Masterplan employment impacts are detailed below in Table 2 below. It shows impacts until 2015 as required by the ERDF funding application timeframe and beyond 2015. Phase I projects will lead to additional investment into Potential Future Projects that would not have happened without Phase I investment. The long-term impacts of Phase I therefore include those of subsequent projects that are kicked off by Phase 1*.

5.3 The impacts of the Masterplan in their entirety are shown in the tables below. Net additional FTE jobs estimates show how the development of the Port will make a difference to the current situation and the future over and above of what would have happened without any development.

5.4 Table 3 presents employment impacts and details net additional FTE jobs by type of employment impacts. The latter represents the gross employment impact of the Masterplan minus the employment impact that would have been generated by the 'Do Nothing' scenario (a reference case).

5.5 This approach allows illustrates, for example, that the actual impact of the Port development on growth of the Cruise sector is reflected in the number of net additional jobs rather than the increase in the total jobs.

Table 2: Employment impacts of the Masterplan Phase 1 projects **

	Phase 1 Projects			Phase 1 and Potential Future Projects	
	2010	2015	Change 2010-2015, %	2030	Change 2010-2030, %
Direct jobs at all Docks businesses by sector:					
Cargo	61	68	12%	103	70%
Cruise	3	8	167%	29	867%
Shiprepair	662	889	34%	1,212	83%
Superyacht building	383	653	71%	934	144%
Marina	0	16		16	
Oil bunkering	33	43	31%	68	109%
Other Docks businesses	260	328	26%	468	80%
Total direct jobs at all Docks businesses	1401	2,004	43%	2,830	102%
Direct jobs from additional new workspace	0	161	-	505	-
Total direct jobs	**1401**	**2,165**	**55%**	**3,335**	**138%**
Total net jobs(adjusted for leakage, displacement and including indirect and induced effects)	**1,689**	**2,610**	**55%**	**4,020**	**138%**
Net construction jobs(annualised FTE jobs lasting during 10 years)	0	78	-	0	-
WIDER ECONOMY JOBS based on visitor expenditure					
Cruise sector	14	25	81%	94	573%
Marina	0	11	-	11	-
TOTAL WIDER ECONOMY JOBS	14	36	159%	105	650%
TOTAL ANNUAL FTE JOBS(Total net jobs + net construction jobs + wider economy jobs)	**1,703**	**2,713**	**59%**	**4,125**	**142%**
TOTAL NET ADDITIONAL FTE JOBS	**0**	**852**	**-**	**3,273**	**-**

* It is assumed that the marina size will stay the same at 290 berths due to high uncertainty associated with increasing the size of the marina in the future. This is related to navigation and planning issues and competition from other marinas in the area.
** Including impacts of the subsequent investment in Potential Future Projects that cannot happen without Phase I projects.

Table 3: Detailed Masterplan Employment Impacts Phase 1 projects*

	Phase 1 Projects		Phase 1 and Potential Future Projects		
	2009 (baseline)	**2015**	**2020**	**2025**	**2030**
Gross direct FTE jobs					
Do Nothing	1,401	1,552	1,154	693	687
Masterplan	1,401	2,165	2.957	3,216	3,335
Total net FTE jobs = Gross direct FTE jobs – Leakage – Displacement + Indirect FTE jobs + Induced FTE jobs					
Do Nothing	1,689	1,843	1,371	823	816
Masterplan	1,689	2,610	3,565	3,876	4,020
Masterplan: Net additional FTE jobs directly at the Docks	0	900	2,333	3,154	3,309
Construction total net FTE jobs					
Do Nothing		0	0	0	0
Masterplan		78.2	78.2	78.2	0.0
Wider Economic Impacts					
Cruise sector benefits: total net FTE jobs**					
Do Nothing	14.0	18.3	23.7	29.3	36.2
Masterplan	14.0	25.3	55.8	73.4	94.2
Masterplan: Net additional FTE jobs in Cruise sector	0.0	7.0	32.1	44.1	58.0
Marina benefits: total net FTE jobs**					
Do Nothing		0	0	0	0
Masterplan		10.9	10.9	10.9	10.9
Masterplan: Net additional FTE jobs for the Marina		10.9	10.9	10.9	10.9
TOTAL CUMULATIVE NET FTE JOBS					
Do Nothing	1,703	1,862	1,394	852	852
Masterplan	1,703	2,713	3,699	4,028	4,125
TOTAL NET ADDITIONAL FTE JOBS					
Masterplan	**0**	**852**	**2,304**	**3,175**	**3,273**

* Including impacts of the subsequent investment in Potential future Projects that cannot happen without Phase I projects.
** Includes direct, indirect, and induced impacts

Masterplan GVA Impacts

5.6 Gross Value Added (GVA) was estimated using average GVA per job at the Falmouth Docks. For GVA generated by indirect employment GVA per job of £44,350 in 'Manufacturing', 'Construction', 'Electricity, gas, and water supply', and 'Transport, storage, and communication' sectors in South West region in 2007[1] is applied. Induced impacts are estimated using GVA per job of £25,175 in 'Wholesale and retail trade' and 'Hotels and restaurants' in the South West region in 2007.

5.7 The figures for both the Masterplan and 'Do Nothing' reference case are set out in Table 4. The gross direct annual GVA generated by the Docks businesses is forecast to grow to £116 million by 2015 and £178.7 million by 2030 – more than doubling the current output of the Port.

5.8 The net additional annual GVA generated by the Masterplan development is forecast to reach £41 million by 2015 and £156.6 million by 2030.

1 Latest data on GVA by broad sectors that was available in 2010.

Table 4: GVA impacts of the Masterplan development

	2009 (baseline)	2015	2020	2025	2030
Gross direct annual GVA					
Do Nothing	£75.00m	£83.14m	£61.83m	£37.12m	£36.80m
Masterplan	£75.00m	£116.00m	£158.44m	£172.27m	£178.68m
Total net GVA = Gross direct annual GVA – Leakage – Displacement + Indirect GVA + Induced GVA					
Do Nothing	£81.76m	£89.73m	£66.73m	£40.06m	£39.72m
Masterplan	£81.76m	£126.36m	£172.59m	£187.67m	£194.65m
Masterplan: Net additional GVA directly at the Docks	£0.00m	£36.63m	£105.86m	£147.61m	£154.93m
Construction total net GVA					
Do Nothing		£0	£0	£0	£0
Masterplan		£4.78m	£4.78m	£4.78m	£0.00m
WIDER ECONOMIC IMPACTS					
Cruise sector benefits: total net GVA*					
Do Nothing	£0.35m	£0.46m	£0.60m	£0.74m	£0.91m
Masterplan	£0.35m	£0.64m	£1.41m	£1.85m	£2.37m
Masterplan: Net additional GVA in Cruise sector	£0.00m	£0.18m	£0.81m	£1.11m	£1.46m
Marina benefits: total net GVA**					
Do Nothing		£0	£0	£0	£0
Masterplan	£0	£0.27m	£0.27m	£0.27m	£0.27m
Masterplan: Net additional GVA for the Marina	£0	£0.27m	£0.27m	£0.27m	£0.27m
TOTAL CUMULATIVE NET GVA					
Do Nothing	£82.11m	£90.19m	£67.33m	£40.80m	£40.63m
Masterplan	£82.11m	£131.38m	£178.38m	£193.90m	£197.29m
TOTAL NET ADDITIONAL GVA					
Masterplan	£0.00m	£41.19m	£111.05m	£153.10m	£156.66m

* Include direct, indirect, and induced impacts

** Ibid

Overview

6.1 As set out in Planning Policy Statement 1- Planning for Sustainable Development, sustainable development is the core principle underpinning planning.

6.2 A range of objectives for the social, economic and environmental sustainability of the Port of Falmouth have been identified, derived from the PoFDI agreed strategic objectives for the Masterplan, economic policy, the Falmouth and Penryn Strategic Investment Framework (SIF), the South-West Sustainability Checklist and other policies and regulations. These objectives include the following:

- Environmental objectives:
  - Climate Change / Energy / CO2 Emissions;
  - Water;
  - Materials;
  - Waste;
  - The Natural Environment; and
  - Transport and Movement.
- Economic objectives:
  - Economic development and employment growth; and
  - Economic diversification and resiliance.
- Social objectives:
  - Education and skils;
  - Heritage;
  - Leisure and recreation; and
  - Placemaking.

6.3 The Masterplan has been assessed in detail against each of these objectives, and compared against the Outline Sustainability Appraisal of the Masterplan Options identified in Chapter 3 of this document.

Conclusions

6.4 The Masterplan performs well against all the sustainability objectives defined under the Environmental, Economic and Social categories. Overall it is more sustainable than the range of options examined in the Masterplanning process. Where proposals involve inevitable and desirable growth there will be a range of impacts that will have to be managed and where necessary appropriate mitigation measures will need to be put in place.

6.5 What is evident is that the option of doing nothing to promote the development of the Port is wholly unsustainable. The need to secure a deep-water approach channel to the Docks lies at the heart of securing the long-term future of the Docks and the full range of economic and social benefits that will accrue locally and to the region as a result. Where there are potentially harmful impacts to environmental assets arising from the proposed dredging, these have already been identified and appropriate mitigation measures proposed, thus rendering the proposed development of the Docks wholly sustainable.

7 Conclusions and Next Steps

Introduction

7.1 The Port of Falmouth Masterplan sets out a strong vision for a Port that has a significant long-term role in the economic prosperity of not only Falmouth but the wider area of Cornwall. The process of developing the Masterplan has been very positively supported by key stakeholders. It is important that the momentum that has been gained through this process is maintained into the future, to turn the Masterplan vision into reality. The remainder of this chapter therefore sets out next steps to take the Masterplan forward in relations to:

- key issues;
- design guidance for specific projects in Phase 1; and
- funding and delivery.

Key issues

Dredging

7.2 The Masterplan has been developed around the assumption that Dredging of a deeper channel for access to the Docks will be delivered in some form. If there is no dredging of an access channel, this would impact upon the viability, and hence deliverability of other projects.

Heritage and Environmental Issues

7.3 As individual projects are developed, any proposals that may adversely affect the evidential, historic, aesthetic or communal value of heritage assets will need to be subject to assessment.

Accessibility and Security

7.4 Due to the requirements for security as defined in the International Ship and Port Facility Security (ISPS), a secure site boundary will remain around the Docks area as a division between public and private areas of the site.

7.5 As a public facility outside the secure site boundary of the Docks, the 'Gateway Development' will provide public access to the waterfront and a high-quality public realm.

Ammonium Nitrate Licence

7.6 The Masterplan is based on the assumption that the Ammoium Nitrate business is appropriately managed in a way that allows development to take place. If the existing presence of Ammoium Nitrate in the Docks area remains unchanged, it will impact upon the deliverability of projects.

Sustainable Transport Package

7.7 A recommendation of the Masterplan is the development of a Sustainable Transport Package for the wider Docks area including a Travel Plan.

7.8 Measures likely to form part of the Sustainable Transport Package include rail upgrades and an improved pedestrian link to the Docks from Falmouth Docks railway station.

Berthing Phasing

7.9 The Masterplan aims to ensure that the overall berthing ability of the Docks is improved where possible (in depth, waterside and landside access as well as length) and never substantially diminished from the existing situation.

Design Guidance: Phase 1

Marina Development (Project 2)

7.10 The 290 berth marina has been a consistent feature of the Masterplan as A&P were granted planning permission for this project in April 2008 (prior to the commencement of this Masterplanning project). An application to extend this permission has recently been submitted. Nevertheless, the Masterplanning team see some potential difficulties in achieving compatibility of the 290-berth marina with adjacent existing and future uses, including:

- the potential for nearby uses such as shiprepair and bulk cargos to produce airborne dust and noise that may not be appropriate for a marina facility of this kind;
- the use of deepwater berthing space and landside areas for a sector that could be accommodated in a wider range of shallow-berth areas, including those outside the Docks;
- difficulties of access and security caused by marina users being inside the secure area of a working Port; and
- pressure for additional landside uses (including boat storage, parking and other facilities) that take up space within the Docks.

7.11 Any marina development should not come at the expense of economically important sectors that are confined to the deepwater Docks area (such as shiprepair and bulk cargo).

Gateway Development (Project 13)

7.12 The Gateway Development is intended to provide a transition in scale and bulk from the Port uses (to the east) to adjacent residential areas (to the west). The scale and bulk of this area needs to be considered in the light of:

- its impact on the Falmouth Conservation Area (including its direct relationship to the adjacent railway cottages, as well as broader views);
- its relationship to the setting of the Scheduled Ancient Monument of Pendennis Castle;
- its role as a transitional element between the Port uses and adjacent residential areas; and
- principles of good urban design.

7.13 The average height of buildings should be 4 storeys.

7.14 As it will be located outside the secure Docks boundary, the 'Gateway Development' (Phase 1 Project 13) should include a publicly accessible waterfront with high quality public realm.

7.15 The Gateway Development is intended to be self-sufficient in parking terms and not reliant on parking within the 'secure' areas of the Docks (to the east) or other existing car parking in the wider area.

7.16 Uses considered appropriate for the Gateway Development include:

- B1/B2 employment accommodation;
- FE educational and training facilities;
- a budget hotel that can accommodate visiting contract workers for the Docks;
- an apart-hotel that could cater for the crews of visiting Superyachts (including those being repainted and refitted); and
- associated parking areas.

Funding and Delivery

7.17 The Masterplan process has helped to develop good working relationships between the key public agencies and businesses at Falmouth Docks. This provides a strong provides a platform for delivery.

7.18 Each of the main businesses (A&P, Pendennis Shipyard and Falmouth Petroleum Ltd.) have expressed strong commitment to the future operations and investment in the Docks and brought forward proposals for development which are now integrated through the Masterplan.

7.19 It is important that each of the partners formally adopts the Masterplan proposals in principle and in detail within their business plans, development plans and budgets. This should be requested through PoFDI as soon as possible, with the partners all signed up by the end of summer 2011. The partners should then move to confirm and deliver a programmed investment strategy for the Docks which provides confidence and mutual support to maximise the economic potential and delivers development as soon as possible.

7.20 This process of continued joint working will require some level of support, co-ordination and leadership, so it is proposed that PoFDI should continue in its present structure.

Delivery Principles

7.21 Deliverability of the Masterplan depends on the following factors:

- investment of private funds by businesses to deliver various elements of the Options;
- commitment of public funds to support business investment and the delivery process ;
- ability to obtain consents;
- continuous partnership work within PoFDI and wider stakeholders; and
- resolution of land issues to facilitate delivery.

Business Investment

7.22 The main business partners have all expressed their intention to invest in key projects within their own sites. Each of the businesses will need to make their own decisions about scale, priority and timescales for investment, but it is hoped that they will continue to work to the timescales for delivery discussed in 2010/11. The total level of investment proposed within relatively short timescales will imply an intense phase of construction work on the site, and it will be important for the partners to co-ordinate with each other to minimise potential conflicts and maximise value for money in contracts. They may wish to consider using the PoFDI process to assist in this.

7.23 Dredging is critical to the delivery of the Masterplan and is fundamental to securing the long-term future of the Docks, increasing the business performance at the Docks and securing a stable future for the area. Without dredging the shiprepair sector is perceived as non-viable in the long-term and therefore private investment will not be released - as reflected in the 'Do Nothing' scenario. A commitment of funds to dredging is therefore a key to securing some of the business investment required. It is therefore essential that there is a continuing focus in the work of PoFDI on securing the overall funding package, which can help to release this programme of investment.

Public Funding

7.24 There are several potential sources of public funding available to support investment in the Docks; these potential sources of funding are as follows:

- ERDF Priority 4 funds;
- funding by Cornwall Council: the Council can fund economic development projects and infrastructure projects through its own budgets and through prudential borrowing;
- Grant for Business Investment (GBI) is available for assisted areas. Cornwall is a Tier 1 Assisted Area with the highest rate of public intervention;
- Regional Growth Fund (RGF) is a £1.4 billion government fund for England that will operate until 2014. The deadline for bids is 1st of July 2011; and
- European Investment Bank provides loans to individual capital projects complementing EU cohesion and convergence activities.

7.25 The following projects may need public funding

Schedule item	Capital Cost, £	Potential funding source
Dredging of the main channel and deep water berth	£23,000,000	Cornwall Council
Port infrastructure package:		
Northern and Queen's Wharves merged and enlarged + berthing dolphin	£8,250,000	ERDF
New shiprepair workshops (Stage 1) - 4,750 sq.m.+ 40% mezzanine levels	£4,000,000	ERDF
Remediation, capping, and car park over the former Eastern landfill site	£3,000,000	ERDF
Superyacht dock basin and new pier	£10,000,000	ERDF
Enlarged workshop facilities at No. 1 Dock	£1,500,000	ERDF
Superyacht workshops and bunkering offices [6,300 sqm GEA]	£2,500,000	ERDF
Port control offices and small workshop at Queen's Wharf	£2,000,000	ERDF
Combined Heat and Power (CHP) plant	£3,000,000	ERDF
Sustainable Transport Package, rail and road upgrades	£2,000,000	ERDF
Total Port infrastructure package:	£36,250,000	

7.26 Potentially the above Port infrastructure package could be eligible for ERDF convergence funding. At 30% intervention rate this would provide £10.65 million of ERDF financing. As noted above, PoFDI will need to work with the Convergence Programme to define a package of funding for Falmouth Docks to be sought from the Programme; it will also be important to consider the timescales for bidding and delivery of projects, as time is now short in which to implement projects of this scale within Convergence Programme limits.

Consents

7.27 A number of different forms of consent are required for these various projects, of which two issues key are noted – the need for dredging consent, and the issue of planning consents for development.

7.28 The issue of achieving consent to dredging is critical to a large part of the Masterplan development proposals. The lead partner is the Falmouth Harbour Commissioners. It is important that the PoFDI partners work closely with FHC to progress any processes which are now required to make the case for dredging and to support necessary submissions by FHC.

Conclusions and Recommendations : Short-term Actions/Quick Wins

7.29 In order to achieve the most effective delivery of the Masterplan, a number of actions should be completed as soon as possible (Summer/Autumn 2011):

- Confirmation of the final Masterplan following discussion between PoFDI and consultants.
- Adoption of the Masterplan by Cornwall Council for planning and budgetary purposes; and commitment of funding to implement dredging (this will entail a variety of related actions including confirmation of the consent process with FHC and work to obtain consent; and negotiations with Docks owners to confirm the nature of their relationship re funding for dredging – however the principle of CC funding should be confirmed as soon as possible).
- Resolution of land issues to facilitate delivery.
- Formal adoption of the Masterplan by all PoFDI partners as part of their business planning and budgetary processes and confirmation to PoFDI of each partners investment intentions.
- Confirmation of the continued work of PoFDI, based on the now agreed Masterplan, and preparation of a new work programme for PoFDI focussed on delivery, to include early work on:
  - Confirmation of projects and timescales, to form a delivery programme and defined responsibilities.
  - Identification of an investment programme based on the above investment principles and strategy, with a particular focus on defining a "Port of Falmouth Funding Package" comprising Convergence Programme alongside CC and private sector investment.
  - Confirmation of FHC (and Docks' owners) approach to obtaining dredging consent and work programme/process to achieve this.
  - Further detailing of proposals for various development projects within the Masterplan, including for the gateway area, the yacht building basin and workshop proposals, Falmouth Petroleum Ltd. facilities, etc. (responsibility of individual businesses, to be presented to PoFDI as soon as possible/ progression with CC).

7.30 If these actions can be completed through summer/autumn 2011 and thus a confirmed approach to delivering all early projects is achieved by the end of the year, there is a possibility of achieving all of Phase 1 by the end of 2015. It will require focussed and co-ordinated effort by all of the partners and the support of Cornwall Council in the various ways identified.

7.31 It should also be noted that the proposals have achieved a good level of support from the wider community of residents and businesses in Falmouth. The proposals will yield substantial benefits for the area in a variety of ways and it will be important to maintain that level of support by continuing to communicate the benefits being achieved and engaging with residents and businesses in the area.