

Manhood Peninsula Partnership: Selsey Haven Funding Research

Summary Report

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Introduction

Manhood Peninsula Partnership are investigating the viability and potential benefits of building a Haven at East Beach, Selsey. The aims of the project are to:

- Secure the future of Selsey’s fishing industry, by improving safety conditions and enabling more of the local catch to be sold locally at market prices;
- Provide a destination point to attract higher spending visitors to Selsey and the Manhood Peninsula; and
- Provide facilities for leisure boats, diving crafts and other boats.
- Over the medium term, stimulate the local economy and provide new jobs for local residents.

WFTT have been commissioned to take forward work commenced by the Project Officer to provide an overview of potential funding for the Haven development and associated facilities, as outlined in the Vail Williams, Royal HaskoningDHV and Marshall Scott reports. Our work has covered both public and private funding sources and involved:

- Desk research to review and identify potential ‘public sector’ funding sources for the Haven project, with follow up phone calls to clarify details
- Desk research to identify relevant marina operators, including the developments in which they are involved and - where available - the nature of their involvement.
- Follow-up telephone interviews with representatives of two marina operators as well as Vail Williams who represent the sector, to gauge initial reactions to the Selsey proposals and better understand their investment activities (level and type of investment/involvement in marina scheme; favoured scheme types; returns sought etc.)

Key findings

Public investment in Selsey Haven Infrastructure

With a potential development cost of £20M creating the new Haven will require a substantial level of “public” investment.

The sources identified with the most potential for funding elements of the core marina infrastructure include the next round of Coastal Communities Fund and Marine Management Organisation Funding. There may also be some scope under RDPE growth fund and C2C if the marina were considered as tourism infrastructure.

However, it should be noted that maximum grant rules for these programmes mean that a significant funding gap would remain even if such resources were secured. There may also be issues with timing given the time needed to progress any scheme to one with secured planning permission. Annex 1 provides more details.

Private investment in Selsey Haven Infrastructure

Britain's marinas are owned and managed by a range of organisations. These include single location operators, which include family businesses, not-for-profits and organisations such as Trust Ports (e.g. Shoreham Port), or companies with a majority of berth-holder ownership (e.g. Sailport plc at Dartmouth). The research has identified eight large organisations who operate several sites in UK, including coastal sites and also in some cases overseas locations. The latter category includes Premier, MDL, Yacht Havens, Dean & Reddyhof.

Our research indicates that, for a new development, operators favor involvement at an early stage (so they can ensure that the design/facilities mix etc. are right) and in some cases ownership of those closely associated facilities (commercial, restaurant and retail space) which are then leased out, so that they can control tenant mix and the overall quality of the marina's offer.

The private sector will look for commercial returns from any investment at Selsey. Although required returns and anticipated pay-back periods vary from scheme to scheme, a typical return of 10% has been suggested and investment recoupment within 10 years. The operators also indicated that the cost of investment in "heavy sea based infrastructure" strongly impacts the attractiveness of an investment scheme. Given these factors, the research suggests that, for the Selsey Haven scheme (as currently imagined), the private sector would be willing to contribute only a very small proportion of the initial infrastructure investment cost and substantial public funding would be needed. The larger operators interviewed told us that they usually look for a scheme to have 250 berths plus to be commercially attractive, although all potential schemes are considered on their individual merits.

Annex 2 and Annex 3 provide more details.

Public investment in other elements of Selsey beach regeneration

Setting aside the main infrastructure to create the Haven, a number of other public funding sources have potential to support the capital funding elements of the Selsey beach regeneration (identified by Selsey Vision and in the Marshall/Nairne Economic Impact report. These could potentially contribute to the provision of commercial space; support local food initiatives; contribute to tourism infrastructure and associated public realm enhancements. These funds are summarized in Annex 1 and include:

- C2C Local Growth Fund (subject to clarification with C2C)
- Place Plans (subject to CDC recommendation)
- RDPE Growth Fund (Business Development and Rural Tourism Strands)
- RDPE LEADER