

Chichester District Council

THE CABINET

7 February 2017

Selsey Haven

1. Contacts

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2. Executive Summary

The Cabinet is recommended to allocate funding of up to £25,000 from reserves to jointly commission with Selsey Town Council and Selsey Fisherman's Association, who have contributed £25,000, two studies to further inform on the feasibility of a small harbour, or haven, in Selsey. One study will concentrate on the business case/financial viability and technical feasibility of a haven. The second is to clarify the wider socio-economic benefits to Selsey. If the conclusions support a haven, a further report will be brought to Cabinet outlining the project phases and sources of funding.

3. Recommendation

3.1. That subject to partnership funding remaining in place, the Cabinet allocates funding of £25,000 from reserves towards;

- (a) a technical and financial report that includes possible operational models and a 5 year business case;**
- (b) a wider socio-economic assessment to assess the benefits of a haven to Selsey.**
- (c) legal advice and other ancillary project costs.**

3.2. That the Head of Housing and Environment Services be authorised to approve expenditure of the above funds.

4. Background

4.1. The background and history to the proposed Selsey Haven project is shown in Appendix 1. The project aims to build a small harbour near East Beach,

Selsey including associated business units, to provide fisheries protection, economic opportunities, flood protection and a visitor focus on the Manhood Peninsula.

- 4.2. An initial technical feasibility study undertaken by Royal Haskoning DHV (RHDHV) (see appendix 2) looked at three harbour options. The study, funded jointly by the Council and a DCLG Coastal Communities Team award, concluded that a land based harbour (option 1) could be viable and would likely be the favoured option by the regulatory bodies because it has the lowest impact on coastal processes.
- 4.3. The preliminary report recognised that the coastal processes between Selsey Bill and Pagham Harbour are complex with a number of uncertainties and that other key considerations, namely land impacts and sea access, could be dealt with through good design. The RHDHV report concluded that having identified a preferred option a further study regarding technical feasibility was needed.
- 4.4. It is also important to establish the economic viability of a haven in terms of its longer term costs and potential for income generation. Consideration also needs to be given to the operating model.
- 4.5. This report is to request the funding for these technical and economic studies and in addition, the Council wants to better understand the wider impacts of a haven to Selsey and its economy, so funding is also sought for a wider socio-economic study.
- 4.6. The total funding for these studies is estimated to be £50k and contributions of £24k and £1k have been pledged by Selsey Town Council and the Selsey Fisherman's Association.

5. Outcomes to be Achieved

- 5.1 There are three main outcomes;
 - 5.5.1 To establish the technical feasibility and economic viability of a haven, including a 5 year business case,
 - 5.5.2 To better understand the wider impacts of a haven on Selsey and its economy.
 - 5.5.3 Understand issues around land ownership and land transfer and their impact on the viability of a haven.
- 5.6 The findings of these studies will form the basis for the project partners to decide whether the project is viable and whether or not it should progress to the next phase. It will also provide essential information for subsequent funding applications.

6. Proposal

- 6.1 To achieve the outcomes, the Cabinet is asked to fund two further studies; a technical/economic study and a wider socio-economic study.

- 6.2 The technical study will be undertaken by RHDHV awarded under a direct call off from the East Solent Coastal Partnership Professional Services Framework. The report will include an assessment of the economic viability including the business case for the first five years of the Haven's which will be subcontracted by RHDHV to Vail Williams. The main aims of the business case are firstly to ensure that the proposed marina design matches the perceived demand and to ascertain whether the marina can operate in the future without needing to be subsidised by the Council or others.
- 6.3 The wider socio-economic study will examine the implications for the wider peninsula and Chichester and will be undertaken by Marshall Regen Ltd.
- 6.4 The studies are expected to take three months to complete after commissioning. The findings of these studies will establish whether the haven is viable and inform the decision as to whether the project should proceed to funding, design and construction phases.

7. Alternatives that have been Considered

- 7.1 The alternatives considered have included whether or not to proceed with the feasibility studies. Further exploration of the viability of a haven is, however, supported by the reasons outlined in appendix 1. As a partnership project, Selsey Town Council and Selsey Fisherman's Association have supported the commissioning of the further studies by providing funding of £25,000.
- 7.2 The funding being sought here could be sought from elsewhere however a source has not been identified as grant funds do not generally support these early feasibility studies.
- 7.3 Do the minimum by providing a breakwater instead of a haven. The resulting structure will be similar to the seaward wall of options 2 and 3 in the RHDHV Preliminary study, which were rejected by Natural England and the Environment Agency.

8. Resource and Legal Implications

- 8.1 Funding of £25,000, to supplement partnership funding already secured, is required for the two studies. There is no existing budget for the work and therefore funds will need to be allocated from reserves if the project is to progress further.
- 8.2 Council contributions to the feasibility studies could count as match funding at a later date (depending on funding provider), which will be viewed favourably when future funding is sought.
- 8.3 The Selsey Fishermen's Association has pledged £1,000, and Selsey Town Council has pledged £24,000 towards the costs of the studies.
- 8.4 Staff resourcing will include the Manhood Peninsula Partnership Project Officer in conjunction with the Council's Economic Development Service.
- 8.5 Other funding sources have been considered (Coastal Communities Fund, Crown Estates, LEADER, and the Big Lottery Fund) however feasibility studies are not covered by these funds.

- 8.6 Funding of future stages of the project will be pursued from sources such as the Coast 2 Capital Local Enterprise Partnership; Coastal Communities Fund; the Lottery Fund; public/private partnership; and the European Maritime & Fisheries Fund (EMFF). The Marine Management Organisation, who administers the EMFF, has confirmed that Selsey Haven is eligible for funding, and that funds will be available until either 2020 or until the UK leaves the EU.

9. Consultation

- 9.1 Those below were consulted and gave their support in principle to the construction of a haven at Selsey as expressed in the RHDHV preliminary study:
- 9.1.1 Internal – the Council’s Economic Development Service, the Planning service, and the Environment service.
- 9.1.2 External – Selsey Town Council; Selsey Fishermen’s Association; the Manhood Peninsula Partnership; Arun District Council; Environment Agency; Natural England; Crown Estate; Marine Management Organisation; a small number of local residents have been informally consulted. The key partners, namely Selsey Town Council, Selsey Fishermen’s Association and the regulatory agencies have been consulted and support the terms of the proposed studies.
- 9.1.3 Members consulted – Cllr Purnell, Cllr Barrow, Cllr Keegan and Cllr Connor, all members of Selsey Town Council.

10 Community Impact and Corporate Risks

- 10.1 The project has the potential to fulfil corporate priorities in the Sustainable Community Strategy 2016-2021 for the economy and environment.
- 10.2 The project fulfils priorities in the Council’s Economic Development Strategy 2013-2019: to attract and retain working age talent; create conditions to support growth oriented businesses; make best use of the district’s natural and cultural assets.
- 10.3 The main risk is that these further studies will conclude that a haven is not financially viable and the money spent on these preliminary studies will have been lost. However, the work undertaken will better inform other options for the regeneration of East Beach Green and the sea defences which will require major works within the next 20 years due to their age.
- 10.4 The outcomes of these studies will be recommendations rather than actions and there is a risk that the project will not proceed to the next stages because of the significant costs of the next stages and funding not being secured.
- 10.5 There is a reputational risk that public money is being spent on a project that is not realised due to not being viable or funding for design and construction can not be obtained.

11 Other Implications

Crime and Disorder		No
Climate Change		No
Human Rights and Equality Impact		No
Safeguarding		No
Other		No

12 Appendices

- a. Appendix 1 - Selsey Haven Background
- b. Appendix 2 – Selsey Harbour Preliminary Consultation Document, Royal Haskoning DHV, 10 February 2016

13. Background Papers

Cabinet report 8 September 2015 – Coastal communities fund projects