

**Title of meeting: Planning Policy and City Development Portfolio Meeting**

**Date of meeting: 7 September 2021**

**Subject: Coastal Partnership – Chichester District Council request to join Coastal Partners**

**Report by: Tristan Samuels**

**Wards affected: None**

**Key decision: No**

**Full Council decision: No**

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**1. Purpose of report**

The purpose of the report is to seek approval for the Coastal Partnership to extend the Partnership to include Chichester District Council as an additional partner.

**2. Recommendations**

That the Portfolio holder:-

- Approve the extension of the Coastal Partnership to include Chichester District Council as a member.
- Note that the Head of the Coastal Partnership continues to discuss and explore with other local authorities in Hampshire and the Isle of Wight whether there is mutual benefit of extending the Coastal Partnership further should the opportunity arise.
- Delegate authority to the Director of Regeneration, following consultation with the Executive Member for Planning Policy and City Development, to enter into a Section 113 Local Government Act Shared Service Agreement between Fareham Borough Council, Havant Borough Council, Portsmouth City Council, Gosport Borough Council and Chichester District Council.

**3. Background**

See Appendix A – Briefing Note

**4. Reasons for recommendations**

The delivery of a professional, efficient and cost-effective flood and erosion risk management service within Portsmouth is becoming increasingly challenging in response to climate change, public sector austerity and the loss of experienced officers from the sector. Key to the continuation of a robust and resilient service is sharing expertise and collaborating with other local authorities. It is also envisaged that additional partners will create a strong platform to operate more commercially and develop new income streams to keep the cost of the service at the current levels whilst providing a high-quality service.

**5. Integrated impact assessment**

Not required

**6. Legal implications**

The proposal is consistent with the existing section 113 LGA arrangements for shared services. The new shared service agreement will be reviewed by Legal before final incorporation.

**7. Director of Finance's comments**

Whilst there are no financial implications relating to the incorporation of Chichester BC the expanded coastal partners should in the medium term demonstrate economies of scale and the ability to generate further income which can be returned to the respective partner authorities.

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Signed by:

**Appendices:**

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Coastal Partners briefing note	Attached to this report

The recommendation(s) set out above were approved/ approved as amended/ deferred/  
rejected by ..... on .....

.....  
Signed by:

# Portsmouth City Council

## *Executive Briefing Paper*

<b>Date:</b>	27.08.2021
<b>Subject:</b>	Coastal Partnership – Chichester District Council request to join Coastal Partners
<b>Briefing by:</b>	Director of Regeneration
<b>Portfolio:</b>	Planning Policy and City Development

### INTRODUCTION

1. The paper considers the current Coastal Partnership arrangement and the opportunity to add Chichester District Council as an additional partner.

### LOCATION

2. The Coastal Partnership currently extends from the River Hamble to the entrance to Chichester Harbour, but the paper considers opportunities to extend across the other authorities in Hampshire and the Isle of Wight and to the entrance to Pagham Harbour to incorporate the Chichester District Council coastline.

### BACKGROUND

3. Portsmouth City Council (PCC) formed part of a shared service with Havant Borough Council (HBC), Gosport Borough Council (GBC) and Fareham Borough Council (FBC) in April 2012 to deliver a shared Flood and Erosion Risk Management Service. The Council resolved to join the Coastal Partnership on the 13<sup>th</sup> June 2011 and then to enter into the current shared service agreement on the 2<sup>nd</sup> September 2019 and that Havant Borough Council act as host authority for the Partnership. A Coastal Partnership Shared Service Agreement was formed under Section 113 (power to place staff at the disposal of other local authorities) of the Local Government Act with the aim to deliver a more efficient and effective service by co-ownership of objectives and an equitable fee structure, providing:
  - A robust resilient and adaptable service by sharing resources;
  - Financial savings and efficiencies;
  - Increasing the ability to secure government funding for future coastal initiatives and schemes;

- The delivery of numerous outcomes to protect over 30,000 properties;
- Services delivered differently in order to adapt to change and think more commercially;

The Shared Service Agreement includes Section 101 of the Local Government Act which allows the Partnership to sell services to other local authorities outside of the Partner Authorities.

Governance arrangements are clearly defined with a Member Board that function in an advisory capacity and a Client Manager Board which is a decision-making board and has responsibility for setting priorities for the Service, reviewing expenditure and total service cost.

The service costs are apportioned on a percentage ratio basis across the four Authorities (based on the resource needs of the Councils) as follows:

PCC:40%, HBC:32%, FBC:14% and GBC:14%

There is a Project Fund which is a financial reserve held on behalf of the Partnering Authorities that is created from surplus income generation and is held to provide risk mitigation and flexibility for business investment.

4. The high performing Coastal Service provided by the Partnership has successfully grown from a team of fourteen people to sixty-one and a budget in 2012 of £700k to a budget of £3.5m for 2021/22. The future looks robust with a Capital Investment Plan exceeding £200m over the next ten years.
5. Due to the successful track record and excellent reputation of the Partnership to date and the benefits and services it can deliver, other local authorities and public bodies are keen to engage and buy services from us under Section 101 of the Local Government Act. We are currently providing services such as consultancy, site supervision, contract management, environmental services, project management, Tracer Pebble studies and Geomatics Services to various local government customers. Income generated from these activities has been reinvested back into the Partnership e.g. purchase of specialist equipment.
6. The Head of the Coastal Partnership has been in discussion with Chichester District Council (CDC) who have now confirmed through their formal decision making process at CDC Full Council in March 2021 their willingness to join the Partnership as the fifth partner in accordance with the same arrangements as the existing partners through section 113 of the Local Government Act. The CDC coastline is well known to the Partnership and has many synergies with our own coastline where our beaches are very similar as within the same coastal process sediment cell and are responding to the same forcing parameters such as wave climate and tidal conditions. There are also similarities with the scale of the communities at risk, the contrast between the open coast and harbour environments, the response through resilience and adaptation measures as well as managing within very sensitive environmentally protected areas.

7. The present core multidisciplinary service offered to the existing partners provides day to day operational responses and strategic support to deliver the partner authority responsibilities to reduce flood and erosion risk to their communities within the respective revenue budget allocations. However, the delivery of larger studies, schemes and projects is subject to securing either external capital funding through Defra and the Environment Agency or from the individual authority if considered a priority. These capital funds are then used to meet the additional costs of Partnership staff alongside implementing the project objectives. This approach is planned to continue even with the addition of a new partner so that any additional costs over those of providing the core service will need to be offset by additional income to deliver the capital project within either of the partner authorities without which the desired project will not progress.
8. The Head of Coastal Partners has undertaken a resource assessment with officers at CDC to determine the initial level of resource required to provide CDC desired core level of service; the conclusion of this assessment indicated a similar level of resource to that required by Havant Borough Council. It is therefore proposed that if the proposal for CDC to join the Partnership is supported, then the revised service costs would be apportioned as follows:

PCC:30%, HBC:24%, FBC:11%, GBC:11% and CDC:24%

Each partner authority retains full control with their Client Manager how their proportion of the core service resource is prioritised and there is a provision in the Agreement to review, increase or reduce the relative apportionments at the request of the respective partner Client Manager. The resource allocations of staff to existing partners will remain unchanged to present levels and the reduction in the percentage of apportionment is purely a reflection of the larger capacity available with the additional partner. Based on the 2020/21 budgets this would require an annual contribution of £139,920 from CDC. The Partnership also holds a Project Fund (Financial Reserve) to mitigate financial risk and it is proposed CDC would need to make a one off contribution to this Project Fund as a joining fee at the same 24% apportionment to become a partner; based on the 2020/21 budget sum this could be a one off sum up to a maximum of £57k. The Project Fund offsets against overspends and redundancy as well as enabling investment in business development.

9. The benefits to the Partnership of adding a partner like CDC will be to build resilience and an even more robust Service for the future. CDC currently have two officers who would be on-boarded into the Service which would add additional knowledge and expertise. CDC have similar coastal challenges, as described above, to the existing partners and provide a land drainage service all of which are within the capabilities of the existing Partnership officers to provide. The opportunity to deliver the Service along the Chichester coastline will also create additional income opportunities to the Partnership for activities that would otherwise be offered to consultants in the private sector for professional services support. The benefit to CDC is that they would gain access to specialist staff, more efficient use of staff, service quality improvement and improved longer-term resource planning to smooth the peaks and troughs.

10. The current shared service local government commercial model which the Partnership operates within has proven successful and meets the demands of the existing Partners and other local authorities wishing to work with the Partnership. It provides flexibility for adapting to change, growth, and has the potential to sell services to the public sector in order to generate income and manage risk. The Partnership vision is to continue to develop, grow and extend the portfolio of services to support the future service needs particularly in response to climate change. It is believed that any additional Hampshire or Isle of Wight authorities wishing to join the Partnership later would strengthen the Partnership even further. The Head of the Coastal Partnership will brief the Member Board and Client Manager Board of any opportunities to extend the partnership further should they arise, but any formal decision will be the subject of a further decision by the Portfolio Holder for Planning Policy and City Development.
11. Currently there is a ten year forward plan of capital projects in excess of £200million of investment within the existing partner authorities, primarily from Defra/Environment Agency Grant in Aid. It is acknowledged that if markets change or if the existing model should not sufficiently meet future commercial activity there will be a need to review the commercial model.
12. The existing Partnership continues to enjoy success delivering against its objectives and provides an efficient and cost-effective service. It is therefore feasible to continue with the current four partner arrangement as there remains high confidence that service levels can be maintained for the foreseeable future. However, this will limit the ability for the business to evolve and explore even more opportunities to find continuous service improvements. Extending the Partnership to include additional partners will create a greater platform with additional resource to deliver the Service. This will create opportunities to identify further efficiencies, potential income and net savings alongside maintaining a high-quality service to provide effective outcomes for the partner communities reducing flood and erosion risk as well as improving the public realm in an environmentally sustainable way.

### **LINKS TO STRATEGIES**

13. The Coastal Partnership delivers a shared Flood and Coastal Erosion Risk Management Service (FCERM). Part of this service is to deliver FCERM schemes, studies, maintenance programmes and initiatives which provide numerous outcomes to protect properties and our environment and improve the place we live in.
14. The Coastal Service has a dedicated Coastal Strategic Workplan 2020 to 2025 and current Service and Operational Business Plans. These are aligned to and support the Portsmouth City Council Priorities and specifically, to make our City cleaner, safer and greener.
15. The Partnerships vision is to “Manage Coastlines, improve community resilience and enhance the natural environment”

### **LEGAL IMPLICATIONS**

16. The proposal is consistent with the existing section 113 LGA arrangements for shared services.

### **ENVIRONMENTAL IMPLICATIONS**

17. No direct environmental implications.

### **FINANCIAL IMPLICATIONS**

18. Financial Implications – The Council's contribution to the basic service cost of the partnership is £175,830 a year (based on the 40% share for 2021/22). There are no additional costs to the existing partners from this proposal for CDC to join the Partnership. Although the overall basic costs of the partnership will increase CDC will be required to meet the additional costs arising to cover their proportion of the Service and the existing partners contributions will be unaffected. The 30% proportion of the higher overall basic costs for Portsmouth City Council will equate to the same annual contribution.
19. Human Resources Implications – CDC currently have two officers working within their existing service. If the proposal is approved, then the existing officers would be incorporated into the Coastal Partnership staffing resource and funded from the CDC contribution. It has been indicated that eventually CDC would like these officers to follow the TUPE arrangements and move from CDC to the Havant Borough Council as the host employer for the Partnership staff.
20. Other resource implications – If the proposal is approved then the two existing CDC officers will use the same systems as the Partnership staff and will therefore be added to the host, Havant Borough Council ICT arrangement; all costs met from the CDC budget contribution.
21. The Partnership maintains a risk register for the Service. The addition of an additional partner will provide a more resilient service and therefore reduce overall risk. However, expectations will need to be carefully managed to ensure realistic transition of service without unduly increasing pressure on existing Partnership officers. Whilst officers are working on secondment through the section 113 LGA arrangements within partner authorities they will be working within that authorities' policies, constitution, standings orders and financial regulations thereby not increasing any risk on the constituent partner authorities.

### **PARTNER ENGAGEMENT**

22. The Head of the Coastal Partnership has consulted with both the Partnership Member Board and the Client Manager Board throughout the discussions with CDC over the last twelve months. All board members have confirmed their support for CDC to join the Partnership.
23. If the proposal is accepted, then a joint communications plan will be developed and implemented between the Coastal Partnership and CDC.

## **PROCUREMENT**

24. No procurement implications from this proposal.

## **PROJECT TIMELINE**

25. All existing partners will need to confirm their agreement to add an additional partner and then a new shared service agreement will need to be enacted before a transition of service could commence; it is anticipated this could take between three to six months to complete.

## **CONCLUSIONS**

26. The Partnership Boards and the officers within Coastal Partners welcome the opportunity to add CDC as an additional partner as this will enable an even more robust and resilient service to Portsmouth City Council and the communities we serve.

### **Enquiries:**

For further information on this report please contact Guy Mason, Coastal Defence Manager, ([Guy.Mason@portsmouthcc.gov.uk](mailto:Guy.Mason@portsmouthcc.gov.uk)).

Coastal Partners and Chichester District Council Location Plan

