

Cabinet Lead Reports – Full Council 22nd January 2020

Councillor Leah Turner: Cabinet Lead for Finance and Coastal Communities

Strategic Review of Medium-Term Financial Strategy

The Medium-Term Financial Strategy is currently under review and will precede the final budget process for Full Council in February.

Heads of Service have submitted their draft budgets for consideration by the Executive Board and Cabinet. Once the Cabinet has reviewed these proposals, they will be brought forward to an all member briefing and for formal consideration by the Governance, Audit and Finance Committee before formal submission and recommendation to Full Council in February.

The Heads of Service review included the annual review of fees and charges, this year benchmarking against the CIPFA (Chartered Institute of Public Finance Accountants) list of peer councils.

A review of the cost of our core services, again against the CIPFA benchmarking review.

Where those services are shared, a review to ensure that the relevant savings have been achieved.

A full detailed review of staffing budgets has been completed to ensure that the budget aligns with the new establishment structures and that recharges between authorities are accurate.

Review and realignment of Business Rate Retention has been completed. Heads of Service have also been encouraged to seek new grant income where appropriate to support the delivery of services.

Long Term Sustainable Financial Strategy

With increasing risk and low returns from short unsecured bank investments, the council aims to continue to diversify into more secure and high yield asset classes during 2019/2020. The council will continue to adopt the “SLY” methodology of security first, then liquidity and yield as part of its long and short-term Treasury Management Strategy.

Given that the authorities significant cuts to public expenditure and in particular Central Government funding, the authority’s borrowing strategy continues to address affordability by only making secure investment decisions without compromising risks. With short term interest rates lower than long term, it is likely to be more cost effective to borrow short term or use internal borrowing.

The main impact of the council’s borrowing strategies has been the PWLB’s (Public Works Loan Board) rate hike effective from October 9th 2019, where

the Treasury announced an increase in the borrowing rate on a 50 year maturity loan by 1% from 1.81% to 2.82%.

Local authorities are among others that have recently increased their use of PWLB as the cost of borrowing had fallen to record lows. A requirement to review the authority's borrowing requirements and choice of lenders will prevail during the early part of 2020 and will form part of the authority's Medium-Term Strategy as a basis for longer term strategic investment planning.

Coastal Communities

South Hayling Beach Management Activities (2017-2022)

Beach management works were undertaken during October and November 2019. A dredge of the Chichester Harbour Approach Channel was undertaken by Boskalis Westminster Ltd., to reduce the navigation risk to harbour users. The dredged shingle material was then pumped ashore on to the beach at Hayling Island. The pump ashore works took 10 days in total, with approximately 28,500m³ shingle deposited on the beach. Our land-based contractors, Les Searle Plant Hire & Sales Ltd., re-profiled the material on the beach following the deposition by the ship.

Immediately following completion of the pump-ashore, a storm event impacted Hayling Island. This led to the promenade being blocked by shingle in some locations, and the narrowing of the beach crest in others. Due to the presence of contractors already on the beach the clearance of the promenade was carried out quickly and efficiently. A small beach recycle was carried out to widen the beach crest to design profile following this storm and ensure the beach width was at design in preparation for the winter.

These works were fully funded by Defra Grant in Aid funding, including all ESCP staff time.

Broadmarsh Coastal Park Flood and Coastal Erosion Risk Management (FCERM) Feasibility Study

Work has commenced on a feasibility study for Broadmarsh, to understand the complex issues affecting these aging sea defences, constraints and risks at the site, groundwater processes, overtopping and environmental importance. It will also consider a shortlist of coastal defence options and then develop the most appropriate option to outline design stage.

The ground investigation contract was awarded to Geotechnics Ltd., and works were completed on November 1st, 2019, with six boreholes carried out along the bank top and inland of the coastal defences, together with several trial excavation pits on the foreshore. The aim of the ground investigation was to understand the construction of the existing coastal defences, and to identify any groundwater flow through the defence. Black and Veatch were awarded the

option appraisal study contract and the project start-up meeting was held at the start of October. The option appraisal study is now underway, with further updates to be provided as these studies progress.

Funding of £73,000 has been sourced through Local Levy via The Environmental Agency Regional Flood & Coastal Committee with a contribution from HBC. The project is due for completion by the end of summer 2020.

Hayling Island Funding and Implementation Strategy

The Hayling Island Funding and Implementation Strategy (HIFIS), is the first part of a full Flood and Coastal Erosion Risk Management (FCERM) Strategy for the island. HIFIS has now finished with all tasks completed. Our consultants AECOM have completed an assessment of the condition of defences around the whole island, undertaken flood modelling, identified option development units, completed an initial economic assessment, and a Gross Value Added (GVA) and economic footprint assessment for Hayling Island. ESCP tasks have included a landfill desktop study and a broader outcomes and funding strategy for the island. HIFIS is now complete, and the recommendations justify the need for a full FCERM Strategy.

The ESCP has secured HBC Community Infrastructure Levy (CIL) to progress this work to a full strategy for Hayling Island. We have however, applied for Government Grant in Aid (GiA) for additional funding towards the full strategy. We are awaiting a response on the GiA funding by the end of in January 2020. If unsuccessful there is the opportunity to apply to the Regional Flood and Coastal Committee (RFCC) for further funding. The project is currently on hold during December while we hear back on the funding application. Work on the full FCERM Strategy will start in January 2020.

Langstone Flood and Coastal Erosion Risk Management (FCERM) Scheme – Outline design

The Langstone Scheme is currently at outline design stage. AECOM has produced a number of visualisations along with the outline designs, to use at the next public events, planned on the 8th and 9th of January 2020. The project team is currently drafting posters and material for the events and has revamped and updated the project website: <https://www.escp.org.uk/langstone-coastal-defence-study>

A group of five Langstone residents have held their own meeting to try to influence the community and take our findings/advice in a different direction. The team has offered to meet these individuals separately to discuss their points of view, in addition to our public events in January. To date they have not taken us up on the offer.

The team has secured HBC CIL funding to progress the detailed design stage early next year, before developing a business case to apply for additional Government GiA funding. The team has started hand over meetings with the capital team prior to formal handover early next year.

Broadmarsh Revetment Repairs

The last set of maintenance works at Broadmarsh were carried out in 2017, when three areas of failing revetment were replaced with rock armouring to stabilise the structure and provide coastal protection to the landfill behind. This has worked well, however some new areas of damage emerged and small-scale repairs were undertaken again during late November 2019.

Timber Maintenance 2019/20, Hayling Island

We have recently completed a condition assessment of timber coastal protection assets to ascertain the scale of maintenance works required to keep the timber structures in serviceable condition. These works are programmed for early 2020 and will include repairs to the Coastguard revetment, which currently has a temporary repair carried out earlier in year.

ESCP Geomatics Division

Phase 2 of the 2019/20 Regional Monitoring survey programme is complete, including the beach frontages at South Hayling. Following the launch of the "Geomatics Division" a range of non-coastal survey services have been delivered to local authority teams in Havant, East Hants, Fareham, Gosport, Hampshire CC and Portsmouth, totaling over 70 separate commissions. The future workload looks positive going into Q4.

The team secured a commercial license to operate both their fixed wing and quadcopter UAV's in September and have five fully qualified pilots.

Regional Habitat Creation Programme (RHCP)

The RHCP is legally required to deliver habitat creation across the region, to replace habitats lost through Flood and Coastal Erosion Risk Management (FCERM). The RHCP is administered by the Environment Agency (EA), however limited progress had been made since 2011 other than the delivery of the Medmerry Managed Realignment scheme between Selsey and Bracklesham, West Sussex. With many opportunities for habitat creation within the Havant borough (and wider ESCP area), it has been critical for us to inform and progress this programme. Future FCERM schemes to protect people and property rely on the successful provision of compensatory habitat.

Phase 1 of the project, the Strategic Update, was completed in 2018 and confirms the quantity of habitat creation required in this area to meet our legal obligations. The findings of the Strategic Update were shared with local authority planning officers and other relevant stakeholders via a workshop on 1 November 2018.

Work continues with Phase 2, the Tactical Stage, and is now well progressed with the 2018 Annual Review report now drafted and with Natural England for its approval. We investigated 18 priority sites (five of which are within the

Havant borough) for their feasibility for intertidal habitat creation. Jointly with the EA we have produced a habitat creation delivery plan that will ensure we meet our RHCP targets up to the end of the second epoch of the Shoreline Management Plan (i.e. 2055). Ten potential habitat creation sites have been added to the EA's Medium-Term Plan, which is the first step in securing FDGiA funding to start investigating the viability of these schemes. Over the coming years, we will be looking at these sites in detail to confirm and plan the habitat creation opportunities. We are also producing a summary note on the various potential funding opportunities for habitat creation sites.

Solent Bird Studies

The Solent Bird Studies is a three-year study of the way over-wintering bird populations use coastal areas, with a particular focus on taking forward future FCERM and habitat creation projects. We are currently finalising some minor amendments that have been suggested by the Solent Waders and Brent Goose Strategy working group and will submit the report for formal approval by Natural England and Environment Agency once these have been made.