

North Norfolk Coastal Change Pathfinder Programme

Evaluating Options for Business/Private Contributions to Sea Defences between Wolferton Creek and South Hunstanton



**Report on:
Stakeholder Workshop
Council Offices, Valentine Road, Hunstanton
19 November 2010**

for

Stakeholders and Workshop Attendees

RPA

November 2010

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by

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RPA REPORT – ASSURED QUALITY	
Project: Ref/Title	P1263/WCtoSH Pathfinder
Approach:	In accordance with the Specification
Report Status:	Proposal
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Date:	26 November 2010

CONTENTS

	<u>Page</u>
1. Introduction.....	1
1.1 The Pathfinder Study	1
1.2 The Study Area	1
1.3 Aims and Objectives	2
1.4 Aims of Stakeholder Engagement	2
2. Stakeholder Workshop: 19 November 2010.....	5
2.1 Structure of the Workshop	5
2.2 Session 1: Beneficiaries	5
2.3 Session 2: Contributions – What is Fair?.....	8
2.4 Session 3: Contributions – How Should they be Determined?.....	9
2.5 Approaches to Securing Contributions: Conclusions	11
3. Next Steps	13
3.1 Overview	13
3.2 Drop-in Session.....	13
3.3 Follow up Workshop.....	13
3.4 Final Workshop.....	14
3.5 Study Recommendations	14

Annex 1: Workshop Attendees

Annex 2: Workshop Agenda (19 November 2010)

1. INTRODUCTION

1.1 The Pathfinder Study

On the 1st December 2009, Defra announced the names of 15 coastal change pathfinder authorities who will receive financial support to investigate ways of adapting to coastal change in partnership with local communities. North Norfolk District Council (NNDC) and its partners (including the Borough Council of King’s Lynn and West Norfolk (BCKLWN)) were successful in securing £3 million of funding to test possible approaches to managing coastal change.

This study, which forms part of the Pathfinder being undertaken by BCKLWN, is looking to involve local business interests, stakeholders and the Environment Agency in evaluating options for establishing an equitable mechanism for securing contributions towards the long-term cost of coastal defences and to investigate alternative actions such as rollback and other adaptation measures.

1.2 The Study Area

The study area is the frontage covered by Policy Development Zone (PDZ) 2 from the Shoreline Management Plan, which runs from Wolferton Creek to South Hunstanton. Figure 1.1 shows the frontage that is included in this study.



Figure 1.1: Map Showing Location of PDZ2 Frontage (from Wash SMP, Strategic Environmental Assessment – Environment Report, Appendix L, August 2009)

The boundary between PDZ2 (Wolferton Creek to South Hunstanton) and PDZ3 (Hunstanton Town) is located where the hard defences begin in Hunstanton, towards the southern end of Seagate Road.

1.3 Aims and Objectives

The objectives of the project are to:

- evaluate the options for establishing an equitable mechanism for securing business and private contributions towards the long term costs of coastal flood defence, building on the initial indications of support already expressed by the key stakeholders amongst the business community; and
- investigate the policy, practical and financial implications of alternative actions such as the potential ‘rolling back’ of tourism facilities and other adaptation measures.

It is important that the results from this project, although initially focused on the coastline between Wolferton Creek and South Hunstanton, provide a template for adaptation elsewhere in the UK.

1.4 Aims of Stakeholder Engagement

The aim of engagement with the community along the frontage from Wolferton Creek to South Hunstanton is to inform and empower the community to explore the opportunities for securing contributions and delivering coastal adaptation.

All engagement activities will involve the local community (residents, businesses, active groups and associations) in an inclusive, open and transparent way to:

- raise awareness and understanding of coastal change;
- identify an equitable mechanism for securing contributions; and
- identify how the community should adapt to coastal risk.

RPA has developed an engagement plan that includes a promise to:

- use a range of engagement methods to help ensure that there is an appropriate method and opportunity for every person who wants to contribute;
- send a report summarising the findings of the engagement to all attendees to workshops and drop-in sessions; and
- invite feedback and comments on (i) the engagement event, (ii) the report summarising the engagement event(s) and (iii) views on the Pathfinder study more generally;
- use all the information provided by stakeholders to help inform the options for securing contributions and for adaptation, and the assessment of those options;

- assess all suggested options, providing reasons where options are rejected, but allow these options to be reconsidered where these reasons are not accepted by stakeholders or are questioned; and
- make recommendations that include potential adaptation options that are feasible (both technically and financially) and which have been identified as acceptable by the local community.

A copy of the stakeholder engagement plan can be provided upon request.

2. STAKEHOLDER WORKSHOP: 19 NOVEMBER 2010

2.1 Structure of the Workshop

The first stakeholder workshop was held at the Kings Lynn and West Norfolk Borough Council Offices on Valentine Road, Hunstanton on 19 November 2010 from 14:30 to 16:00. A total of 13 people attended the workshop. Annex 2 provides the list of attendees. The workshop was divided into an introductory session from RPA's project team plus three discussion sessions. The discussion sessions involved dividing into two groups to maximise the opportunity for everyone to put forward their ideas and thoughts. A copy of the workshop agenda can be found in Annex 2.

2.2 Session 1: Beneficiaries

2.2.1 Activity

The first discussion session asked who benefits from the provision of sea defences. Each group came up with a long-list of potential beneficiaries.

2.2.2 Results from Group 1

- Residents:
 - In flood area
 - Other local
- Farmers:
 - Landowners
 - RSPB
- Infrastructure (water, sewage treatment)
- Walkers, dog walkers
- Borough Council car parks
- Parish Council car park (Snettisham)
- Flora and fauna – designated environmental sites
- A road
- Local businesses
- Caravan parks:
 - Shops
 - Restaurants
 - pubs
- Supermarkets
- Leisure facilities:
 - Golf courses
 - Sea life centre
 - Park Farm
 - Sailing
- Beach huts
- Holiday makers from away

- Visitors:
 - Local
 - Tourists
- Bird watchers

There was a question as to whether there should be a distinction between those who benefit directly and those who benefit indirectly.

2.2.3 Results from Group 2

- Local residents:
 - permanent accommodation
- Private caravan owners (weekend visits)
- Farmers:
 - arable
 - livestock
 - Ken Hill estate
 - Dersingham Farm estates
 - Wolferton end – royal estate?
- Caravan sites for holiday makers (large sites)
- Holiday accommodation
- Businesses – holiday/leisure:
 - Fairground
 - Sealife centre
 - Caravans
 - Boat trips
 - Sandringham
 - Tourist sites supported by visitors
 - Local shops
 - Bus companies
- Hand picking cockles and shrimps:
 - Hand nets, lugging (local covenants prevent collection of cockles)
- 2 main cockling boats from Kings Lynn (but flooding will not affect them)
- Snettisham sailing club (Easter to end October)
- Watercraft Association:
 - Heacham north beach
 - Wind surfing, kite surfing
- A149 (is it a trunk road?)
- Days out into wider Norfolk (Sheringham, Holt, Wells, Cromer, etc.)
- Utilities:
 - Anglian Water STW – inland as well (Sedgeford, Docking, etc.)
 - Sub-stations
 - BT – Dersingham, junction boxes
- Golf course
- Drainage system (minimising flooding from the coast will help reduce water backing up onto IDB land, pumps)
- Registered footpaths:
 - Walkers
 - Wider walkers (long distance path)

2.2.4 Comparison of Results from the Groups

Table 2.1 groups the suggested beneficiaries and identifies which have been identified by one or both groups. The overall list provides a good summary of the key beneficiaries. It is these groups that can then be considered as potential contributors.

Beneficiary Group	Beneficiary Sub-Group	Group 1	Group2
Residents	Permanent		✓
	Second homes/caravans/ weekends, etc.		✓
	In flood area	✓	
	Outside flood area	✓	
Local businesses	Caravan parks	✓	✓
	Holiday accommodation		✓
	Shops	✓	✓
	Restaurants	✓	
	Pubs	✓	
	Supermarkets	✓	
Farmers/landowners	Landowners	✓	✓
	RSPB	✓	
	Arable		✓
	Livestock		✓
	Estates		✓
IDB	Drainage system		✓
Hand picking	Cockles, shrimps		✓
	Lugging		✓
Infrastructure/utilities/ transport	Water	✓	
	Sewage treatment	✓	✓
	Electricity sub-stations		✓
	BT junction boxes		✓
	A149	✓	✓
	Bus companies		✓
Car parks	Parish Council	✓	
	Borough Council	✓	
Designated sites	Flora and fauna	✓	
Leisure facilities	Golf courses	✓	✓
	Fairground		✓
	Sealife centre	✓	✓
	Park Farm	✓	
	Sailing club	✓	✓
	Watercraft association		✓
	Boat trips		✓
	Beach huts	✓	
Visitors using these facilities, beach	Walkers	✓	✓
	Dog walkers	✓	✓
	Windsurfers		✓
	Kitesurfers		✓
	Locals	✓	
	Tourists	✓	
	Birdwatchers	✓	
Wider area (day trips)	Kings Lynn, North Norfolk coast, etc.		✓

2.3 Session 2: Contributions – What is Fair?

2.3.1 Activity

The second discussion session asked for ideas on contributions and the likely fairness of proposed approaches. The discussions were organised around four main questions:

- Should everybody contribute, or just those who are directly at risk?
- Should everybody pay the same or should payments vary?
- Should there be any difference between businesses and residents?
- What about visitors?

2.3.2 Results from Group 1

Group 1's discussions were focused around five main areas, as summarised below:

- where the money would come from:
 - Where is the additional money coming from?
 - Government vs local split
- the need for money raised locally to be used locally:
 - Transparency of any contributions: people want to see value from the money they pay in. If people can see outputs, then they are more likely to be willing to pay. Money paid locally needs to be used locally
 - There is a lack of understanding over where money goes when it is paid to government or even to local councils
- the size of the likely contributions and affordability:
 - Small amount regularly vs large amount occasionally
 - Type of business is likely to affect whether or not there is money available to pay higher business rates. Some may be able to afford it whereas others might not
 - Beach huts – people have to pay business rates yet they do not receive any services for their money
- the risk that extra costs could cause blight or reduce the competitiveness of the area:
 - Just putting extra rates on those in the at-risk area could lead to an exodus from the area (a form of blight?)
 - If you put a flood defence charge on caravans for example, you would have to be careful that it wouldn't drive people elsewhere
- possible ways of raising money:
 - Rateable value?
 - Not just 'at risk' areas
 - Local business rate (beach huts)
 - Council tax/business rates: these vary greatly dependent on occupancy

2.3.3 Results from Group 2

Discussions in Group 2 can be organised into four areas:

- the geographical extent of a charge:

- Borough boundary – council tax, surcharge on holiday homes in the at-risk area (they continue to benefit even if they are not being occupied)
- Maybe need to widen to Norfolk (given that people come from all around/area supports businesses in Norfolk due to day trips)
- Parish level could lead to NIMBY syndrome
- the issue of fairness and how to make it fair:
 - Should all pay the same (as with stamps)
 - Occasional residents – occupancy factor should be taken out
 - Have to avoid drawing lines
 - People come in from outside to attend functions or undertake activities in the area (e.g. birdwatching)
 - Fairness – needs to be publicised how everyone benefits
- the need to dissuade people from living/investing in areas at highest risk:
 - Surcharge for those closer to defence (just in behind) to dissuade them from investing there
 - Need to discourage people from living in locations at higher risk (insurance is one way), but maybe need levy to discourage (higher risk defined as area below 5m above sea level)
- the need to make sure that everyone who is being asked to contribute has the opportunity to benefit:
 - If being asked to pay for it then the benefits (maintenance of defences) should be open to people in Hunstanton to have defences as well (and other locations too)

2.3.4 Comparison of Results from the Groups

The group discussions show that the groups agreed that the contributions should be secured from wider than just the area at risk. There was also agreement that ‘fairness’ needs to be demonstrated, through transparency and publicity.

Group 1 focused more on the issue of blight while Group 2 considered that the contribution should discourage people from living or investing in the at-risk area. The issue of whether a charge could introduce blight, dissuade people from visiting the area or result in some degree of adaptation to risk will need to be discussed at the drop-in session and subsequent stakeholder workshops.

2.4 Session 3: Contributions – How Should they be Determined?

2.4.1 Activity

The third discussion session asked for ideas on approaches to determining contributions. The discussions were organised around three questions:

- Should contributions be based on business rates/council tax?
- Should there be a flat rate for all?
- Should people pay according to the benefits received?

2.4.2 Results from Group 1

Group 1 raised an initial query on what is paid now? This is not addressed in this workshop report, but a summary of who pays what (through taxation) will be included in the report on contributions. The suggested approaches from Group 1 were:

- there should be a flat rate, with no difference between those at high risk and other. This will help avoid blight;
- the contributions should be obtained from the whole parish and should follow parish boundaries;
- for residents, the approach should be based on the rateable value of the house. This is considered fair as all band D houses would pay the same, regardless of whether they have any other reductions;
- alternatively, contributions could be paid on a per person basis;
- alternatively, there should be a flood tax on all properties, similar to a land drainage charge;
- there should be no reduction in payment for second homes;
- farmers should contribute through a land tax (based on drainage rates), but there was a question raised concerning those farmers that are already paying for land drainage;
- business rates could be used as a mechanism for obtaining contributions from businesses, potentially as a percentage of the rate payable. An issue was raised on how to ensure that business rates are kept in the local area. A percentage could be retained by the local council to fund sea/flood defences;
- the approach should be a simple formula for each group (residents, businesses, farmers).

2.4.3 Results from Group 2

Group 2 identified potential approaches as:

- the contribution should be obtained from a wide area (Borough wide), but people below the 5m contour should pay more;
- the tax/levy should be applied to all ‘dwellings’ as defined in the CROW Act¹;

¹ The definition is (from Schedule 1, Part II Supplementary Provisions, Countryside and Rights of Way Act 2000, source: <http://www.legislation.gov.uk/ukpga/2000/37/schedule/1>)

“building” includes any structure or erection and any part of a building as so defined, but does not include any fence or wall, or anything which is a means of access as defined by section 34; and for this purpose “structure” includes any tent, caravan or other temporary or moveable structure;

An alternative definition for ‘dwelling’ can be found in Section 3 of the Local Government Finance Act 1992 as (source: <http://www.legislation.gov.uk/ukpga/1992/14/section/3>)

“a dwelling is any property which—

- (a) by virtue of the definition of hereditament in section 115(1) of the [M1](#) General Rate Act 1967, would have been a hereditament for the purposes of that Act if that Act remained in force; and
- (b) is not for the time being shown or required to be shown in a local or a central non-domestic rating list in force at that time; and
- (c) is not for the time being exempt from local non-domestic rating for the purposes of Part III of the [M2](#) Local Government Finance Act 1988 (“the 1988 Act”).

- the additional income raised should be ring-fenced as a ‘flood levy’ and shown as a separate item on the Council Tax bill;
- farmland should be included as a small charge per hectare; and
- businesses can be charged through business rates (although the funds raised need to be kept locally). There may be an issue of affordability with some shops and businesses already struggling.

Overall, it was considered that a local levy has more accountability and is more likely to be acceptable. It would be difficult to link the levy to how much everyone benefits as this would be difficult to determine. There are many ways that people can benefit and it would be difficult to assess this with any degree of robustness.

2.4.4 Comparison of Results from the Groups

The general conclusions of the two groups were very similar: there is a need for a locally raised fund from residents, farmers and businesses using existing mechanisms such as Council Tax and Business Rates. It is important that the money raised locally is used locally, and is seen to be used locally. Both groups also suggested that there should be no reduction (e.g. due to occupancy) for second homes as the building/dwelling is present all year round, so benefits all year round even if it is not being used all year round.

There were also some differences between the groups, notably in terms of the contribution to be paid by level of risk faced. Group 1 thought there should be a flat rate to avoid the risk of blight while Group 2 thought there should be a surcharge for those in areas of higher risk. This will need to be investigated further at the drop-in session and subsequent workshops.

2.5 Approaches to Securing Contributions: Conclusions

2.5.1 Conclusions - Group 1

Group 1 suggested that the approach to be taken forwards and tested in the report on contributions, and for further discussion at the drop-in session and subsequent workshops should be:

- there should be a simple system with one mechanism for each group that applies across the whole parish:
 - households: through a flat rate based on the rateable value of the house;
 - businesses: through business rates (although there is concern that this may not be fair as these rates do not necessarily reflect level of business income); and
 - farmers: through a land tax based on number of hectares affected.

The group also discussed two possible alternative approaches that could be used:

1. there should be a system based on a flood tax per property/land; or
2. there should be a system to obtain contributions on a per person basis.

2.5.2 Conclusions - Group 2

Group 2 concluded that the approach to be taken forwards should be:

- a Borough-wide charge covering residents, businesses and farmers where there is a surcharge applied to those living below the 5m contour:
 - residents: linked to banding of properties, with the flood levy identified as a separate item on the Council tax home with no reduction for second homes (no occupancy factor);
 - businesses: linked to business rate, potentially through a Business Improvement District to ensure funds are retained locally;
 - farmers/landowners: based on business rates or as a small charge per hectare. Further discussions may be needed with landowners to assess whether there is a risk that they could be paying twice (once to IDB and once to flood levy)
 - surcharge for those buildings/dwellings below the 5m contour.

The use of a Borough-wide charge means it will be important to consider whether there are other lengths of coastline (or areas at risk from flooding from rivers) that might want to see some benefit from the flood levy. This could mean that the levy is higher than it would be if the benefits were restricted to the frontage between Wolferton Creek and South Hunstanton, but it is likely to be seen as fairer if all those paying the additional charge have the potential to benefit from it.

2.5.3 Approaches to be Taken Forwards for Detailed Investigation

The general agreement between the two groups on the most appropriate approaches means that there are two main methods to be tested:

- a parish-wide charge based on a simple flat rate; and
- a borough-wide charge with a surcharge for those buildings/dwellings below the 5m contour.

It is proposed to consider a third approach:

- a borough-wide charge based on a simple flat rate.

This third approach will allow the potential reduction in contributions to be assessed² (compared with the parish-wide charge), while also considering the risk of blight and potential benefit from adaptation away from the high risk areas to avoid paying the surcharge.

² Consideration will be given to other frontages that may expect to benefit from the additional charge.

3. NEXT STEPS

3.1 Overview

The study is focused around the views and feedback from stakeholders, with stakeholders having the say in which options should be selected to be taken forwards. The next steps, therefore, involve a series of engagement events before a final report is prepared summarising the findings of the study.

3.2 Drop-in Session

The next event is a drop-in session to be held at Heacham Parish Offices on Thursday 2 December 2010, from 14:00 to 19:00. This event is open to everyone with the aim of raising awareness about the Pathfinder project and obtaining views from local communities on the following:

- what people like most about the local area and what they would like to preserve: this will inform the criteria that are used to assess the options;
- whether people would be willing to pay (through the mechanisms identified in Section 2, above) to help continue to provide sea defences. It will be important to identify the types of people who come to the drop-in session (permanent residents, second home owners, business owners, landowners, etc.) to ensure that a full range of views has been obtained;
- whether people would be willing to pay the estimated costs associated with the different approaches to raising contributions: this will be kept simple to obtain an idea of whether it is feasible to raise contributions locally;
- the risk of blight, people choosing to visit elsewhere or the potential to encourage movement away from high risk areas if there is a surcharge for buildings/dwellings below the 5m contour; and
- the potential for adaptation and possible ways of adapting: this will be based on obtaining people's views on some simple statements related to whether there is a need to adapt and different adaptation approaches.

The drop-in session will also be used as an opportunity to explain the role of the Pathfinder and how it will feed into subsequent studies (e.g. work being undertaken by the Environment Agency).

3.3 Follow up Workshop

A second stakeholder workshop is to be held at Snettisham Memorial Hall on Friday 3 December 2010, from 14:30 to 16:30. The aim of this workshop will be to obtain further feedback and ideas on the approaches to raising contributions. The workshop

will also discuss in detail the potential level of contributions that could be incurred under each of the possible approaches. There will also be opportunities to discuss fairness and affordability across the different groups (residents, businesses and landowners) who would have to pay the charge.

3.4 Final Workshop

The final workshop is to be held at the Borough Council Offices in Valentine Road, Hunstanton on Thursday 16 December 2010 at 14:30. The aim of the workshop will be to determine which adaptation options may be most suitable. There will also be opportunities to discuss the final suggestions for approaches to securing contributions and to inform and influence the draft final report.

3.5 Study Recommendations

The study is due to report on the methods for securing contributions on 26 November 2010. This report will include costings to highlight how much would be payable by residents, businesses and landowners through each of the three proposed approaches. The views and feedback from stakeholders at the drop-in session and second workshop will be used to assess which of the approaches has the most support and/or if there are alternative approaches that need to be considered.

A second report is due to be submitted on 17 December 2010. This report will include all ideas and suggestions on potential adaptation options, as well as an assessment of the level of support for each approach to securing contributions.

There will be further opportunities to comment on the study and the reports until 7 January 2011, with the Final Report due to be submitted on 14 January 2011.

The results of the study will be presented at the Key Stakeholder Group on 28 February 2011.

Annex 1:
Workshop Attendees

LIST OF ATTENDEES

Steve Chapman	Diglea Caravan Park
Mrs Chapman	Diglea Caravan Park
Elaine Clutton	Hunstanton Town Council
Trish Hammond	Heacham PC
Peter Jermany	BCKL&WN
Eric Langford	Snettisham PC
Pippa Lawton	Environment Agency
Andrew Murray	Hunstanton Town Council
Fred Parkes	Snettisham PC
John Smith	Hunstanton Town Council
Tom Sparke	Heacham South Beach Owners Assn
Dave Robson	BCKL&WN
Nigel Woonton	Environment Agency

Annex 2:
Workshop Agenda

STAKEHOLDER WORKSHOP 1: PROGRAMME
COUNCIL OFFICES, HUNSTANTON: FRIDAY 19TH NOVEMBER

2.20-2.30pm Arrival

Tea, coffee

2.30-2.40pm Introduction

Introductions from RPA and stakeholders

Background to the Pathfinder Project

Focus of the afternoon – looking at options for establishing an equitable mechanism for securing business and private contributions towards the long term costs of coastal flood defence

2.40-3.00pm Session 1: Beneficiaries

(Split into groups dependent on numbers)

Who benefits from sea defences in this area?

What are the consequences if these benefits were to be lost?

3.00-3.20pm Session 2: Contributions - What is fair?

(Group discussion with notes recorded)

Should everybody contribute, or just those who are directly at risk?

Should everybody pay the same or should payments vary?

Should there be any difference between businesses and residents?

What about visitors?

3.20-3.30pm Break with Refreshments

3.30-3.50pm Session 3: Contributions - How should they be determined?

(Group discussion with notes recorded)

Should contributions be based on business rates/council tax?

Should there be a flat rate for all?

Should people pay according to the benefits received?

3.50-4.00pm Feedback

Brief summary from the groups

Next steps

Thanks for attending

4.00pm Close

