

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
Borough Council Offices, Hunstanton
16 December 2010**

for

Stakeholders and Workshop Attendees

RPA

December 2010

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by

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RPA REPORT – ASSURED QUALITY	
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Report approved for issue by:	Meg Postle, Director, RPA
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1. INTRODUCTION

1.1 The Pathfinder Study

This study forms part of the Pathfinder being undertaken by the Borough Council of King's Lynn & West Norfolk (BCKL&WN). It 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. The study is also investigating alternative actions such as roll-back and other adaptation measures.

1.2 Involvement of Stakeholders

The Pathfinder Project has so far involved four stakeholder events:

- an initial workshop in Hunstanton;
- a drop-in session in Heacham;
- a second workshop in Snettisham; and
- a third workshop in Hunstanton.

This report provides details of the discussions and comments from the third stakeholder workshop, which was held in the Borough Council Offices in Hunstanton on 16th December.

2. WORKSHOP ATTENDEES

The workshop was attended by several people from along the affected frontage including:

Jo Stanton	BCKL&WN
Dave Robson	BCKL&WN
Jane Hiles	Tall Trees Caravan Park
Richard Searle	Searles Leisure Group
Roger Drinkwater	Heacham Parish Council
Andrew Murray	Hunstanton Town Council
John Norton	BCKL&WN
Pippa Lawton	Environment Agency
John Ash	Independent Consultant
Teresa Fenn	RPA
Elizabeth Daly	RPA

3. DISCUSSION

3.1 Overview

Discussions during the workshop mainly focused on two issues. These were:

- coastal change – what do we want to keep; and
- defences – who should pay.

The following two sections record the comments made in relation to each of these issues.

3.2 Coastal Change – what do we want to keep?

The aim of this discussion was to consider what people like about the area, why people move here and what attracts tourists. This information can subsequently be used to ensure that any coastal management options help to retain the features which people like.

Many reasons were provided as to why people like to live in the area, and also why it attracts visitors. These included:

- the outstanding natural beauty of the area;
- low crime and disorder rate;
- good quality of life;
- sea and sand;
- good local farm produce and seafood;
- plenty of places for people to walk; and
- the general mix of features (i.e. sand, sea, marsh) which provides something for everyone. Nobody says that there is nothing to do.

A general comment was also made that people want to retain the area as it is; they do not want things to change.

Several comments were made in relation to attracting visitors to the area:

- the area attracts a particular age group (i.e. those approaching retirement) who may be looking for second homes. It was also commented that people seem to buy a property in the area as a second home and it quickly becomes their main residence;
- people can come here and have a “family life”, which they may not be able to have where they live and work. People want to come and bring their families up in this sort of area;
- the beach is a big attraction. The view is always changing so you never know what it will be like;

- day visitors tend to become staying visitors, who may even settle down here and start to appreciate the other attractions in the vicinity;
- one of the caravan parks noted that they have seen people move from being visitors to residents, i.e. they used to stay in a tent, then they visited in a touring caravan, then they bought a house in the area;
- people seem to come for shorter, less planned visits nowadays. Holidays seem to be more spread out through the year. There has been a change in the way holidays are planned. B&B owners report that people tend to now arrive on the doorstep enquiring about vacancies and stay for a few days, but are likely to come back several times a year. Before, breaks were longer and booked earlier but were usually only once a year;
- school holidays – these are condensed into a shorter time period. People who used to come out of season now cannot come because the only time they can visit is during the school holidays and they cannot afford the greater spend necessary;
- one of the caravan parks noted that they organise special events and theme weekends (e.g. Tinsel & Turkey) for visitors; and
- daytrippers – there does not seem to have been any increase in daytrippers – the big car park near the fairground was not full at any time this year.

Discussion then moved on to the state of the shoreline. Comments included:

- the Wash has been silting up for years. It used to be possible to run boat trips, with 12ft of water. There is now only about 3ft, which has opened up opportunities for windsurfing and kitesurfing. However, there has been a definite decline in the amount of people swimming (note that this could be because of environmental concerns, not just because of the shallower water);
- at Heacham beach, there was a considerable amount of silt until around 18 months ago. This has now cleared away and the beach goers are happy again (it was suggested that this change in the sediment pattern could be due to the wind farm);
- the beach can change overnight when there is a storm. For example, it can go from being sand to being predominantly shingle; and
- at Hunstanton, around two feet of sand has been lost from the cliff end.

3.3 Defences – who should pay?

This discussion was centred on the matrix indicating the potential contributions which might be paid under the various approaches considered (see Annex 1 for the matrix). Several points were noted:

- agriculture – what about defences in PDZ1? – these protect a lot of high quality farmland around Terrington. It would be inappropriate for people in PDZ2 (i.e. landowners) to be penalised and have to pay to defend their land, especially when the land quality is lower. It was subsequently noted that although this is a very valuable point, this study is focusing on PDZ2. Since it is a Pathfinder, there should be opportunities for joining things up in the future. In addition, the Environment Agency is currently undertaking a study which involves reviewing the defences in the PDZ1 area;
- borough wide contributions – there is a need to be careful with the borough wide contributions. There may be a need to pay for more defences in other parts of the borough. If it is necessary to pay for defences all around the Borough's coastline, the costs from the SMP indicate that the estimated contributions (currently given in the matrix) could double (the costs would increase from an estimated £800,000 per year to around £1.5 million per year if PDZs 1, 2, 3 and 4 are included);
- the coast in this region is divided into zones which all have different issues. Here, the caravans are a big issue. We need to consider the level of risk;
- value for money – if we charge people for something, then they will want to be able to see the benefits. There is a need for a 'guarantee' that works will be carried out if the contributions are going to be collected locally;
- the total costs seem a bit higher than those suggested previously (at the key stakeholder meetings). It should be noted that once you start looking at things in detail, then you can obtain more accurate costs;
- if a defence was built, businesses would want a guarantee that it was going to be maintained (but note that it is acknowledged that the contract would not cover extreme events and breaches since no one would be able to prevent these);
- businesses can obtain insurance for loss of profits. They might even receive lower insurance premiums if they are located behind a defence. Rates seem to be about the same as outside the flood area (based on the experience of the attendees). One of the caravan parks (located behind the second bank) noted that they have never had problems obtaining insurance;
- insurance for individual vans – where caravan owners rent a pitch on a park, the caravan park often organises the insurance for them;
- persuading people to pay – one of the caravan parks noted that they have not had any problems with flooding. They would consequently find it difficult to persuade their customers to pay an additional flood defence charge, particularly as they are happy with the level of risk (1:50 year);
- 1978 event – in a way, this event forced some caravan park owners to upgrade their parks and facilities and invest in infrastructure (note many insurance policies for caravans are "new for old"). However, memories are short and flood risk is not really at the top of people's agendas;

- BH&HPA (British Holiday and Home Parks Association) – there is a national scheme for insurance which many caravan parks belong to. However, it should be noted that some parks are not accepted for insurance under this scheme due to the level of risk;
- flooding is less of a problem for caravans than for homes;
- a surcharge for those more at risk is probably a good idea, so long as it is a fair contribution. But note that caravan parks now obtain their profit from the pitch rent rather than from selling the caravan in the first place. Hence the extra charge cannot be too high that it puts people off and makes the park uneconomic. There is also the issue of where to put the line between those paying a surcharge and those not. The argument will be with people on the line. Perhaps the line could be taken as the flood risk line?
- what if the line is taken as the 1:50 year line, since this would be consistent with the standard of the defence? It was noted that this would not be acceptable from a business point of view since 1:50 would be seen as too low;
- perhaps the line could be adjusted so that it fits a road?

There was a general consensus that Method A (where businesses pay a higher proportion) seems the most appropriate. Also, the contribution should be payable Borough-wide with a surcharge for those in the floodable area (rather than below/above 5m).

Discussion then moved on to the practicalities of administering the charge. Points noted included:

- keeping the system as simple as possible is important. The simplest way from an administration viewpoint is for the charge to be included as part of the parish precept. An explanation for the increase could then be added to the explanatory booklet which is sent out with the bill. BCKL&WN has pledged not to increase its part of the council tax, hence it would be difficult to add in a flood defence charge. It could perhaps be done by adjusting the figures so that the charge would be taken out of the BCKL&WN payments. But this would not be very transparent. Also, could the money still be ring-fenced if it was collected by BCKL&WN as an integral part of council tax (rather than a separately identified levy)?
- residents already pay a parish precept of between £30 and £100 per year (typically, Heacham is around £34 per year);
- if people living outside the at-risk area realised that they might have to pay via their council tax bills, they might decide to get involved in the study. They are probably keeping quiet in the hope that they will not have to pay. We need to get these people to comment on the study (note that RPA will submit some text on the study to both Heacham and Hunstanton newsletters to inform people about the project and why they might need to contribute);

- BCKL&WN pay and display car parks – it is possible to add a flood tax to the car park charges? People will realise that it is for the good of all that everyone contributes and the area is retained. Equally important is finding a mechanism to charge those that park along the cliff, where it is currently free;
- the software used for the production of the council tax bills does not allow additional payment lines to be added (i.e. Flood defence fund....£x). It would cost several thousand pounds for a programme to be written to allow this;
- there will be some up-front costs to get the system set up and underway;
- what about inflation? This needs to be built in, so everyone (businesses included) can plan for future contributions. A fixed price is perhaps a better option; and
- is there potential that some money might be provided from central Government (rather than all having to be raised locally). Defra has recently issued a consultation document on future funding which suggests some payments could be available to help with the costs. However, based on the approach set out in the consultation document this might be small (although the full details and interpretation of the future funding approach have not yet been agreed).

Summing up the contribution collection mechanism, it was felt that it should be:

- simple and transparent, with contributions ring-fenced for defences;
- ready to go for when the money runs out in 2012; and
- there needs to be a contract between the Environment Agency and the local area, with the parishes receiving an annual report on work undertaken and work planned.

4. NEXT STEPS

4.1 Reporting

A draft report on the different mechanisms for securing contributions has been produced for the Borough Council. This is currently being revised in line with comments received from the Council and at the various stakeholder events.

A further report will be produced for the second part of the study on ways of dealing with coastal change should defences not be maintained or funded in the future. This will be completed in January.

4.2 Feedback and Thanks

Thank you to all the stakeholders who have attended events so far and provided ideas and suggestions. Comments and feedback on the Pathfinder Project can be made until the 14th January 2011; the Final Report is due to be submitted later on in January 2011.

The results of the study will be presented at the Key Stakeholder Group on 28th February 2011. However, it is anticipated that stakeholder involvement in coastal management will be continued through the Environment Agency's work on reviewing the strategy for the area.

Annex 1: Matrix Showing Potential Contributions under the Three Main Approaches

Comparison of Estimated Annual Contributions by Beneficiary and Approach										
Approach		Residents (on Band D Council Tax)			Businesses (per £1,000 of business rates)			Landowners (per 100ha of farmed land)		
		By taxes paid to Borough Council	By national taxation (all tax)	By national taxation (property taxes)	By taxes paid to Borough Council	By national taxation (all tax)	By national taxation (property taxes)	By taxes paid to Borough Council	By national taxation (all tax)	By national taxation (property taxes)
Contributions from parishes ¹	No differentiation between those at risk and those not at risk	£10	£63	£42	£220	£34	£12	£810	£5	-
Contribution from everyone in the Borough ²	For those below 5m	£4	£27	£18	£29	£5	£2	£72	£0.40	-
	For those above 5m	£2	£14	£9	£14	£2	£1	£36	£0.20	-
Contribution from everyone in the Borough	No differentiation between those at risk and those not at risk	£2	£14	£9	£19	£3	£10	£46	£0.30	-
Notes:										
¹ Includes Heacham, Hunstanton, Snettisham, Dersingham and Ingoldisthorpe										
² Based on a surcharge where those below 5m pay twice as much as those above 5m										

What is the fairest approach?

- Around 90% of properties in the Borough are residential
- Around 30% of businesses are below 5m, but only 1% of residences
- Around 28% of farmed land is below 5m
- Current (2010/2011) BCKLWN Council Tax for a Band D property is £111.97
- Average business rates are around £10,000 per year