

Report to: Cabinet



Date of Meeting 3<sup>rd</sup> January 2024

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## South West Flood and Coastal shared service

### Report summary:

To propose that East Devon District Council join a shared Flood and Coastal Erosion Risk Management (FCERM) service with BCP (Bournemouth Christchurch Poole) Council. EDDC have been using BCP Council's FCERM service on an ad-hoc basis for service provision over the last 18 months. The vision for this service, through dialogue with the Environment Agency who undertake the 'Strategic Overview' of the national FCERM programme, is to broaden across the South-West region to improve the ability of Local Authorities to deliver against national targets and make our communities more resilient to climate change. The shared service would just be for the funding of the service staffing and equipment, meaning each participating authority has access to the broad skills at their net cost. EDDC would remain in full control of what is delivered as well as all other related budgets such as maintenance and capital schemes. The shared service operates so that participating authorities can decide on their proportion, depending on needs. It is proposed that EDDC initially enters into the agreement with a £35k share per annum and monitor performance/progress.

### Is the proposed decision in accordance with:

Budget Yes  No

Policy Framework Yes  No

### Recommendation:

That Cabinet approve entering into a shared service agreement with BCP (Bournemouth Christchurch Poole) Council for the provision of FCERM services. Delegated authority to be provided to Assistant Director to sign off appropriate agreement and financial limit not exceeding EDDC service needs and budget, which will be reviewed annually.

### Reason for recommendation:

East Devon District Council has a current backlog and likely large future programme of flood and coastal works. We currently rely on stretched internal staffing to deliver projects, or ad-hoc consultant appointments, and looking to streamline project delivery. This shared service agreement would allow for increased work to be delivered and offer better value to the taxpayer and time efficiencies to projects, as opposed to procuring consultant services. Due to the depth of experience of the team available through the shared service agreement, there is opportunity to explore external funding potentially reducing EDDCs funding commitments to deliver future flood and coastal risk projects.

Officer: Tom Buxton-Smith Email: [TBuxton-Smith@eastdevon.gov.uk](mailto:TBuxton-Smith@eastdevon.gov.uk)

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Portfolio(s) (check which apply):

Climate Action and Emergency Response

Coast, Country and Environment

- Council and Corporate Co-ordination
- Communications and Democracy
- Economy
- Finance and Assets
- Strategic Planning
- Sustainable Homes and Communities
- Culture, Leisure, Sport and Tourism

**Equalities impact** Low Impact

**Climate change** Medium Impact

This would be a positive impact as more able to deliver projects that mitigate the risk of sea level rise and increased extreme weather events.

**Risk:** Low Risk; A Shared Service Agreement would provide access to staff only. It would contain a termination clause and we'd seek for a limited share initially. It would therefore be low cost and no more liability than employing a member of staff directly.

**Links to background information** N/A

Link to [Council Plan](#)

Priorities (check which apply)

- Better homes and communities for all
- A greener East Devon
- A resilient economy

## Report in full

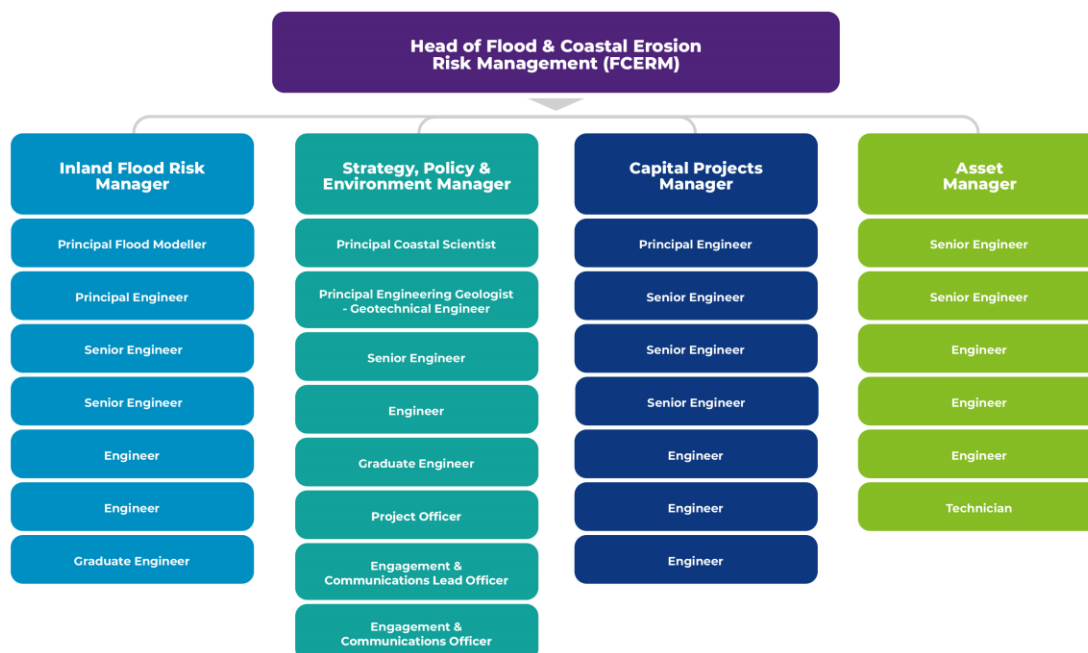
### 1. Background

- 1.1. Delivery of FCERM projects is very complex and requires significant consultancy support for specialist roles. After the success of national Local Authority FCERM partnerships, the Environment Agency have been promoting that a similar approach is taken in the Wessex and South- West Region.
- 1.2. Recruitment is difficult as, individually, authorities struggle to attract a broad enough range of skills and the delivery of capital projects is too inconsistent.
- 1.3. EDDC currently has 13 coastal projects ongoing or in development, and 4 inland flooding (fluvial) projects which will involve external assistance to help deliver.

### 2. Proposal

- 2.1. In order to deliver existing projects and to make the most of our permissive powers to attract additional Flood Defence Grant in Aid, EDDC would benefit from joining the shared service so that the high calibre, specialist roles can be used as 'in-house' staff. EDDC currently calls off this service for support, but the relationship is constrained by needing to be prescriptive for specified objectives, similar to using a consultancy.
- 2.2. Entering a shared service would change the culture to one of a single / in-house team and successes in bidding for central government funding will lead to delivering more on the ground at no additional cost to the service.
- 2.3. A good example is 'Coastal Partners' in the Eastern Solent region (<https://coastalpartners.org.uk/>); this is a shared service between five local authorities – Gosport, Fareham, Portsmouth, Havant and Chichester Councils. BCP (Bournemouth Christchurch Poole) Council have mirrored their business model and have been

successful in building their team against successful grant bids as well as supporting neighbouring authorities. Their current structure is shown below:



2.4. The service contains a very broad set of skills, including personnel that were employed in the FCERM sector at leading consultancies. The key to the business model is also the ability to attract grant funding to deliver more projects. This allows charge out rates to be applied where central government funding is available, thus reducing the overall cost of the service for the participating authorities.

Skills that are available include:

- GPS topographic surveying
- Drone surveys (photographic and LiDAR)
- Flood modelling
- Coastal processes / modelling
- Contract Management (NEC accredited Project Managers and Site Supervisors)
- Geotechnical / Cliff Management
- Asset Inspectors (T98 qualified – EA standard)
- Comms and engagement
- Shoreline Management Planning (i.e. policy setting)
- Beach Management Planning (i.e. beach morphology management)

2.5. After regular dialogue and ongoing support from BCP, it would be the natural next step to formalise an agreement to pay a 'share' into the service so EDDC can benefit from the culture that would bring. With the proposal to enter into agreement with a limited share, it carries no more risk than employing a single person but would open access to multiple skills and specialisms.

### 3. External income opportunity

3.1. Although initially a financial outlay for EDDC, it is thought that the shared service agreement could lead to additional external funding being brought into EDDC

- 3.2. Typically, this would be Flood Defence Grant in Aid (FDGIA) or Local Levy, (a regional fund) which we do use for major projects, but have not fully explored for all FCERM projects.
- 3.3. Additional funding may also come from bespoke government grants, which may be cross district. (since 2019 EDDC has been part of two cross district bids, one successful lead by DCC, and one unsuccessful led by Torbay Council)
- 3.4. Clearly additional external funding would be a benefit to EDDC, either reducing future financial commitment to capital works, or being able to offer more to the community.

#### 4. Financial implications to EDDC

- 4.1. It is not proposed to fund the shared service agreement with new budget, instead it will be funded out of existing budget from various sources.
- 4.2. Salary underspend. The service currently has some relevant salary underspend which can be put towards the service share agreement for its first year, but it is not yet clear if this will continue into year 2 and beyond.
- 4.3. Revenue Budget. During the last 5 years, across the relevant revenue budgets, EDDC has on average spent £14.8k per year on consultant services.
- 4.4. Capital Budget. It is roughly assumed that at least 10% of project cost will be consultant fees. During the last 5 years, the average 10% figure of all relevant capital bids is £27.8k
- 4.5. Existing BCP commission for Seaton Hole BMP. We have agreed a commission with BCP to deliver a single large capital project, with a value of £79k over two years.
- 4.6. Given the 4 sources of funding above, we have a conservative budget proposal for BCP shared services of £35k annually for 2023/24 and 24/25. This sits comfortably within existing revenue budgets and existing and likely capital projects.
- 4.7. To aid with resource planning, we propose a yearly review, a year in advance of a as yet agreed year to adjust the shared service figure. For example, the 25/26 funding of the shared service agreement would be discussed Autumn 2024
- 4.8. Although we wish to set the value of the shared service agreement at £35k annually for the first two years, it may increase if moneys are moved over from the existing Seaton Hole commission, as this would provide a more efficient use of resource, offering that project a net saving.

#### 5. Recommendation

- 5.1. Given the net benefits to delivery of Flood and Coastal Risk projects in EDDC, it is recommended to enter this shared service agreement for two years, reviewing value and need a year prior to the end of the current agreement. This value could be increased if it aids delivery of Seaton Hole BMP.

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#### **Financial implications:**

The financial implications are highlighted in the report and the costs involved are being met from existing budgets.

#### **Legal implications:**

The Council has the power to enter into a shared service arrangement with another Local Authority. If approved by members, the Agreement with BCP will need to be approved by the legal service.