

Handing over responsibility and improving coastal protection through PFI working

Where and Who

Region: Southern

Area: Sussex

Teams: Flood Risk Management, NCPMS

What

In 2000 the Environment Agency signed a £27.4 million Public Private Partnership (PPP) long-term contract for the Pevensey Bay Sea Defences with Pevensey Coastal Defence Limited (PCDL). PCDL is required to carry out improvement works to raise the standard of protection and maintain the sea defences for a monthly fee.

The Pevensey Bay Sea Defences extend for 9 km between Eastbourne and Bexhill in East Sussex. Prior to the 2002 improvement works, the defences comprised a shingle bank and timber groyne field, much of which was at or near the end of its useful life.



As it is now

In some locations the limited width of the shingle bank meant that any storm with a return period of 1 in 20 years or greater was likely to breach the defence.

A permanent breach in the shingle bank would result in a 50 square kilometre area behind the defences flooding at high tide. Within this area there are approximately 17,000 properties at risk. More than 2,000 of these properties are located on or directly behind the defences to which the PPP contract applies. There are 12,000 located in Eastbourne and a further 3,000 properties under construction as part of the Sovereign Harbour Development.

In addition to these properties, several caravan parks, road and rail links and the Pevensey Levels – an important Site of Special Scientific Interest - are in the area at risk.

Costs & Funding

The contract value at the start was £27.4 million. It was extended in 2003 to include the 1km Sovereign Harbour frontage. As a private development, an annual contribution of approximately £200k is paid to the Environment Agency through a Trust funded by the residents. The contract value is now £35.4 million of which £4.5 million will be funded by the Trust. The bulk of the funding came from contract payments under Defra's GIA.

How

How we did it.

As a new organisation formed in 1996 the Environment Agency was keen to determine whether our expenditure was achieving best value for money. To this end, one of the first steps was to review the potential use of the Private Finance Initiative (PFI) and Public Private Partnership (PPP) for flood defence capital projects.

In 1997 the Pevensey scheme was chosen to act as one of two pathfinder projects to assess the applicability of PFI/PPP.

The preferred option for Pevensey, as the reference project to set the service criteria for a PFI/PPP project, was identified in the 1997 strategy and approved in 1998. Following a bidding process Pevensey Coastal Defence Limited (PCDL) was appointed as preferred bidder in May 1999, and the contract commenced in June 2000. Under the contract, PCDL has been acting as our agent with full responsibility for contact with all stakeholders with an interest in the foreshore and the sea defences.

When this contract was first proposed, many residents and other organisations expressed great concern at the idea of passing responsibility for the sea defences to the private sector. However, thanks to PCDL's excellent performance and relationship with the local community over the last six years, any proposal to revert to previous arrangements would now meet with considerable opposition from those same stakeholders.

PCDL has shown its commitment to managing the sea defences in sympathy with natural processes, working closely with the East Sussex Coastal Biodiversity Officer to adopt practices that assist in enhancing the rare vegetated shingle environment.

The effort invested by PCDL in understanding the asset means Pevensey is one of the most closely monitored beach frontages in the country. It has actively supported several beach behaviour research projects and is currently assisting the inshore fishing industry in research on fish spawning within Pevensey Bay. Other contributions to the local community include regular articles for the local magazine, boat trips to the dredger for school children and support for the local football team. PCDL has won several awards during the last six years, the latest being a 2006 Green Apple Environmental Award.

Challenges

Considerable scepticism and opposition from all parties on the Key Stakeholders Group as well as some Environment Agency managers at the start of the process was gradually overcome through regular update meetings, which also involved PCDL after its appointment as preferred bidder.

Aspects of Making Space for Water

Innovative funding arrangements, good stakeholder engagement and risk communication.

Partners

A key stakeholders group was set up at the start of the PPP investigation in 1997 and included: East Sussex CC, Eastbourne BC, Rother DC, Wealden DC, several parish councils, residents associations and fishermen representatives; English Nature (now Natural England).

Cost

Contract value – £35.4 million.

Timing and Status

This project runs from June 2000 to May 2025 and is ongoing. PCDL is now in the seventh year of a 25-year contract.

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