Selsey Haven - Socio-Economic Impact Study

Final

for

Selsey Fishermen's Association, Selsey Town Council and Chichester District Council

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Prepared by:

Bruce Nairne &
Scott Marshall

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Executive Summary

The Selsey Haven Project

A partnership of Selsey Fishermen's Association, Selsey Town Council and Chichester District Council [the Funding Partnership] are investigating the viability and potential benefits of building a Haven at East Beach, Selsey.

The aims of the project are to:

- Secure the future of Selsey's fishing industry, by improving safety conditions and enabling more of the local catch to be sold locally at market prices;
- Provide a destination point to attract higher spending visitors to Selsey and the Manhood Peninsula; and
- Provide facilities for leisure boats, diving crafts and other boats.

Over the medium term, the new Haven is expected to stimulate the local economy and provide new jobs for local residents.

This socio-economic impact report is one of two studies that have been commissioned to inform the Selsey Haven project. It assesses how the links between the proposed Haven and the town centre can be strengthened, through a separately commissioned wayfinding paper, undertaken by Wolfstrome Design; considers how facilities could be improved or developed; and includes quantitative estimates of the potential local economic impacts, using Net Present Values, based on a range of scenarios. A technical and viability study has undertaken by Royal Haskoning DHV.

The viability study recommends a Haven with around 130 berths, of which 30 will be reserved for fishermen and the remainder for leisure boats. In addition, there is planned provision for a small number of commercial uses, the aim of which will be to enable a higher proportion of the local catch to be processed, prepared and sold directly from the Haven. The fishermen's pontoons will be separate from the leisure pontoons, as their safety and storage requirements are different.

The technical study provided low and high estimates of the development, construction and maintenance costs for a Haven with 50, 75 and 100 berths. If the construction costs are adapted for a 130 berth Haven, they are likely to be around £13m at the low end and £22.8m at the high end. These estimates and the income and operational cost estimates have been used to inform the quantitative component of this socio-economic impact study.

Selsey's Economy

Selsey has long been a focus for regeneration plans, largely because of it is amongst the least affluent parts of the local area. There is evidence of low educational attainment, an ageing local population and a high volume of lower paying employment, which makes it difficult for young people and families to afford the high cost of housing in Selsey. However, it is not a particularly deprived area by national standards. Indeed, it is very popular with older people, in particular, because of the high quality of its natural environment, its tranquillity and its unspoilt coastline. It is also a popular visitor destination, primarily due to the location of Bunn Leisure at West Beach. Whilst this helps to sustain businesses in the town centre, the number of Holiday Park visitors who use Selsey's facilities is thought to be lower than it could be.

Fishing is an important part of Selsey's heritage. Selsey Crab and Lobster is a highly valued dish in some of London's top restaurants and hotels and over £1m of fish is landed at the port every year. However, fishermen's working conditions are dangerous, as they launch directly from the beach, whilst the value of the landed catch has not kept pace with the cost of living. Much of the value of fishing is in the processing, preparation and selling of the fish, rather in the catch itself.

Furthermore, changes in wind direction patterns, rising sea levels and more volatile weather conditions associated with climate change have all put the future of fishing in Selsey under threat. Many people believe that this important part of Selsey's heritage will not survive over the medium term, unless action is taken to improve conditions and infrastructure for the fishermen.

Links between the fishermen and the local community have weakened over time and only around 5-10% of the catch is sold locally at market prices. The absence of a Haven also restricts other marine activities in Selsey, such as diving, whilst the town does not benefit from leisure boat visitors who sail within the Solent area.

The site of the proposed Haven is East Beach. It is a largely unattractive area with poor public realm and unsightly commercial units linked to the fishing industry. There are a small number of direct sales fishing outlets, but these are not easy to locate and seem somewhat intimidating to potential customers, set amongst fishermen's pots and processing huts that give the area an unkempt feel. Further west, next to the new Lifeboat building, Potter's Fish sells prepared fish directly to customers and it appears to have stimulated demand.

The East Beach Kiosk offers little, if any, local produce and whilst the Lifeboat Inn is near to the beach, close to the newly opened RNLI lifeboat station and visitor centre, there is no food and drink

facility that has direct access to the sea. There is also little evidence of the fishing industry in the town centre, as there is no local fishmongers, whilst the food and drink offer in the town is often considered moderate, limiting the attractiveness of Selsey to visitors.

Links Between East Beach and the Town

The links between the town and the fishing industry are not as strong as they could be. There is little evidence of the significance of the fishing industry in the town centre and, whilst there is some direct sales activity, it is difficult to locate and uninviting to potential customers. The public realm in the East Beach area, where the proposed Haven will be located, is tired and appears largely uncared for and there is little signage that links the beach with the town centre.

Arguably, much could be done to improve the links between the beach and the town centre with or without the construction of a Haven, including improving signage and public realm, holding events that specifically focus on promoting local crab and lobster and working closely with key businesses, such as Bunn Leisure to sell directly into the holiday camp visitors at West Beach.

Improving and Providing Facilities

Both the viability study and consultation to inform this report have set out what the main Haven users' would expect in terms of facilities. These include:

	Technical Users	**Leisure Users**		
	Fishermen	**Divers**	**Leisure Craft**	**Non sailors**
Parking	Yes	Yes	Yes	Yes
Easy **access** to pontoons, boats and water	Yes	Yes	Yes	Yes For the views
Mooring pontoons	Yes	Yes	Yes	
Electricity and water supply on pontoons	Yes	Yes	Yes	
Boat ramp access	Yes	Yes	Yes	
Fuel sales	Yes	Yes	Yes	
Boat storage		Yes	Yes	
Repair and maintenance facilities	Yes		Yes	
Fishermen's facilities: • Processing facility • Bait and catch storage • Processing facility	Yes			

• Pot storage				
Divers' facilities: • Somewhere to wash, store and dry diving gear • Compressor for filling air tanks • Small diving facility		Yes		
A good quality café/restaurant		Yes	Yes	Yes
Modest food and drink facilities	Yes	Yes	Yes	Yes
Good quality shower and toilet facilities	Yes	Yes	Yes	Yes
Small retail unit	Yes	Yes	Yes	Yes
Public amenity space for education and interpretation	Yes	Yes	Yes	Yes

In the short term, temporary or 'container' structures could be developed or purchased to provide a focus for new all year round events and retail sales activities. Typical 'container' units are 14.6m in length, 2.6m wide and 2.9m in height and are easily transportable and can be joined to create larger units.

Well designed storage, better signage and improvements in the exterior of the commercial units at East Beach would make a significant difference to the area and make the direct sales outlets more accessible to visitors. The East Beach kiosk could be repositioned and, in partnership with local fishermen, could become a focus for selling local produce.

Other Havens, Harbours and Initiatives to Support Local Fishing

There have been several developments elsewhere that have sought to regenerate local communities through havens and harbours and other initiatives to improve the local value of fishing. Some of these appear to have been more successful than others.

A £1.8m Coastal Community Fund award helped to reinvigorate a £2.5m fishing industry project in Amble, Northumberland. This involved re-establishing the infrastructure for buying and selling local produce and taking a step-by-step approach to developing the food tourism market by providing huts that could be rented on very short term leases to sell local produce and arts and crafts.

Ryde Harbour, which has 140-berths for leisure boats attracts 21,000 visitors each year and makes a small annual surplus on its operating costs. Its development has stimulated wider improvements to facilities and visitor accommodation along the esplanade.

Bembridge Harbour has much greater capacity than the proposed Selsey Haven. It is considered to be well-equipped with good facilities for users and has helped to regenerate the village.

Ventnor Haven, however, which was built in 2003, is too small to be financially viable, whilst its wider regeneration impacts are thought to have been modest. Technical issues mean that it has resulted in it costing Isle of Wight Council tens of thousands of pounds a year just to maintain it, whilst mooring income is negligible.

Economic Impact Estimates

The Haven could provide **additional £12m to the local economy** over a twelve-year period. However, more work will need to be done to engage private sector interest in the project or in related developments in other parts of the town that are dependent on the construction of a Haven. A Haven could have a catalytic effect on the local area, but this is difficult to precisely quantify at this stage.

Given this, the impact estimates that have been produced are based on additional income associated with new and/or higher spending by visitors, mooring and rental income to the Haven and the impact of selling a larger share of the catch locally at market prices. Net Present Value estimates for the period 2017/18 to 2028/29 (Years 1-12 years) have been made, with the Haven assumed to open in Year 3. Three Baseline Scenarios have been used, reflecting the range of potential prospects of Selsey's fishing industry over the medium term:

- Baseline Scenario 1: 0% annual decline in the volume of landed catch in the Do Nothing Option
- Baseline Scenario 2: 10% annual decline in the volume of landed catch in the Do Nothing Option
- Baseline Scenario 3: 30% annual decline in the volume of landed catch in the Do Nothing Option.

In addition to the Do Nothing options, the impact of the Haven, including and excluding construction costs, has been included for each Baseline Scenario, using the following options:

- Low cost/low benefit
- Low cost/high benefit
- High cost/ low benefit
- High cost/high benefit

The table below shows the Do Nothing and total Net Present Value estimates for the Low Cost/High Benefit and High Cost/Low Benefit options for each Baseline Scenario for the period 2017/18 to 2028/29, as these represent the best and worst case scenarios.

Table 1: Low Cost/High Benefit and High Cost/Low Benefit options for each Baseline Scenario

Baseline Scenario 1	DO NOTHING		LOW COST/ HIGH BENEFIT		HIGH COST/ LOW BENEFIT	
			Including Construction Costs	Excluding Construction Costs	Including Construction Costs	Excluding Construction Costs
Total Benefits	+£7,878,536	Total Additional Benefits Years 1-12	-£5,160,505	+£7,618,495	-£17,239,245	+£3,207,155
Baseline Scenario 2	**DO NOTHING**		**LOW COST/ HIGH BENEFIT**		**HIGH COST/ LOW BENEFIT**	
			Including Construction Costs	**Excluding Construction Costs**	**Including Construction Costs**	**Excluding Construction Costs**
Total Benefits	+£4,795,544	Total Additional Benefits Years 1-12	-£2,350,981	+£10,428,019	-£14,335,169	+£6,111,231
Baseline Scenario 3	**DO NOTHING**		**LOW COST/ HIGH BENEFIT**		**HIGH COST/ LOW BENEFIT**	
			Including Construction Costs	**Excluding Construction Costs**	**Including Construction Costs**	**Excluding Construction Costs**
Total Benefits	+£2,264,336	Total Additional Benefits Years 1-12	-£557,157	+£12,221,843	-£12,352,240	+£8,094,160

The greatest potential impacts are in Baseline Scenario 3, because the Haven will prevent the loss of the fishing industry altogether and provide additional economic value to the local economy. If construction costs are not included, the estimated Net Present Value over the twelve-year period is just over £12.2m. However, if construction costs are included, there is a small negative Net Present Value (-£0.5m).

In all cases, there are economic benefits to the local area of constructing the Haven, if the construction costs are not included. Once they are included, the quantitative benefits become more questionable over the twelve-year period, although this does not discount greater potential benefits over the longer term.

Recommendation 1: Develop a Selsey Haven Funding Strategy

The potential benefits of the Haven rest on securing public resource for its construction or firmer evidence of private sector interest in associated developments that are dependent on its construction. Without this investment, there appear to be significant risks to the viability of Selsey's fishing industry over the medium to long-term.

Given this, the Funding Partnership should consider commissioning a funding strategy and bidding process to secure public sector funding that could help deliver the Selsey Haven ambitions. The strategy would identify relevant and appropriate European, National, Regional and Local funding programmes and opportunities. These could include the European Maritime and Fisheries Fund, the Department for Agriculture, Environment and Rural Affairs, the Coast to Capital Local Enterprise Partnership's Local Growth Fund, the Coastal Communities Fund and West Sussex County Council and Chichester District Council's capital investment programmes that support the delivery of their economic development and visitor economy objectives.

Recommendation 2: Commission a Soft Market Testing Exercise to Establish Private Sector Investment Interest

The Funding Partnership should consider commissioning a soft market testing exercise to test the appetite and interest of relevant maritime or harbour institutions, which may have an interest in the long-term operational management of Selsey Haven. Such an exercise would test the level of private sector interest, potential investment opportunities and may help to identify further commercial development opportunities that may be needed to ensure that a sustainable and financially stable Selsey Haven can be delivered.

Recommendation 3: Develop trails and improve signage

The links between East Beach and the Town centre are not as strong as they could be. They would be enhanced through an effective wayfinding and signage strategy informed by community consultation.

A good-value and short-term solution would be to create interpretation wayfinding trails, connecting the town centre with East and West Beaches and connecting East and West Beaches themselves. Similar trails for cyclists could cover a wider area in the Manhood Peninsula.

A proven and robust solution could be to embed designs into the paving/ground works from the high street (and back) along the pedestrian walkways and the peninsula seafronts. Typically made from metal – e.g. steel, brass – the interventions that would make up the trails could be developed and agreed through a community engagement and consultation programme.

Recommendation 4: New Temporary Commercial Units or Concession Opportunities

While the Haven project progresses through the funding and planning stages, the Funding Partnership should consider developing and delivering short term incremental investment opportunities that align with the Haven's overall ambitions, but which could see economic benefits and returns to the town more quickly and at lower risk.

This could include locating temporary 'containers' or units and concession opportunities for food or retail units that could help local fisherman and others to sell local catch and other produce, with the aim of attracting additional visitors to the area or retaining a greater proportion of spend from existing visitors.

Recommendation 5: Employ a Seafood Sales & Marketing Champion

The Selsey Fishermen's Association already provides a co-ordinating function for Selsey's fishermen and has started initiatives to improve the links between the industry and the town. However, there may also be merit in seeking funding to recruit a Seafood Sales & Marketing Champion who would act as an administrator and sales co-ordinator on behalf of the fishing community to secure licences, comply with regulations and develop partnerships and initiatives to improve the profile of the fishing industry within Selsey and across Sussex, positioning it as a key Sussex Food and Drink partner.

Recommendation 6: Develop and Host Crab and Lobster Events

An established Haven would provide a clear focal point for a Crab and Lobster Festival, which could showcase the local produce, provide demonstrations and competitions on how to dress and eat crab and lobster.

The new Seafood Sales & Marketing Champion could work with Bunn Leisure to design and host food festivals and events in their Leisure Park, thereby taking local produce and activities direct to a wider customer base.

Recommendation 7: Improve the Public Realm at East Beach

The public realm around East Beach is currently unattractive and would need to be enhanced with or without a Haven. This has to involve working with businesses occupying the commercial units to establish in more detail how best to store equipment, contain unpleasant odours and improve the exteriors of the units so that the area appears more cared for and inviting.

This could also include repositioning the East Beach Kiosk so that it becomes a stronger focus for local produce, improving signage and access to other direct sales outlets in the area, and making adaptations to encourage more leisure water users.

A proposed timetable and indicated costs range for each activity is set out in the Table overleaf. This will need to be further defined with precise and detailed briefs for each element of work.

Table 2: Recommended Action Timetable and Cost Range

Recommendation and Activity		2017/2018		2018/2019				Forecast Cost Range
		3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter	
1	Funding Strategy							£10,000 to £15,000
2	Soft Market Testing							£15,000 to £20,000
3	Wayfinding Strategy and Implementation							£50,000 to £75,000
4	New Temporary Commercial Units							£5,000 per unit, £10,000 to £15,000 planning and design fees
5	Seafood Sales & Marketing Champion Post							£25,000 FTE per annum
6	Crab and Lobster Events							£2,000 to £4,000 per event
7	Public Realm Improvements							£10,000 to £15,000

1. Introduction

1.1 Background

In Spring 2017, a partnership of Selsey Fishermen's Association, Selsey Town Council and Chichester District Council [the Funding Partnership] commissioned *Marshall Regen Ltd*, in partnership with Nairne Ltd, to undertake a study into the potential socio-economic impacts of a proposed Haven at East Beach, Selsey. Specifically, the study aimed to:

- Assess how the potential of East Beach can be maximised;
- Identify complementary links between the High Street, the town centre and the proposed Selsey Haven; and
- Consider improvements in and the creation of local facilities, including the kiosk, beach showers and changing facilities.

The consultants' brief stated that the study should be set clearly within the current and future socio-economic and strategic context of Selsey, the Manhood Peninsula and Chichester District.

The study is one of two studies that have been commissioned to consider options for a Haven at Selsey. Royal Haskoning DHV undertook a technical and commercial viability study for the Haven. This report has informed and been informed by both these studies and there has been close collaboration between the consultancies throughout.

1.2 Methodology and Approach

The socio-economic impact study has involved the following main activities:

- A desk review of strategies, research papers and plans that provided the socio-economic context for the study, including previous feasibility studies and consultation documents that have been produced with the aim of stimulating the Selsey economy;
- Analysis of fishing data, to provide an estimate of fishing volumes and values in Selsey, relative to other fishing ports;
- Two site visits to understand the physical context for the study, including the relationship between the East Beach and the town centre and the range of current activity at the site and in other parts of Selsey;

- A visit to the Isle of Wight to identify lessons that could be learned from Ventnor Haven and Ryde Harbour';
- A separately commissioned Selsey Placemaking and Wayfinding paper, produced by Wolfstrome Design, to establish how the potential of East Beach could be maximised and how links between East Beach and Selsey town centre could be improved; and
- A consultation programme of 18 interviews with key partners and businesses that have an interest in Selsey and have local insights into the potential beneficial and adverse impacts of a Haven, and how and by whom it might be used. A list of consultees that have participated is provided at Annex A.

Quantitative estimates of the potential impacts of the Haven have been derived using the following sources:

- Construction and development cost estimates produced by Royal Haskoning/DHV;
- Operational costs and income estimates of the proposed Haven, once it is operational, produced by Vail Williams;
- UK fisheries statistics produced by the Marine Management Organisation;
- The market value of UK fish, produced by Seafish;
- Visitor spending estimates produced by Tourism South East;
- Methodological and formulae guidance provided in the HM Treasury Green Book and the Homes and Communities Agency Additionality Guide, Fourth Edition; and
- Quantitative estimates of spending and costs by fishermen and divers from consultation interviews.

The report includes quantitative estimates of the potential local economic impacts, using Net Present Values, based on a range of scenarios.

1.3 Report Structure

The remainder of this report has the following sections:

Section 2: Setting the Context. This section considers the socio-economic context for the study. It provides a short summary of local socio-economic conditions and considers the role of the fishing industry in Selsey.

Section 3: A New Haven at Selsey. This section provides the strategic rationale for a Haven and sets the case for public intervention.

Section 4: Examples from Elsewhere. This considers experiences of other similar initiatives aimed at stimulating local employment and economies, particularly on the Isle of Wight.

Section 5: Maximising the Impacts of the Proposed Haven. This section provides a summary of the preferred option for the Haven, considers how initiatives that could link the proposed Haven with the town centre and the wider area, and discusses potential users and their facility requirements.

Section 6: Assessing the Quantitative Economic Impacts. This provides a range of scenarios to estimate the potential quantitative economic impacts of the Haven on the local area. It draws on the technical and viability studies, which provide estimates of capital and revenue costs and considers what the potential impacts of additional visitor spend and retained landed catch sales could have on the local economy over a twelve year period.

Section 7: Conclusions and Recommended Actions. This section summarises the findings from the previous Sections, and provides short and medium practical recommended actions for improving the links between the fishing industry and the local community.

2. Setting the Context

2.1 Location and Physical Characteristics

Selsey has a population of around 11,000 people and is located at the southern tip of the Manhood Peninsula.in Chichester District, West Sussex.

The B2145 provides the single route into Selsey from the A27 and the city of Chichester, which is nine miles to the north. Portsmouth is located around 23 miles away to the west and Brighton & Hove is around 40 miles to the east. Routes to and from Portsmouth and Brighton & Hove both rely on using the busy A27 trunk road. There is no railway station at Selsey, so access is almost exclusively by road, though cycle and walking paths also exist.

Bracklesham Bay, Medmerry and the Witterings, all popular beach locations, are located to the west of Selsey and Pagham Harbour, which is a Nature Reserve, a Special Protection Area and a Site of Special Scientific Interest (SSSI) is located to the east. Chichester Harbour is designated as an AONB. It is located on the west side of the peninsula north of and adjacent to the Witterings.

The long sunlight hours, mild climate and open skies of the Manhood Peninsula make it one of the England's most attractive locations for agriculture and tourism, in particular.

Selsey itself is known for its natural, unspoilt coastline, the crab and lobster that are landed by its fishermen, and the Selsey Bill headland. Bunn Leisure is also a very popular destination for families, particularly during the summer season. Selsey is also a well-known diving destination because it has good, quick access to the sea. Selsey's iconic off-shore lifeboat station saw its last launch in April 2017 and the RNLI has built a new on-shore boathouse to replace it.

Despite these assets, the Peninsula has very low-lying land, meaning that many areas within it are at risk of flooding. Furthermore, coastal erosion, rising sea levels and more a challenging sailing environment threaten the area's social and economic future and, in particular, the viability of Selsey's fishing industry.

2.2 Socio-Economic Characteristics

Selsey's relatively remote location makes the town attractive to many older people who enjoy its tranquility and natural environment. However, like many small coastal towns in the UK, it has struggled to adapt to changing economic conditions and consumer tastes, although tourism (particularly linked to Bunn Leisure) is an important feature of the local economy. This relative decline has meant that there are few good quality jobs to support local working families. Selsey's small size, its poor accessibility and the low levels of educational attainment and skills within the local population all make it difficult to attract significant investment from outside.

However, it is important not to overstate the socio-economic challenges within Selsey. It may lack the affluence of many neighbouring areas, but deprivation levels are not that high by national standards. Of the seven Lower Level Super Output Areas (LSOAs) that make up Selsey and the surrounding area, only one (LSOA 014A, located in the north east of the town) is within the top 40% of most deprived local areas in England. No LSOA is amongst the 10% most deprived by any domain or sub-domain.

In terms of living environment, it is one of the least deprived local areas in England. The deprivation that exists appears to relate mainly to education and skills. This is supported by Census 2011 data, which show that nearly a third (31%) of Selsey's adult residents have no formal qualifications and that fewer than one in five (18%) holds a degree or equivalent qualification. In 2017, The Academy, Selsey was assessed by OFSTED as "requiring improvement" and only 51% of its 15 year olds

achieved Grade 'C' or better in English and Maths in 2016.

Consultation feedback suggests that employment opportunities are limited and that, where they exist, they are not generally in high paying sectors, although it is recognised that the horticulture sector locally does provide higher paid technical posts. This, in combination with high house prices, is thought to make it difficult for working families and means that Selsey risks losing its young people to areas where there is a broader range of opportunities. There may be some evidence to support this. Around one third (32%) of Selsey's resident population is aged 65+ years, only just over half (54%) of its residents are working age. Just 15% of residents are aged 16-34 years.

In 2011, the levels of economic activity (78%) and employment (73%) were reasonably high, but jobs within Selsey were quite heavily concentrated at lower and intermediate level occupations. Skilled Trades (16%) and Caring, Leisure and Other Services Occupations (16%) accounted for around a third of all local jobs in 2011 and over half (54%) of the town's residents were in broad social classes C2 (skilled manual occupations) and DE (semi-skilled and unskilled manual occupations; unemployed and lowest grade occupations).

2.3 Business in Selsey

In 2016 there were 385 businesses in Selsey, three quarters (74%) of which employed 0-4 people. Manufacturing, construction, care services and tourism are all important parts of the local economy and the fishing industry has been an important feature of Selsey for generations. Long term structural changes have provided major challenges to many of the town's traditional industries, but it remains a significant tourism destination, in the summer months, in particular.

Bunn Leisure is a major local business. Other well-known local businesses include Nature's Way, Ocean Air and Check-A-Trade. Indeed, Nature's Way is a major employer supplying a significant proportion of Tesco's salad range.

Bunn Leisure has over 2,300 static caravan pitches, 250 touring pitches and 250 touring tents and at peak times, it accommodates 14,000 visitors – more than the population of Selsey itself. A high proportion of the caravans on the site are owned by visitors. This may explain why Selsey has such a high number of repeat visitors and why its visitors are disproportionately families with children. Other visitors who are attracted to Selsey include horse riders, walkers, divers, cyclists, birdwatchers, sailors and photographers, whilst Selsey is also used for university marine biology and oceanography field trips.

Facilities for tourists in Selsey are generally thought to be in need of improvement. Apart from the holiday camp, good quality visitor accommodation is limited and there are few good places to eat and drink. Consultation feedback suggests that there may be a lack of dynamism within the town, which hinders attempts at making the visitor offer more attractive. There is thought to be limited connection between the beach and the town, signage is considered poor and some of the public realm is uninviting and tired. The area around East Beach, the site of the proposed Haven has a small kiosk, which largely sells burgers, a children's' play area and one or two, rather hidden, direct sales fishery outlets. However, there is no focal point and little to attract visitors. Indeed, the wayfinding study that informed this report found that the limited signage was aimed at motorists, rather than cyclists and pedestrians, and that the East Beach area "felt run down and not particularly inviting".

Selsey is not a particularly affluent town, but nor is it a particularly deprived one. Based on much of the data, Selsey seems to function adequately, if unspectacularly, and its most appreciated assets appear to relate more closely to its natural environment than to its economic development. However, high housing costs and modest employment opportunities make it difficult to retain young people, whilst its fragile coastline and climate change challenges threaten its economic future, particularly its fishing fleet.

2.4 Fishing in Selsey

Selsey has a long history of fishing and Selsey Crab and Lobster are still highly valued in top quality London restaurants. The industry lands over £1m[1] of catch each year, making it one of the busiest fishing ports in Sussex and Hampshire and, according to some estimates, its value to the local economy ranges from £1.5m to £2.0m per year.

Selsey's fishermen currently access their vessels directly from the beach and, until recently had paid only minimal mooring fees. The current situation can be dangerous, particularly in adverse tidal and weather conditions, and this reduces the number of days that Selsey's fishermen can spend at sea.

When weather conditions are particularly challenging, some of the larger vessels are launched from the relative safety of nearby Chichester Harbour. This adds to mooring and fuel costs and results in lost fishing time. Furthermore, this is not a viable option for fishermen with smaller vessels, because of logistical issues and the additional costs. This means that they can be unable to get to

[1] https://www.gov.uk/government/statistical-data-sets/uk-and-foreign-vessels-landings-by-uk-port-and-uk-vessel-landings-abroad

sea for days at a time during the winter.

The recent increase in wind and swell from the south east, instead of the prevailing south west, has made conditions for beach launches even more dangerous, whilst rising sea levels are gradually reducing the amount of available beach area from which the fisherman can launch. This further reduces the number of fishing days available for fishermen.

In addition, the value of the landed catch has hardly changed in twenty years, whilst fuel, housing and other costs have increased significantly over the same period. All these factors, combined, threaten the viability of Selsey's fishing industry, unless action is taken to address them.

The industry struggles to attract new recruits and the links between the fishing industry and the local community do not appear to be as strong as they used to be, perhaps because of the pressure on fishermen to concentrate on their core activity. Community activities, such as the annual 'Crabbing Race' and the 'Charity Angling Competition' no longer take place, and consultation feedback suggests that the noise and activities of the fishing industry can cause annoyance amongst some local residents who have moved to Selsey for its tranquil lifestyle.

The Selsey Fishermen's Association was re-established in 2006 in order to improve co-ordination within and representation of the fishing industry in the town. It now has around 40 members, but the £1m annual catch is spread thinly.

Whilst fishing itself may be more difficult to make viable than in the past, there is more value in preparation and sales. Like all industries, Selsey's fishermen have to adapt to changes in market demand. According to Seafish[2], in 2016 the sales value of a kilo of crab was £18.68 nationally, but its landed value in Selsey was £1.34 per kilo. Nationally, the sales value of lobsters was £26.16 per kilo, but its landed value in Selsey was £11.35. Based on these figures, the difference between sales and landed value of Selsey crab and lobster in 2016 was around £3.2m.

Consultation feedback to inform this report suggests that, like many coastal industries Selsey's fishermen have found it difficult to adapt to changes in market demand. Value does not solely come from the catch. Increasingly it comes from how that catch is prepared and sold. However, according to several consultees, it can be difficult for fishermen to engage in activities that are ancillary to actual fishing.

[2] Seafish is a non-departmental body, which was set up by the Fisheries Act (1981) to help improve efficiency and raise standards in the UK seafood industry

There is no fishmonger in the town centre; there appear to have been limited attempts to develop initiatives that showcase local fishing within Bunn Leisure, and both the retail and gastronomy offer in Selsey town centre are, with exceptions, considered to be moderate. At peak times, Bunn Leisure is unable to cater for most of its visitors, but this does not seem to benefit local businesses as much as it could.

Consultation feedback suggests that the new Asda store development, which opened in June 2017 could lead to standards within the town rising and may help to retain spending that currently leaks out to Chichester and other neighbouring areas, where the retail and leisure offer is thought to be better.

Selsey has many events and festivals, but there appear to be none that are specifically branded around what it is best known for – crab and lobster. Rye, for example, has a Scallop Festival, Whitstable an Oyster Festival, Cromer & Sheringham a Crab and Lobster festival and Clovelly in Devon has an annual Herring Festival.

There are direct sales from East Beach and some local catch is sold in local farmers' markets, but this is thought to be fairly low volume, perhaps accounting for no more than 5%-10%. Furthermore, current direct sales outlets are unattractive and intimidating to potential customers and the East Beach kiosk, which could showcase local produce, is uninspiring and does not sell local fish.

3. A New Haven at Selsey

3.1 The Rationale for a Haven

The rationale for constructing a Haven at Selsey is the belief that doing so will deliver economic and employment benefits to the local area.

It is believed that its construction will:

- Provide safe mooring for the town's fishing industry, enabling them to go to sea in more challenging tidal and weather conditions;
- Provide improved facilities to enable catches to be unloaded and processed more safely and efficiently;
- Improve the safety and attractiveness of East Beach for visitors, by removing winch wires and providing storage for fishermens' pots;
- Create a destination point for Selsey, which could include a range of maritime related

facilities that will attract visitors to spend in the local economy;

- Provide more opportunities for fishermen to sell directly to the public, retaining a greater proportion of the sales value of their catch; and
- Provide a new destination for leisure boat users, divers and others.

Specifically, it is widely believed that without the construction of a Haven, the future of Selsey's fishing industry is in jeopardy, for the reasons set out earlier in this report. A new Haven is also seen as an opportunity to address and improve Selsey's tourism offer and attract additional visitor spend. In addition, the facility is expected to improve coastal protection by protecting the current seawall and reducing the costs associated with its maintenance.

3.2 The Strategic Context

From a strategic perspective the Coast to Capital Local Enterprise Partnership (LEP), West Sussex County Council and Chichester District Council all recognise the importance of making best use of the Sussex coastline and natural resources to support economic development.

The Coast to Capital LEP's Strategic Economic Plan (2015) recognises the transport and flood-risk constraints to economic growth along the Sussex Coastal Corridor. However, it identifies tourism and food and drink as important local sectors and that the development of a marine "offer" in key locations could also support regional economic development priorities.

West Sussex County Council's economic development priority of focusing on the 'Beautiful Outdoors' includes developing facilities and promoting events and initiatives that promote the county's natural environment to attract new visitors.

One of Chichester District Council's four strategic economic development priorities is to make the best use of the District's natural and cultural assets, with the particular aim of supporting the visitor economy. This includes leading and supporting actions to develop the local food and drink sector; developing and growing the District's marine and coastal related activities, and improving and diversifying the retail and leisure offer in its coastal locations.

Indeed, Chichester District Council might consider contributing some capital investment towards the construction of the Haven, but this seems likely to be dependent on securing match funding from elsewhere and a clear demonstration that, once built, income from the Haven would cover the costs of running it.

The Sussex Downs and Coastal Plain Local Development Strategy, which was developed to inform Rural Development Programme for England (LEADER) funding allocations also identified supporting the food and drink sector and developing a robust year round economy as key local priorities.

The Manhood Peninsula Destination Management Plan (2011-2015) sets out plans to increase the total visitor spend, but not at the expense of the environment. It states that attracting additional visitors in the high season is "not sustainable", so it recommends focusing on activities that extend the season and promoting new activities, such as walking and cycling and promoting its current assets, including local produce, recreational opportunities and the area's scenic qualities.

The Selsey Community Vision (2011) stresses the importance of preserving the unique character of Selsey without stultifying progress; providing suitable employment, leisure opportunities and housing to meet the needs of a mixed community; and providing a focus on sea defences and environmental sustainability, particularly with reference to Selsey's reliance on tourism. Improving visitor attractions and making better use of the seafront, fishing and heritage (including the possibility of developing a boat haven), improving signposting and cycle paths and retaining a greater proportion of spend locally, have all previously been identified as priorities for Selsey residents.

3.3 The Case for Public Sector Intervention

The consultation to inform this report has not, to date, identified any significant private sector developer interest in the Selsey Haven concept. This might emerge as the question of commercial viability becomes clearer. However, given that, at present, it appears to be primarily a public sector-driven initiative, it is helpful to consider the justifications for public sector intervention.

According to the Government's Treasury Green Book, the case for intervention is usually founded on some sort of market failure. The rationale for public sector intervention in the case of Selsey Haven appears to relate to 'additionality'. That is, the belief that the construction of the Haven will increase output and/or employment within the town, or will prevent future adverse impacts. The consultation highlighted a small number of concerns about the potential adverse impact of constructing a Haven on existing businesses. The extent to which these concerns are justified would need to be explored in detail as the project develops.

In the case of regeneration initiatives, such as the Selsey Haven project, it is important to be clear about who the intended beneficiaries are, what benefits are expected to accrue to them and how

these will be achieved. Our understanding is that the Selsey Haven project is primarily intended to benefit Selsey fishermen, the Selsey visitor economy and to provide a focus for the wider Manhood Peninsula visitor economy.

4. Examples from Elsewhere

There are examples of similar projects that have been developed elsewhere, which are worth considering within the context of the Selsey Haven project. Some of these have been more successful than others and not all have involved the construction of a Haven.

4.1 Ryde, Isle of Wight

In 1990/91 the local council spent £1.1m on developing a harbour arm at Ryde. Ryde Harbour is used exclusively by leisure craft. It has 104 permanent berths, where boats are charged £120 per metre per year. There are also 40 visitor berths where charges are £1.25 per metre per night.

According to Isle of Wight Council, there has been significant redevelopment of the seafront since the Harbour was built: Hotel frontages have been upgraded, there is a new ice cream parlour and the bowling green has been improved, for example. Although it now has toilets and showers and there is car parking space for 330 cars next to the harbour, its facilities are poor compared with what leisure visitors expect. There are also no electricity points at the berths, which prevents many leisure visitors from stopping overnight. Security is also not as tight as many visitors expect.

Between 2013/14 and 2015/16 the direct costs of running the Harbour averaged £62,144, excluding a £29,456 that was spent on repairing the wall following storm damage in 2014/15. Berth fees averaged £67,169 per year over the same period (excluding income from the Small Ports Recovery Fund to pay for repairing the damage to the harbour wall), and there was an additional £947 miscellaneous income, on average, each year. Based on these figures, income from berth fees just about covers the operating costs at Ryde Harbour, but the surplus to reinvest is modest. Once Local Authority costs are included, the Harbour potentially operates at a £30k loss. Adding such public sector costs to the venture could have longer term implications when reviewing the type of organisation that could operate similar harbours in the future.

The Harbour receives 21,000 visitors and these are also likely to contribute to the local economy, even if much of the spending may be displaced from other parts of the Isle of Wight. According to Visit Isle of Wight holiday day visitors spent, on average, £24.10 per trip and staying visitors spent,

on average £195.14 per trip.

It seems likely that the majority of visitors to Ryde Harbour will be day visitors, given the poor quality of its facilities and because leisure boat visitors have other harbours where they can moor. If 100% of the visitors are day visitors, harbour users could be expected to spend around £506,000 in the local economy each year; if 90% were day visitors and 10% staying visitors, this would rise to around £865,000; and if 80% were day visitors and 20% staying visitors, this would rise again to around £1,225,000 per year. This would only be additional if none of these people would have visited Ryde had the Harbour not been built, however.

4.2 Amble, Northumberland

Not all regeneration initiatives related to fishing involve the construction of harbours. Amble, in Northumberland, has had a harbour since 1830, but its fishing fleet had still fallen to around six vessels. The town, itself, was still struggling to adapt to new market conditions. The population of Amble is 6,400 of whom 76.4% are economically active. Only just over two-thirds (68.9% of jobs are full time and the remainder (31.1%) are part time.

Northumberland County Council was looking to develop food tourism across the county and Amble was identified as a suitable focus for this.

At the time, the seafront was inaccessible, car parking near the harbour was poor, and most of the fish that was landed was transported to Peterhead, with little of its market value being retained within the town. Perhaps like Selsey, the infrastructure that linked the buying and selling of local catch had broken down. Fishermen saw themselves just as fishermen, but the added value was increasingly elsewhere. They found it difficult to find the time and energy to provide the coordination and administration that was required to re-establish it.

Northumberland County Council in partnership with Amble Development Trust, Amble Town Council, business representatives and the wider community of Amble secured £1.8million of grant funding from the UK Government's Coastal Communities Fund to develop a new small business village on the harbourside.

The total cost of the project was £2.5m, of which £18.8 was secured from the Coastal Communities Fund, aimed to transform Amble into a visitor destination excelling in seafood; attracting new visitors, creating jobs and helping to sustain the wider economy of the area. The proposals included opening up and enhancing the harbour and waterfront and working with local businesses, including

the fishing community, food retail outlets and other waterfront and town centre businesses, to create a distinctive local seafood offer.

Key aspects of the project included:

- The creation of a new 'harbour village' comprising 15 new small business 'huts' and a seafood centre;
- Creation of a new waterside promenade linking the harbour, marina area and Braid – in turn connecting through to a Sustrans cycle route;
- Improvement at Leazes Street of the physical connection between the existing Town Square and harbour village, leading on to other quayside areas beyond;
- Relocation of the Coquet Shorebase Trust to provide new and improved access to the waterside along with creating a new harbour-side development on the site of the old Shorebase Trust buildings;
- The establishment of a 'Seafood Sales & Marketing Champion' post, to add value to the catch landed by the fishing fleet at Amble and other coastal communities in Northumberland;
- The establishment of a harbour village market co-ordinator post, to manage and promote the delivery of the harbour village including the development of a marketing plan linked to wider initiatives by Northumberland Tourism; and
- The establishment of a training and skills programme.

There were no pre-conceived plans to open a fish restaurant, as it was thought that this would happen if local entrepreneurs could see a viable market for it. Instead, a low risk, staged approach to regenerating the area was taken. This then started to attract the interest of local business people. A local chef opened up a restaurant, specialising in local fresh fish and then an ice cream parlour, with access to the sea, was opened. Amble now hosts the Northumberland Seafood Centre, the Creel Fish Club and a Lobster Hatchery and it holds regular educational events and activities, including the Annual Seafood Week.

The 15 huts established to encourage new business start-ups are fully occupied with 13 new businesses and 2 extensions to existing businesses, providing a mix of crafts, food and clothing, adding to the towns retail offer.

This innovative project has already:

- Attracted inward investment through luxury apartments and extensions to existing business:
- Facilitated the creation of at least 1,000 sq. m of commercial floorspace and 1,900 sq. m of tourism accommodation;

- Created/sustained a minimum of 55 FTE jobs;
- Attracted private sector investment of £4.6m;
- Advanced the masterplan of Coquet Enterprise Park;
- Enhanced the business support offer to provide 1:1 support to Amble based businesses; and
- Improved car parking provision to facilitate town centre movement and an enhanced visitor experience.

4.3 Bridlington Harbour and Marina, East Riding

Bridlington has a population of approximately 35,000, but at the height of the tourist season this rises to nearly 100,000. Like Selsey, it has a low wage economy and low educational attainment amongst its school leavers. However, it is a major shellfish port, with 45 fishing boats and lobster is one of its major catches. Other than the fishing industry, employment is largely in tourism, retail and health & social care.

In 2017, Bridlington Harbour Commissioners secured £3.5m of Local Growth Funding from the Local Enterprise Partnership to undertake design and pre-construction work for Bridlington's Yorkshire Marina and Harbour project, which is anticipated to conclude at the end of 2018.

This is a major planned regeneration project that is expected to involve £50m of public sector investment and lever a further £50m of private sector commercial waterfront investment. It will include:

- A new main south pier and an extension to the north pier;
- Improved facilities for the town's fishing fleet, including vessel maintenance and storage facilities;
- A new 250 berth marina for leisure vessels;
- Enhanced arrangements for the town's pleasure boat operators;
- Space for firms involved in the maintenance of offshore wind energy installations; and
- Additional quayside space for operational use, as well as for potential hotel, commercial, leisure, residential and car parking development.

4.4 Ventnor, Isle of Wight

Ventnor Haven was built in 2003 at a cost of £1.8m, with most of this being met by Single Regeneration Budget funding. At the time, turnover of the fishing fleet was around £180,000-£200,000 per year – well below that value of the landed catch at Selsey. Fishermen used to launch

their vessels directly from the beach. It was thought that the construction of the Haven would improve the economic viability of the town's fishing industry by providing a "safe facility for launching and landing of fishing vessels and unloading fish, with the provision of amenities that could be used by pleasure craft for recreational and angling trips".

In 2007, the 'Ventnor Haven Fishery' was opened, with the specific aim of landing and selling locally caught seafood (including crab and lobster) and supplying local pubs and restaurants. The aim was also to encourage regeneration of the seafront and create a location for visitors. Turnover at the port was forecast to increase to around £800,000 after six years and it was forecast to contribute to a 10% increase in visitor numbers to the town.

The impact of the Haven at Ventnor has been, at best, mixed. There is now a Harbourside fish restaurant and coffee shop, boat builders, boat charter, a fish landing stage with fishery outlet, a fish and chip shop and shower facilities. It also hosts events, which have included the Honda Motorbike Dealers day, the Thundercats and the P1 Race Series, and Shanklin Sailing Club's annual Ventnor Cup Race.

According to its website, Ventnor Haven has improved the efficiency of the local shellfish industry. It suggests that tonnage of fish landed at Ventnor now far exceeds "many other ports and harbours on the south coast of England" and that many fishing boats drop their catch off for wholesale from Ventnor Haven, which in turn supplies many local pubs and restaurants. However, evidence from documentation to inform this paper suggests that the Haven continued to be loss-making for some years following its completion.

Ventnor Haven can only accommodate around five vessels and with annual mooring fees at £220 per month, it is too small to be viable. It is also only suitable for landing in favourable weather conditions because it is difficult to navigate. It only attracts a small number of leisure craft each year, few of which stay for more than a few hours. Indeed, the only significant income that the Council receives from the Haven comes from the fishery outlet, which pays rent of around £12,500 per year.

A major problem with the Ventnor Haven is that it accumulates seaweed, a potential issue that was not identified during the feasibility studies to inform its design. The rotting seaweed causes unpleasant odours that drift along the seafront and into the town, unless remedial action is taken. Isle of Wight Council, which took over the Haven in 2013, spends £75,000 per year just on removing seaweed from the Haven and redesigning it to remove the seaweed problem would cost an estimated £750,000.

Officially, the Haven has helped to improve the efficiency of the local shellfish industry and has provided “a significant impetus for the regeneration of Ventnor seafront, the Eastern Esplanade and the town generally”, including over £10m of investment in the development of previously vacant sites. However, Isle of Wight Council is more circumspect about its impact. It continues to be a considerable cost to the Council and the benefits are considered to be negligible. Whilst the fishing fleet has got bigger, this was from a very low base. The original vision was for the Haven to be a catalyst for regeneration, including employment and economic growth, but the Council believes that its regeneration benefits have been, at best, modest and that it is just too small to have had the wider regeneration impacts that were intended.

4.5 Bembridge Harbour

The Bembridge Harbour Improvements Company (BHIC) acts as the Bembridge Harbour Authority (BHA) and consults with local stakeholders and the community via the Bembridge Harbour Advisory Group. The Harbour is a largely drying lagoon and it has more than 800 moorings and berths, most of which are for locals. However, there is a visitors’ pontoon at the Duver, which has access to water and electricity (which is charged for additionally), where most boats are able to remain afloat at all sides of the tide.

The harbour’s facilities include a ‘galley locker’ with light refreshments, a street food truck and on-site café, which is open for six months in the summer; Wi-Fi, which is charged; toilets and showers; laundry facilities and waste removal.

Bembridge Boat Storage, a dry stack operation that stores ribs and sports boats, is located on the Harbour and there are two local sailing clubs, both of which provide hospitality to visiting yachts. There is also a local sea angling club and the harbour is the base for Bembridge Redwing racing yachts.

Berthing rates vary by pontoon. Annual rates range from £250 to £385 per metre; summer six month rates from £228 to £357 per metre; winter six month rates from £81 to £120 per metre; one month summer rates from £45 to £73 per metre; and Daily berthing fees from £2.65 to £3.50 per metre.

5. Maximising the Impacts of the Proposed Haven

This section considers how the benefits of the proposed Haven can be maximised, including a consideration of the facilities that are likely to be required by potential users and how links between the Haven and Selsey town centre can be strengthened.

5.1 Selsey Haven – the Preferred Option

The preferred option for the site that has been identified by Royal Haskoning/DHV is located at East Beach, Selsey. Vail Williams has recommended that there should be 130 berths. This includes 30 for Selsey's fishermen, which would be separate from the berths for leisure and other craft.

The aim is for the Haven to be accessed in heavy sea conditions and the entrance will be excavated to below Mean Low Water Spring tide level in order to provide an all-tide facility. The mooring basis will have three sets of floating pontoons and there will be access to the slipway for launch and recovery of craft, and for harbour maintenance. The quaysides and pier will be kept clear of any significant buildings in order to maintain access for vehicles and reduce visual impact.

To the south, there will be a fishermen's compound and the public facilities will be to the north of the Haven, both of which will have direct access to Kingsway. The design includes beach ramps.

In addition, it is proposed to provide new commercial facilities including a 2,000 sq.ft café / restaurant; a 1,000 sq.ft café / restaurant; and two 1,000 sq.ft retail units.

The Haven business case is confident that there is sufficient demand for such a Haven, if it has the right facilities, whilst its wider impact will be greater if it connects well to Selsey Town centre and the wider Manhood Peninsula area.

If construction costs are not included, it has the potential to be commercially viable, although its level of profitability will depend on the level of annual dredging and maintenance costs.

5.2 Strengthening Links Between the Haven and the Town centre

This report has already identified that links between East Beach and the town centre are not as strong as they could be. What signage that exists is aimed at motorists, rather than pedestrians and cyclists; there are few intermediate attractions that will lead people from the town centre to East Beach; and there seems little evidence of the local fishing industry in the town centre.

Interventions that aim to strengthen the links between the potential Haven and the town centre can be both physical and not physical and, ideally, should involve a community engagement process.

To illustrate the current links and establish how the potential of East Beach could be maximised and how the links between East Beach and Selsey Town centre could be improved, *Marshall Regen Ltd* commissioned a specialist independent Selsey Placemaking and Wayfinding paper, undertaken by Wolfstrome Design. A copy of this paper and its findings is appended to this report.

Improving Signage

For pedestrians and cyclists, good signs should clearly indicate distance, directions and average walking or cycling times. They should be also placed at more regular intervals than for motorists and they should highlight notable intermediate landmarks, so that people are confident that they are on the right route.

Better pedestrian and cycle signage could also link East Beach with West Beach and, for cyclists, in particular, create stronger links to Pagham Harbour for example.

Developing Trails

Selsey currently has a small number of interesting static information boards, but it is not clear how much they are used and they appear somewhat tired. Selsey and the Manhood Peninsula have a significant amount that is of cultural and environmental interest, but this is not yet as accessible as it could be. Constructing a heritage centre creates a static site and requires revenue costs with little prospect of significant income generation.

The challenge is to make information about Selsey and the Manhood Peninsula come alive and for it to have a dual function of both informing people about Selsey and of leading people along key routes that pass points of interest, without incurring significant on-going revenue costs.

Information trails are a potentially good way of doing this and of connecting destinations. If they are done effectively, they can be popular amongst families with children, which make up a high proportion of Selsey's visitors, particularly at Bunn Leisure.

One option would be to embed designs into the paving along routes from the High Street to East Beach (and even West Beach), which provide direction and distance, but which also provide

historical or marine wildlife facts about the area.

The precise content, trail path and themes would need to be informed by a wayfinding strategy and effective community engagement.

A 'Seafood Sales & Marketing Champion'

Consultation evidence suggests that the links between the fishermen and local restaurateurs and retailers could be strengthened. Whilst there are some local restaurants that sell good quality local produce, there appears to be scope to develop this further. It is unrealistic to expect the fishermen to do this themselves, given the nature of the work that they do and the paperwork and co-ordination that would be involved in developing the infrastructure effectively.

There may, therefore, be merit in investing in employing a co-ordinator, or 'Seafood Sales & Marketing Champion', whose role would be specifically to develop trading links between the fishermen and retailers and restaurateurs within the local area. This would include, but extend beyond Selsey town centre, and could include active engagement with the Sussex Food Network to promote Selsey crab and lobster as a key part of the Sussex local food offer.

Hosting Crab and Lobster Events

Selsey hosts a number of popular events, but none of them focus specifically on what it is most well-known for: Crab and lobster. An established Haven would provide a clear focal point for a Crab and Lobster Festival, which could showcase the local produce, provide demonstrations and competitions on how to dress and eat crab and lobster, for example. There are many other areas, which have such branded events and whose reputation for specific local fish is not as strong as Selsey's.

There may also be scope to host events and activities at and partnership with Bunn Leisure where there is a high concentration of visitors. These could include food demonstrations, food tasting and actively promote marine life / heritage in and around Selsey.

5.3 Providing and Improving Facilities

Fishing Industry

Selsey's fishermen currently access the sea from the shore, using winches to pull their boats out of

the water. This practice is dangerous and it prevents the fishermen going to sea when tides and weather conditions are unfavourable. Consultation feedback suggests that fishermen work around 200 days each year, but for around 40 of these, they have to go to Chichester Harbour, which costs around £20-£30 per trip, which reduces fishing time considerably. In addition there are annual mooring fees of around £600 to pay.

Around 10-15 fishing days per year are also thought to be lost when fishermen cannot sail out of Selsey because of the direction of the wind. Excluding the lost fishing days, savings on mooring fees and fuel could amount to around £1,800 per year per vessel. The draft viability report has assumed a mooring fee of £2,000 per 12-metre vessel per year. Assuming 80% capacity, berth income from fishing vessels would be around £48,000 per year and assuming 90% capacity, it would be £54,000 per year.

Required Facilities for the Fishing Industry:

- The fisheries side of the Haven would need to be plain.
- Somewhere for the fishermen to moor/land their boats,
- Somewhere to store bait and catch (perhaps including salt water tanks pumped from the sea);
- A processing facility;
- A small retail sales outlet;
- Somewhere to store pots;
- Fuel sale facilities;
- Facilities to do repair and maintenance work; and
- Parking with easy access to the pontoons.

Facilities for Divers

Mulberry Divers is located in the shopping parade at East Beach. It operates a diving boat from Selsey beach, which does, on average, 100 trips per year. There used to be six diving clubs near to Selsey, but now the nearest to Mulberry Divers is in Portsmouth. Diving, like sailing, is a leisure activity, so it is vulnerable to economic, as well as weather conditions and the age profile of divers is getting older. Nevertheless, Selsey is considered to be a good place for divers because it is possible to dive off the beach as well as off boats. Local divers, who live within 1-2 hours of Selsey often come for short visits and use the beach and will spend little; day trippers, who often come from London will generally need something to eat between dives; and weekend visitors will generally stay

in local bed and breakfast accommodation.

Spending by divers appears to be quite modest, with boat trips are £25 each. It seems unlikely that they spend more than around £30 each per trip on food and accommodation, which would mean that divers currently spend around £25,000 in the local economy each year in addition to spending on the boat trips. There is also likely to be some spending by divers who dive directly from the beach, but this is likely to be modest.

The Haven could increase the volume of diving activity, however, by making Selsey much more attractive to diving and others. There are British Sub Aqua Clubs throughout the UK. Currently, some come to Selsey for diving trips, but the numbers are limited because there is nowhere secure to store their vessels overnight. A Haven may mean that 2-3 hard boats could operate out of Selsey and, if it had the right facilities, it could also increase average local spend by visiting divers.

Required Facilities for Divers:

- Good access to boats and the water (ramps);
- Parking that is close to the boats, and which allows cars with trailers to get in and out;
- Pontoons that can accommodate trailers;
- Air filing facilities and a gas compressor;
- A small retail unit/ diving training facility;
- Boat storage on floating plastic blocks, so that they are out of the water;
- Modest food and drink facilities;
- Fuel sale facilities;
- Somewhere to store and dry diving gear; and
- Toilets that are open as much as possible.

A changing facility is not considered of paramount importance for divers.

Leisure Boat Users

Consultation feedback provided mixed views as to the likely demand from leisure users. Some people believed that the sailing industry was facing challenges relating to the ageing profile of the sailing community, whilst reducing disposable incomes was impacting adversely on leisure activities, such as sailing. The close proximity of Chichester Harbour, which is easier to sail from because it does not have the rocks that are around Selsey, is also thought to make the leisure

market more challenging.

Others believed that there was a shortage of berths around the Solent and the viability study suggests that harbour occupancy rates are around 80% and improving. Furthermore, East Beach is also used by people with dinghies, paddle boards, kayaks and water skis, all of whom could be encouraged to spend more locally.

Ensuring that there are the right facilities is, therefore, essential for encouraging leisure boats to moor. Consultation feedback suggests that berth sizes should take account of the trend towards larger boats and facilities should include electricity and water supply on the pontoons, and toilets and showers. There should also be a café or restaurant facility, or somewhere that would attract leisure visitors and enable them to eat and drink, and there needs to be sufficient parking spaces with easy access to the Haven.

Required Facilities for Leisure Boat Users:

- *Electricity and water supply on pontoons;*
- *Good quality toilet and shower facilities;*
- *A café and/or restaurant that is of sufficient quality to attract leisure boat visitors;*
- *Sufficient parking with easy access to the Haven; and*
- *Fuel sale facilities.*

In addition, as set out in the Haven viability report, there would need to be a marina office, with a clear view of the Haven operations.

Improved cycle ways and walkways that link Selsey to wider attractions, including Bracklesham Bay, the Witterings and Chichester and Pagham Harbour would also help to set the Haven in its wider context.

New commercial opportunities

Providing new commercial opportunities for local entrepreneurs to make and sell local produce or goods could provide additional economic and visitor benefits at the Haven. The Harbour project in Amble, Northumberland has successfully delivered 15 business huts which are now all fully let to local businesses.

In the short term to avoid lengthy planning processes, temporary structures could be developed or purchased and permission sought [such as 'container units' like those used in Box Park, Croydon]. A maximum of 5 years is a typical temporary planning permission which would allow time for business to establish themselves and their market penetration. Each unit would need to be served by energy and water services though they could benefit from sharing the proposed fishing and leisure fleet toilet and showering facilities. Such units could also be the focus of new all year round events to further attract visitors to the Haven area. Typical container units are 14.6m in length, 2.6m wide and 2.9m in height. They are easily transportable and can be joined to create larger units. The precise number and location of the proposed huts are subject to the final design of the Haven and available land space.

Public Realm Improvements

The area around East Beach is currently uninviting to visitors and, at times appears, uncared-for. The place-making and wayfinding paper describes the area as "run-down and not particularly inviting". To a new visitor it was not clear whether they could "actually go in and buy goods" and the places at East Beach "weren't well signed and did not feel welcoming". Indeed, during the site visit, the paper's author experienced "an unpleasant smell", which was "particularly off-putting" and which turned out to be a tub of rotting crabs.

Improving public realm and making people feel welcome is essential to developing a pleasant visitor experience. Over the short term, there may be limitations as to what can be done with some of the commercial premises. However, well designed storage, better signage and improvements in the exterior of the buildings would make a significant difference to the area and make the direct sales outlets more accessible to visitors.

Providing a Local Focus for the East Beach Kiosk

The East Beach kiosk currently sells a range of snacks and fast-food items, but there is little evidence of local produce on sale. It is important not to overlook the demand for fast-food style provision to current users, but the Kiosk could be repositioning so that it sells local produce in partnership with local fishermen.

6. Economic Impact Estimates

6.1 Introduction

This section provides estimates of the potential costs and benefits of the proposed Selsey Haven. The construction and other costs associated with the development, maintenance and operation of the Haven are based on information provided in the Selsey Harbour Preliminary Consultation document (November 2015), produced by Royal Haskoning DHV on behalf of Chichester District Council and in the Selsey Haven viability report produced by Vail Williams.

Three baseline scenarios have been developed and modeled, which aim to take into account possible prospects for Selsey's fishing industry, if no Haven is funded and constructed:

Baseline Scenario 1: The volume of landed catch is sustained at existing levels.
Baseline Scenario 2: The volume of landed catch falls annually by 10%.
Baseline Scenario 3: The volume of landed catch falls annually by 30%.

In effect, the first of these scenarios assumes that there will be no negative impact on the fishing industry in Selsey if there is no Haven. The Haven will just provide additional benefits. This seems an unlikely scenario, as there are major concerns about the long-term viability of Selsey's fishing industry.

The second of these scenarios assumes that a fishing industry would continue in Selsey, but without a Haven the value of the landed catch in 2028/29 would be less than half the current levels.

The third scenario assumes that the fishing industry would not be sustainable without a Haven. By 2028/29, there would be only a very small amount of fishing activity in the town and certainly not at a level that could sustain employment.

The potential impact of the Haven has been based on each of these Baseline scenarios. Five options have been illustrated for each scenario:

- Do Nothing
- Low Cost/Low Benefit
- Low Cost/High Benefit
- High Cost/Low Benefit

- High Cost/High Benefit

Royal Haskoning/DHV provided construction cost estimates of £10m-£16m for a 100 berth Haven. The Vail Williams viability report recommends a 130 berth Haven. Based on this, the construction cost estimates have been estimated at £13m for low cost options and £20.8m for the high cost options.

The impacts have been estimated over a 12-year period from 2017/18 to 2028/29, with the Haven starting to operate in 2019/20 (Year 3). A 3.5% discount rate has been applied to costs and benefits and a 2% annual inflation allowance has been added to all financial costs and benefits in all scenarios and options. The construction costs are assumed to have been paid in full in Year 1 (2017/18) and Year 2 (2018/19). Therefore, no allowance for interest repayments has been included in the estimates. In addition, no estimate has been made for any potential disruption to existing businesses at the site during the construction phase, if further investigation reveals that this is likely to occur.

Benefits has been estimated from the following sources:

- **Turnover from the Haven.** This has been taken from the viability study estimates and it is assumed to be 90% additional. This is because it is possible that a small amount of rental income may be displaced from elsewhere.
- **Increase in landed value of the catch.** Consultation suggests that a Haven would enable fishermen to spend more time at sea and they would, therefore, be able to increase the value of their catch. In all scenarios this has been limited to 10%, however, because of the need to maintain fish stocks.
- **Sales of catch at market value.** Our understanding is that the real potential impacts lie in increasing the volume of landed catch that is sold at market prices within the local economy. The landed value of crab in 2015 was £1.34 per kilo but its market value was £18.01. For lobster, the figures were £10.38 and £28.83 respectively. The increase in the proportion of crab and lobster that is sold locally forms the basis of the additional economic contribution that the Haven could deliver. There are, of course, additional costs associated with the processing and sale of fish. These have been accounted for by applying a gross to net ratio across all income.
- **Additional Visitor spending.** In the low estimates, this assumes that when the Haven opens (Year 3), there will be 15,000 additional visitors and this will rise to 21,000 additional visitors by Year 5. By way of an example, Ryde Harbour which has around 140 berths for

leisure craft, receives this number of visitors annually.

- **Business Rates.** The proposed retail units at the Haven are expected to make a small annual contribution to the public purse from business rates. This has also been included in the impact estimates.

For the high estimates, the number of additional visitors increases by 5,000 each year from 15,000 in the year that the Haven opens (Year 3) to 40,000 visitors per year by Year 8. For all scenarios and estimates, the average day visitor spend for Chichester District has been used, applying an annual 2% increase for the period to 2028/29. No estimates have been provided for an increase in overnight staying visitors. However, it is quite possible that the Haven could lead to additional staying visitors and improved visitor accommodation in Selsey after it has opened and become established.

We have assumed a 50% gross to net ratio. Much of the value of the catch will leak out of Selsey in the form of taxes and other non-local expenditure by fishermen and others. Although relatively remote, Selsey is a small place, so leakage is likely to be high. If more of the fish is sold locally at market prices, this will increase local retention of spending. However, no account has been taken of the additional costs associated with processing and preparation.

If more money is spent in the local economy, different cycles of expenditure mean that it can generate further local spending. However, in local areas this is likely to be small. The Homes and Communities Agency recommends using a composite multiplier of 1.1 where there are medium levels of linkages at neighbourhood (or sub-regional) level, so this has been used.

The following tables provide impact illustrations based on high and low costs of constructing the Haven, set against the three baseline scenarios described above.

6.2 Baseline Scenario 1

The table below shows the estimated impacts for Baseline Scenario 1, where the Do Nothing option assumes no decline in the volume of fishing at Selsey in the absence of a Haven.

Table 3: Baseline Scenario 1 – Do Nothing: 0% Reduction in the Volume of Fish Landed at Selsey

Baseline Scenario 1	DO NOTHING		LOW COST/ LOW BENEFIT		LOW COST/ HIGH BENEFIT		HIGH COST/ LOW BENEFIT		HIGH COST/ HIGH BENEFIT	
			Including Construction	Excluding Construction	Including Construction	Excluding Construction	Including Construction	Excluding Construction	Including Construction	Excluding Construction
Total Benefits - Years 1-12	**£7,878,536**	Total Additional Benefits Years 1-12	*£6,123,686*	*£6,123,686*	**£9,511,148**	**£9,511,148**	**£6,123,686**	**£6,123,686**	*£9,511,148*	*£9,511,148*
Total Costs - Years 1-12	**£0**	Total Additional Costs Years 1-12	*-£14,671,654*	*-£1,892,654*	**-£14,671,654**	**-£1,892,654**	**-£23,362,931**	**-£2,916,531**	*-£23,362,931*	*-£2,916,531*
Benefits in Year 12	**£605,054**	Additional Benefits in Year 12	*£430,913*	*£430,913*	**£860,164**	**£860,164**	**£349,062**	**£349,062**	*£778,313*	*£778,313*
Total Benefits	**£7,878,536**	**Total Additional Benefits Less Costs Years 1-12**	*-£8,547,968*	*£4,231,032*	**-£5,160,505**	**£7,618,495**	**-£17,239,245**	**£3,207,155**	*-£13,851,783*	*£6,594,617*
Average Annual Benefits	**£656,545**	Average Annual Benefits, Less Costs	*-£712,331*	*£352,586*	**-£430,042**	**£634,875**	**-£1,436,604**	**£267,263**	*-£1,436,604*	*£549,551*

Under Baseline Scenario 1, once leakage and local multipliers have been taken into account, the estimated net present value in the Do Nothing option in Year 12 would be around £0.6m.

Under the Low Cost/High Benefits option, the additional net present additional value, over and above the Do Nothing option would be around £7.62m over the twelve-year period, if construction costs are excluded. This equates to an annual average of just over £630,000 per year. However, if the construction costs are included, the cumulative addition impact is estimated to be around -£5.16m.

The worst case option under Baseline Scenario 1 is the High Cost/Low Benefit option. Excluding construction costs, this would deliver an additional net present value of around £3.21m over the twelve-year period. However, if construction costs are included the net impact is estimated at -£17.24m.

6.3 Baseline Scenario 2

The table below shows the estimated impacts under Baseline Scenario 2, where the Do Nothing option assumes an annual 10% decline in the volume of landed catch at Selsey.

Table 4: Baseline Scenario 2 – Do Nothing: 10% Annual Reduction in the Volume of Fish Landed at Selsey

Baseline Scenario 2	DO NOTHING		LOW COST/ LOW BENEFIT		LOW COST/ HIGH BENEFIT		HIGH COST/ LOW BENEFIT		HIGH COST/ HIGH BENEFIT	
			Including Construction	Excluding Construction	Including Construction	Excluding Construction	Including Construction	Excluding Construction	Including Construction	Excluding Construction
Total Benefits - Years 1-12	**£4,795,544**	Total Additional Benefits Years 1-12	£9,027,762	£9,027,762	**£12,320,673**	**£12,320,673**	**£9,027,762**	**£9,027,762**	£12,320,673	£12,320,673
Total Costs - Years 1-12	**£0**	Total Additional Costs Years 1-12	-£14,671,654	-£1,892,654	**-£14,671,654**	**-£1,892,654**	**-£23,362,931**	**-£2,916,531**	-£23,362,931	-£2,916,531
Benefits in Year 12	**£189,872**	Additional Benefits in Year 12	£843,112	£843,112	**£1,263,890**	**£1,263,890**	**£761,261**	**£761,261**	£1,182,039	£1,182,039
Total Benefits	**£4,795,544**	**Total Additional Benefits, Less Costs Years 1-12**	-£5,643,891	£7,135,109	**-£2,350,981**	**£10,428,019**	**-£14,335,169**	**£6,111,231**	-£11,042,258	£9,404,142
Average Annual Benefits	**£399,629**	Average Annual Benefits, Less Costs	-£470,324	£594,592	**-£195,915**	**£869,002**	**-£1,194,597**	**£509,269**	-£920,188	£783,678

Under Baseline Scenario 2, once leakage and local multipliers have been taken into account, the estimated net present value of the Do Nothing option in Year 12 would be around £0.19m.

Under the Low Cost/High Benefit option, the additional net present additional value, over and above the Do Nothing option would be around £10.43m over the twelve-year period, if construction costs are excluded. This equates to an annual average of just under £870,000 per year. However, if the construction costs are included, the cumulative addition impact is estimated to be around -£2.35m.

The worst case option under Baseline Scenario 2 is the High Cost/Low Benefit option. Excluding construction costs, this would deliver an additional net present value of around £6.11m over the twelve-year period. However, if construction costs are included the net impact is estimated at -£14.34m.

6.4 Baseline Scenario 3

The table below shows the estimated impacts under Baseline Scenario 3, where the Do Nothing option assumes an annual 30% decline in the volume of landed catch at Selsey.

Table 5: Baseline Scenario 3 - Do Nothing: 30% decline in the volume of landed catch at Selsey

Baseline Scenario 3	DO NOTHING		LOW COST/ LOW BENEFIT		LOW COST/ HIGH BENEFIT		HIGH COST/ LOW BENEFIT		HIGH COST/ HIGH BENEFIT	
			Including Construction	Excluding Construction	Including Construction	Excluding Construction	Including Construction	Excluding Construction	Including Construction	Excluding Construction
Total Benefits - Years 1-12	**£2,264,336**	Total Additional Benefits Years 1-12	£11,010,691	£11,010,691	**£14,114,497**	**£14,114,497**	**£11,010,691**	**£11,010,691**	£14,114,497	£14,114,497
Total Costs - Years 1-12	**£0**	Total Additional Costs Years 1-12	£14,671,654	£1,892,654	**£14,671,654**	**£1,892,654**	**£23,362,931**	**£2,916,531**	£23,362,931	£2,916,531
Benefits in Year 12	**£11,964**	Additional Benefits in Year 12	£995,601	£995,601	**£1,399,432**	**£1,399,432**	**£913,750**	**£913,750**	£1,317,581	£1,317,581
Total Benefits	**£2,264,336**	**Total Additional Benefits Less Costs Years 1-12**	-£3,660,962	£9,118,038	**-£557,157**	**£12,221,843**	**-£12,352,240**	**£8,094,160**	-£9,248,434	£11,197,966
Average Annual Benefits	**£188,695**	Average Annual Benefits, Less Costs	-£305,080	£759,836	**-£46,430**	**£1,018,487**	**-£1,029,353**	**£674,513**	-£770,703	£933,164

Under Baseline Scenario 3, once leakage and local multipliers have been taken into account, the estimated net present value of the Do Nothing option in Year 12 would be negligible (c. £12,000). The additional net present additional value, over and above the Do Nothing option would be around £12.22m over the twelve-year period, if construction costs are excluded. This equates to an annual average of just over £1.02m per year. However, if the construction costs are included, the cumulative addition impact is estimated to be around -£0.56m.

The worst case option under Baseline Scenario 3 is the High Cost/Low Benefit option. Excluding construction costs, this would deliver an additional net present value of around £8.09m over the twelve-year period. However, if construction costs are included the net impact is estimated at -£12.35m.

6.5 Economic Impact Summary

Full details of the assumptions and economic impact estimates are shown in Annex B. Based on the estimates in the tables above, the quantitative impacts of the proposed Haven depend on two key factors:

- Whether or not construction costs are included in the estimates and whether these costs are high or low; and
- The outlook for the fishing industry if the proposed Haven is not developed.

If Selsey's fishing industry was to continue at its current level, the economic impacts of a Haven are likely to be smaller than if the Haven prevents the industry from declining or being lost to the town altogether. In both these cases, the net economic impacts could be quite considerable over a 12 year period, if construction costs are excluded from the estimates. However, if construction costs are included, in many of the scenarios and options, the economic benefits over this time period are more questionable

The business case for the Haven makes a strong case that the proposed Haven would be commercially viable, without taking into account the costs of its construction. The case for public intervention, therefore, rests on demonstrating that the medium to long-term benefits will outweigh the investment costs. If the Selsey fishing industry is unviable without a Haven over the long-term and if the Haven will not only arrest the decline, but will also add value to the industry and the town, the quantitative evidence presented in these estimates suggests that there may be a good case for public intervention.

It is possible that some of the assumptions are conservative and they do not take into account the potential catalytic effects that the Haven could deliver in terms of further development and inward investment. If this is the case, then the impacts may be greater than those that have been estimated.

7. Conclusions and Recommended Actions

7.1 Conclusions

Aims of the Study

This report has provided an assessment of the potential economic impacts of building a small Haven at East Beach, Selsey. It included a short socio-economic overview of the town, considered the strategic context and rationale for the development of a Haven, considered the facilities that might be included within it and how the links between East Beach and the town centre could be strengthened, provided examples of similar developments elsewhere, and provided a quantitative assessment of the potential impacts of the Haven on the local economy, based on a range of Baseline Scenarios.

Selsey, the Town

Selsey has long been the focus of regeneration plans and ambitions, not least because it is considered to be amongst the more deprived parts of the Sussex coast and because its marine industries are considered to have economic potential. There is evidence of low educational attainment, jobs are often in low-paying and low value added sectors and, in combination with quite high house prices, this means that it is difficult to retain young people.

However, for many older people, in particular, it is a desirable location in which to live. Its coastline is picturesque and undeveloped, it has good quality light and air and its remoteness provides it with a tranquillity that is hard to match elsewhere. It is also close to a plentiful supply of nature reserves and sites of historic and scientific interest, and it is a popular visitor destination, particularly with families staying at Bunn Leisure at West Beach.

Any approach to development needs to strike a careful balance between being forward-looking and preserving the very qualities that attract people to Selsey.

Fishing In Selsey

The fishing industry has been a key feature of the Selsey economy for generations and it still lands over £1m of catch every year, with its crab and lobster continuing to be a highly prized dish on the menus of many London's top restaurants and hotels. However, the viability of the fishing industry is

under threat from rising sea levels, coastal erosion and more turbulent weather conditions, which make the current practice of launching directly from the beach increasingly precarious.

Furthermore, the added value of the landed catch is increasingly in other parts of the supply chain and much of this is lost to the local area, as the proportion of catch that is sold locally at market prices is modest. In short, the value of the landed catch has not kept up with the cost of living, as greater value is found in the processing, preparation and market selling of the product, rather than in the catch itself.

The aims of the Selsey Haven are to secure the future of Selsey's fishing industry by providing safer conditions from which to launch and by providing facilities that will help to increase the proportion the catch that is sold locally at market prices. Its other aim is provide a tangible destination focus for visitors, to attract new leisure craft visitors, and to increase the value of the visitor economy without increasing visitor numbers to unsustainable levels.

Links Between East Beach and the Town

The links between the town and the fishing industry are not as strong as they could be. There is little evidence of the significance of the fishing industry in the town centre and, whilst there is some direct sales activity, it is difficult to locate and uninviting to potential customers. The public realm in the East Beach area, where the proposed Haven will be located, is tired and appears largely uncared for and there is little signage that links the beach with the town centre.

Arguably, much could be done to improve the links between the beach and the town centre with or without the construction of a Haven, including improving signage and public realm, holding events that specifically focus on promoting local crab and lobster and working closely with key businesses, such as Bunn Leisure to sell directly into the holiday camp visitors at West Beach.

Other Havens and their Impacts

There are good examples of where Havens and other interventions to support local fishing industries have delivered regeneration impacts in places like Ryde, Amble and Bridlington. However, there are also examples, including at Ventnor, where the impacts have been more limited.

Low risk, or staged initiatives could be taken forward as a way of testing the market for larger developments subsequently. These could include pop-up huts that sell local produce that is not just confined to fish. Cycle routes and walkways that link Selsey with key sites of interest in the

surrounding areas could be established and the East Beach Kiosk could become a focal point for selling local food and drink.

The links between the fishing industry and local retailers and restaurateurs, could be strengthened with the appointment of a co-ordinator, or Seafood Sales & Marketing Champion; and more could be done to work with the wider food and drink sector through organisations like the Sussex Food and Drink Network.

Improving and Providing Facilities

The viability study and consultation to inform this report have set out what the main Haven users' would expect in terms of improved facilities. These include:

	Technical Users	**Leisure Users**		
	Fishermen	**Divers**	**Leisure Craft**	**Non sailors**
Parking	Yes	Yes	Yes	Yes
Easy **access** to pontoons, boats and water	Yes	Yes	Yes	Yes For the views
Mooring pontoons	Yes	Yes	Yes	
Electricity and water supply on pontoons	Yes	Yes	Yes	
Boat ramp access	Yes	Yes	Yes	
Fuel sales	Yes	Yes	Yes	
Boat storage		Yes	Yes	
Repair and maintenance facilities	Yes		Yes	
Fishermen's facilities: • Processing facility • Bait and catch storage • Processing facility • Pot storage	Yes			
Divers' facilities: • Somewhere to wash, store and dry diving gear • Compressor for filling air tanks • Small diving facility		Yes		
A good quality café/restaurant		Yes	Yes	Yes
Modest food and drink facilities	Yes	Yes	Yes	Yes
Good quality shower and toilet facilities	Yes	Yes	Yes	Yes
Small retail unit		Yes	Yes	Yes

Public amenity space for education and interpretation	Yes	Yes	Yes	Yes

Selsey Haven and its Potential Impacts

The viability study for the Haven has identified that there is a potential demand for a facility from both fishermen and leisure users. It has recommended a 130 berth Haven, with a small number of commercial units that could be used for retail and other activities such as a café or restaurant.

There is a clear recommendation that the berths for the fishermen and other users should be separate from each other, and that there should be storage and maintenance facilities for fishermen, suitable facilities for divers and sufficient car parking that is easily accessible to the pontoons.

There appears to be demand for a Haven in Selsey from a number of sources. However, there are a small number of concerns about its potential adverse impacts, which would need to be explored further as the Haven project develops. The level of estimated quantitative economic impacts of the proposed Haven appears to rest on two key issues:

- The extent to which the Selsey fishing industry is viable without the construction of the Haven; and
- The construction costs of the proposed Haven.

If the Haven prevents the fishing industry from dying and provides further additional value over the medium term and if the construction costs can be either kept low or funded from other sources, then the estimated economic impacts could be significant. The greatest potential impacts are in Baseline Scenario 3 where, if construction costs are not included, the Haven could provide **additional £12m to the local economy** over a twelve-year period.

It is also quite possible that a Haven could have a catalytic effect on other activity in the town and that it could attract developer interest and deliver additional economic benefits that are not easy to precisely quantify at this stage.

7.2 Recommended Actions

The following pages set out proposed short and medium term recommendations based on the findings of this study. A proposed timetable and indicated costs range for each activity is set out in Table 6 which will need to be further defined with precise and detailed briefs for each element of

work.

Recommendation 1: Develop a Selsey Haven funding strategy

The potential benefits of the Haven rest on securing public resource for its construction or firmer evidence of private sector interest in associated developments that are dependent on its construction. Without this investment, there appear to be significant risks to the viability of Selsey's fishing industry over the medium to long-term.

Given this, the Funding Partnership should consider commissioning a funding strategy and bidding process to secure public sector funding that could help deliver the Selsey Haven ambitions. The strategy would identify relevant and appropriate European, National, Regional and Local funding programmes and opportunities. These could include the European Maritime and Fisheries Fund, the Department for Agriculture, Environment and Rural Affairs, the Coast to Capital Local Enterprise Partnership's Local Growth Fund, the Coastal Communities Fund and West Sussex County Council and Chichester District Council's capital investment programmes that support the delivery of their economic development and visitor economy objectives.

Recommendation 2: Commission a soft market testing exercise to establish private sector investment interest

The Funding Partnership should consider commissioning a soft market testing exercise to test the appetite and interest of relevant maritime or harbour institutions that may have an interest in the long-term operational management of Selsey Haven. Such an exercise would test the level of private sector interest, potential investment opportunities and may help to identify further commercial development opportunities that may be needed to ensure that a sustainable and financially stable Selsey Haven can be delivered.

Recommendation 3: Develop trails and improve signage

The links between East Beach and the Town centre are not as strong as they could be. They would be enhanced through an effective wayfinding and signage strategy informed by community consultation.

A good-value and short-term solution would be to create interpretation wayfinding trails connecting the town centre with East and West Beaches and connecting East and West Beaches. Similar trails for cyclists could cover a wider area in the Manhood Peninsula.

A proven and robust solution could be to embed designs into the paving/ground works from the high street (and back) along the pedestrian walkways and the peninsula seafronts. Typically made from metal – e.g. steel, brass – the interventions, that would make up the trails could be developed and agreed through a community engagement and consultation programme.

Recommendation 4: Provide New Temporary Commercial Units or Concession Opportunities

Whilst the Haven project progresses through the funding and planning stages, the Funding Partnership should consider developing and delivering short term incremental investment opportunities that align with the Haven's overall ambitions, but which could see economic benefits and returns to the town, more quickly and at lower risk.

This could include locating temporary 'containers' or units and concession opportunities for food or retail units that could help local fisherman and others to sell local catch and other produce, with the aim of attracting additional visitors to the area or retaining a greater proportion of spend from existing visitors.

Recommendation 5: Employ a Seafood Sales & Marketing Champion

The Selsey Fishermen's Association already provides a co-ordinating function for Selsey's fishermen and has started initiatives to improve the links between the industry and the town. However, there may also be merit in seeking funding to recruit a Seafood Sales & Marketing Champion who would act as an administrator, sales co-ordinator on behalf of the fishing community to secure licences, comply with regulations and develop partnerships and initiatives to improve the profile of the fishing industry within Selsey and across Sussex, positioning it as a key Sussex Food and Drink partner.

Recommendation 6: Develop and Host Crab and Lobster Events

An established Haven would provide a clear focal point for a Crab and Lobster Festival, which could showcase the local produce, provide demonstrations and competitions on how to dress and eat crab and lobster.

The new Seafood Sales & Marketing Champion could work with Bunn Leisure to design and host food festivals and events in their Leisure Park, thereby taking local produce and activities direct to a wider customer base.

Recommendation 7: Improve the Public Realm at East Beach

The public realm around East Beach is currently unattractive and would need to be enhanced with or without a Haven. This has to involve working with businesses occupying the commercial units to establish in more detail how best to store equipment, contain unpleasant odours and improve the exterior of the units so that the area appears more cared for and inviting.

This could also include repositioning the East Beach Kiosk so that it becomes a stronger focus for local produce and improving signage and access to other direct sales outlets in the area, and making adaptations to encourage more leisure water users.

Table 6: Recommended Action Timetable and Cost Range

Recommendation and Activity		2017/2018		2018/2019				Forecast Cost Range
		3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter	
1	Funding Strategy							£10,000 to £15,000
2	Soft Market Testing							£15,000 to £20,000
3	Wayfinding Strategy and Implementation							£50,000 to £75,000
4	New Temporary Commercial Units							£5,000 per unit, £10,000 to £15,000 planning and design fees
5	Seafood Sales & Marketing Champion Post							£25,000 FTE per annum
6	Crab and Lobster Events							£2,000 to £4,000 per event
7	Public Realm Improvements							£10,000 to £15,000

Annex A

Consultees

Consultee	Organisation
Richard Craven	Chichester Harbour Master
Colin Rickman	Selsey Business Partnership
Paul Over	Chichester DC
Clive Cockayne	Lifeboat Operations Manager Selsey Lifeboat Station
Sue Muffet	Croftside B&B & Chichester Holidays
Hilary Knight	Sussex Food & Drink Network
Iain Shepperd	National Oceanography Centre
Joe Saville	Manhood Wildlife & Heritage Group
Gary Wright	Ventor Haven
Sean Newton	IOW Council
Steve Oates	Chichester DC
Cllr Carol Purnell	CDC Councillor
Sam Tate	Selsey Town Co-ordinator
Rob Greenwood	Selsey Fisherman's Association
Fred Freije	Selsea Fish & Lobster
Cllr John Connor	CDC Councillor - Selsey North
John Bunn	Bunn Leisure
Steve Frampton	Director - Mulberry Divers

Annex B

Impact Estimates Scenarios Paper

The following paragraphs provide impact illustrations based on high and low costs of constructing the Haven, set against the three baseline scenarios described above.

Baseline Scenario 1: Without the Haven, the Volume of Landed Catch Remains at its Current Level

Do Nothing Option

The Do Nothing Option in Baseline Scenario 1 makes the following assumptions:

- There are no building, development, maintenance or operation costs associated with the Haven;
- There is no berthing or rental income;
- There is no additional visitor spend;
- The volume of the catch remains broadly the same as in 2015;
- 10% of crab and lobster is sold locally at market prices and 90% is sold at its landed value; and
- 100% of all the non-crab and lobster catch is sold at its landed value.

The table below shows the estimated Baseline Scenario 1 costs and income for:

- Years 1 and 2 (pre-Haven operation);
- Year 3 (the first year of the operation of the Haven);
- Year 12 (the tenth year of the operation of the Haven);
- Years 1 to 12 (the period from initial approval to ten years of operation of the Haven); and
- The annual average from Year 1 to Year 12.

A 50% gross to net ratio and a 1.1 local multiplier have been applied to the estimates of the costs and income and a 3.5% annual discount rate has been applied.

Do Nothing Costs	Years 1-2	Year 3	Year 12	Year 0-12	Annual Average
Haven Operation	*£0*	*£0*	*£0*	*£0*	*£0*
Haven Maintenance	*£0*	*£0*	*£0*	*£0*	*£0*
Haven Development Costs	*£0*	*£0*	*£0*	*£0*	*£0*
Haven Construction	*£0*	*£0*	*£0*	*£0*	*£0*
Total Costs	**£0**	**£0**	**£0**	**£0**	**£0**
Do Nothing **Benefits**	**Years 1-2**	**Year 3**	**Years 12**	**Years 0-12**	**Annual Average**
Haven Turnover	£0	£0	£0	£0	£0
Gross Income from Landed and Fish Sold Direct to Market	£2,609,502	£1,344,023	£1,606,232	£17,326,179	£1,443,848
Additional Visitor Spend	£0	£0	£0	0%	£0
Business Rates	£0	£0	£0	£0	£0
Total Gross Income	**£2,609,502**	**£1,344,023**	**£1,606,232**	**£17,326,179**	**£1,443,848**
Net Income (x.50)	£1,304,751	£672,011	£803,116	£8,663,089	£721,924
Plus Local Multiplier (x1.1)	£1,435,226	£739,213	£883,428	£9,529,398	£794,117
Total Income Discounted (3.5%)	**£1,410,586**	**£690,425**	**£605,054**	**£7,878,536**	**£656,545**
Benefit/Cost	**£1,410,586**	**£690,425**	**£605,054**	**£7,878,536**	**£656,545**

If no Haven is built under Baseline Scenario 1, the gross income from landed and locally sold fish is estimated to be £2.6m in Years 1 and 2 combined. Assuming a 2% annual inflation increase the gross value of the catch in Year 12 would be £1.6m. Once the gross to net ratio, the local multiplier and the discounted rates are applied the estimates are £1.4m in Years 1 and 2 combined and £0.65m in Year 12.

The cumulative net, discounted income over the period is £7.9m, compared with a net cost of £0. This means that the net benefit to the economy is around £660,000 per year.

Low Cost Impact Estimates

For these estimates, the Haven will be operational in Year 3 and the development, construction, maintenance and operational costs are based on the low estimates produced by Royal Haskoning/DHV and Vail Williams.

- Development costs have been estimated at £150,000, split between Year 1 and Year 2;
- Construction costs have been estimated at £13m and are assumed to be paid in Year 1 and Year 2 with no loan interest repayments. This is higher than the estimate provided by Royal Haskoning/DHV, but it reflects the larger number of berths proposed by Vail Williams;
- Maintenance costs are estimated at £50,000 per year; and
- Operational costs have been estimated at around £156,240 in Year 3, rising in line with the Vail Williams Viability report estimates until Year 7 (the fifth year of the operation of the Haven) and, thereafter, rising at an annual rate of 2%.

The table below shows a summary of the estimated costs associated with the Low Construction Costs estimates for:

- Years 1 and 2 (pre-Haven);
- Year 3 (the first year of the Haven's operation);
- Year 12 (the tenth year of the Haven's operation);
- Years 0-12 (the whole reference period); and
- The annual average for Years 0-12).

Low Costs **Costs**	**Years 1-2**	**Year 3**	**Year 12**	**Year 0-12**	**Annual Average**
Haven Operation	£0	£156,240	£177,421	£1,633,364	£136,114
Haven Maintenance	£0	£50,000	£59,755	£547,486	£45,624
Haven Development Costs	£151,500	£0	£0	£151,500	£12,625
Haven Construction	£13,000,000	£0	£0	£13,000,000	£1,083,333
Total Costs (inc capital investment)	**£13,151,500**	**£206,240**	**£237,176**	**£15,332,350**	**£1,277,696**
Total Costs (exc capital investment)	**£151,500**	**£206,240**	**£237,176**	**£2,332,350**	**£194,362**
Total Costs inc capital investment (discounted)	**£12,927,899**	**£192,628**	**£162,440**	**£14,671,654**	**£1,222,638**
Total Costs exc capital investment (discounted)	**£148,899**	**£192,628**	**£162,440**	**£1,892,654**	**£157,721**

Under the low cost development scenario, the total cost of the Haven between Year 0 and year 12 is around £15.3m. This includes £13m construction costs, £0.5m maintenance costs, £1.6m operation costs and a further £0.15m in Development Costs. Once these estimates are discounted, the cost of the developing and running the Haven are estimated to be around £14.7m over the twelve-year period, with around £13m of this being accounted for by the capital investment.

Low Cost/Low Benefit Option

The low benefit estimates assume:

- A 10% increase in the value of the landed catch from Year 1 of the operation of the Haven:
- 15% of the crab and lobster landed catch is sold at market prices and 85% is sold at landed prices. 100% of the remaining catch is sold at landed prices:
- An additional 15,000 visitors in Year 3, rising to 18,000 in Year 4 and 21,000 from Year 5 onwards:
- The average daily spend by additional visitors to Selsey is £36.21 in Year 3, rising at an annual rate of 2% over until Year 12: and
- 90% of the turnover of the Haven is additional income to the local economy.

As with the Do Nothing estimate, a 50% gross to net ratio, a 1.1 local multiplier have been applied to the gross income estimates and a 3.5% annual discount rate has been applied to both the costs and income.

The table below shows the estimated low cost/low benefit estimates against the cost estimates shown above and the ‘do nothing’ option benefits shown in table Y (above).

Low Cost/Low Benefits Option Benefits	Years 1-2	Year 3	Year 12	Years 0-12	Annual Average
Haven Turnover	£0	£207,900	£314,312	£2,775,312	£231,276
Gross Income from Landed and Fish Sold Direct to Market	£2,609,502	£1,611,223	£1,925,559	£20,251,929	£1,687,661
Additional Visitor Spend	£0	£543,089	£908,658	£7,997,314	£666,443
Business Rates	£0	£27,507	£32,873	£301,194	£25,099
Total Gross Income	£2,609,502	£2,389,718	£3,181,402	£31,325,748	£2,610,479
Net Income (x.50)	£1,304,751	£1,194,859	£1,590,701	£15,662,874	£1,305,240
Plus Local Multiplier (x1.1)	£1,435,226	£1,314,345	£1,749,771	£17,229,162	£1,435,763
Total Benefits Discounted (3.5%)	£1,410,586	£1,227,598	£1,198,408	£14,002,222	£1,166,852
	Years 1-2	Year 3	Year 12	Years 0-12	Annual Average
Total Additional Benefits	**£0**	**£537,174**	**£593,353**	**£6,123,686**	**£510,307**
Total Additional Benefits Less Costs (inc. Construction)	**(£12,927,899)**	**£344,546**	**£430,913**	**(£8,547,968)**	**(£712,331)**
Total Additional Benefits Less Costs exc. Construction)	**(£148,899)**	**£344,546**	**£430,913**	**£4,231,032**	**£352,586**

As would be expected, there are no additional benefits against the Do Nothing option in Years 1 and 2, before the Haven is in operation. However, the additional visitor spending, greater volume of landed and locally sold catch start to impact in Year 3, when the Haven starts to operate. The cumulative benefits against the Do Nothing option reach around £6.1m by the tenth year of the Haven's operation.

However, once the construction, development, maintenance and operation costs of the Haven are also included, the cumulative benefits are -£8.5m over the twelve-year period. If the construction costs are excluded, the additional benefits are around +£4.2m by the tenth year of the Haven's operation.

Low Cost/High Benefit Option

The high benefit estimates assume:

- A 10% increase in the value of the landed catch from Year 1 of the operation of the Haven;
- 25% of the crab and lobster landed catch is sold at market prices and 75% is sold at landed prices. 100% of the remaining catch is sold at landed prices;
- An additional 15,000 visitors in Year 3, rising by 5,000 annually until it reaches 40,000

additional visitors per year once the Haven has become well established;

- The average daily spend by additional visitors to Selsey is £36.21 in Year 3, rising at an annual rate of 2% over until Year 12; and
- 90% of the turnover of the Haven is additional to the local economy.

The table below shows the low cost/high benefit impact estimates against the Do Nothing option for Baseline Scenario 1. It shows the costs and income for:

- Years 1 and 2 (pre-Haven operation);
- Year 3 (the first year of the operation of the Haven);
- Year 12 (the tenth year of the operation of the Haven);
- Years 0 to 12 (the period from initial approval to ten years of operation of the Haven): and
- The annual average from Year 0 to Year 12.

Low Cost/High Benefits Benefits	Years 1-2	Year 3	Year 12	Years 0-12	Annual Average
Haven Turnover	£0	£207,900	£314,312	£2,775,312	£231,276
Gross Income from Landed and Fish Sold Direct to Market	£2,609,502	£1,876,817	£2,242,968	£23,160,112	£1,930,009
Additional Visitor Spend	£0	£543,089	£1,730,777	£13,068,838	£1,089,070
Business Rates	£0	£27,507	£32,873	£301,194	£25,099
Total Gross Income	£2,609,502	£2,655,313	£4,236,206	£39,305,456	£3,275,455
Net Income (x.50)	£1,304,751	£1,327,657	£2,160,465	£19,652,728	£1,637,727
Plus Local Multiplier (x1.1)	£1,435,226	£1,460,422	£2,376,512	£21,618,001	£1,801,500
Total Benefits Discounted (3.5%)	£1,410,586	£1,364,034	£1,627,659	£17,389,685	£1,449,140
Low Cost/High Benefits **Benefits**	**Years 1-2**	**Year 3**	**Year 12**	**Years 0-12**	**Annual Average**
Total Additional Benefits	**£0**	**£673,610**	**£1,022,604**	**£9,511,148**	**£792,596**
Total Additional Benefits Less Costs (inc. Construction)	**(£12,927,899)**	**£480,982**	**£860,164**	**(£5,160,505)**	**(£430,042)**
Total Additional Benefits Less Costs exc. Construction)	**(£148,899)**	**£480,982**	**£860,164**	**£7,618,495**	**£634,875**

As would be expected, there are no additional benefits against the Do Nothing option in Years 1 and 2, before the Haven is in operation. However, the additional visitor spending, greater volume of landed and locally sold catch start to impact in Year 3, when the Haven starts to operate. The cumulative benefits against the Do Nothing option reach around £9.5m by the tenth year of the

Haven's operation.

However, once the construction, development, maintenance and operation costs of the Haven are also included, the cumulative benefits are -£5.2m over the twelve-year period. If the construction costs are excluded, the additional benefits are around +£7.6m by the tenth year of the Haven's operation.

Baseline Scenario 1 - High Cost Impact Estimates

For these estimates, the Haven will be operational in Year 3 and the development, construction and maintenance costs are based on the high estimates produced by Royal Haskoning/DHV. The operational costs of the Haven have remained the same as for the Low Cost options.

- Development costs have been estimated at £300,000, split between Year 1 and Year 2;
- Construction costs have been estimated at £20.8m and are assumed to be paid in Year 1 and Year 2 with no loan interest repayments. This is higher than the estimate provided by Royal Haskoning/DHV, but it reflects the larger number of berths proposed by Vail Williams;
- Maintenance costs are estimated at £150,000 per year; and
- Operational costs have been estimated at around £156,240 in Year 3, rising in line with the Vail Williams Viability report estimates until Year 7 (the fifth year of the operation of the Haven) and, thereafter, rising at an annual rate of 2%.

The table below shows a summary of the estimated costs associated with the High Construction Costs estimates for:

- Years 1 and 2 (pre-Haven);
- Year 3 (the first year of the Haven's operation);
- Year 12 (the tenth year of the Haven's operation);
- Years 0-12 (the whole reference period): and
- The annual average for Years 0-12.

High Costs Costs	Years 1-2	Year 3	Year 12	Year 0-12	Annual Average
Haven Operation	£0	£156,240	£177,421	£1,633,364	£136,114
Haven Maintenance	£0	£150,000	£179,264	£1,642,458	£136,872
Haven Development Costs	£303,000	£0	£0	£303,000	£25,250
Haven Construction	£20,800,000	£0	£0	£20,800,000	£1,733,333
Total Costs (inc capital investment)	**£21,103,000**	**£306,240**	**£356,685**	**£24,378,822**	**£2,031,568**
Total Costs (exc capital investment)	**£303,000**	**£306,240**	**£356,685**	**£3,578,822**	**£298,235**
Total Costs inc capital investment (discounted)	**£20,744,198**	**£286,028**	**£244,292**	**£23,362,931**	**£1,946,911**
Total Costs exc capital investment (discounted)	**£297,798**	**£286,028**	**£244,292**	**£2,916,531**	**£243,044**

Under the high cost development scenario, the total cost of the Haven between Year 0 and year 12 is around £24.4m. This includes £21m construction costs, £1.6m maintenance costs, £1.6m operation costs and a further £0.3m in Development Costs.

Once these estimates are discounted, the cost of developing and running the Haven is estimated to be around £23.4m over the twelve-year period, with around £20.8m of this being accounted for by the capital investment.

High Cost/Low Benefit Option

As with the low cost estimates, we have provided estimated impacts of the Haven based on both high and low benefits, employing the same methodologies and assumptions. The table below shows the estimated impact of the high cost/low benefit option under Baseline Scenario 1.

High Cost/Low Benefits Benefits	Years 1-2	Year 3	Year 12	Years 0-12	Annual Average
Haven Turnover	£0	£207,900	£314,312	£2,775,312	£231,276
Gross Income from Landed and Fish Sold Direct to Market	£2,609,502	£1,611,223	£1,925,559	£20,251,929	£1,687,661
Additional Visitor Spend	£0	£543,089	£908,658	£7,997,314	£666,443
Business Rates	£0	£27,507	£32,873	£301,194	£25,099
Total Gross Income	£2,609,502	£2,389,718	£3,181,402	£31,325,748	£2,610,479
Net Income (x.50)	£1,304,751	£1,194,859	£1,590,701	£15,662,874	£1,305,240
Plus Local Multiplier (x1.1)	£1,435,226	£1,314,345	£1,749,771	£17,229,162	£1,435,763
Total Benefits Discounted (3.5%)	£1,410,586	£1,227,598	£1,198,408	£14,002,222	£1,166,852
	Years 1-2	**Year 3**	**Year 12**	**Years 0-12**	**Annual Average**
Total Additional Benefits	**£0**	**£537,174**	**£593,353**	**£6,123,686**	**£510,307**
Total Additional Benefits Less Costs (inc. Construction)	**(£20,744,198)**	**£251,146**	**£349,062**	**(£17,239,245)**	**(£1,436,604)**
Total Additional Benefits Less Costs exc. Construction)	**(£297,798)**	**£251,146**	**£349,062**	**£3,207,155**	**£267,263**

As would be expected, there are no additional benefits against the Do Nothing option in Years 1 and 2, before the Haven is in operation. However, the additional visitor spending, greater volume of landed and locally sold catch start to impact in Year 3, when the Haven starts to operate. The cumulative benefits against the Do Nothing option reach around £6.1m by the tenth year of the Haven's operation.

However, once the construction, development, maintenance and operation costs of the Haven are also included, the cumulative benefits are -£17.2m over the twelve-year period. If the construction costs are excluded, the additional benefits are around +£3.2m by the tenth year of the Haven's operation.

High Cost/High Benefit Option

The table below shows the estimated impact of the high cost/high benefit option under Baseline Scenario 1.

High Cost/High Benefits Benefits	Years 1-2	Year 3	Year 12	Years 0-12	Annual Average
Haven Turnover	£0	£207,900	£314,312	£2,775,312	£231,276
Gross Income from Landed and Fish Sold Direct to Market	£2,609,502	£1,876,817	£2,242,968	£23,160,112	£1,930,009
Additional Visitor Spend	£0	£543,089	£1,730,777	£13,068,838	£1,089,070
Business Rates	£0	£27,507	£32,873	£301,194	£25,099
Total Gross Income	£2,609,502	£2,655,313	£4,236,206	£39,305,456	£3,275,455
Net Income (x.50)	£1,304,751	£1,327,657	£2,160,465	£19,652,728	£1,637,727
Plus Local Multiplier (x1.1)	£1,435,226	£1,460,422	£2,376,512	£21,618,001	£1,801,500
Total Benefits Discounted (3.5%)	£1,410,586	£1,364,034	£1,627,659	£17,389,685	£1,449,140
	Years 1-2	**Year 3**	**Year 12**	**Years 0-12**	**Annual Average**
Total Additional Benefits	£0	£673,610	£1,022,604	£9,511,148	£792,596
Total Additional Benefits Less Costs (inc. Construction)	(£20,744,198)	£387,582	£778,313	(£13,851,783)	(£1,436,604)
Total Additional Benefits Less Costs exc. Construction)	(£297,798)	£387,582	£778,313	£6,594,617	£549,551

As would be expected, there are no additional benefits against the Do Nothing option in Years 1 and 2, before the Haven is in operation. However, the additional visitor spending, greater volume of landed and locally sold catch start to impact in Year 3, when the Haven starts to operate. The cumulative benefits against the Do Nothing option reach around £9.5m by the tenth year of the Haven's operation.

However, once the construction, development, maintenance and operation costs of the Haven are

also included, the cumulative benefits are -£13.8m over the twelve-year period. If the construction costs are excluded, the additional benefits are around +£6.6m by the tenth year of the Haven's operation.

Baseline Scenario 2: Without the Haven, the Volume of Landed Catch Declines by 10% Annually

Under Baseline Scenario 2, the volume of landed fish in Selsey declines by 10% annually if the Haven is not built. This reflects concerns about the viability of Selsey's fishing industry without investment in a Haven.

If there was an annual decline of 10% in the landed catch at Selsey, the gross value of the landed catch would fall from just over £1m per year to around £0.4m, meaning that it the industry would be less than half its current size if no action is taken to address this decline.

The impact of a Haven under this scenario would, therefore be greater than in Baseline Scenario 1 because it would:

a) Add value to existing activity (as described in Baseline Scenario 1); and
b) Prevent the projected 10% annual decline in fishing activity from occurring.

Do Nothing Option

The Do Nothing Option in Baseline Scenario 2 makes the following assumptions:

- There are no building, development, maintenance or operation costs associated with the Haven;
- There is no berthing or rental income;
- There is no additional visitor spend;
- The volume of the landed catch declines by 10% each year until 2028/29; and
- 10% of crab and lobster is sold locally at market prices and 90% is sold at its landed value. 100% of all the non-crab and lobster catch is sold at its landed value.

The table below shows the estimated Baseline Scenario 3 costs and income. As with Baseline Scenario 1, it shows the costs and benefits for:

- Years 1 and 2 (pre-Haven operation);

- Year 3 (the first year of the operation of the Haven);
- Year 12 (the tenth year of the operation of the Haven);
- Years 1 to 12 (the period from initial approval to ten years of operation of the Haven); and
- The annual average from Year 1 to Year 12.

A 50% gross to net ratio and a 1.1 local multiplier have been applied to the estimates of the costs and income and a 3.5% annual discount rate has been applied.

Do Nothing **Costs**	**Years 1-2**	**Year 3**	**Year 12**	**Year 0-12**	**Annual Average**
Haven Operation	£0	£0	£0	£0	£0
Haven Maintenance	£0	£0	£0	£0	£0
Haven Development Costs	£0	£0	£0	£0	£0
Haven Construction	£0	£0	£0	£0	£0
Total Costs Less Construction	£0	£0	£0	£0	£0
Total Costs	£0	£0	£0	£0	£0
Benefits	**Years 1-2**	**Year 3**	**Years 12**	**Years 0-12**	**Annual Average**
Haven Turnover	£0	£0	£0	£0	£0
Gross Income from Landed and Fish Sold Direct to Market	£2,477,736	£1,088,659	£504,053	£10,111,130	£842,594
Additional Visitor Spend	£0	£0	£0	£0	£0
Business Rates	£0	£0	£0	£0	£0
Total Gross Income	£2,477,736	£1,088,659	£504,053	£10,111,130	£842,594
Net Income (x.50)	£1,238,868	£544,329	£252,026	£5,055,565	£421,297
Plus Local Multiplier (x1.1)	£1,362,755	£598,762	£277,229	£5,561,121	£463,427
Total Income Discounted (3.5%)	£1,340,578	£559,244	£189,872	£4,795,544	£399,629
Benefit/Cost	**+£1,340,578**	**+£559,244**	**+£189,872**	**+£4,795,544**	**+£399,629**

If no Haven is built under Baseline Scenario 2, the gross income from landed and locally sold fish is estimated to be £2.5m in Years 1 and 2 combined. Assuming a 2% annual inflation increase and an annual 10% decline in the volume of landed catch, the gross value of the catch in Year 12 would be £0.5m.

Once the gross to net ratio, the local multiplier and the discounted rates are applied the estimates are £1.3m in Years 1 and 2 combined and £0.2m in Year 12. The cumulative net, discounted benefits over the period is £4.8m, compared with a net cost of £0, but most of these benefits occur in the early rather than the later years, because of the declining volume and value of the landed catch.

Baseline Scenario 2 - Low Cost Estimates

The same assumptions have been applied to the Low Cost Estimates in Baseline Scenario 1, that is:

- Development costs have been estimated at £150,000, split between Year 1 and Year 2;
- Construction costs have been estimated at £13m and are assumed to be paid in Year 1 and Year 2 with no loan interest repayments. This is higher than the estimate provided by Royal Haskoning/DHV, but it reflects the larger number of berths proposed by Vail Williams;
- Maintenance costs are estimated at £50,000 per year; and
- Operational costs have been estimated at around £156,240 in Year 3, rising in line with the Vail Williams Viability report estimates until Year 7 (the fifth year of the operation of the Haven) and, thereafter, rising at an annual rate of 2%.

Low Cost/Low Benefits Option

The table below shows the low cost/low benefit impacts of the Haven for Baseline Scenario 2

Low Cost/Low Benefits	Years 1-2	Year 3	Year 12	Years 0-12	Annual Average
Total Additional Benefits	**£0**	**£592,123**	**£1,005,553**	**£9,027,762**	**£752,314**
Total Additional Benefits Less Costs (inc. Construction)	**(£12,927,899)**	**£399,495**	**£843,112**	**(£5,643,891)**	**(£470,324)**
Total Additional Benefits Less Costs exc. Construction)	**(£148,899)**	**£399,495**	**£843,112**	**£7,135,109**	**£594,592**

As would be expected, there are no additional benefits against the Do Nothing option in Years 1 and 2, before the Haven is in operation. However, the additional visitor spending, greater volume of landed and locally sold catch and arresting the annual 10% decline in landed catch at Selsey start to impact in Year 3, when the Haven starts to operate.

The cumulative benefits against the Do Nothing option in Baseline Scenario 2 reach around £9.0m by the tenth year of the Haven's operation.

However, once the construction, development, maintenance and operation costs of the Haven are also included, the cumulative benefits are -£5.6m over the twelve-year period. If the construction costs are excluded, the additional benefits are around +£7.1m by the tenth year of the Haven's operation.

Low Cost/High Benefits Option

The table below shows the low cost/high benefit impacts of the Haven for Baseline Scenario 2

Low Cost/High Benefit	Years 1-2	Year 3	Year 12	Years 0-12	Annual Average
Total Additional Benefits	**£0**	**£714,915**	**£1,426,330**	**£12,320,673**	**£1,026,723**
Total Additional Benefits Less Costs (inc. Construction)	**(£12,927,899)**	**£522,287**	**£1,263,890**	**(£2,350,981)**	**(£195,915**
Total Additional Benefits Less Costs exc. Construction)	**(£148,899)**	**£522,287**	**£1,263,890**	**£10,428,019**	**£869,002**

As would be expected, there are no additional benefits against the Do Nothing option in Years 1 and 2, before the Haven is in operation. However, the additional visitor spending, greater volume of landed and locally sold catch and arresting the annual 10% decline in landed catch at Selsey start to impact in Year 3, when the Haven starts to operate.

The cumulative low cost/high benefit estimate against the Do Nothing option in Baseline Scenario 2 reach around £12.3m by the tenth year of the Haven's operation.

However, once the construction, development, maintenance and operation costs of the Haven are also included, the cumulative benefits are -£2.3m over the twelve-year period. If the construction costs are excluded, the additional benefits are around +£10.4m by the tenth year of the Haven's

operation.

High Cost Estimates

The same assumptions have been applied to the High Cost Estimates in Baseline Scenario 1, that is:

- Development costs have been estimated at £300,000, split between Year 1 and Year 2;
- Construction costs have been estimated at £20.8m and are assumed to be paid in Year 1 and Year 2 with no loan interest repayments. This is higher than the estimate provided by Royal Haskoning/DHV, but it reflects the larger number of berths proposed by Vail Williams;
- Maintenance costs are estimated at £150,000 per year; and
- Operational costs have been estimated at around £156,240 in Year 3, rising in line with the Vail Williams Viability report estimates until Year 7 (the fifth year of the operation of the Haven) and, thereafter, rising at an annual rate of 2%.

High Cost/Low Benefit Option

The table below shows the high cost/low benefit impacts of the Haven for Baseline Scenario 2

High Cost/Low Benefit	Years 1-2	Year 3	Year 12	Years 0-12	Annual Average
Total Additional Benefits	**£0**	**£592,123**	**£1,005,553**	**£9,027,762**	**£752,314**
Total Additional Benefits Less Costs (inc. Construction)	**(£20,744,198)**	**£306,095**	**£761,261**	**(£14,335,169)**	**(£1,194,597)**
Total Additional Benefits Less Costs exc. Construction)	**(£297,798)**	**£306,095**	**£761,261**	**£6,111,231**	**£509,269**

As would be expected, there are no additional benefits against the Do Nothing option in Years 1 and 2, before the Haven is in operation. However, the additional visitor spending, greater volume of landed and locally sold catch and arresting the annual 10% decline in landed catch at Selsey start to impact in Year 3, when the Haven starts to operate.

The cumulative high cost/low benefit estimate against the Do Nothing option in Baseline Scenario 2 reach around £9.0m by the tenth year of the Haven's operation.

However, once the construction, development, maintenance and operation costs of the Haven are also included, the cumulative benefits are -£14.3m over the twelve-year period. If the construction

costs are excluded, the additional benefits are around +£6.1m by the tenth year of the Haven's operation.

High Cost/High Benefit Option

The table below shows the high cost/high benefit impacts of the Haven for Baseline Scenario 2

High Cost/High Benefits	Years 1-2	Year 3	Year 12	Years 0-12	Annual Average
Total Additional Benefits	£0	£714,915	£1,426,330	£12,320,673	£1,026,723
Total Additional Benefits Less Costs (inc. Construction)	(£20,744,198)	£428,887	£1,182,039	(£11,042,258)	(£920,188)
Total Additional Benefits Less Costs exc. Construction)	(£297,798)	£428,887	£1,182,039	£9,404,142	£783,678

As would be expected, there are no additional benefits against the Do Nothing option in Years 1 and 2, before the Haven is in operation. However, the additional visitor spending, greater volume of landed and locally sold catch and arresting the annual 10% decline in landed catch at Selsey start to impact in Year 3, when the Haven starts to operate.

The cumulative high cost/high benefit estimate against the Do Nothing option in Baseline Scenario 2 reach around £12.3m by the tenth year of the Haven's operation.

However, once the construction, development, maintenance and operation costs of the Haven are also included, the cumulative benefits are -£11.0m over the twelve-year period. If the construction costs are excluded, the additional benefits are around +£9.4m by the tenth year of the Haven's operation.

Baseline Scenario 3: Without the Haven, the Volume of Landed Catch Declines by 30% Annually

Under Baseline Scenario 3, the volume of landed fish in Selsey declines by 30% annually if the Haven is not built. Under such a scenario, the Selsey would have virtually no fishing industry at all by 2028/29. Indeed, the value of the landed catch would fall from over £1m to around £25,000 in 2028/29 under this scenario. As with Scenario 2, there significant concerns about whether the fishing industry can remain viable over the medium term without a Haven. This scenario, therefore,

assumes that there will be no fishing industry in Selsey within the next 10-12 years.

The impact of a Haven under Baseline Scenario 3 would, therefore, be greater than under Baseline Scenario 1 and Baseline Scenario 2 because it would:

c) Add value to existing activity (as described in Baseline Scenario 1); and
d) Prevent the projected 30% annual decline in fishing activity from occurring.

Baseline Scenario 3 – Do Nothing Option

The Do Nothing option in Baseline Scenario 3 makes the following assumptions:

- There are no building, development, maintenance or operation costs associated with the Haven.
- There is no berthing or rental income;
- There is no additional visitor spend;
- The volume of the landed catch declines by 30% each year until 2028/29; and
- 10% of crab and lobster is sold locally at market prices and 90% is sold at its landed value. 100% of all the non-crab and lobster catch is sold at its landed value.

The table below shows the estimated Baseline Scenario 3 costs and income. As with Baseline Scenarios 1 and 2, it shows the costs and benefits for:

- Years 1 and 2 (pre-Haven operation);
- Year 3 (the first year of the operation of the Haven);
- Year 12 (the tenth year of the operation of the Haven); and
- Years 1 to 12 (the period from initial approval to ten years of operation of the Haven);
- The annual average from Year 1 to Year 12.

A 50% gross to net ratio and a 1.1 local multiplier have been applied to the estimates of the costs and income and a 3.5% annual discount rate has been applied.

Do Nothing Costs	Years 1-2	Year 3	Year 12	Year 0-12	Annual Average
Haven Operation	£0	£0	£0	£0	£0
Haven Maintenance	£0	£0	£0	£0	£0
Haven Development Costs	£0	£0	£0	£0	£0
Haven Construction	£0	£0	£0	£0	£0
Total Costs Less Construction	£0	£0	£0	£0	£0
Total Costs	£0	£0	£0	£0	£0
Benefits	**Years 1-2**	**Year 3**	**Years 12**	**Years 0-12**	**Annual Average**
Haven Turnover	£0	£0	£0	£0	£0
Gross Income from Landed and Fish Sold Direct to Market	£2,214,202	£658,571	£31,760	£4,437,608	£369,801
Additional Visitor Spend	£0	£0	£0	£0	£0
Business Rates	£0	£0	£0	£0	£0
Total Gross Income	£2,214,202	£658,571	£31,760	£4,437,608	£369,801
Net Income (x.50)	£1,238,868	£329,286	£15,880	£2,218,804	£184,900
Plus Local Multiplier (x1.1)	£1,217,811	£362,214	£17,468	£2,440,684	£203,390
Total Income Discounted (3.5%)	£1,200,563	£338,308	£11,964	£2,264,336	£188,695
Benefit Cost	**£1,200,563**	**£338,308**	**£11,964**	**£2,264,336**	**£188,695**

If no Haven is built under Baseline Scenario 3, the gross income from landed and locally sold fish is estimated to be £2.2m in Years 1 and 2 combined. Assuming a 2% annual inflation increase and an annual 30% decline in the volume of landed catch, the gross value of the landed and locally sold catch in Year 12 would be £31,000.

Once the gross to net ratio, the local multiplier and the discounted rates are applied the estimates are £1.2m in Years 1 and 2 combined and £12,000 in Year 12. The cumulative net, discounted benefit over the period is £2.3m, compared with a net cost of £0, but almost all of these benefits occur in the early rather than the later years, because of the declining volume and value of the landed catch.

Baseline Scenario 3 - Low Cost Estimates

The same assumptions have been applied to the Low Cost Estimates in Baseline Scenarios 1 and 2, that is:

- Development costs have been estimated at £150,000, split between Year 1 and Year 2;
- Construction costs have been estimated at £13m and are assumed to be paid in Year 1 and Year 2 with no loan interest repayments. This is higher than the estimate provided by Royal Haskoning/DHV, but it reflects the larger number of berths proposed by Vail Williams;
- Maintenance costs are estimated at £50,000 per year; and
- Operational costs have been estimated at around £156,240 in Year 3, rising in line with the Vail Williams Viability report estimates until Year 7 (the fifth year of the operation of the Haven) and, thereafter, rising at an annual rate of 2%.

Low Cost/Low Benefits Option

The table below shows the low cost/low benefit impacts of the Haven for Baseline Scenario 3.

Low Cost/Low Benefits	Years 1-2	Year 3	Year 12	Years 0-12	Annual Average
Total Additional Benefits	**£0**	**£647,522**	**£1,158,041**	**£11,010,691**	**£917,558**
Total Additional Benefits Less Costs (inc. Construction)	**(£12,927,899)**	**£454,894**	**£995,601**	**(£3,660,962)**	**(£305,080)**
Total Additional Benefits Less Costs exc. Construction)	**(£148,899)**	**£454,894**	**£995,601**	**£9,118,038**	**£759,836**

As would be expected, there are no additional benefits against the Do Nothing option in Years 1 and 2, before the Haven is in operation. However, the additional visitor spending, greater volume of landed and locally sold catch and arresting the annual 30% decline in landed catch at Selsey start to impact in Year 3, when the Haven starts to operate.

The cumulative benefits against the Do Nothing option in Baseline Scenario 3 reach around 11.0m by the tenth year of the Haven's operation.

However, once the construction, development, maintenance and operation costs of the Haven are also included, the cumulative benefits are -£3.6m over the twelve-year period. If the construction costs are excluded, the additional benefits are around +£9.1m by the tenth year of the Haven's operation.

Low Cost/High Benefits Option

The table below shows the low cost/high benefit impacts of the Haven for Baseline Scenario 3.

High Benefits	Years 1-2	Year 3	Year 12	Years 0-12	Annual Average
Total Additional Benefits	**£0**	**£743,027**	**£1,561,873**	**£14,114,497**	**£838,028**
Total Additional Benefits Less Costs (inc. Construction)	**(£12,927,899)**	**£550,399**	**£1,399,432**	**(£557,157)**	**(£46,430)**
Total Additional Benefits Less Costs exc. Construction)	**(£148,899)**	**£550,399**	**£1,399,432**	**£12,221,843**	**£1,018,487**

As would be expected, there are no additional benefits against the Do Nothing option in Years 1 and 2, before the Haven is in operation. However, the additional visitor spending, greater volume of landed and locally sold catch and arresting the annual 30% decline in landed catch at Selsey start to impact in Year 3, when the Haven starts to operate.

The cumulative low cost/high benefit estimate against the Do Nothing option in Baseline Scenario 3 reach around £14.1m by the tenth year of the Haven's operation.

However, once the construction, development, maintenance and operation costs of the Haven are also included, the cumulative benefits are -£0.6m over the twelve-year period. If the construction costs are excluded, the additional benefits are around +£12.2m by the tenth year of the Haven's operation.

Baseline Scenario 3 - High Cost Estimates

The same assumptions have been applied to the High Cost Estimates in Baseline Scenarios1 and

2, that is:

- Development costs have been estimated at £300,000, split between Year 1 and Year 2;
- Construction costs have been estimated at £20.8m and are assumed to be paid in Year 1 and Year 2 with no loan interest repayments. This is higher than the estimate provided by Royal Haskoning/DHV, but it reflects the larger number of berths proposed by Vail Williams;
- Maintenance costs are estimated at £150,000 per year; and
- Operational costs have been estimated at around £156,240 in Year 3, rising in line with the Vail Williams Viability report estimates until Year 7 (the fifth year of the operation of the Haven) and, thereafter, rising at an annual rate of 2%.

High Cost/Low Benefit Option

The table below shows the high cost/low benefit impacts of the Haven for Baseline Scenario 3

High Cost/Low Benefit	Years 1-2	Year 3	Year 12	Years 0-12	Annual Average
Total Additional Benefits	**£0**	**£647,522**	**£1,158,041**	**£11,010,691**	**£917,558**
Total Additional Benefits Less Costs (inc. Construction)	**(£20,744,198)**	**£501,594**	**£913,750**	**(£12,352,240)**	**£1,029,353**
Total Additional Benefits Less Costs exc. Construction)	**(£297,798)**	**£501,594**	**£913,750**	**£8,094,160**	**£674,513**

As would be expected, there are no additional benefits against the Do Nothing option in Years 1 and 2, before the Haven is in operation. However, the additional visitor spending, greater volume of landed and locally sold catch and arresting the annual 30% decline in landed catch at Selsey start to impact in Year 3, when the Haven starts to operate.

The cumulative high cost/low benefit estimate against the Do Nothing option in Baseline Scenario 3 reach around £11.0m by the tenth year of the Haven's operation.

However, once the construction, development, maintenance and operation costs of the Haven are also included, the cumulative benefits are -£12.3m over the twelve-year period. If the construction costs are excluded, the additional benefits are around +£8.1m by the tenth year of the Haven's operation.

High Cost/High Benefit Option

The table below shows the high cost/high benefit impacts of the Haven for Baseline Scenario 3

High Benefits	Years 1-2	Year 3	Year 12	Years 0-12	Annual Average
Total Additional Benefits	£0	£743,027	£1,561,873	£14,114,497	£1,176,208
Total Additional Benefits Less Costs (inc. Construction)	(£20,744,198)	£597,099	£1,317,581	(£9,248,434)	(£770,703)
Total Additional Benefits Less Costs exc. Construction)	(£297,798)	£597,099	£1,317,581	£11,197,966	£933,164

As would be expected, there are no additional benefits against the Do Nothing option in Years 1 and 2, before the Haven is in operation. However, the additional visitor spending, greater volume of landed and locally sold catch and arresting the annual 30% decline in landed catch at Selsey start to impact in Year 3, when the Haven starts to operate.

The cumulative high cost/high benefit estimate against the Do Nothing option in Baseline Scenario 3 reach around £14.1m by the tenth year of the Haven's operation.

However, once the construction, development, maintenance and operation costs of the Haven are also included, the cumulative benefits are -£9.2m over the twelve-year period. If the construction costs are excluded, the additional benefits are around +£11.2m by the tenth year of the Haven's operation.

Selsey Haven - Socio-Economic Impact Study

for

Selsey Fishermen's Association, Selsey Town Council and Chichester District Council

12th September 2017