

## **Solent LEP - Southsea Scheme Annex**

### **Introduction**

The Southsea Coastal Scheme (the Scheme) is an essential element of the Flood Risk Management Infrastructure that has allowed continued development within Southsea.

The area at risk is extensive, including over 10,000 homes and 700 commercial premises, 74 listed structures, 3 Scheduled Ancient Monuments, the 4.5km of promenade, water frontage and public open space that is so important to the vibrancy of the area's economy, health and wellbeing.

The most recent storms (Brendon, Ciara and Dennis) have caused large sections of the frontage to fail along Southsea Beach West and Spur Redoubt resulting in flooding to areas of the Common and businesses along Clarence Pier. These continued failures and flooding undermine business confidence and inward investment to the city and are set to worsen in future years if no action is taken.

The Scheme is necessary due to climate change and the inadequate flood defences along the Southsea frontage exposing the City to a high risk of flooding and coastal erosion. Current defences have less than a 10-year life and this is highlighted by annual failures. Since 2011, the commitment of the City Council to the implementation of the Scheme, through its MOU with the Environment Agency<sup>1</sup>, has enabled development to take place which otherwise would have been refused planning permission.

The delivery of the Scheme is critical in allowing the City to improve and develop not only Southsea directly, but also through wider regeneration initiatives. These plans interlink with the LEPs Core elements as outlined in their 2050 strategy by unlocking the ability for new growth and feeding into the Solent's objective to *'be the global leader in the maritime and climate adaptation, and for our towns and cities to be fantastic places to live, trade and for individuals to flourish'*<sup>2</sup> stimulating investment confidence and providing the catalyst for the regeneration of Southsea.

This Scheme and connected regeneration will have wider economic benefits to both Portsmouth and the Solent region and will be a major contributor to the Solent LEPs ambitions to be the UK's capital for coastal renaissance, to revitalise coastal communities and to have the UK's most thriving visitor economy, capitalising on the Solent's superb natural beauty and rich maritime history.

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<sup>1</sup> 'Portsmouth Interim Position for Development' Memorandum of Understanding - Portsmouth City Council and the Environment Agency, June 2011 see appendix to EOI submission

<sup>2</sup> Working towards a 2050 Strategy for the Solent, Solent LEP December 2019



Recent damage to Southsea Esplanade January 2020

The Scheme will reduce the risk of flooding to a 1 in 200-year event. This will provide the necessary reassurance to ensure both private and public sector investment in the area is maintained and increased in future years. It is estimated that in the period up to 2036, growth of 12,480m<sup>2</sup> in commercial floor-space will be created, generating a further 200 jobs. This is in addition to 1,200 net new housing units enabled by the implementation of the Scheme. It is anticipated that its completion will result in a reduction in insurance premiums in the area - a good proxy indicator for business confidence.

## **Renaissance of Coastal Communities and Celebration of Culture, heritage and creative assets are at the heart of the outcome of the Southsea Coastal Scheme delivery**

Portsmouth City Council commissioned Oxford Economics<sup>3</sup> to examine the potential for economic growth within the city. Their report highlights areas of improvement required to achieve socio-economic gains. It quantifies targets and actions for the city to stimulate employment, GVA, business, tourism and leisure activities up to 2036. The regeneration of Southsea forms a significant part of the report along with other major infrastructure projects proposed by the city. The £120m flood defence Scheme illustrates the size and scope of intervention required and is recognised in the study as the enabler for major regenerative work within the city.

The pre-requisite of investment of this type has been acknowledged by the Solent LEP (Working Towards a 2050 Strategy for the Solent, December 2019):

*"Arguably the most attractive feature of the Solent is its outstanding abundance and variety of natural capital. The close proximity of coastline, countryside and cityscape is unique to the region. Stakeholders identified that environmental challenges regarding coastal protection will need to be tackled, such as coastal erosion and flooding due to rising sea levels. However, this could place the region in a prime position to spearhead coastal protection innovations and technologies. . .the Solent could become a model for coastal/urban living rich in innovative practices to living and working in a special environment." p 16*

Southsea is a prime example, with the Council already committing to carbon neutrality by 2030, leveraging over £50m investment in gigabit city super-fast Broadband, a high quality recreational and cultural offer and the protection and enhancement of world-class heritage sites.

The Oxford Economics report outlines how the Scheme acts as a catalyst to increase employment, productivity and growth, citing workplace employment growth of 5.8% as being achievable.

Southsea is an important contributor to the Solent coastal offer, showcasing both the environmental quality of the seascape and shoreline and the importance of the Solent's maritime history, with Southsea Castle and Long Curtain Moat<sup>4</sup> being amongst the 77 historic sites within the scope of the Scheme. The immediate hinterland to the coastal strip includes areas such as Albert Road and Marmion Road which offer potential for a thriving hub for local and independent businesses, creating an attractive area for locals and tourists to explore the city.

To realise the potential of Southsea, improvements to flood defence need to be undertaken as a first step. This approach has been previously exemplified by the Hotwalls project in Old Portsmouth, immediately to the west of the Scheme. Here, flood defence improvements were completed and the City Council followed up by securing investment of £1.9m to deliver 'The ARTches'<sup>5</sup>, a vibrant creative and cultural

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<sup>3</sup> 'Portsmouth 2036: A great waterfront city' (Oxford Economics, 2019)

<sup>4</sup> Long Curtain Moat is in the top 5% most significant historic monuments in the UK

<sup>5</sup> Funding from Coastal Communities Fund, Portsmouth City Council, Partnership for South Hampshire

quarter for Micro-SME's and freelancers, enhancing the area's offering. The project created 25FTE direct and 80FTE indirect jobs. A similar project is being explored at Kings Bastion (immediately behind Long Curtain Moat) after completion of the first phase of the scheme.



Refurbished Arches units

Further large scale sites along the 4.5k Southsea frontage will be able to capitalise on similar opportunities.

AECOM report P 8-9 from EoI Appendix - see table below

**Table 2-2: Job estimates for regeneration opportunities identified in Southsea**

Site	Indicative land use*	Indicative land use area (m <sup>2</sup> )*	Estimated employee number (FTE)**	Total estimated jobs
Clarence Pier	Hotel / Leisure Centre	3900	56	56
Southsea Common	Kiosks	350	12	12
Southsea Castle and surrounds	Café Hub on Speakers Corner	40	2	89
	Sports Hub Office	340	28	
	The Pyramids Centre	6750	59	
South Parade Pier	Promenade Café	210	11	24
	South Parade Kiosks	380	13	
Canoe Lake	Café/Restaurant	500	25	25

\* Indicative land use and land use area based on PCC Seafront Masterplan (2013).

\*\* Estimated employee numbers based on typical employment density rates provided in the Employment Density Guide for different business types (Homes and Communities Agency, 2015).

The Scheme links these sites, and through re-designing and rebuilding the promenade will contribute to Portsmouth's attractiveness to visitors and investors and contribute to the city's vision of being the Great Waterfront City.

*The LEP 2050 Strategy* outlines enabling factors which need to feed into 4 core elements measuring outcomes (outlined on P20 of the Strategy). These enabling factors have been considered in line with the outputs of the Large Project Prosperity Fund application process to illustrate to the LEP that the Southsea Scheme has a wider economic impact. This once in a lifetime opportunity to improve sea defence infrastructure will have a profound regenerative stimulus on the surrounding area.

Southsea is an important community within the City. Revitalisation of the area will provide a blueprint for the renaissance of our coastal communities, with the sea defences renewal and investment at its heart through proposals such as significant developments at the Former Portland Hotel and Queens Hotel. The preservation, conversion and extension of these listed buildings will provide housing and hotel accommodation for the city, as well as the provision of assisted living and extra care facilities at the former Savoy Buildings.

## **Skills and Talent**

### **SME Growth**

There will be both short and long-term benefits of the Scheme. Initially during the construction phase, (the next 7 years) local businesses (particularly those in the hospitality area) will experience an increase in trade due to the volume of workers that will be on site.

After this stage the benefits to Southsea, Portsmouth and the wider Solent region will be linked to increased recreational activity, inward investment and tourism and the release of further peripheral income associated with this.

*'Business sectors which contribute to the visitor economy in Southsea (Retail, Transport, Accommodation and Food Services and Arts, Entertainment and Recreation) will be predominantly impacted by flooding compared to other business sectors, as they account for 51% of the businesses predicted to be affected. The potential damage to the visitor economy comprises approximately 46% of the total dynamic impacts (Figure 2-2). As a seaside region with a number of visitor attractions, the visitor economy in Southsea is vital to its financial security. The protection of these businesses against flooding will be critical to support future growth in Portsmouth, improving the productivity of the visitor economy.'*

Aecom report in EoI Appendix

### **Developing skills and talent**

As covered in the EoI, the Scheme provides a unique opportunity for skills and talent to be developed through the construction phase of the project; through apprenticeships and upskilling that will be gained by those working on the project. Post construction, individuals, teams and companies will be able to take this learning

forward to other Solent projects, which directly feeds into the LEP's outline strategy objective of Skills and talent improvements (Table C3.d of the EoI).

In addition to this direct influence on the talent base from the project, there is further commitment to continuing work with local educational facilities to promote training and learning before school leavers seek employment, giving opportunity for the employers (us and our Contractors) to speak to pupils about future opportunities within the local economy and to inspire younger generations to look at a STEM career. Table C3.d. - training and learning - outlines numbers of events that would be held across the Solent region.

This critical work would help shape and mould the next generation of engineers and influencers within the city.

### **Pioneering innovation through Design**

By way of example, Sub-frontage 1 sits within and adjacent to two Scheduled Ancient Monuments (SAM), Long Curtain Moat (LCM), King's Bastion and Spur Redoubt and The Square Tower. This has presented the design team with a unique set of challenges to overcome when designing this frontage to meet the 100-year design life requirement of the Scheme.

As a result the design has predominately been driven by Historic England's (HE) requirements to mitigate physical and visual harm to the nationally important asset by replicating the masonry surface finish of the existing seawall that will be encapsulated by the new works.

Developing an acceptable design solution has required substantial collaborative and innovative design iterations which have resulted in a pioneering engineering solution. To replicate the existing masonry wall, matching masonry blocks have been sourced and will be cast into precast units that will be stacked in an interlocking arrangement to form a vertical seawall without vertical joints.

The masonry source, unit size, block dimensions and arrangement have all been refined to limit vertical joints and ensure the new seawall matches the historic wall as closely as possible whilst maintaining a 100-year design life.

This engineering solution has been adopted on other infrastructure projects. However, this is the first time it has been designed as a seawall on an exposed coast without vertical joints. Innovation such as this is one of the fundamentals of the scheme which also targets zero to waste and the construction of a major project under the remit of a declared climate emergency by the City Council.

### **Improving productivity in priority sectors – Visitor economy**

Southsea has a unique offering for the Great Waterfront City and attracts 9.1m visitors a year. The proximity of the sea to the extensive surrounding green space, heritage,



piers and other attractions is a rarity. The improvements to the public realm will celebrate the cultural, heritage and creative assets that Southsea has to offer, while giving rise to opportunities to create more, directly supporting the LEP objectives by working with local artists and statutory consultees.

The construction of the Scheme will see an increase in economic activity for a number of the local tourist attractions and businesses due to the numbers of employees working on the Scheme over a 6-year period. In addition, construction of this magnitude will itself be a spectacle.

As identified by Oxford Economics, Scheme completion will help raise the standard and volume of visitor and business tourism accommodation and make facilities more attractive to not only day visitors, but overnight ones too. Having an improved offer and increased visitor numbers, will also feed employment growth already identified in the Oxford Economics and AECOM reports (see Table below).

The Portsmouth Plan identifies a number of the larger sites within the Scheme to come forward for regeneration, including Clarence Pier and the Pyramids (see Fig 4). Regeneration of these areas and associated sites without new flood defences would not be possible due to the real risk that exists (and has been experienced) of flooding. By affording protection from flooding, the major inhibitor to investment will be removed and the overall Southsea offering will be enhanced.

#### Growth and Productivity improvements

City Wide Potential	
Southsea	
Category	Number
Commercial space created	12,480m2
Jobs created	206
Residential development to 2036	1,200
City wide	
Productivity uplift 2018 - 36	40K to £60K
GVA uplift 2018–2036 City wide	£5.7-£7.4B
Jobs Created City wide	7,000
Overall Resident increase	7,000
GDP growth to 2036	45%
Visitor expansion through coastal public realm improvements	9.1m PA upwards

Although this annex concentrates on Non-Safeguarding elements of the Scheme, protection of the promenade and the Common area will allow continued hosting of significant events of international importance. These events provide huge economic benefit for the City, and will continue throughout the life of the Scheme. The Scheme will protect and enhance Southsea Common, maintaining its status as an important informal recreational area, a natural amphitheatre and a nationally and regionally important venue for high quality and high profile events. Over the last five years these have included the annual Victorious Festival<sup>6</sup>, the Great South Run<sup>7</sup>, the International Kite Festival, the America's Cup World Series<sup>8</sup> and the location chosen by HMG for D-Day 75 when 13 world leaders joined Her Majesty Queen Elizabeth to commemorate D-Day with the campaign veterans.

The table below illustrates the audience numbers and economic impact of this overarching space:

Event	Frequency	Audience on site	TV Audience	Economic impact	Jobs created
Victorious	Annual	150,000	n/a	£10m + per annum	154 direct fte
Great South Run & associated events	Annual	30,000+ participants  32,000+ spectators	320 million households worldwide accessed highlights programme	Estimated at £5m+  (2013 = £3.3m)	350 volunteers
America's Cup	3 events in 5yrs	250,000	1.006bn	£6.6m GVA	298fte  603 volunteers
D-Day 75 commemorations	One-off	135,000	500m+ worldwide		250 volunteers

<sup>6</sup> Legacy & Impact Report 2020 Victorious Events, 2020

<sup>7</sup> Blue Grass Report on the Economic Impact of the Great South Run 2013

<sup>8</sup> Great Britain: A Time to Fly - Economic Impact Study of LandRover BAR and the Louis Vuitton America's Cup World Series Portsmouth 2015 - KPMG Nov 2015



Once completed it is anticipated that the waterfront will become especially attractive for major on-water events and provide additional capacity to deliver large-scale close proximity audience to on-water activities.

Confidence in the building of sea defences and associated infrastructure has allowed the City to submit an Expression of Interest to become the UK host for the new Sail GP events which, if successful, would have an estimated annual economic impact of £35m+ for the city and wider region.



D-Day 75 Celebrations



America's Cup World Series Portsmouth 2016

## **Employment growth**

The Southsea EoI identifies activities during construction for local employment opportunities, through apprenticeships and skills training which can be transferred to future construction projects.

As the visitor sectors grows throughout Southsea and Portsmouth, this will provide opportunity for more employment growth.

Within Southsea, the opportunities for commercial development will be enhanced by the reduced flood risk and improved visitor offer. Sites such as the former Knight and Lee and Debenhams department stores offer significant potential with the repurposing of a vacant High Street building for hotel, co-working offices and leisure spaces, the proposals for which have featured on national television as examples of the opportunity for innovation and alternative use of town centre spaces. Due to the investment confidence the anticipated implementation of the sea defences provides, proposals are now being brought forward for these recently vacant buildings in Southsea for residential and commercial development - demonstrating a renewed confidence from the private sector.

## **Waterfront employment sites**

As regeneration and public realm improvements gain momentum, this will provide more waterfront employment sites. An aspiration is to re-develop the casemates at Kings Bastion in a similar style to the Hotwalls, into a creative hub, linking directly to the success of the ARTches.

In addition, Heritage Lottery funding is being sought to renovate the tunnels within Southsea Castle, allowing them to be opened up and further commercial units to be made available to small businesses, but also to create a Heritage trail linking important historic seafront features and creating opportunity for seasonal offerings along its

length. The Castle currently hosts a café and brewery which are successful, creating further space for small business units would enhance income generation at this site coupled to a unique public realm location. Long-term benefits would result from providing access to wider age groups, including augmented reality and interaction with Schools, further supporting LEP heritage and cultural objectives.

## Enabling/unlocking housing

The Scheme is an essential element of the Flood Risk Management Infrastructure that has been agreed with the Environment Agency to allow the continued regeneration of Portsmouth and provide the confidence for inward investment. This agreement is within the 'Portsmouth Interim Position for Development' memorandum of understanding between the Council and the Environment Agency in June 2011.

This agreement, providing the shared confidence that the Scheme will be delivered, has allowed PCC to continue to develop in Southsea and the surrounding area, a part of the city that otherwise would have been sterilised by the future threat of flooding.

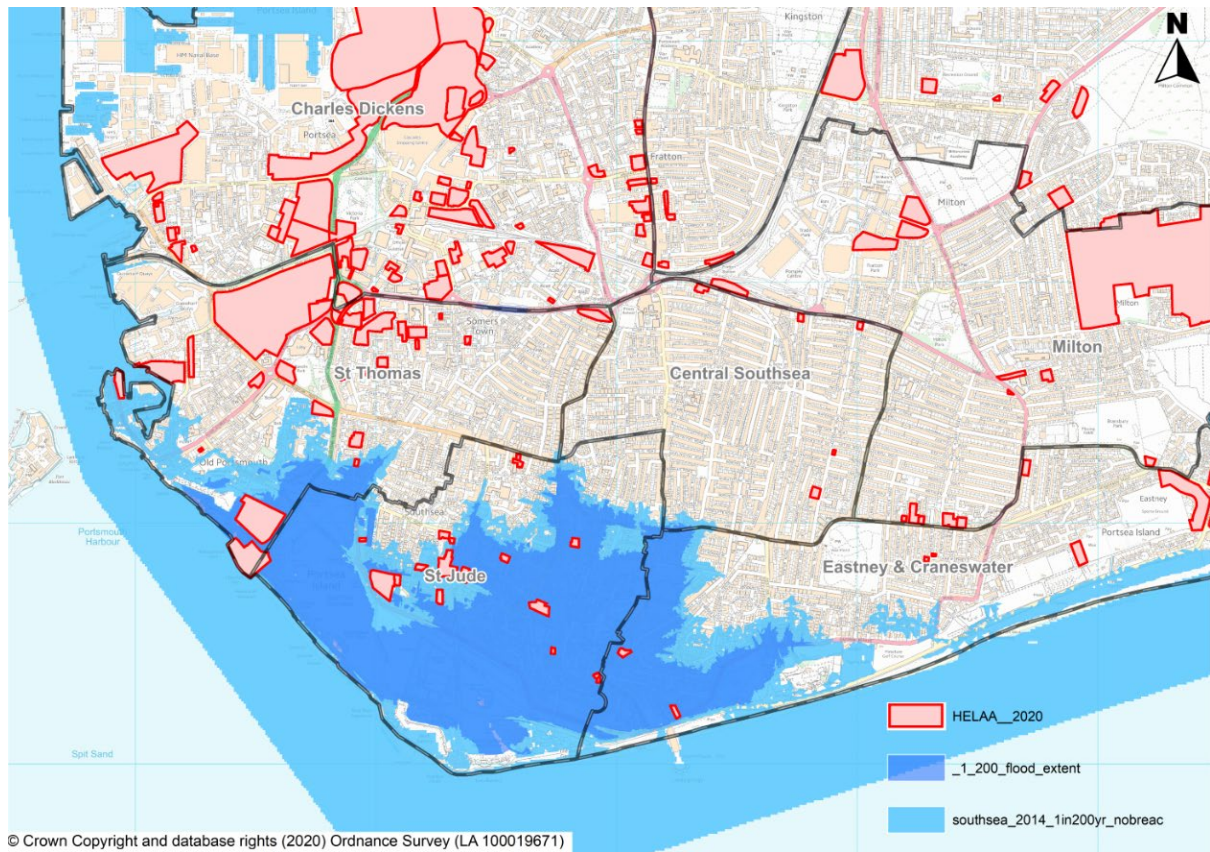
Since the agreement was signed in 2011, 223 additional dwellings have been created on the basis that the defences will be completed and a further 1,000 new homes in Southsea are projected up to 2036, and more beyond the current plan period. While offering climate change resilience to the Southsea community, protecting the 24,000 sqm of retail floor space in the centre they will enable the continued regeneration of this key centre and aid the delivery of a number of major projects in the Southsea area, providing not only housing but also community, employment and commercial growth.

PCC has been provided with letters of support for willingness to invest in the area once the defences are built from local housing developers Vivid, Radian and Clarion. (See below).





Fig 4 - Development Sites directly released or where scope will be enhanced through the provision of Flood Defences. This map indicates sites for development overlaid with the flood zone.



## **Strengthened natural capital infrastructure**

The natural coastal environment in the Solent provides a wide range of important benefits, often referred to as natural capital or ecosystem services, which are vital for the efficient functioning of a thriving economy. These range from food production, carbon sequestration and nutrient cycling, to cultural services such as recreation, education, providing spiritual and non-material benefits - being able to watch and enjoy an environment of the quality offered by Southsea is a great source of inspiration. Research has shown such experience is directly associated with improved wellbeing and has mental health benefits.

Having blue and green open spaces available, in an otherwise highly developed area, benefits the local community and visitors alike, which in turn supports local businesses and creates a sense of place and ownership.

As highlighted within the LEP Economic Strategy one of the key enabling factors to Strengthened Natural Capital is the region's natural environment.

The Scheme is designed to enhance the coastal environment for the communities it protects both now and into the future. This is in line the government's goal of being *'the first generation to leave the environment in a better state than we found it and pass on to the next generation a natural environment protected and enhanced for the future.'* The Scheme will deliver a package of enhancement measures which, through innovative design, will improve both the historic and natural environment, heightening the attractiveness of the area to visit, live and invest. This will include improving and preserving the sites shown in the map at Fig 5. Below.

## **Respond to key environmental challenges**

The main strategic objectives of the Scheme is to:

- Reduce the risk of coastal flooding to properties within flood cell 1 for the next 100 years including climate change
- Reduce the risk of coastal erosion along the Southsea Frontage for 100 years including climate change

These outcomes directly support the LEPs enabler to respond to key environmental challenges. By completing the Scheme the area of Southsea will directly benefit from its protection, which, as already discussed, is the enabler for regenerations of the entire area.

Portsmouth is currently in a climate emergency and work is being undertaken to reverse this. Being able to safeguard and improve the Southsea frontage which supports people with space to walk, run, cycle and congregate while accessing freely the green and blue space the area has to offer, in addition to the heritage assets, all of which have been proven to improve individuals' health and wellbeing.

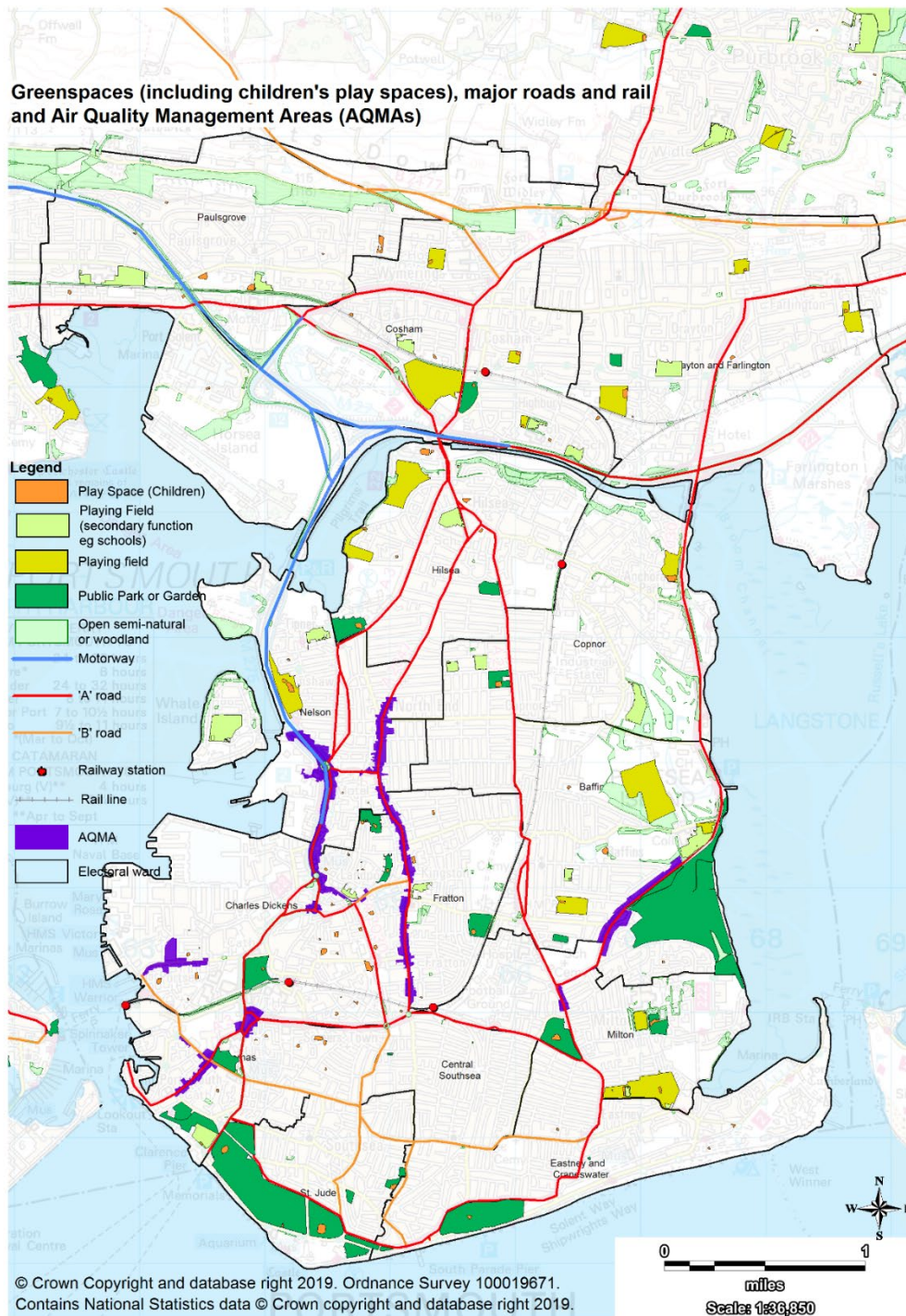
The evidence below demonstrates how the city is reliant on limited greenspace for the welfare and health benefits of its residents. Ensuring these greenspaces remain viable for public use, is a further benefit provided by the Scheme. There are a number of

indicators that show Portsmouth residents suffering from environmental impacts due to being a very compact urban area, and which make access to the limited green and blue space in the city essential to mitigate this:

- Portsmouth has by far the highest percentage of all LAs in the South East of its population who live in neighbourhoods which score in the poorest performing 20% on the Access to Healthy Assets and Hazards (AHAH) Index.  
<https://fingertips.phe.org.uk/search/green%20space#page/3/gid/1/pat/6/par/E12000008/ati/102/are/E06000044/iid/93074/age/1/sex/4>
- The Customer Data Research Centre (CDRC) data on which the Access to Health Assets and Hazards (AHAH) Index is based can be mapped specifically to look at [blue and green space](#). It clearly shows the impact of the common and other accessible coastal spaces in terms of how deprived neighbourhoods are on this measure. Looking specifically at [green space](#) you can see even more starkly how reliant the city is on the Common and east coast of the island for access to green space.
- Overall [air quality \(PM2.5\)](#) in Portsmouth is the second worst in the South East, and the worst of any LA outside London and its surrounding area.



Fig 5 Southsea Green Spaces Preservation Map



## The Scheme's contribution to LEP priorities

LEP Vision:

*To be the global leader in maritime and climate change adaptation, and for our towns and cities to be fantastic places to live, trade and for individuals to flourish.*

In addition to additional housing numbers and commercial floorspace, the Scheme enables delivery of 3 out of the 4 key elements which the 2050 emerging Strategy outlines:

1. Clean Growth *Promote the Solent as a leading hub for environmentally friendly innovation and development.*

The Scheme is investigating where appropriate, implementing environmentally friendly innovation in the field of coastal defence and protection. Termed as 'Greening the Grey' the ESCP and Portsmouth are already leading the way in this as part of the North Portsea Island Scheme, some of which could be implemented on the Southsea Scheme.

2. Visitor Economy *Preserve and enhance the natural and cultural assets for residents and visitors to enjoy, for generations to come.*

By delivering the Scheme, the innovative approach to coastal flooding and erosion being explored allows the Scheme to be a catalyst for this element. The Scheme will create a 'Destination location' that will encourage people to live, work and invest in the area, which will in turn sell the Solent as a high-level destination to an international audience.

3. Renaissance of Coastal Communities *Reinvigorate and develop key coastal sites that provide hubs for development and innovation that characterise the region, in line with its cultural and maritime heritage.*

The Scheme gives opportunities to new and existing workforce involved in it design and construction to increase the knowledge capital that can be used and developed in other coastal schemes within the Solent. The experience gained will position the Solent as a leader and innovator in the field of coastal protection and defence.

LEP funding will be used directly, not only to construct, but also to enhance the LCM area to improve its historical and environmental assets and setting. This will include better cladding materials for the wall, improved access and interpretation for visitors. This is in line with the LEP 2050 Strategy of capitalising on both historic and natural capital, enhancing the attractiveness of the area to visit, live and invest. The funding will also support the wider scheme in safeguarding and allowing the City to become a focal point for regeneration and inward investment into the Solent region.



## Southsea Critical path

- **Date for submission of the annexe to your Full Business Case;**
  - 23<sup>rd</sup> March 2020. This submission will strengthen the strategic non-safeguarding aspects of the bid.
- **Date of any planning determination;**
  - 04 December 2019 Planning Permission Granted. We are on target to fully discharge conditions for phase 1 construction including those imposed by our statutory consultee for this site - Historic England.
- **Date of any remaining funding to be confirmed and secured;**
  - Awaiting HMT sign-off date, subject to Defra Ministerial Briefings
  - Environment Agency Technical approval given to FBC November 2019
  - Defra Investment Committee recommendation for approval to their Executive Committee 25.01.20
  - Environment Agency FCRM (Flood risk and Coastal Management) Board recommendation to Defra ExCo 25.01.20
  - Defra ExCo agreement to recommend for funding to HMT 18.02.20
- **Date for start on site;**
  - 1<sup>st</sup> June 2020. Two Stage Contract with the construction element to be agreed by 11.05.20
- **Date for spend of LEP funding;**
  - LEP contribution to the scheme will be spent by the end of Financial year 2020-2021
- **Key risks and dependencies.**
  - Final funding sign-off (already approved by EA and Defra but need HM Treasury approval, see above).
  - Planning conditions. The team will work closely with the Assistant Director of Planning and the Planning Committee to ensure timely discharge of conditions through further public consultation and Statutory Consultee approval. (Phase 1 is driven predominantly by Historic England who have already agreed our design).
  - Risk reduction
    - The Team have undertaken comprehensive ground investigations and statutory stakeholder engagement, reducing the risk across the Scheme.
  - Principal design
    - The design has incorporated the upper design parameters (over - engineered) to ensure the design can be refined during detailing phase.
  - Pricing information
    - Design developed to a level of detail that has allowed the contractor to fix elements of the price (over 4,000 fixed prices) giving confidence in budget.
  - Employers budget
    - The construction contract has been agreed based on an Employers budget that recognises significant Value Engineering opportunities.
  - Incentivised contracts

- Both contracts are written to incentivise the designer and contract to find value engineering against the employer's budget.
- 2 stage contracts
  - The main construction contract is staged allowing the employer to approve the Target Cost before entering into each phase.