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Report Number **C/21/13**

To: Cabinet
Date: 23/06/2021
Status: Key Decision
Responsible Officer: Alastair Clifford – Operations Lead Specialist
Andy Blaszkowicz, Director – Housing & Operations
Cabinet Member: Councillor John Collier, Cabinet Member for Property
Management and Grounds Maintenance

SUBJECT: Romney Marsh Coastal Destination including Beach Chalet Project

SUMMARY: The Marsh coastal areas are much loved throughout the summer season and welcome large numbers of tourists as well as providing recreational space to local residents. Like all areas of Folkestone & Hythe’s District, numbers have increased year on year and increasingly during the Pandemic. Managing these numbers, whilst actively promoting and supporting the areas moving forward is important.

It details the request for an additional £518,000 in capital funding to deliver the proposed project consisting of beach huts, toilet facilities including a changing places toilet, a concession/café, car parking facilities and public realm improvements that will link with New Romney Town Councils “The Green” area to create a true visitor destination. The project also delivers a surplus revenue to the council from year one and continuing throughout the 25 year lifetime of the scheme.

Reasons for Recommendations:

The investment into Coast Drive Car Park will create a Coastal Destination, boost tourism and business on the Marsh whilst providing an important revenue stream into the council. This project shows an investment into the Marsh by the council and with the proposed long term actions presents an exciting opportunity for not just the Marsh but the whole district.

Recommendations:

- 1) Cabinet are asked to note report C/21/13.
- 2) Cabinet are asked to approve the scheme detailed in the report
- 3) Cabinet are asked to approve the £375k in this year’s capital budget for two schemes to be used exclusively on this project
- 4) Cabinet are asked to approve that Officers submit a report to Full Council in July to ask for additional funding of £518k to deliver the outlined scheme
- 5) Cabinet are asked to approve that officers proceed with a grant funding application to NDA/Magnox to support the project should initial discussions be positive.

1. BACKGROUND

- 1.1 The coast between Rye Bay and Littlestone, along with Dungeness Point and large parts of nearby Romney Marsh, are internationally important and protected for their wildlife and habitats. The beaches and countryside within this area are also much visited, and are an integral part of the visitor economy of the area.
- 1.2 The Dungeness Complex of Natura 2000 sites comprises three overlapping international designations - the Dungeness, Romney Marsh and Rye Bay Special Protection Area and Ramsar site, and the Dungeness Special Area of Conservation. The area is particularly important for its coastal vegetated shingle, providing a high proportion of the U.K's area of this habitat. Shingle ridges support numerous rare plants, invertebrates and other exceptional and unique biodiversity, for example rare saline lagoons. The area is also very important for birds. The water bodies, coastline and marshes provide important, interlinked areas for breeding and over-wintering birds. The diverse habitats also support many rare and vulnerable species, including great crested newt, water vole and wetland thread mosses.
- 1.3 The local plan for Folkestone & Hythe District Council sets out commitments to sustainable access for the Natura sites and works in tandem with the Habitats Regulation Assessment.
- 1.4 In 2017 FHDC and Rother District Council approved the Sustainable access and recreational management strategy (SARMS). This strategy addresses recreational pressure and provides a strategic, cross boundary approach to issues relating to disturbance, to ensure that any increases in access and recreational usage resulting from the planning policies of either Council do not adversely impact on the integrity of these internationally important wildlife sites, and proposes supporting actions to ensure sensitive management of recreation and access for the Dungeness complex of sites.
- 1.5 Monitoring of the SSSIs that make up the international designations shows them to be largely in 'favourable' condition or, in compartments where this is not the case, to be 'recovering'. Where the condition of some habitats is unfavourable, this can be attributed to factors unrelated to visitor pressure. However, there is considerable visitor activity within parts of the study area which, in certain locations, can have some adverse impacts on Natura 2000 features.
- 1.6 The impact of recreational activities depends on the areas in which they occur, the sensitivity of the habitats or species, and the intensity of recreational use; shingle habitats can be damaged by vehicles and trampling over the shingle, trampling also erodes dunes, while studies have shown that birds can be disturbed by recreational activities including dog walking. The presence of visitors in itself does not necessarily conflict with conserving the integrity of the Natura 2000 sites, but impacts will depend on the specifics of the nature conservation interest, the activity and its management.
- 1.7 Consideration was given as part of the SARMS to the likely visitor numbers in the future with wider trends suggesting that the number of people visiting the coast and countryside was increasing. The extent to which this is seen locally will be affected, in part, by the niche offer of particular destinations and associated growth of recreational activities (e.g. Broomhill and Greatstone beaches for kite surfing and other water and beach-based sports), but also by the level of accessibility to the area.
- 1.8 The visitor economy is a key economic driver for Folkestone & Hythe District Council; and the volume and economic value of visitors is increasing. The rich and diverse

landscape, coastline and historic towns and villages offer distinctive destinations, attracting different market sectors and providing opportunities for a diverse tourism offer. The coast is the biggest attraction, but there are also historic towns and villages.

2. The Romney Marsh partnership which FHDC forms a key pillar of has agreed to 5 work streams. Proposals throughout this document fit into work streams 1,2,3 and 5.
 - 1: Maximising opportunities in the nuclear, tourism and high value sectors,
 - 2: Improving accessibility to enable better workforce and community mobility,
 - 3: Encouraging and supporting business development,
 - 4: Realising the workforce potential through skills development,
 - 5: Enhancing infrastructure.
- 2.1 On Romney Marsh the closure of one of the two nuclear power stations is a blow to a local economy with few large employers. The development of this otherwise rural, mostly agricultural area for tourism is an attractive option, particularly for rural or green tourism. This area's coastal resorts provide a venue for a wide range of visitors and recreational uses. Visitors come for the holiday parks, the sandy beaches and the sea.
- 2.2 Changes in demographics and in society are resulting in changing trends in tourism and visits to the outdoors. Active leisure is a particular growth area; this includes a growth in 'experience' tourism and extreme sports, such as kite-surfing and land-yachting. The coastal areas, with their long stretches of beach and variety of seascapes, as well as the many lakes in the area, are ideal for these niche sports and other pastimes such as angling.
- 2.3 Greatstone dunes are in a Higher Level Stewardship agreement with the White Cliffs Countryside Project (WCCP) with additional funding from Natural England. The WCCP, through its local project arm the Romney Marsh Countryside Partnership, work with volunteers, mainly to manage sea buckthorn, white poplar and alien garden plants and monitor rare plants and report back to Natural England. FHDC maintain the sand fencing on Greatstone Dunes through a Defra-funded EA grant for flood risk management.
- 2.4 There are three public car parks operated by FHDC within the coastal areas of the Marsh: Coast Drive, 250 spaces - this pay and display car park is largely unmade ground and utilisation of this car park is particularly low during all seasons. Jolly Fisherman, 130 spaces - Utilisation is high during the summer months and overall utilisation has increased by 39% since 2013; Lade car park – 50 spaces where utilisation is considerably high at peak times.
- 2.5 The Lade car park offers 50 spaces, which during the peak season and on windy days means that users of the beach park along the coast road as a result. There is some road parking available, with casual laybys at Coast Drive, Littlestone Wall, Marine Parade and Clark Drive. The section of coast road from Lydd-On-Sea (i.e. just north of Dungeness Estate) as far as the Romney Sands Holiday Park (between Lade and Greatstone) has parking restrictions (double yellow lines) on the landward side and a scheme is being implemented that introduces further restrictions on the coast side with intermittent double yellow lines. North of Romney Sands Holiday Village there are parking restrictions (double yellow lines) on both sides of the road and these continue for some distance.
- 2.6 The visitor facilities are largely centred around the holiday parks and some small parades of shops. Leisure facilities are available in the larger town of New Romney. The exception is the Romney Marsh Visitor Centre. Facilities on public sites are limited. The local visitor economy seems focused largely on the holiday parks. When asked

what facilities visitors would like at the sites, visitors to Greatstone wanted showers (the site is popular with kitesurfers and wind-surfers), more car parking for kite-surfers and, similar to other sites including Lade, more seats, litter bins and dog waste bins.

- 2.7 Visitors are largely drawn to the two car parks (The Lade and Jolly Fisherman) because of their position on the coast, the available facilities and what this offers as an amenity.

3. Beach Chalets Capital Funding Review

- 3.1 The District Council of Folkestone and Hythe, as part of the medium term financial plan approved the funding of £375,000 (capital via borrowing) for additional beach chalets in the district. This was split into two funding streams, £75,000 for Fisherman's beach in Hythe and £300,000 where the proposed location/s were to be identified.

- 3.2 Works have been ongoing to identify suitable locations for additional chalets after the success of the Folkestone refurbishment scheme. This scheme has 100% occupancy rates with a waiting list of over 800 people.

- 3.3 Three primary sites have been identified, namely; Coast Drive Car Park, Fisherman's Beach and St Mary's Bay Car Park.

- 3.4 St Marys Bay Car Park is a large thin piece of land sandwiched between the sea wall to the south and the A259 to the North. It is leased in from the Environment Agency who are land owners. This lease comes to an end in 2021. The site is primarily used as a car park, but is mainly unformalised surfacing and spaces. Large sections of the land cannot be used as car parking so offer opportunities to place beach chalets on site. The environment agency have been contacted re the opportunity to place beach chalets on site, formalise areas of the car park and to agree the lease. Initial discussions with the EA have taken place on this, and officers are working to progress further, a proposal for this scheme should be brought forward as part of the capital programme for 2022/23.

- 3.5 Fisherman's Beach in Hythe is a large piece of beach primarily identified as village green. To the North are a pumping station and houses, to the south is the sea. It currently operates partly as a working beach and FHDC owns and leases a number of fisherman's huts. As part of the village green agreement Folkestone and Hythe District Council maintain the right to place buildings onto identified areas that have been excluded from the village green status due to their previous use. The area offers opportunity to place beach chalets directly onto these identified sites, but the scheme would not follow a uniform pattern and poses a risk with offering leisure chalets within the working area of the beach. Officers have explored opportunities to move the locations to the Western end away from the working beach, however the process to do so is expensive, complicated and poses a significant failure risk. At this time with other opportunities available it is proposed this scheme should not move forward.

- 3.6 Coast Drive Car Park is situated along the A259 and is currently used as unsurfaced 250 space car park. To the South is a SSSI beach, to the East is "the green" - open space, play park and beach huts owned and operated by New Romney Town Council. To the East is the RNLI lifeboat station and the Varne boat club with boat launching ramp. To the North is a number of private residences and a restaurant. Importantly even during the busy summer months the majority of the car park is not utilised. Previous planning applications for development of the site as a housing complex have been rejected. Officers consider this site the most suitable moving forward and have detailed a proposal as part of section 4. This site is identified in the Local area plan (LAP) as residential for 16 units. Discussion has taken place with the chief planning

officer regarding the scheme and its implications. The scheme has been designed so as to not impact on any future development. Appendix 1 shows a block plan of how the site could be utilised in the future to meet the LAP.

4. The Marsh Coastal Implications

- 4.1 Considering the importance of tourism and its implications to the Natura Sites it is relevant to consider the Marsh and its coastal tourism as a large scale offering. Working in isolation could put pressure on the very nature of what makes the area so special.
- 4.2 With the funding available to FHDC through its allocated capital scheme officers have been working to understand the full implications and consider how the beach chalet funding would become part of a larger offering.
- 4.3 It is apparent through early discussions with New Romney Town Council, Magnox as funding providers, The Varne Boat Club as leisure providers and The Roger De Haan Charitable trust through their sailing and water sports support that there is considerable enthusiasm and support for development of this site and to increase the offering throughout the Marsh.
- 4.4 An initial approach has been made to the NDA/Magnox for up to £200,000 of funding which if met positively will progress into a formal bid. The site location 5 miles from Magnox's Dungeness site which is identified in Magnox's 2016-21 Socio-economic Plan as a high priority for socio-economic investment. The approach has been made on the grounds of;
 - Enhancing economic diversification and opening up new employment opportunities where possible.
 - Achieving value for money through targeted use of funds for socio-economic initiatives that offer the biggest impact for the lowest cost.
 - Building upon existing stakeholder relationships and socio-economic initiatives.
 - Continuing to work with the Romney Marsh Partnership Group moving forward.
 - Looking for opportunities to work with partners in the future to mitigate the closure of the site.

NDA local social and economic impact strategy (2020 update);

- Resilient economies – the project would encourage and support the conditions for local wealth building, and especially growth in a key sector for the local economy - the tourism sector.
 - Thriving communities – the project will have social impact by enabling volunteering in environmental activities through the Romney Marsh Countryside Partnership, and participation in water sports.
 - Sustainable Incomes – the project will create opportunities for work and training in its construction and in its ongoing management
 - Sustainable growth – the project will attract visitors to an area of the Marsh that is not environmentally sensitive and so could divert visitor pressure from key sensitive sites, particularly at Dungeness which is SSSI area and it will embody sustainability in its use of materials, technology and in its operation
- 4.5 All work will have to have the support of Natural England and officers have been working on understanding the implications through its partnership with the White Cliffs Countryside Partnership.

5. Coast Drive Car Park

- 5.1 Considering the size of coast drive car park and its low utilisation, with the proximity of New Romney town councils destination park and open space (the Green) there are considerable opportunities to develop the area, reduce the pressures on the other SSSI and RAMSAR sites whilst developing the Marsh's overall offering.
- 5.2 In order to make coast drive car park an attractive destination it is important to have key items of infrastructure. Mainly; suitable car parking, public toilets and conveniences such as a café/concession. As part of the scheme allowance has been made for the upgrade of 1/4 of the car park as sustainable drainage and the rest to be regraded (opportunity to increase this if utilisation increase at a later date). The construction of a toilet facility with attached concession/café which also provides a revenue income. Public realm improvement such as installation of bins, signage and planting has also been costed.
- 5.3 The long frontage of the site would allow for 100-110 beach huts to be installed. In order to reduce the impact upon the SSSI a boardwalk and appropriate signage would need to be fitted that kept users off the sensitive shingle area. This boardwalk would also offer the opportunity for equal access along the site, to the beach and the chalets themselves.
- 5.4 Considering the increase in use of the site, through beach chalet placement and an expected demand on car parking then income can be considered to be substantially increased moving forward. To cater for this works have been scoped to improve the parking conditions along with an increase in waste facilities.
- 5.5 The nearest public convenience is found approximately 500m to the East at the Green public open space. This toilet is seasonal and is operated by the Town Council. The toilet is considerably dilapidated and has no electrical supply. There is serious doubt as to its provision as a toilet moving beyond this summer. Therefore the scheme has been costed to include a new modern toilet facility. To offset the cost of this it is proposed a café / Kiosk is included in the design to bring in revenue and to further the offering at the site.
- 5.6 Appendix 2 shows the proposed indicative layout (block plan) and appendix 3 shows an artist visualisation of how the scheme could look.
- 5.7 Risks to the project include refusal of planning permission through lack of agreement from Natural England and a rejection of planning permission. The inclusion of the boardwalk, signage and toilets aim to reduce this risk.
- 5.8 In order to receive the full financial benefits the scheme would look to be implemented by April 2022 in time for the summer season.
- 5.9 Considerations and allowances have been made in the costing of the project for Solar panel installation on the concession and for all construction materials and methods to consider environmental implications.

6. FINANCE

- 6.1 A full cost model has been developed for the works at Coast Drive. The key assumptions are;

- 108 Chalets with rental income matched to that at Folkestone, with a 3% uplift in income per year over the 25 year scheme. Occupancy set at 95% for the duration. A vat deduction of 20% has been included as per financial regulations.
- Kiosk and toilet to include a 'changing places facility' for disabled adults. Income set at £10,000 per annum, revenue cost of toilet facility as £5,000 per annum with associated 3% uplift. Provision for PV installation has been included.
- Car Park formally laid to 25% of total space with regrading of the rest. Income set at £40,000 per annum +3% uplift per annum in line with Greatstone Car Park's anticipated income projection.

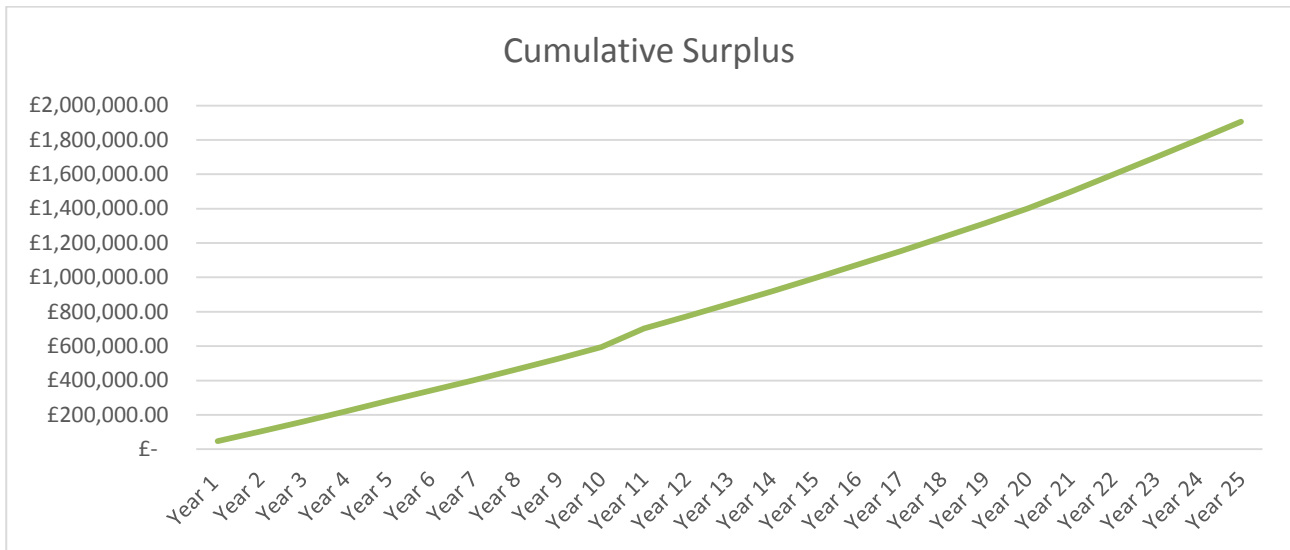
6.2 The key capital costs are set out as below.

Toilet + Concession	£225,000.00
Beach Huts	£200,000.00
Beach Hut Public Realm	£40,000.00
Streetlights	£20,000.00
SSSI Signs + Bin Enclosures	£7,500.00
Car Park	£180,000.00
Regrade	£10,000.00
Boardwalk	£100,000.00
Painting	£51,000.00
Fees (2%)	£16,670.00
Total Price	£850,170.00
Plus Contingency (5%)	£892,678.50

6.3 Total capital cost is £893,000. It is proposed that the full £375,000 of capital finding for the beach chalets is allocated towards this project. To secure funding for the additional £518,000 it is proposed to add to the borrowing in the financial year 21/22.

6.4 Total annual surplus and total cumulative income can be seen as set out below at 5 yearly intervals.

Year	Annual Surplus	Total Cumulative Surplus
1	£ 46,363.72	£ 46,363.72
5	£ 69,172.94	£ 282,489.47
10	£ 81,185.30	£ 595,065.51
15	£ 141,770.03	£ 995,388.79
20	£ 161,139.75	£ 1,400,553.46
25	£ 193,215.02	£ 1,906,205.11



7. CONCLUSION

- 7.1 The Marsh and its coastal frontage are hugely important to the district and offer huge opportunity for growth. However its complex needs in relation to balancing the tourism offering and its Natura 2000 sites are important to consider.
- 7.2 The proposed scheme does not affect the designation of the site within the local area plan.
- 7.3 The project offers a tourism scheme at Coast Drive car park that delivers a revenue income to the council whilst meeting the demands of the district.
- 7.4 Additional borrowing is needed to deliver the full scheme, however this is seen as being of minimal risk to the authority with confidence in the longevity and security of the key financial assumptions made.

8. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

8.1 Legal Officers Comments (NE)

There are no legal implications rising out of this report.

8.2 Finance Officers Comments (LK)

The Council's General Fund Medium Term Capital Programme to 2025/26 makes a budgetary provision of £375k for the Beach Chalet Project. The proposed wider scheme would require a further £518k capital expenditure to be financed by borrowing. The Finance Specialist team have been directly involved in the preparation of this report and the key financial implications are covered in it.

9. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

(Alastair Clifford – Operations Lead Specialist)
 Telephone: 01303 853327
 Email: Alastair.clifford@folkestone-hythe.gov.uk

The following background documents have been relied upon in the preparation of this report:

FHDC: Sustainable Access Recreation Management Strategy.

Appendices;

Appendix 1 – Potential Site Plan

Appendix 2 – Block Plan

Appendix 3 - Visualisation

Alastair Clifford, Operations Lead Specialist

Andy Blaszkowicz, Director – Operations and Housing