



Report subject	Proposal for Dorset Council to join South-West Flood & Coastal shared service
Meeting date	26 March 2026
Status	Public Report
Executive summary	<p>BCP Council have hosted the South West Flood & Coastal (SWFaC) shared service with East Devon District Council for nearly 2 years and operate a multitude of partnership/cooperation agreements with other risk management authorities (South West Flood and Coastal). Dorset Council have confirmed (3 March Cabinet) they would like to propose joining SWFaC, entering into the shared service for all Flood and Coastal Erosion Risk Management (FCERM) activities, in recognition of the mutual benefits that will bring.</p> <p>The Shared Service Agreement (SSA) will set a framework where Dorset Council can fund a proportion of the service net cost with Dorset Council staff integrating under the existing SWFaC management structure.</p> <p>The proposal aligns with our SWFaC service vision, and is fully supported by the Environment Agency (EA) who have the strategic overview for national FCERM delivery. It will improve the ability of all participating Councils to make our communities more resilient to climate change.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>(a) Cabinet agree to Dorset Council entering into our SWFaC Shared Service Agreement for Flood and Coastal Erosion Risk Management and continued discussion with Dorset council around possible TUPE requirements</p> <p>(b) Cabinet delegate authority to the Service Director for Commercial Operations (in consultation with Cabinet Member for Climate Response, Environment and Energy, Director of Finance and Director of Law and Governance and Monitoring Officer) to authorise and sign the Shared Service Agreement.</p>
Reason for recommendations	<p>This will support and follow the Corporate Strategy in the following areas:</p> <p><i>The way we work to deliver our objectives</i></p> <ul style="list-style-type: none"> • Work with others to make the most of all our strengths. • Use our limited resources sustainably by transforming the way we plan, develop and deliver services. <p>Key Objectives</p>

	1. Help people, nature and places to adapt to the changing climate.
Portfolio Holder(s):	Councillor Andy Hadley – Portfolio Holder for Climate Response Environment and Energy
Corporate Director	Glynn Barton – Chief Operations Officer
Report Authors	Matt Hosey – Head of South West Flood & Coastal
Wards	Not applicable
Classification	For Decision

Background

1. The recent formation (last 7 years) of a dedicated Flood and Coastal Erosion Risk Management (FCERM) service, along with a remit to expand partnership working on a regional scale was in response to dialogue with the Environment Agency (EA) who were concerned with the lack of project delivery in the South-West area.
2. The EA have the Strategic Overview of the national delivery of FCERM, including allocation of the FCERM Grant in Aid programme.
3. Service growth has been rapid, with the formation of an expert team facilitated by the vision to deliver across the South-West. The ability to attract grant funding to deliver projects means growth has been at no additional cost to the Council.
4. In January 2024, Cabinet approved for East Devon District Council (EDDC) to enter into a Shared Service with BCP Council (*in Background Papers*), thus forming South West Flood and Coastal, hosted at BCP Council. This has delivered on its objectives and is receiving excellent feedback from EDDC. A number of projects are being progressed, attracting significant funding from central government (£10m's)
5. The Shared Service functions via the participating authorities all paying a portion of the net cost of staffing the service, including salaries, equipment, IT, HR, Insurance etc, as well as income from charging staff time against grant funded projects across the shared service area.
6. At present, the relationships between broader partner authorities are managed through a variety of supply agreements or straight purchase orders. We have a cooperation agreement with Dorset Council, whereby SWFaC staff are 'called off' to deliver packages, when requested. Whilst positive, they are constraining as don't carry a long-term commitment. The uncertainty associated with ad-hoc call-offs means that recruitment needs to be proportionate to the risk, so the resource to support partner authorities is not always available.
7. With relationships building and improving with the FCERM officers across the South-West, Dorset Council have confirmed they would like to propose coming into the SWFaC Shared Service. This is in line with the SWFaC Service vision and corporate aspirations when the FCERM service was formed.
8. The EA have long been supporting BCP Council to promote this model of delivery in our region, having seen its success in delivering FCERM in other parts of the country. Our reputation and trust with them has led to high confidence in project delivery and is reflected in

our success with project funding bids. They have helped facilitate discussions with neighbouring authorities to investigate sharing services and are enthusiastic to see it delivered.

9. The Shared Service Agreement is based on an existing format that has successfully been used at neighbouring authorities since 2012 (Coastal Partners – Fareham, Gosport, Portsmouth, Havant and Chichester local authorities), where the existing BCP Council FCERM Head of Service delivered on the same vision/remit for their Coastal Protection service.
10. Each participating authority maintains its powers under the various flood and coastal Acts, with the joint staffing team delivering on behalf of each authority (under section 113 of the Local Government Act 1972)
11. All Grant in aid or Local Levy funding bids would be hosted at the authority in which the project is being delivered
12. All construction and professional service contracts for delivery of FCERM projects would be delivered through the authority at which the project is being delivered and the budget is hosted

Financial Strategy

13. Delivering for Dorset Council will allow growth of their capital programme through bids for national grant funding to deliver their projects.
14. The ability to recharge staff time against the externally funded projects in each authority area will reduce the net cost of the Shared Service.
15. The SSA will include an appropriate exit strategy/clause, as is usual for this type of agreement
16. Each authority maintains control of their FCERM budgets with revenue maintenance and capital project budgets hosted at each authority
17. The initial Dorset Council investment into SWFaC will reflect their current staffing budget and will form a percentage 'share' of the SWFaC Shared Service.
18. The primary portion of the Dorset Council investment would be through their existing staffing (i.e. paying for their staff who would become part of SWFaC), plus management costs that would be paid as a fee.
19. The proportion of actual objectives completed would be worked out against accurate and detailed time recording, and an understanding of rechargeable activities that generate income for the service
20. There would be no additional financial risk to BCP Council and the service level for BCP, or EDDC, would not drop.
21. The budget for the shared service (hosted at BCP) would reflect the staff costs and any associated revenue costs such as equipment / IT / training / HR, etc.

Options Appraisal

Option 1 – Accept Dorset Council entering into SWFaC

22. Sharing of net cost of service at agreed proportion
23. Dorset Staff become part of the SWFaC team creating a single delivery model where the right skills and resources are utilised on each objective / project
24. Ability to use permissive powers to bid for broader project delivery across the Dorset area – benefits Dorset Council in more being delivered for communities, and benefits shared service in building capital programme and generating income to reduce service net cost.
25. Enables growth in a number of ways - size of the service, reputation and knowledge there-in.
26. A higher overall proportion of capital projects will lower the net cost of SWFaC.
27. Reduction in expensive consultancy support on activities that could be delivered by SWFaC

28. More efficient structure, enabling savings for all participating authorities

Option 2 – Not accepting Dorset Council entering into a SWFaC.

29. All work undertaken by SWFaC for Dorset council continues on an ad-hoc basis

30. Limited pipeline of projects as relies on Dorset Council identifying suitable grant funding bids and initiating projects

- To date, call-offs have been very limited due to the existing agreement with Dorset Council not allowing a true collaborative approach.

31. Less frequent call-offs rely on being able to shuffle staff resources for given programmes. It doesn't provide long-term commitment to justify recruitment to the service.

32. Not following service aspiration or vision.

Option Summary

33. The outcomes of shared services in the FCERM sector are a win-win for all parties:

- Authorities get better quality staff, lower cost service, greater service resilience, more projects funded and delivered.
- Communities are made more climate resilient.
- Staff have a healthier and more interesting work environment where they can grow.
- The EA have more projects delivered on the national programme, helping achieve the national 'properties protected' targets

34. The SWFaC service has already demonstrated excellent results in its first two years, operating under budget and delivering a significant capital programme. The addition of Dorset Council would significantly strengthen the model.

35. Both options allow each authority to maintain full control of their FCERM objectives. In the Shared Service, a Client Manager Board is in place to ensure each authority has director participation to agree business plan and priority objectives proportionate to their share in the service.

Summary of Financial Implications

36. No additional financial risk for BCP council

37. The Shared Service Agreement will have clauses to ensure any resourcing risk comes with a shared financial responsibility in proportion to the fee (e.g. redundancy costs in the event of the national capital programme being stopped by central government, which is highly unlikely)

38. The Shared Service Agreement contains an appropriate exit clause in the event of either party not wanting to continue

39. Each authority maintains control of their non-staffing FCERM budgets with revenue maintenance and capital project budgets hosted independently

40. Each authority in the shared service has a percentage share to cover all running costs proportionate to the objectives being delivered for that authority

41. The SSA will provide more opportunities for growth of the capital programme (currently in excess of £80m).

Summary of legal implications

42. The Shared Service Agreement, being the SWFaC project, is consistent with s113(1) Local Government Act 1972 in having a local authority carry out functions on behalf of another. Therefore, the status of each authority as a Lead Local Flood Authority or Coastal Protection Authority would remain unaffected, with the SWFaC performing said duties on behalf of DC (and the other partner authorities within the SWFaC).

43. The Shared Service Agreement does not create an independent legal entity. Instead, it is fundamentally a contractual collaboration between those authorities joining up to the SWFaC project. Under the terms of the Shared Service Agreement, each authority shall be jointly and severally liable to any third party in respect of all action and causes

of action.

44. The Shared Service Agreement does not have a fixed term, but authorities are free to withdraw at any point, upon 12 months' notice.
45. The terms of the Shared Service Agreement contain provisions around management structures, apportionment of financial resources, data protection, and intellectual property rights.
46. BCP is the host authority, with all staff within the SWFaC project employed by BCP. DC signing up to the project therefore potentially gives rise to a service provision change under the TUPE Regulations and enquiries will need to be undertaken of DC to ascertain whether there is an organised grouping of employees whose principal purpose is the carrying out of the activities being transferred to the SWFaC.

Summary of human resources implications

47. Subject to Cabinet approval and as per the Legal Implications above, it will be necessary for BCP Council to carry out the required due diligence with Dorset Council in respect of staffing impacts of a shared service and specifically for consideration to be given to TUPE given BCP Council would be the host employer.
48. Once the required due diligence and further analysis has been carried out, the relevant internal processes will be undertaken to seek final approvals.

Summary of sustainability impact

49. There is no sustainability impact.

Summary of public health implications

50. Improved resilience to flood and coastal erosion risks has a very positive impact on public mental health.

Summary of equality implications

51. Greater resilience for service provision would positively impact protected groups who are more at risk from flooding, e.g. older or disabled residents

Summary of risk assessment

52. Attracting resource should the service grow, as recruitment is difficult in the FCERM sector
 - Experience has shown that interest from recruits is increased in the Shared Service model.
53. Change of heart at either authority
 - Shared Service is just about staff resource, not assets.
 - Maintenance and Capital project budgets are hosted at each authority independently.
 - The SSA will contain an appropriate termination clause with reasonable notice period.
54. Budget control
 - The larger spatial coverage of a Shared Service allows bids for FCERM Grant in Aid to be organised to provide a smoother and more predictable capital programme
 - The SWFaC service operates a detailed time recording system and monitors budgets closely throughout the year to ensure expenditure is within or below budget.
 - Each authority maintains control of their respective maintenance and capital project budgets
 - Through the Shared Service Agreement, each authority can vary their percentage share (i.e. staffing level / objectives delivered), through dialogue and agreement at Client Manager Board

Background papers

January 2024 Cabinet Paper (Entering into Shared Service with East Devon DC / formation of SWFaC)



Cabinet Jan 2024 -
FCERM Shared Service

Appendices

Appendix 1 – Current SWFaC staffing structure

South West & Flood & Coastal Service Structure

14 August 2025

