

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	COUNCIL	4 JULY 2016	8
REQUEST FOR A FULLY FUNDED CAPITAL BUDGET INCREASE IN 2016/17 TO THE HEADLANDS PRELIMINARY WORKS SCHEME			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

The report seeks approval for a fully funded capital budget increase to the existing capital scheme for Headlands Preliminary Works (relating to the Fairhaven and Church Scar Coast Protection Scheme) in 2016/17 to be met by an additional grant from the Environment Agency for this purpose.

RECOMMENDATIONS

To approve:

1. a fully funded capital budget increase to the existing capital scheme for Headlands Preliminary Works (relating to the Fairhaven and Church Scar Coast Protection Scheme) in the sum of £95,000 in 2016/17 to be met by an additional grant from the Environment Agency for this purpose;
2. the engagement of the Coastal defence team at a cost of £20,000 to undertake preliminary design and project management of the additional studies and approvals process, to be funded from the Environment Agency grant for the development of a Strategic Headland Study;
3. the engagement of VBA in relation to the Headlands Preliminary Works scheme at a cost of £47,000 to carry out the Environmental Impact Assessment and Appropriate Assessment; and
4. the approach to commission/engage other surveys/consultants on a price to quality basis to deliver the remaining elements as detailed in the report using the council's small and medium contract rules and procedures, to be funded from the Environment Agency grant for the development of a Strategic Headland Study.

SUMMARY OF PREVIOUS DECISIONS

Operational Management Committee 24th November 2015

1. To note the progress with respect to the Fairhaven and Church Scar coast protection scheme,
2. To approve that an application be made to the Environment Agency for an advance payment of part of the grant in the sum of £95,000, this to provide funding for a range of preliminary works relating to the scheme in 2015/16, and that phasing of the funding and expenditure for this scheme within the Council's approved capital programme would be amended accordingly,
3. To approve the use of Lot 4 of the Water and Environment Management (WEM) Framework for the procurement of the design and construction of the Fairhaven and Church Scar coast protection

scheme,

4. To note that due to the localised needs and benefits arising from the project:

a. the main project coordination and delivery role should, subject to agreement on the recovery of costs, be undertaken using the experienced coastal defence team at Blackpool Council, and

b. that a Memoranda of Understanding be prepared and entered into with Blackpool Council to cover the provision of coordination and delivery of the project.

Cabinet 15th January 2014

1. To approve additions to the Councils approved Capital Programme for 2013/14 of £35,000 and for 2014/15 of £140,000 (a total addition in the sum of £175,000) for a Strategic Headland Study to be fully-funded by a grant from the Environment Agency of an equivalent amount;

2. To approve the engagement of the Coastal defence team at a cost of £10,000 to project manage the preparation of the strategic headland studies and production of a project appraisal report, to be funded from the Environment Agency grant for the development of a Strategic Headland Study;

3. To note the use of the Environment Agency WEM framework for the selection of a consultant to prepare the Strategic Headlands Study and project appraisal report, and waives or varies the Council's contract procedure rules to allow the project to proceed on that basis;

4. To approve the engagement of Halcro at a cost of £54,759 to carry out the Headlands studies, to be funded from the Environment Agency grant for the development of a Strategic Headland Study

5. To approve the approach to engage consultants on a price to quality basis to deliver the site investigation, construction design and management, topographical surveys and undertake consultations at a total project cost of £110,000 using the council's small and medium contract rules and procedures, to be funded from the Environment Agency grant for the development of a Strategic Headland Study;

6. To approve the entering into of Memoranda of Understanding for the Strategic Headlands Study and the Starr Hills Environmental Improvement Project.

CORPORATE PRIORITIES

Spending your money in the most efficient way to achieve excellent services (Value for Money)	√
Delivering the services that customers expect of an excellent council (Clean and Green)	√
Working with all partners (Vibrant Economy)	√
To make sure Fylde continues to be one of the most desirable places to live (A Great Place to Live)	
Promoting Fylde as a great destination to visit (A Great Place to Visit)	

BACKGROUND

1. Fylde Borough Council is undertaking the Fairhaven and Church Scar Coast Defence Scheme to reconstruct these seawalls to prevent any breach, at an estimated cost of circa £19.8m. The Environment Agency has approved the Project Appraisal Report (PAR) which subject to final assessments/approvals will grant £19.4m towards the project with £400k being met from Fylde Council as part of the agreed capital programme.

2. The Operational Management Committee on the 24th November 2015 considered a report which approved an application to be made to the Environment Agency for an advance payment of part of the Fairhaven and Church Scar Coast Protection Scheme capital grant in the sum of £95,000. This was to provide funding for a range of pre-construction studies relating to the scheme including obtaining planning permission and the Marine Management Organisation (MMO) licence.
3. The application was prepared and submitted and was proposed to be an advance payment of the overall grant which is in the capital programme and if granted would have required a re-phasing of the capital spend profile. However the EA grant of £95,000 which has just been announced is additional money and not part of the previous total scheme estimate.
4. In accordance with financial regulations members must approve this additional expenditure in order to allow expenditure to be made. This would normally be considered by the Operational Management Committee to approve this additional expenditure and request that the Finance and Democracy Committee approve a funded budget increase to the capital programme.
5. The next planned meeting of both committees is not until 13/26 September and there is some urgency to make progress with the project in the meantime. As a result this report to council seeks both these approvals.

SCHEME DETAILS

6. The PAR for the Fairhaven to Church Scar Coast Defence Scheme has been presented to the Large Projects Review Group at the Environment Agency and all outstanding issues have been satisfied. However a formal request for grant cannot be submitted until an Environmental Impact Assessment (EIA) and Appropriate Assessments (AA) have been undertaken and the findings agreed by the MMO and Natural England respectively.
7. The required extended works include overwintering bird surveys, a contract to the selected WEM Lot 4 supplier for the EIA, AA, and other items such as Ecological Impact Assessments.

VALUE FOR MONEY AND PROCUREMENT

8. Project Management/ Preliminary Design will be overseen by the established Fylde Peninsula Coastal Programme Board and delivered by the Coastal Programme Team with this estimated at £20k.
9. In addition to this it is recognised that there will be additional staff and consultation costs to undertake liaison with Natural England and ensure that the findings of the Environmental Impact Assessment and Appropriate Assessment are agreed. In addition there will need to be additional consultation and liaison with the MMO. A figure of £10k has been included for these.
10. In order to complete the Environmental Impact Assessment and Appropriate Assessment more detailed monitoring of overwintering bird populations is required. The frontage is internationally designated for its overwintering birds. There is currently broad bird counts and data relating to bird populations on the frontage. However these are not currently recorded on a spatial scale that allows the exact geographic position of populations to be determined and detailed surveys are required in order to implement appropriate mitigation measures during construction to prevent disturbance to the bird populations. It is estimated that the survey work will be circa £10k.
11. The previous report to Operational Management Committee approved the use of use of Lot 4 of the Water and Environment Management (WEM) Framework for the procurement of the design and construction of the Fairhaven and Church Scar coast protection scheme. This framework has been used for the procurement of a consultant to undertake the EIA and AA and the lowest quote has been received from VBA (Volker Stevin, Boskalis Westminster and Atkins joint venture) in the sum of £47k.

12.Planning costs are estimated at £3k, with a suggested contingency of £5k to allow for additional survey/design work.

13.A breakdown of costs is shown below:

Project Management by Coastal Team	£20k
Liaison with Natural England and MMO approval.	£10k
Overwintering Bird Surveys	£10k
Preliminary Design, Environmental Impact Assessment and Appropriate Assessment by VBA	£47k
Outline planning approval	£3K
Contingency (survey/design)	£5k
Total	£95k

FINANCING THE SCHEME

14.These additional elements of the scheme will be fully funded by a grant in the sum of £95,000 from the Environment Agency and will be delivered in 2016/17.

RISKS ASSOCIATED WITH THE SCHEME

15.The coastal defence project is regularly monitored as part of the established Fylde Peninsula Coastal Programme which includes monitoring of the risks. Risks relating specifically to this stage will be added to the risk register and discussed and mitigated accordingly.

16.There is a risk that the findings of the Environmental Impact Assessment and Appropriate Assessment are not agreed by the MMO and Natural England respectively. This will be mitigated through early engagement with the MMO and Natural England, ensuring that the scope of the assessments is fit for purpose. In addition they will be regularly updated to ensure agreement early on.

FUTURE REPORTING

17.A progress report is to be prepared for the September meeting of the Operational Management Committee to give members an update on the wider project and likely timescales for the main construction project.

IMPLICATIONS	
Finance	This report seeks approval for an addition to the Councils approved Capital Programme for 2016/17 of £95,000 for the Fairhaven and Church Scar Coast Protection Scheme to be fully-funded by a grant from the Environment Agency of an equivalent amount. The report also seeks approval for the expenditure of that total sum to fund the progression of the remaining pre-construction studies and approvals for the Fairhaven and Church Scar Coast Protection Scheme, as detailed within the report.
Legal	None
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	TEL	DATE	DOC ID
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LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Report and minutes – Operational Management Committee - Fairhaven and Church Scar Coast Protection Scheme procurement	24 ^h Nov 2015	https://fylde.cmis.uk.com/fylde/MeetingsCalendar/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/96/Committee/16/Default.aspx