

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	OPERATIONAL MANAGEMENT COMMITTEE	14 JULY 2021	4
ST ANNES SEAWALL			

PUBLIC ITEM

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

SUMMARY

The Council has been successful in applying for funding to undertake development studies in preparation for the replacement of the hard sea defences at St Annes Seawall.

Work has been undertaken in developing options and consulting on a preferred option which has just been carried out. The report requests the approval of the Operational Management Committee of the preferred option to deliver the replacement seawall and approves the draw down of part of the budget to commence the Phase 2 Planning Stage.

RECOMMENDATIONS

The Operational Management Committee are requested:

1. To recognise the volume and strength of response as part of the consultation exercise and incorporate the retention of local attractions such as the miniature railway, beach huts and pitch and putt golf course.
2. To approve Option 3C as detailed below as the Council's preferred option.
3. Subject to Environment Agency approval of the Outline Business Case, approve the commencement of the Phase 2 Planning Stage of this project set out in the report at an estimated cost of £845,000 with the works being funded from the Environment Agency flood defence grant in Aid programme; £600,000 from the Council's 2021/22 capital programme and £245,000 from the 2022/23 capital programme.
4. Subject to Environment Agency approval of the Outline Business Case, approve the draw down of the £600,000 business support budget.
5. Approve the procurement approach as set out in the report to use the Environment Agency's National Framework to procure the consultant and contractor, and to deliver the development stage of the St Annes Sea Wall project. To authorise that contracts are to be then entered into through the Environment Agency's National Framework for the Planning Studies.

SUMMARY OF PREVIOUS DECISIONS

Council – 5 July 2021

1. To approve a fully funded addition to the St Annes Seawall capital scheme within the Council's capital programme to the sum of £11,820,700 funded by Environment Agency grant of £9,520,700 and the Council's contribution of £2,300,000 towards the total project cost to be met in full from the Funding Volatility Reserve and phased as detailed within the body of this report from 2021/22 – 2024/25.

2. Subject to approval a further report will be presented to the Operational Management Committee to seek agreement of the final design, scheme costs and procurement route.

Operational Management Committee – 16 June 2021

1. To recommend to Council approval of a fully funded addition to the St Annes Seawall capital scheme within the Council's capital programme to the sum of £11,820,700 funded by Environment Agency grant of £9,520,700 and the Council's contribution of £2,300,000 towards the total project cost to be met in full from the Funding Volatility Reserve and phased as detailed within the body of this report from 2021/22 – 2024/25.
2. Subject to approval a further report will be presented to the Operational Management Committee to seek agreement of the final design, scheme costs and procurement route.

Operational Management Committee - 16 March 2021

To appoint Councillor John Kirkham as the representative to join the project board, oversee the development of the project and report back to the Operational Management Committee on progress on a regular basis.

Operational Management Committee - 8 September 2020

3. To recommend to Council approval of a new fully funded capital scheme 'St Anne's Sea Wall' within the Council's Capital Programme for 2020/21 in the sum of £300,000, to be met in full, from the Environment Agency flood defence grant in Aid programme;
4. Subject to 1 above, approve the commencement of the proposed development studies as identified in the report in the sum of £300,000, with the works being funded from the Environment Agency flood defence grant in Aid programme;
5. To approve the procurement approach detailed in the report to use the Environment Agency's -National Framework to procure the consultants to deliver the development stage of the St Anne's Sea Wall project. To authorise that a contract(s) to be then entered into through the Environment Agency's National Framework for the Development Studies.

Community Focus Scrutiny Committee - 14 October 2010

To endorse the decision of Cabinet to adopt the policies set out in the North West England and North Wales Shoreline Management Plan for the Fylde coastline.

Cabinet- 15 September 2010

Adoption of the Shoreline Management Plan (SMP)

That subject to consideration and comment by the appropriate scrutiny committee to adopt the policies set out in the North West England and North Wales Shoreline Management Plan for the Fylde Coastline.

CORPORATE PRIORITIES	
Economy – To create a vibrant and healthy economy	√
Environment – To deliver services customers expect	√
Efficiency – By spending money in the most efficient way	√
Tourism – To create a great place to live and visit	√

REPORT

BACKGROUND

1. In 2020 the Council were awarded £300k Pipeline acceleration funding to develop the St Annes Seawall Outline Business Case and supporting appendices to determine the preferred solution for maintaining the integrity of the strategically important 660 metre long Island headland to reduce the risk of coastal erosion and flooding to over 400 properties.
2. The project team comprising of the Head of Technical Services and the Council's Chief Engineer have been working with Jacobs Consulting Engineers and Volker Stevin, the contractor responsible for delivering the Fairhaven to Church Scar Coastal Defence scheme, on developing the Outline Business Case.
3. In March 2021 the Project Board was established, and Cllr John Kirkham was selected to join the Board to act as a Councillor representative to oversee the development of the project and report back to the Operational Management Committee on progress on a regular basis.

DEVELOPMENT OF THE PROJECT

4. During development of the Outline Business Case and prior to this, extensive consultation has been undertaken with residents, businesses, stakeholders, and visitors to the Borough. Three stakeholder consultations have been undertaken, the first on 2 April 2014, and the second on 25 February 2021 both of which outlined a long list of replacement coastal defence options. Following on from these the consultations, the long list of options was narrowed down from seventeen options, to a short list of eight. This was presented to the third stakeholder group on the 13 May 2021 with eight options being presented. The preferred option which was presented at this meeting, is detailed below.

Option 3 C -Basic Scheme + Amenity Enhancements + Beach Huts. This option enables the beach huts to be relocated during construction and then replaced, founded on rock fill. Impact on mini links golf course during construction but reinstated after construction. Potential loss of miniature railway or compromise solution with any one of the three amenities being reduced in scale or number or re-located.

5. Public consultation information on the preferred option was published on the Discover Fylde Website on Friday 14 May 2021 and the public was invited to send their comments via email. This resulted in an overwhelming response, so much so that the mailbox was temporarily closed on Monday 17 May 2021.
6. The consultation was then relaunched via an online form on Wednesday 26 May 2021, which asked the public to answer the following questions.

Do you support the proposal to replace the sea defences at the Island?

What do you like about the proposal?

What do you dislike about the proposal?

Do you feel that there is anything that has been missed, not included or should be improved?

7. The online form was closed fourteen days later on Wednesday 9 June 2021. In total there were 2,029 responses; 1,582 email responses from the initial consultation, and a further 447 responses to the online form.
8. The analysis of the responses to the public consultation was undertaken by ps research, and the Consultation Report is appended to this report, see appendix 1.
9. In summary the consultation reports findings are detailed below: –

The volume and strength of response should be recognised. The consultation received over 2,000 responses, both from local residents and those from further afield. 61% support the proposal to replace the seawall. More than half caveat their support with conditions or things they would like to see delivered. The strength of support appears greater amongst those living closest to the sea in the area. There is general acknowledgement that a seawall is needed to protect the town in the future. But many don't want to see local attractions and amenities lost as a result.

- The Miniature Railway dominated the consultation, particularly the early feedback by email.

- The main reasons people feel it is so important to retain the Miniature Railway is the impact it has on the history and character of St Annes, and that it is seen as a key attraction for the area.
- 1 in 10 would like more information on the plans and further public consultation opportunities.

10. In response to the consultation the project team have developed a hybrid option as detailed below:-

Option 3C - Basic Scheme + Amenity Enhancements + Beach Huts + Miniature Railway (minor adjustment) + Miniature Golf (Drawings B550X002-018 & 019). This includes an inshore unpaved extension of the promenade to accommodate the beach huts (which will reduce long term business compensation costs), glazed panels in place of a set-back wall around the boating lake (to minimise impact on sea views from The View café, as a result of defence raising), geotextile slope and planting to inshore existing ground level (to provide environmental enhancement and reduce costs compared with an articulated concrete block revetment or inshore stepped revetment). The beach huts, miniature railway (with minor adjustment) and golf course would all be affected during construction, but would be fully reinstated following construction. (See appendix 2 plans option 3 C outline design and cross section).

11. The hybrid option takes account of the feedback from the consultation process and is achievable within the Outline Business Case.

FINANCIAL IMPLICATIONS

12. The total initial capital cost for the whole scheme is estimated at £11,820,700. The breakdown of this is shown in table 1 below.

Table 1 – Project capital cost estimate

Cost Heading	Total £
Surveys, detailed design, consents, project management, supervision	845,000
Business support/disruption costs	600,000
Construction costs	8,797,400
Risk (defined by the Environment Agency Risk Analysis Tool with adjusted optimism bias)	1,578,300
Total capital cost	£11,820,700

13. The maximum Environment Agency grant available towards this project would be £9,520,700. Fylde Council's match funding contribution would be £2,300,000. Within this £2,300,000 contribution is an allowance of £600,000 for public realm amenity enhancements. The Public Realm costs only include to the rear of the proposed sea defences. Additional public realm funding would be required to take forward projects outside of this boundary for example, the Boating Lake. Such projects will be considered by the Island Master Plan when this is developed and adopted. The above costs include allowances for business support and disruption.

14. A breakdown of the capital funding strategy is detailed below in table 2: –

Table 2 -Capital funding strategy

Funder	Total £
Environment Agency grant	9,520,700
Fylde Council contribution (2023/2024)	2,300,000
Total capital cost	£11,820,700

15. The phasing of the project costs is estimated as shown below in table 3. Should the above project delivery timescales be met, is estimated that Fylde Council's contribution would be required during 2023/2024.

Table 3 – Phasing of project costs

2021/22	2022/23	2023/24	2024/25	Total
£600,000	£1,870,000	£7,480,700	£1,870,000	£11,820,700

16. The ongoing revenue costs to maintain the new seawall will be met from existing revenue budgets. Due to continued sea level rise it is anticipated that in year 50 the defences will need raising further. This will be the subject of a further bid to the Environment Agency or the appropriate government department/agency at the time.

PROJECT STAGES/NEXT STEPS

17. Delivery of this project can be split into 3 distinct phases as shown in table 4 below.

Table 4 – Phases of the project

Phase	Description	Status
Phase 1	Feasibility production of the outline business case	Complete
Phase 2	Planning Stage surveys, consents, licenses and applications and detailed design	About to commence
Phase 3	Construction	Commence January 2023

18. Phase 1 has now been completed and subject to Environment Agency approval of the Outline Business Case the Coastal Defence Team are keen to move to the Phase 2 Planning Stage.
19. The Phase 2 Planning Stage will consist of technical surveys including topographical, geotechnical, detailed design, ecological and bird surveys and Environmental Impact Assessment. It will include securing all the necessary licenses, consents and approvals including: Marine License, Planning Permission and Environment Agency Flood Risk Activity Permit (FRAP) licence.
20. This will require the continued secondment of the Chief Engineer onto the team in the role of Project Manager. This will be carried out on a phased basis, with 50% of his time during the initial Planning Stage, increasing to 100% by the time the project commences on site, and throughout the Construction phase.
21. It is proposed to manage the contract as a target cost contract, and this will require the engagement of an external Quantity Surveyor, and Assistant Project Manager/Site Supervisor. The external Quantity Surveyor will be procured under the Councils Procurement Regulations for Medium Sized Contracts. The Assistant Project Manager/Site Supervisor will be a direct appointment who will be retained for the construction phase of the project.
22. The Chief Engineer will commission and supervise the Geotechnical Investigation and Bird Surveys complying with the Councils Procurement Regulations and Contract Rules and Procedures.

Table 5 Planning and Construction Stage Costs Coastal Defence Team – included within total capital scheme costs

Project Team	Engagement of Project Manager	£153,000
	Engagement of Assistant Project Manager/Site Supervisor	£84,000
	Engagement of Quantity Surveyor	£88,000
Surveys	GI including consents, licences and application fees, supervision and contract admin	£110,000
	Total	£435,000

23. It is proposed to engage Jacobs Consulting Engineers under the Environment Agency's National Framework to deliver the Planning Stage as detailed below in table 6 up to a total value of £320k.

Table 6 Planning and Construction Stage Costs Jacobs Consulting Engineers – included within total capital scheme costs

Surveys	Topographic survey	£5,000
	Ecological	£10,000
	Environmental Impact Assessment	£60,000
Consents, Licenses and Applications	Marine Licence, planning application, S61 and other	£20,000
Detailed design and construction	Detailed Design	£175,000
Design support during construction		£50,000
	Total	£320,000

In addition, £40,000 has been budgeted from the £600,000 business disruption cost estimate to employ a team of Jacobs Estates Surveyors to assist in engaging and supporting existing businesses impacted by the works, from the initial Planning Stage through the Construction Stage and beyond.

24. It is proposed to engage Volker Stevin to undertake Early Contractor Engagement during the detailed design stage at a value of £90k as shown below in table 7.

Table 7 Planning Stage Costs Volker Stevin – included within total capital scheme costs

Detailed design and construction	Early Contractor involvement (ECI) During detailed design	£50,000
	Stakeholder engagement communications assistance during detailed design and construction	£40,000
	Total	£90,000

25. Ongoing business support and stakeholder engagement is an important element of the project and this will continue throughout the planning and delivery phases using a combination of the Council's Estates and Engineering team together with Jacobs and Volker Stevin's teams. The project team working with Jacobs Estates team have identified a £600,000 business support budget which will be in place to support the affected businesses throughout the Planning and Construction phases. This funding is required to be available during these stages and beyond.
26. The impact on businesses will be limited during construction by phasing the works to limit the impact during the summer trading season, and keep businesses trading where possible, and also to provide temporary car parking within the site, and to retain the RNLI in their current location during the proposed works.

PROCUREMENT AND VALUE FOR MONEY

27. The procurement approach to this project is detailed above in sections 21-24. The majority of the work will be commissioned using the Environment Agency's National Framework. This approach has worked well with the delivery of the Fairhaven to Church Scar Scheme, which helped deliver public value for money.
28. Appointment of the Coastal Defence team will be direct appointments to the Technical Services Department and will consist of a Project Manager and Assistant Project Manager until August 2024.
29. The appointment of the Quantity Surveyor and the commissioning of the geotechnical investigations will be procured through the Council's procurement regulations and contract procedure rules.

30. Procurement and engagement of the contractor for the works will be undertaken during the Planning Stage. This stage will also involve preparation of works information, preparation of drawings and contract documentation, and award of contract.

31. The Construction Phase is currently programmed to commence in January of 2023 and be completed by August 2024.

PROJECT/RISK MANAGEMENT

32. The project is being delivered in the PRINCE2 environment (Projects in Controlled Environments). PRINCE2 has an established project governance structure/specific project roles and responsibilities. The St Annes Seawall Project Board has now been established and currently meets up on a monthly basis continue meeting throughout the project.

33. A risk log is in continual development to identify and manage the anticipated risks to the project.

IMPLICATIONS	
Finance	The Council's approved capital programme includes the sum of £11,820,700 for delivery of the St Annes Sea Wall project, funded by Environment Agency grant of £9,520,700 and the Council's contribution of £2,300,000 towards the total project cost to be met from the Funding Volatility Reserve. This report seeks approval for the commencement of the Phase 2 Planning Stage of the project in the sums set out in the report totalling £845k (£600k in 2021/22 and £245k in 2022/23), subject to Environment Agency approval of the Outline Business Case.
Legal	None arising from this report
Community Safety	None arising from this report
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	None arising from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul Walker/Darren Bell	HYPERLINK mailto:Paul.walker@fylde.gov.uk Paul.walker@fylde.gov.uk 01253 658431 HYPERLINK mailto:darren.bell@fylde.gov.uk darren.bell@fylde.gov.uk 01253 658465	24 June 2021

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
None		

Attached documents –

Appendix 1 – Consultation report

Appendix 2 – Plan of preferred option 3 C