

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	COUNCIL	22 OCTOBER 2018	10
GRANNY'S BAY COASTAL DEFENCE			

PUBLIC ITEM

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

SUMMARY

Further to a successful funding application to the Environment Agency (EA) for a further grant in the sum of £2m in relation to the coast protection works at Granny's Bay, approval is sought to increase the value of the coast protection scheme within the approved capital programme from £19.83m to £21.83m in total, the additional £2m being added in equal parts to years 2019/20 and 2020/21.

RECOMMENDATIONS

The Council is recommended:

To approve an increase in the value of the coast protection scheme within the Councils approved Capital Programme in the sum of £2m (£1m for 2019/20 and £1m for 2020/21) to deliver the replacement Coastal Defences scheme at Granny's Bay, the additional works to be fully-funded from a capital grant from the Environment Agency for this purpose.

SUMMARY OF PREVIOUS DECISIONS

Operational Management Committee at its meeting on 12th September 2017 resolved:

1. To approve expenditure in the sum of £19.83m in respect of the Fairhaven to Church Scar Coast Protection Scheme which is included within the approved Capital Programme in the total sum of £19.83m; and
2. To authorise that a contract to be entered into with the Preferred Bidder for the detailed design and construction of the Fairhaven to Church Scar Coast Protection Scheme.

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)	✓

REPORT

BACKGROUND AND STRATEGIC CONTEXT

1. Fylde Council obtained strategic approval of investment for works at Granny's Bay in the Fylde Coast Protection Strategy from the Environment Agency (Appendix 1). The Strategy contains works at Granny's Bay.
2. Whilst Granny's Bay sits in-between and connects Fairhaven and Church Scar, Granny's Bay is not one of the strategic headlands on Fylde Council's coastline. Coupled with this point, due to the economics and foreseen affordability at the time of the Strategy (2014), works at Granny's Bay were deferred into small construction campaigns in year 2030, 2035 and 2040.
3. Having received approval within the Strategy, works in the Strategy at Granny's Bay is more a question of timing. The rationale to bring the works at Granny's Bay forward being that efficiencies could be realised in undertaking the works during the current campaign, and also capital works at Granny's Bay will reduce in-year maintenance costs for emergency reinstatements following storm damage to the current time-expired defences.
4. During Stage 1 of the Scheme (preparation of Fairhaven and Church Scar); the potential for works at Granny's Bay was noted. To this end Granny's Bay also received full planning consent (for works above high tide), and a Marine Management License (for works below high tide). All license and consents, and the preliminary design for Granny's Bay, is complete. In other words Granny's Bay is 'shovel ready'.

PROJECT GOVERNANCE

5. The Scheme to date has been run in the PRINCE2 environment (**PR**ojects **IN** Controlled **E**nvironments). It is proposed that the Scheme continues to operate under PRINCE2 for works at Granny's Bay also.

PROCUREMENT AND VALUE FOR MONEY

6. With reference to Point 4 above, the potential works at Granny's Bay was also tendered with the main works at Fairhaven and Church Scar under the Environment Agency's Water and Environment Management Framework. The Council reserved its rights during the tender as to whether to award the Granny's Bay element of work to the procured contractor for the main scheme. There were no challenges to the procurement.
7. If during final negotiations with the current contractor mutually agreeable prices cannot be arrived at for Granny's Bay that then the works at Granny's Bay will be re-tendered.

COST OF SCHEME AND METHOD OF FINANCING

8. From the rules of the Environment Agency grant system, there has been the ability to seek and obtain a further £2m in grant funding (in addition to the current grant approval in the sum of £19.43m) for works at Granny's Bay. This application has received technical approval and has received formal sign off by the respective Environment Agency Director.
9. An initial quotation from the contractor for the works at Granny's Bay has been received. This generally apportions circa £2m to the seawall/revetment and circa £800k to the promenade. Contract meetings and a high level director meeting have been held with the contractor. From such negotiations it is likely that the monies associated with the promenade works will be reduced.
10. The report to the Operation Management Committee on the 12th September 2017 highlighted that around half-way through delivery of the Scheme the majority of Fylde Council's key risk events will have passed. Also that it was recommended that when these risk events have passed that remaining risk monies are reviewed, with a view of re-investing such coast protection monies into coast protection works at Granny's Bay.
11. It is anticipated that there will sufficient project funding to undertake the stepped revetment works of the Granny's Bay scheme. The Granny's Bay promenade will be the last activity to be undertaken around 2020. By this time there will be a strong degree of certainty on materialised risks and remaining risk contingency. This will then allow a decision to be taken whether the construction of the promenade at Granny's Bay can be delivered within the remaining scheme funding. Alternatively it may be necessary to restrict the scheme to the stepped revetment works only and reinstate the soft landscaping, and to undertake the construction of the promenade separately to the currently funded project.

FUTURE REVENUE BUDGET IMPACT

12. Once completed the maintenance of the newly constructed coastal defences will be undertaken by the Preferred Bidder for the first year. After that any maintenance required would be funded from the existing coast defence revenue budget.

RISK ASSESSMENT

13. The scheme continues to be assessed as a low risk project as a result of the robust project governance in place, and continues to be managed as such. Should the works at Granny's Bay be authorised then the same approach to risk management will be continued with the use of the overall risk contingency if needed (currently at c£1.8m)
14. A high level risk assessment is provided in Appendix 2.

VIABLE ALTERNATIVES

15. An alternative to not undertaking capital works at Granny's Bay would be to continue with the in-year reactive maintenance following storm damage until the long term phased replacement at Granny's Bay is achieved by year 2040.

OBJECTIVES, OUTPUTS AND OUTCOMES

16. The objectives, outputs and outcomes of the project are to provide erosion and flood protection to the properties behind Granny's Bay as a capital campaign (with a design life of 100 years), as opposed to a phased replacement with reactive maintenance.

DRAWINGS AND PLANS

17. The current situation at Granny's Bay, along with the proposed drawings and plans (that have received all the necessary license and consents) are headlined documents within the Planning Consent (See Background Papers below).

CONCLUSION

18. The Council are requested to approve an increase in the value of the coast protection scheme within the Councils approved Capital Programme in the sum of £2m to deliver the replacement Coastal Defences scheme at Granny's Bay. The works would be fully-funded from a capital grant from the Environment Agency for this purpose.

IMPLICATIONS	
Finance	This report requests approval to an increase in the value of the coast protection scheme within the Councils approved Capital Programme in the sum of £2m (£1m for 2019/20 and £1m for 2020/21) to deliver the replacement Coastal Defences scheme at Granny's Bay, the additional works to be fully-funded from a capital grant from the Environment Agency for this purpose from the Environment Agency in respect of the Granny's Bay works.
Legal	The current contractor (VBA Limited) has been successfully procured through the Environment Agency's Water and Environment Management Framework. The potential works at Granny's Bay were also tendered as part of the package. No challenges were received.
Community Safety	The works at Granny's Bay will be designed and constructed in line with all applicable safety standards.
Human Rights and Equalities	The design of the works at Granny's Bay will be accessible and conform to national standards.
Sustainability and Environmental Impact	The works at Granny's Bay have been developed embracing the principles of sustainability and received all necessary environmental and ecological licenses and consents.

Health & Safety and Risk Management	The contractor will have full responsibility for ensuring health and safety both in the detailed design of the works at Granny's Bay and its construction. Commercial risk management will be overseen by the Project Board and Project Assurance.
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LEAD AUTHOR	CONTACT DETAILS	DATE
Mike Pomfret	Mike.pomfret@fylde.gov.uk 01253 658464	28 th August 2018

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Planning Consent	21 April 2017	https://www3.fylde.gov.uk/online-applications/applicationDetails.do?activeTab=summary&keyVal= FYLDE_DCAPR_47511

Attached documents

Appendix 1 – Approval of Fylde Council's Shoreline Strategy

Appendix 2 – High Level Risk Assessment