

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	COUNCIL	19 OCTOBER 2020	18
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.

The report requests that Council approve a new capital scheme (St Annes Sea Wall) fully funded from the Environment Agency Flood Defence Grant in Aid Programme to be added to the Capital Programme for 2020/21 in the sum of £300,000.

RECOMMENDATIONS

Council is requested to:

1. Approve 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;
2. Note the future budget implications as detailed in section 18 and 19 of the report;

SUMMARY OF PREVIOUS DECISIONS

Operational Management Committee 8th September 2020 Resolved

1. 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;
2. 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;
3. To approve the procurement approach detailed in the report to use the Environment Agencies 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 at its meeting on 14th October 2010 resolved:

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 considered a report on the adoption of the Shoreline Management Plan (SMP) at its meeting on 15th September 2010. After consideration Cabinet resolved:

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	
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. The Council adopted the [Shoreline Management Plan 2 \(SMP 2\) in 2010](#) which identified policies to manage coastal flood and erosion risks over the next 100 years and covers the entire shoreline of the North West of England and North Wales. The SMP 2 policy for the Fylde Coast is to predominantly "hold the line"; this means strengthening, maintaining or rebuilding the existing sea defences to maintain the existing shoreline. The SMP 2 is a large-scale assessment of the coastal processes and helps reduce associated risks to people and the developed, historic and natural environments. The SMP 2 aims to identify the most sustainable approaches to managing the coastline, in the short, medium and long terms.
2. The implementation of the SMP 2 "hold the line" policy is developed within Shoreline Strategy Appraisal Reports (StAR) which are prepared for each local authority area. The StAR also identifies key areas of the coastline that requires substantial work. Following the development of the StAR, project specific business cases explore and analyse the economic and environmental sustainability issues to determine the most appropriate option to implement the SMP policy.
3. The StAR for the Fylde shoreline was adopted by the Environment Agency in 2014. The StAR recommends that 3 strategic headlands need to be replaced with new structures over the following timescales:
 - Headland 1 (St Annes Seawall) by 2033
 - Headland 2 (Fairhaven) by 2018
 - Headland 3 (Church Scar) by 2018
4. A plan is attached showing the existing hard sea defences at Headland 1 (St Annes Seawall). This comprises of a c670m long seawall constructed in 1935 which protects 252 residential properties from coastal erosion. The hard defences are showing signs of spalling, but with continued maintenance and no repetitive extreme storms the defences should have a residual life of approximately 10 years.
5. The StAR also makes note that 'plans to replace the defences at the Pleasure Island Complex could tie in with regeneration plans to redevelop the complex as a leading tourist attraction and provide opportunities for partnership working'. It is noted that Schemes in key coastal resort locations, such as St Annes-on-Sea, serve as much needed economic regeneration catalysts.
6. The Scheme as currently defined by the StAR is a concrete stepped revetment (similar to the recently delivered product at Granny's Bay) has an overall estimated value of £5.8m.
7. The Island member working group considers that the replacement of the existing hard sea defences should be brought forward to act as a catalyst for regeneration of The Island site. As a result, officers have applied to the Environment Agency for funding to undertake the initial development studies required to progress the project. The Environment Agency has confirmed the success of this application and that £300,000 is available to spend.
8. The Budget Working Group has considered this and is supportive of the development grant from the Environment Agency being accepted and the project commenced.

PROJECT GOVERNANCE

9. The project is proposed to be run in the PRINCE2 environment (PRojects IN Controlled Environments). PRINCE2 has an established project governance structure/specific project roles and responsibilities.

PROCUREMENT AND VALUE FOR MONEY

10. It is proposed that the Environment Agency's National Framework is used for procurement of St Annes Seawall (initially for the Development Studies) as this approach has worked well with the delivery of the Fairhaven to Church Scar Scheme; which helped deliver public value for money.

COST OF SCHEME AND METHOD OF FINANCING

11. The cost of the Scheme is currently estimated (at high level) to be £5.8m. The cost of the Development Studies, that authority is being sought for at this stage, is estimated at £300k (hence the value of the available Development Studies grant of £300k).
12. There is £3.5m remaining, potentially available, Environment Agency grant after the (£300k) Development Grant. This remaining £3.5m 'Delivery Grant' would be applied for following successful Development Studies (that result in an approvable business case for the substantive investment).
13. Based the number of properties protected though by the replacement seawall, the Environment Agency funding system can only contribute £3.8m overall towards the overall £5.8m, leaving a £2m shortfall for the substantive Scheme.
14. Nonetheless, if Environment Agency funding is hoped for in future years, based on successful business cases, provision needs to be made now in order to deliver the project. Therefore, the latest forecast spend profile formally submitted to the Environment Agency's Project Application Funding Service (PAFS) is shown below in Table 1.

Table 1 – Estimated spend profile for St Annes Seawall replacement

The estimated spend for each financial year			
Spending estimates are in pounds (e.g £50,000) at current prices. Future maintenance costs aren't included.			
Financial year (April to March)	Grant in Aid	Not yet identified	Total (£)
Previous years	0	0	0
2015 to 2016	0	0	0
2016 to 2017	0	0	0
2017 to 2018	0	0	0
2018 to 2019	0	0	0
2019 to 2020	0	0	0
2020 to 2021	300,000	0	300,000
2021 to 2022	1,000,000	0	1,000,000
2022 to 2023	2,500,000	2,000,000	4,500,000
Total (£)	3,800,000	2,000,000	5,800,000

15. At this pre-contracts stage, the £300k Development Studies funding can be broken down as follows:
- £50k – Site Investigations
 - £50k – Environmental / Ecological Studies
 - £15k - Planning Application
 - £15k – MMO Licence
 - £20k – Consultation
 - £50k – Preliminary Design
 - £100k - Management

Workstreams a. to f. above will be delivered with support from either the Environment Agency national framework, or tendered separately using the Council's contracts procedure rules. The management element will be capitalised and used to fund a project manager and technical staff to manage the delivery of the above workstreams.

16. Members will recall that as with the Fairhaven to Church Scar Coast Protection Scheme, public realm enhancements to the core sea defence Scheme are not able to be funded from the terms of the grant received from the Environment Agency. The core sea defence Scheme being new a seawall, re-surfaced promenade, rear flood wall, and a reasonable like-for-like provision for street furniture lost as a result of the works.
17. There may also be some additional costs to compensate businesses affected by disruption during construction of the replacement seawall and loss of income from using the rear car park as a site compound. These costs are not currently quantified but are currently being evaluated.

FUTURE BUDGET IMPLICATIONS

18. Table 1 above identifies that a £2m contribution is required to match the £3.8m Environment Agency grant to achieve a funded scheme. The Budget Working Group has received a presentation from officers on the benefits of the project and noted that if the £300,000 grant for development studies is accepted and proceeds and that the council is later unable to identify where the £2m overall project funding shortfall will come from it may have to repay the initial development grant of £300,000 as there will not be a deliverable project. Therefore, if members wish to proceed with acceptance of the initial development grant of £300,000, they will need to be cognisant of this issue.
19. In addition to the potential £2m future contribution from the Council, there may be additional costs in respect of as yet unquantified Public Realm enhancements, business disruption costs, and lost car park income. These costs will be fully quantified in subsequent update reports once the development studies are completed and options for progression of the scheme are considered by Members.
20. Once completed, as well as protecting the land from erosion, the new replacement seawall will be maintained from existing revenue budgets, and is expected to serve as an economic boost to the area, which in turn ought to increase available revenue

RISK ASSESSMENT

21. At this stage (pre-Development) risks are assessed at high level accordingly. The risks at this stage are ensuring competent and experienced resource to management the Development of the Scheme to the timelines and budgets and identification of the £2m match funding requirement before the application is submitted to the Environment Agency for the remaining £3.5m grant.

VIABLE ALTERNATIVES

22. Do nothing. Under the do-nothing scenario there would be no further studies to look at the replacement of St Annes Sea Wall. This would not implement the Fylde Coastal Strategy and would leave a residual life of approximately 10 years. This would lead to increased erosion risk to the properties and infrastructure behind which would be unacceptable. The do-nothing scenario will form the baseline for further appraisal.
23. Do Minimum. This would involve ongoing maintenance of St Annes Seawall with no further study of the problem. Eventually this would lead to the collapse of the seawall and increase the risk of erosion to the properties and infrastructure behind. The Strategy as approved by the Environment Agency states that the increased risk is not considered acceptable as it leaves properties and infrastructure at risk.
24. Do Something. Preferred Option. This would enable a study to go ahead to develop and deliver a replacement seawall. The study would lead to outline design, enable consultation, obtaining planning permission and the required licences as well as updating the appraisal from the Strategy in line with the revised partnership funding principles.

OBJECTIVES, OUTPUTS AND OUTCOMES

25. The objectives, outputs and outcomes of the project are to provide urgent coast protection to over 252 properties for the next 100 years, and also serve as an economic regeneration catalyst to The Island site.

DRAWINGS AND PLANS

26. Appendix 1 attached shows the extent of the existing hard sea defences at The Island site.

CONCLUSION

27. Council is requested to approve 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; to approve the commencement of the proposed Development Studies as identified in this report in the sum of £300,000, to approve the use the Environment Agencies National Framework to procure the consultants to deliver the development stage of the St Anne's Sea Wall project and to authorise that a contract(s) to be then entered into through the Environment Agency's National Framework for the Development Studies;

IMPLICATIONS	
Finance	This report requests approval of a new fully funded capital scheme 'St Anne's Sea Wall' for inclusion within the Councils 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 and subject to Council approval, authorise the drawdown of £300,000 in 2020/21 to deliver the development stage of the St Anne's sea wall project. Members should also be cognisant of the potential future contributions and costs for the Council for ultimately delivering the scheme.
Legal	The report requests authority to enter into call-off contracts via the Environment Agency National Framework.
Community Safety	The Scheme will be developed in line with all applicable safety standards.
Human Rights and Equalities	The Scheme's promenade will be accessible and conform to national standards.
Sustainability and Environmental Impact	The Scheme will embrace the principles of sustainability. The Scheme will be designed to withstand the storm that has the probability of occurring once every 200 years. The Scheme will have a lifespan of 100 years with built-in adaptability for sea level rises.
Health & Safety and Risk Management	The Environment Agency Framework suppliers will have full responsibility for ensuring health and safety both in the detailed design of the Scheme and its construction. Commercial risk management will be overseen by the Project Board and Project Assurance.

LEAD AUTHOR	CONTACT DETAILS	DATE
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BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
PowerPoint presentation to the Budget Working Group	August 2020	Technical Services – Town Hall
EA Framework User Agreement	August 2018	
Fylde StAR	February 2014	
EA Pipeline Acceleration Funding	March 2020	

Attached documents:

Appendix 1 Plan of the existing hard sea defences at Headland 1 (St Annes Seawall)