

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	COUNCIL	5 JULY 2021	11

FULLY FUNDED CAPITAL BUDGET INCREASE - ST ANNES SEA WALL SCHEME

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. At a meeting of the Operational Management Committee, held on the 16 June 2021, it was resolved to recommend to Council approval of a fully funded addition to the Council's capital programme. A detailed appraisal and drawdown report is scheduled to go before a special meeting of Operational Management Committee on 14 July 2021.

RECOMMENDATIONS

Council is recommended:

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.

SUMMARY OF PREVIOUS DECISIONS

Operational Management Committee – 16 June 2021

It was RESOLVED:

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 to be phased from 2021/22 – 2024/25.
2. Subject to approval a further report would 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

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 - 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

PROJECT DESCRIPTION AND BACKGROUND

1. St Annes Seawall is 660m long and was constructed in 1935. It reduces the risk of coastal erosion and flooding to over 400 properties. The seawall surrounds The Island, which is one of three strategic headlands which are critical to maintaining healthy beaches, dunes and reducing the risk of coastal erosion along Fylde Council's frontage.
2. St Annes Seawall is at the end of its design life and is in poor condition; it is cracking and crumbling and is subject to ongoing repairs and maintenance. Voids have previously been identified resulting in settlement of the promenade. The crest level is low and overtopping during storms results in damage to the promenade and flooding of the car park, swimming pool and fitness centre plant room, and flooding up to the thresholds of the cinema, casino, amusement, and restaurant complex.
3. In 2020 the Council were awarded £300k Pipeline acceleration funding to develop the St Anne's Seawall Outline Business Case and supporting appendices to determine the preferred solution for maintaining the integrity of the strategically important Island headland to reduce the risk of coastal erosion and flooding to over 400 properties.
4. The preferred option should work with natural processes, be economically attractive, have a low carbon footprint, provide a sustainable solution and environmental improvement whilst taking account of local landscape and socio-economic issues.

DEVELOPMENT OF THE PROJECT

5. Following development of the Outline business case and 2 stakeholder consultations the project team have been developing options and have [HYPERLINK s://new.fylde.gov.uk/st-annes-sea-wall-project-consultation/"](https://new.fylde.gov.uk/st-annes-sea-wall-project-consultation/) [recently consulted on a preferred option](#). This consultation closed on 9 June and the responses are being collated, analysed and considered. The outcome of this consultation will be initially considered by the St Annes Seawall Project Board who will then make a recommendation to Operational Management Committee. Given the progress and momentum of the project a report will be considered at a special meeting of the committee planned for 14 July.
6. The purpose of this report is for the inclusion of the scheme into the Council's capital programme with the detailed appraisal and drawdown report to Operational Management Committee to follow.

FINANCIAL IMPLICATIONS

7. The total initial capital cost 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

8. The maximum Environment Agency grant available towards this project would be £9,520,700. This would require Fylde Council to make a £2,300,000 contribution in match funding. 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 as a result of the works.
9. A breakdown of the capital funding strategy is detailed below: –

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

10. The phasing of the project costs is estimated as shown below. If the above project delivery timescales are 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

11. 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

12. If progression of this project is approved by Council, the following stages and next steps will be progressed.

13. A bid will be submitted to the Environment Agency formally for their appraisal and consideration.
14. If EA funding is approved the planning phase will commence consisting 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.
15. Ongoing business support and stakeholder engagement is an important element of the project and this will continue throughout the planning and delivery phases.
16. 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.
17. Procurement and engagement of the contractor will be undertaken during the planning stage and will involve, preparation of works information, preparation of contract documentation and award of contract.
18. The construction phase is currently programmed to commence in January of 2023 and be completed by August 2024.

PROJECT/RISK MANAGEMENT

19. 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 meets up on a bi - monthly basis during the feasibility stage and monthly when then project commences on site.
20. A risk log is in continual development to identify and manage the anticipated risks to the project.

IMPLICATIONS	
Finance	The report recommends 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.
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

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BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
None		

Attached documents – None