



DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	OPERATIONAL MANAGEMENT COMMITTEE	11 SEPTEMBER 2018	4
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 £2m for coast protection works at Granny's Bay, approval is sought to increase the expenditure for the coast protection scheme within the approved capital programme from £19.83m to £21.83m. This report also seeks approval to vary the current coast protection contract for Fairhaven to Church Scar to include provision for the additional coast protection works at Granny's Bay funded from the increase in EA funding.

RECOMMENDATIONS

The committee is recommended:

1. That following receipt of the formal grant approval letter from the Environment Agency that the committee recommends to Council an increase in the Fairhaven and Church Scar Coast Protection Scheme within the approved Capital Programme from £19.83m to £21.83m (£1min 2019/20 and £1m in 2020/21) following confirmation of the additional £2m capital grant from the Environment Agency in respect of the Granny's Bay works.
2. Subject to the approval of 1, above, to approve the expenditure on the project as detailed in the report.

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 onto the current grant approval for works at Granny's Bay. This application has received technical approval and is awaiting 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 should be 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. Subject to receipt of the formal grant approval letter form the Environment Agency the Committee is requested to authorise that the current coast protection contract at Fairhaven to Church Scar be extended to include capital works at Granny's Bay; and to seek approval from Council for a funded budget increase in the value of the scheme from £19.83m to £21.83m following receipt of the £2m grant variation from the Environment Agency.

IMPLICATIONS	
Finance	This report requests that the committee recommend to Council an increase in the Fairhaven and Church Scar Coast Protection Scheme within the approved Capital Programme from £19.83m to £21.83m following confirmation of the additional £2m capital grant 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
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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