

Board/Committee:	COMMUNITY AND ENVIRONMENT BOARD
Date of meeting:	WEDNESDAY 1 st MARCH 2023
Title:	CONSTRUCTION OF FLOOD DEFENCE STRUCTURES AT ALVERSTOKE
Author:	HEAD OF STREETSCENE
Status:	FOR NOTING

Purpose

This report updates Members on the Alverstoke coastal defence scheme since the update in January 2023 and sets out the next stages for the project.

Recommendation

That the Board notes that this report provides further project details as requested at the previous Community and Environment Board held on 10th January 2023.

1.0 Background

1.1 A project status update was given to the Community and Environment Board on 10th January 2023. The Board requested a report be brought back to Board containing further information around project expenditure and funding.

2.0 Report

2.1 Funding:

Expenditure to date:

The scheme is primarily funded from Environment Agency Grant Aid totalling £932,238. Table 1 summarises the amount claimed to date on the project (£932,238), and of that sum, £907,629 has been spent on the project and £24,609 budget remains.

Table 1.

Source	(£) Approved	(£) Claimed
(a)FDGiA	546,700	546,700
(b) FDGiA (cost increase)	377,300	377,300
(c) EA Covid recovery claim	8,238	8,238
Total	932,238	932,238
Total spend to date (from a,b,c)	£907,629 (£24,609 remaining)	

Since 2018, £907,628 has been spent on the project over five financial years (Table 2).

Table 2.

Financial Year	(£) Yearly Expenditure	(£) Total Project Expenditure
2018/19	36,815	36,815
2019/20	168,327	205,142
2020/21	167,840	372,981
2021/22	293,024	666,005
2022/23	241,624	907,629

Figure 1 confirms the majority of the project expenditure has been utilised on ‘non-construction’ activities and which were required to develop the project from the Outline Business Case to the detailed design stage, gain the required licencing and consents, and then works procurement. This included payments to the design consultant to cover ground investigations and preparation of the design drawings and scope. Construction related activities represent 29% of the overall spend to date.

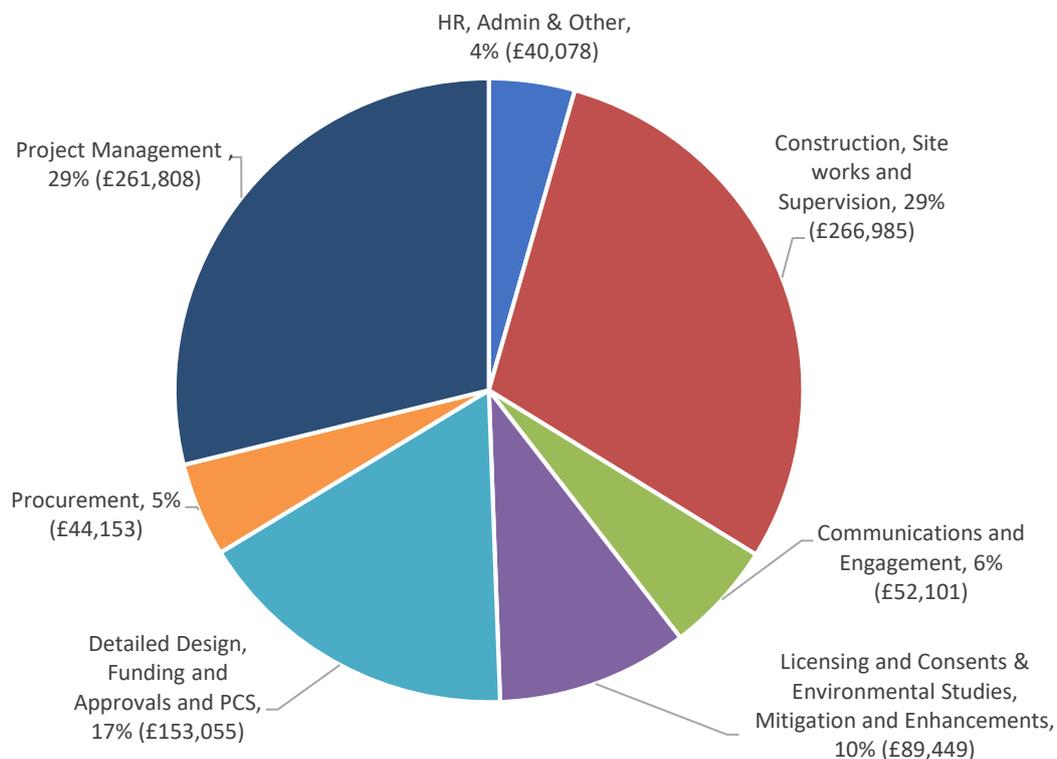


Figure 1. Spend breakdown associated with Project activities.

A project timeline which provides further detail on activities and expenditure over the past 5 years is provided in Appendix 1.

3.0 Funding forecast and gap:

The project has a potential estimated £442,878 of remaining available project funding as shown in Table 3. Further funding options continue to be explored.

The available funding remains insufficient to meet the expected outturn costs of the construction, and which have risen through inflation.

Table 3. Secured funding (not spent)

Source	(£) Allocated
Total funds remaining (from a+b+c)	24,609
(e)FDGiA contingency	181,000
(f) GBC risk fund	212,269
(g) Water Environment Infrastructure Fund	5,000
(h) Southern Water Services contribution	20,000
(l) Estimate of current maximum funds available	£442,878

4.0 Way forward

The project continues with the phased approach to the exception plan as outlined within the 10 January Community and Environment Board update.

Licences and Consents:

Licences and consents have already been obtained for the Alverstoke FCERM Scheme. Due to the delay to the construction start date in 2021 (Covid-19) and the pause of construction works in 2022 (HV cables & inflation), the status of current licences and consents can be seen in Table 5.

A GBC six-month extension to planning permissions that would have expired between 19 August 2020 and 31 December 2020 did not apply to the Alverstoke FCERM scheme as the approval was granted after those dates, and the planning permission does not expire until December 2023.

Table 5. Status update on Alverstoke FCERM scheme licences and consents

Licence or Consent	Expiration Date:	Status:	Cost to renew:
Planning application on the existing design	8 December 2023	In date, works must start before expiration date	If new permission required, £262 (based on previous application)
Marine Licence	December 2022	Expired	£1,400 based on previous application
FRAP	Outdated	Requires a new application, as the previous applicant's name is out of date	Estimated £1,595 – based on previous application
Crown Estate	Expired	Extension required.	Estimate £500 (including admin fees)

4.0 Risk Assessment

4.1 The project risks are as per the exception plan as outlined within the 10th January Community and Environment Board update.

5.0 Conclusion

5.1

- The project commenced in 2018 and took place during unprecedented times with the impacts of Covid-19 and inflation affecting the forecast outturn costs both directly and in-directly.
- The majority of the project expenditure has been utilised on 'non-construction' activities and which were required to develop the project from the Outline Business Case to the detailed design stage.
- There remains insufficient funding to construct the scheme.
- Licencing and consents for the Alverstoke FCERM scheme will require either updating or new applications ahead of any construction works.
- The project team are working collaboratively with the Environment Agency to identify potential funds.

Financial Services comments:	None for the purposes of this report.
Legal Services comments:	None for the purposes of this report.
Equality and Diversity:	None for the purposes of this report.
Climate Change implications:	None for the purposes of this report.
Crime and Disorder:	None for the purposes of this report.
Service Improvement Plan implications:	To improve coastal defences.
Corporate Plan:	Develop the economy by encouraging investment, protecting and improving infrastructure and land use by developing a programme of coastal defences.
Risk Assessment:	Contained within paragraph 3 of the report.
Background Papers:	<p>Community Board 10th February 2021 – Award of contract to the preferred bidder.</p> <p>Policy & Organisational Board 20th July 2021 - Support of the risk underwriting by the Council for costs in excess of the current approved funding.</p> <p>Community and Environment Board, 14 September 2022 – status update: Risks and inflation have put project budget under pressure. Works paused, site reinstated and future delivery of scheme to be assessed.</p> <p>Community and Environment Board, 10 January 2023, progress update on the Alverstoke coastal defence scheme.</p>
Appendices:	Appendix 1. Alverstoke Project Timeline
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