

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

Purpose

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

Recommendation

That the Board notes that this report provides further project details as requested at the previous Community and Environment Board held on 10 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, funding and consents.

2.0 Report

2.1 Funding

Expenditure to date:

The scheme is primarily funded from Environment Agency Grant Aid and Local Levy Funds. Table 1 summarises the amount claimed to date on the project (£664,644), and of that sum, £610,531 has been spent on the project and £53,614 budget remains.

Table 1. Expenditure to date

Source	(£) Approved	(£) Claimed
(a)FDGiA	324,000	324,000
(b) Local Levy (less £99k risk)	332,000	332,000
(c) EA Covid recovery claim	4,144	4,144
(d) WEIF	4,500	4,000
Total	664,644	664,144
Total spend to date (from a,b,c,d)	£610,531 (£53,614 remaining)	

Since 2019, The total project spend of £610,531 has been spent over four financial years (Table 2).

Table 2. Expenditure to date per financial year

Financial Year	(£) Yearly Expenditure	(£) Total Project Expenditure
2019/20	145,017	145,017
2020/21	111,277	256,295
2021/22	73,160	329,454
2022/23	281,077	610,531

This spend can be attributed to the project activities summarised in Figure 1.

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 31% of the overall spend to date.

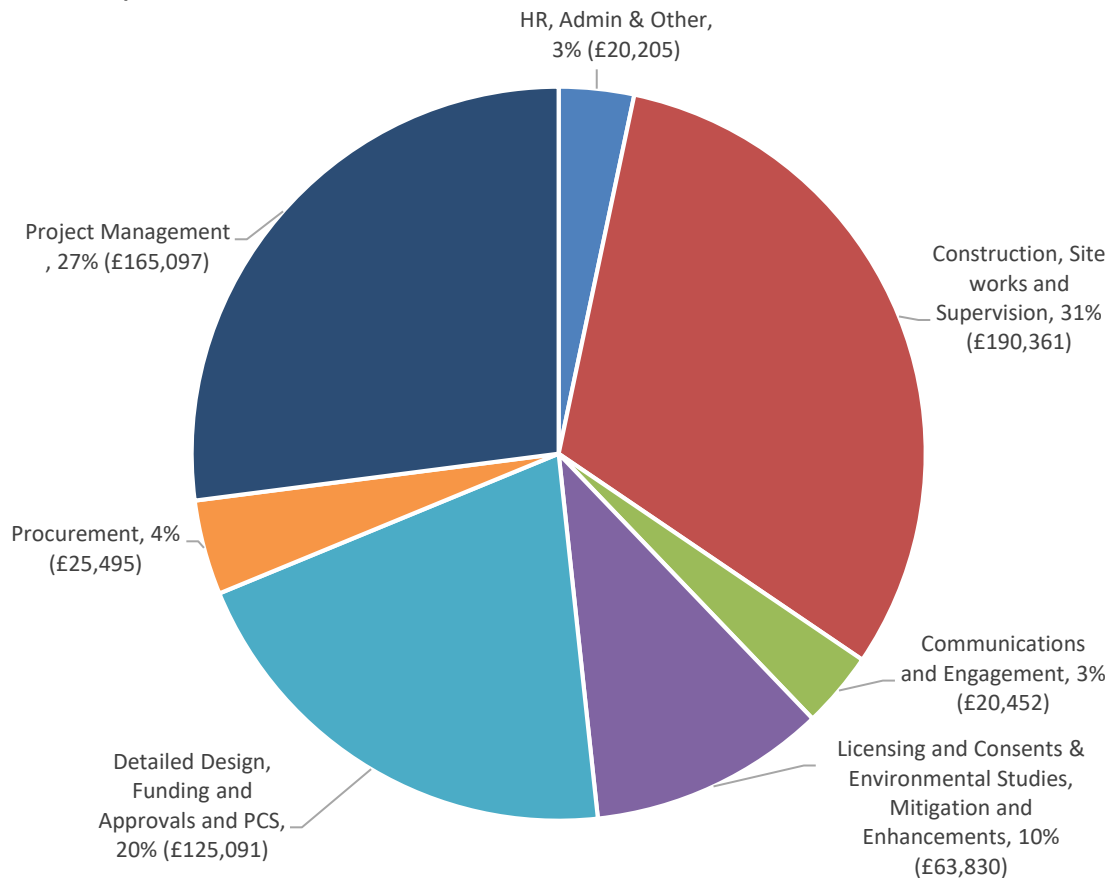


Figure 1. Spend breakdown associated with Project activities.

A project timeline which provides further detail on activities and expenditure over the past 4 years is provided in Appendix 1.

2.2. Funding forecast and gap:

Since the previous Community and Environment Board update in January 2023, the project has been allocated £681,184 of funding from the Department for Education Fund. An FDGiA inflation claim is currently being prepared to cover all justifiable inflationary cost increases. The project has a potential estimated £1.4million of funding available (not spent) as shown in Table 3.

Table 3. Secured funding (not spent)

Source	(£) Allocated
Total funds remaining (from a+b+c+d)	53,614
(e)FDGiA contingency	98,000
(f) Local Levy 'contingency'	99,000
(g)Other Government Departments (OGD)	288,516 + 181,000
(h) Water Environment Infrastructure Fund	500
(i) Department for Education	681,184
(j) FDGiA inflation	50,000 (provisional estimate)
(k) Estimate of current maximum funds available	£1,451,814

The estimated forecast outturn cost needed to complete the project, with and without risk has been summarised in Table 4, this estimate is pending further financial analysis. The revised funding profile indicates that a provisional sum of £604,734 of funding is required to close the funding gap and enable delivery of the scheme and construction to restart in 2024, following successful mitigation of the badger sett risk. Further funding options are being explored and a bid for additional RFCC Local Levy funding was made in January 2023 to close this gap.

Table 4. Funding required

(l) Forecast outturn cost (excl. risk)	£1,581,960
(m) Forecast outturn cost (incl risk at 30%)	£2,056,548
(n) Funding gap including risk (m)-(k)	£604,734

3.0 Way Forward:

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

The estimated forecast outturn has assumed that construction works can resume in 2024.

Licences and Consents:

A number of licensing and consents have already been obtained for the Forton FCERM Scheme. Due to the delay to the construction start date in 2021 (Covid-19) and the pause of construction works in 2022 (Badger sett & 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 19th August 2020 and 31st December 2020 did not apply to the Forton FCERM scheme as the approval was granted after those dates, and the planning permission does not expire until January 2024.

Table 5. Status update on Forton FCERM Scheme licenses and consents

Licence or Consent	Expiration Date:	Status:	Cost to renew:
Planning application on the existing design	14 January 2024	In-date for the existing design. Any changes to the design may require additional planning permission	Based upon previous application £964
Marine Licence	30 November 2022	Expired	Based upon previous £4,270 (hopefully scope to reduce this significantly)
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	2026 with annual extensions	Annual extensions required for a fee of £50/annum.	£250 initial fee, £50/annum + admin fees (unknown)
Badger licence to interfere with setts	N/A	Needs new application	Consultant cost (Phillips): £7,092 (however this is based upon the badgers being moved). Disturbance licence cost: The cost of this licence is calculated to the nearest quarter of an hour, based on an hourly rate of £101 plus a £61 compliance check. Most licences are likely to cost between £300 and £800, including the compliance check charge.

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 started in 2019 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
- All steps were taken to mitigate the badger risks once confirmed by the ecological consultant in April 2022 and construction works were paused following this.
- A provisional forecast outturn cost for the scheme and funding gap has been identified.
- Project risks remain unchanged from the exception plan outline in the 10th January Community and Environment Board update.
- Licencing and consents 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 Forton and coastal defence scheme.</p>
Appendices:	APPENDIX 1. Forton Project Timeline
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