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| Subject: | Brighton Marina to River Adur, Flood and Coastal Erosion Risk Management (FCERM) Scheme – Detailed Design Contract | | |
| Date of Meeting: | 9 July 2020 23 June 2020 – Environment, Transport & Sustainability Committee | | |
| Report of: | Executive Director of Economy, Environment & Culture | | |
| Contact Officer: | Name: | Alistair Booton | Tel: 07900166313 |
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| Ward(s) affected: | All | | |

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 The purpose of this report is to provide an update and to seek delegated authority and agreement to proceed with the award of the detailed design contracts for the Brighton Marina to River Adur Flood and Coastal Erosion Risk Management (FCERM) Scheme.
- 1.2 Brighton and Hove City Council (BHCC), in partnership with Shoreham Port Authority (SPA), Adur District Council (Adur DC) and the Environment Agency (EA), have developed a 100 year strategy to improve and maintain the coastal defences for the section of coast line between Brighton Marina and the River Adur. Approval for the adoption of the strategy by BHCC was granted at the Environment, Transport and Sustainability (ET&S) Committee on the 1st July 2014.
- 1.3 Technical and financial approval, through the submission of an Outline Business Case (OBC) for a FCERM) Scheme, is being sought from the Environment Agency (EA). The submission and approval of the OBC will support the bid for FCERM Grant in Aid funding from the Environment Agency. Approval for submission of the OBC by BHCC was granted at the ET&S committee on the 25th June 2019.

2. RECOMMENDATIONS:

That the Environment Transport & Sustainability Committee recommends to the Policy and Resources Committee that it:

- 2.1 Delegates authority to the Executive Director for Economy, Environment & Culture to;
- (i) Take all steps necessary to procure and award the detailed design contract required for the implementation of the Brighton Marina to River Adur FCERM scheme.

That the Policy and Resources Committee:

- 2.1 Notes that the Environment, Transport & Sustainability Committee has granted delegated authority to the Executive Director for Economy, Environment & Culture to procure and award a contract for the detailed design of the Brighton Marina to River Adur FCERM scheme;
- 2.2. Agrees to commit match funding of £3,729,924 over a 15 year period (the life span of the project)
- 2.3 Delegates authority to the Executive Director for Economy, Environment & Culture to;
 - (i) Enter into an agreement with the Brighton Marina to River Adur FCERM scheme partners (Adur District Council and Shoreham Port Authority) to set out the terms of their collaboration with respect to the Brighton Marina to River Adur FCERM scheme.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Annually around 8 million people visit Brighton, with about 6.5 million of these on day trips. A trip to the seaside and Brighton & Hove's famous shingle beaches is a key draw of the City, as one of the top 20 destination for overseas visitors to the UK and among Britain's top 10 for visitor destinations overall.
- 3.2 The 13km of coastline within the City's boundaries, helps support Brighton & Hove's tourist industry, which contributes £380 million to the economy and employs c.20,000 people directly or indirectly.
- 3.3 BHCC's strategy for the management of its coast line has been led by The Beachy Head to Selsey Bill Shoreline Management Plan (2006) and the subsequent Brighton Marina to River Adur Flood and Coastal Erosion Risk Management Strategy (2014).
- 3.4 The strategy recommends a capital improvement scheme is undertaken for the Open Coast (Shoreham Port to Brighton Marina) to improve the coastal defences to reduce the long term (100 year) flood and erosion risk, taking account of long-term climate change predictions to sea level rise.
- 3.5 The recommended improvement scheme would protect **13** residential and **105** commercial properties (including Shoreham Sewage Pumping Station and Shoreham Power Station) which are predicted to be lost to erosion within the first 20 years under a No Active Intervention scenario. The scheme would also reduce the present-day flood risk to a further **6** residential and **8** commercial properties.
- 3.6 In total the scheme would provide protection to **19** residential properties and **113** commercial properties
- 3.7 The scheme will be undertaken as a collaboration agreement between BHCC, Adur District Council and Shoreham Port Authority.

- 3.8 BHCC acting as the project lead have submitted an Outline Business Case (OBC) to the Environment Agency (EA). The OBC supports the application for Flood and Coastal Risk Management - Grant in Aid (GiA) funding from the EA.
- 3.9 The approval and release of the GiA funding, requires formal support from each of the scheme partners through an agreed commitment to the delivery of the scheme.
- 3.10 This commitment will be supported by the development of a legal agreement between all scheme partners. This agreement will cover the contribution levels for each partner, payment mechanisms and liability.
- 3.11 The proposed procurement strategy for the appointment of a detailed design contractor and a construction contractor has been prepared and included as **Appendix A**. The procurement strategy was submitted to Procurement Advisory Board (PAB) on the 11th May and the recommendation made within the strategy were agreed.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 Delivery of the detailed design and subsequent construction work will require the input of specific specialised professional services. These services are not currently available within the council.
- 4.2 The specialist services include the design of coastal protection assets, coastal modelling, the preparation and submission of a Marine Management Organisation (MMO) licence, site surveys and the preparation of construction and environment management plans

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 During the development of the Brighton Marina to River Adur Flood and Coastal Erosion Risk Management Strategy, consultation with key representatives from local and national organisations was undertaken.
- 5.2 This consultation helped develop the objectives of the strategy and subsequently ensuring the development of the scheme would meet all the requirements provided by key stakeholders.
- 5.3 Extensive consultation is proposed during the development of the detailed design phase and would utilise the council's Community Engagement Framework.

6. CONCLUSION

- 6.1 The purpose of this report is to provide an update with the continued delivery of the Brighton Marina to River Adur Flood and Coastal Erosion risk management which will be ensure that the council exercise their function as a risk management authority in accordance with the Coast Protection Act 1949 and the Flood and Water Management Act 2010.
- 6.2 The report seeks that delegated authority is granted to the Executive Director for Economy, Environment & Culture to take all steps necessary to procure and

award a contract for the detailed design.

- 6.3 The procurement and award of the detailed design contract will be through the Environment Agency’s Collaborative Delivery Framework (Detailed Design).
- 6.4 It is expected that upon approval by this committee and additional approval granted by the Policy and Resources Committee, that the drafting and agreement of the contract documents to commence the detailed design work, would take approximately 8 weeks

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 A summary of the scheme costs, utilised for GiA (Grant in Aid) approval, are shown in Table 1. As per HM Treasury guidance, the scheme costs, utilised for GiA approval, includes a calculated risk budget (approx. **42%** of scheme costs) and inflation at **2.5% pa**.

Table 1. Breakdown of scheme costs including partner contribution and GiA contribution

| Scheme Partner | Contribution value - Used for OBC calculations (includes capital and maintenance costs, risk and inflation) | FCRM-GiA |
|--------------------------------------|--|--------------------|
| BHCC - Capital cost | £2,590,396 | £4,414,813 |
| BHCC - Maintenance cost | £3,729,924 | - |
| Adur District Council | £6,489,366 | £8,206,922 |
| Shoreham Port Authority | £9,857,462 | - |
| Western Esplanade Management company | £81,061.00 | - |
| | | |
| Project Total | £22,748,209 | £12,621,735 |

- 7.2 The contribution value in the table above includes estimated values of the capital cost (including risk contingency at 42% and inflation) together with the ongoing estimated total maintenance over a 15 year period.
- 7.3 The maintenance values are to be met from existing annual revenue budgets with partners being expected to demonstrate that sufficient resources will be in place for the duration of the contract to support any maintenance liability.
- 7.4 The capital costs will initially be met from the GiA contribution with additional proportional contributions from each of the three partners. It is expected that the grant funding will fund the majority of the works and partner contributions will be required on a proportional basis as and when the GiA funding has been fully utilised. It is expected therefore that in the event that any match funding from partners is required this will not be until years 2023/24 and 2024/25 of the scheme development.
- 7.5 As part of the partnership agreement for the delivery of the scheme, Brighton and Hove City Council, as the project lead will use borrowing to fund the contribution values associated with capital works on behalf of Shoreham Port Authority and

BHCC. Adur District Council will use their borrowing powers to support their portion of financial liabilities. BHCC's contribution (excluding SPA) is expected to be a maximum of £2.590m financed from existing budgets over a 30-50 year period (to be formalised). Repayments will be dependent on the interest rates at the time of borrowing.

- 7.6 The servicing of SPA's proportion of any borrowing will be undertaken by SPA will be formalised through the signing of the legal agreement, approved by all the scheme partners.
- 7.7 The detailed design costs will be met from the GiA grant award and will not require contributions from each of the partners.

Finance Officer Consulted: Rob Allen

Date: 08/06/20

Legal Implications:

- 7.8 In accordance with Part 4 of the Council's Constitution, the Environment, Transport & Sustainability Committee is the appropriate decision-making body in respect of the recommendations set out in paragraph 2 above. In addition, in order to comply with CSO 3.1, authority to enter into contracts in excess of £500,000 must be obtained by the relevant committee.
- 7.9 The Public Contracts Regulations 2015 apply to the procurement and award of contracts above the relevant financial thresholds for services, supplies and works.
- 7.10 Legal officers will advise in relation to the procurement and award of the design contract as well as the agreement with the scheme partners to ensure compliance with Contract Standing Orders and procurement law.

Lawyer Consulted: Wendy McRae-Smith

Date: 06/06/20

Equalities Implications:

- 7.11 A copy of the Equality Analysis Screening, which is an Environment Agency document, that was undertaken as part of the submission of the OBC has been attached as Appendix B.
- 7.12 Additional Equalities Implication will be assessed and reviewed as part of the detailed design work. This work will ensure that the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when BHCC carry out activities associated with the delivery of the scheme (pursuant to the Public Sector Equality Duty, s149 Equalities Act 2010).

Sustainability Implications:

- 7.13 As per the proposed procurement strategy, utilising the Environment Agency (EA's) framework will ensure that the work undertaken during the delivery of the scheme will be in line with the Government's 'Green Government Commitment targets' policy paper and the EA's vision statement and corporate strategy.

- 7.14 The commitments, associated with sustainability, identified within these two EA documents, mirror the following areas identified within the councils Corporate Plan;
- 7.15 Helping the city become a carbon neutral city by 2020 through the reduction of construction waste.
- 7.16 To promote and protect biodiversity by maintaining the quality of our beaches and working with partners on marine conservation.

Brexit Implications:

- 7.17 It is considered that at present, the UK's exiting of the EU will not affect the continued delivery of the scheme.

Crime & Disorder Implications:

- 7.18 It is considered that the scheme is unlikely to have any negative implications to crime and disorder

Risk and Opportunity Management Implications:

- 7.19 As part of the project management of the scheme all risk and opportunity implications will be addressed utilising the PRINCE2 methodology. The identification of the key risks associated with the delivery of project are include within the OBC.
- 7.20 This work has relevance to Strategic Risk SR36 'Not taking all actions to address climate change and ecological change, and making our city carbon neutral by 2030'

Public Health Implications:

- 7.21 The delivery of the scheme will provide protection from flooding and coastal erosion. This protection includes the maintenance of the City's shingle beaches and providing protection to the City's promenades. These assets are key facilities to enable access to the City's coastline and to provide an area to undertake physical activity.

Corporate / Citywide Implications:

- 7.22 As part of the council's function as a risk management authority, the delivery of the scheme will provide flood and coastal erosion risk protection to the coast line between Brighton Marina and the River Adur.
- 7.23 The protection provided by the delivery of the scheme will support the City's tourist and industrial economy, namely through the ongoing maintenance of the shingle beaches and the erosion protection of Shoreham Port.

SUPPORTING DOCUMENTATION

Appendices:

- A. Brighton Marina to River Adur FCERM scheme – Procurement Strategy.
- B. Equality Analysis Screening form

Background Documents

- 1. Brighton Marina to River Adur FCERM scheme – Outline Business Case.

