Brighton & Hove City Council

Cabinet Agenda Item 88

Subject: **Brighton Marina to River Adur Flood and Coastal Erosion Risk Management (FCERM) Scheme**

Date of meeting: **Thursday, 12 November 2026**

Report of: **Cabinet Member for Transport & City Infrastructure**

Lead Officer: **Name: Corporate Director- Operations**

Contact Officer: **Name: Steven Parker**

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Ward(s) affected: (All Wards);

Key Decision: Yes

Reason(s) Key: Expenditure which is, or the making of savings which are, significant having regard to the expenditure of the City Council's budget, namely above £1,000,000 and is significant in terms of its effects on communities living or working in an area comprising two or more electoral divisions (wards).

For general release

1. Purpose of the report and policy context

1.1 The Council Plan commits Brighton & Hove City Council to creating a sustainable city, protecting critical infrastructure, responding to climate change and supporting a prosperous local economy. Investment in flood and coastal erosion risk management infrastructure contributes directly to these priorities by safeguarding communities, businesses, transport networks and environmental assets from the increasing risks associated with climate change.

1.2 The Brighton Marina to River Adur Flood and Coastal Erosion Risk Management (FCERM) Scheme ("the Scheme") is a major partnership programme designed to improve coastal resilience and reduce flood and erosion risk along a significant stretch of the Sussex coastline extending from Brighton Marina to the mouth of the River Adur.

1.3 Brighton & Hove City Council acts as Lead Authority for the Scheme in partnership with Adur & Worthing Councils, Shoreham Port Authority and the Environment Agency. Phase 1 of the Scheme has substantially been completed and Phase 2 construction works within Brighton & Hove are progressing on programme. This report seeks approval to commence procurement and delivery of Phase 3 of the Scheme, which comprises works

located primarily within Shoreham Port and the Adur & Worthing administrative area.

1.4 The report also seeks approval to revise the Council's previously approved capital contribution from £11.0 million to £4.5 million following confirmation of additional Environment Agency Grant in Aid funding and a review of the overall funding strategy for the Scheme.

2. Recommendations

2.1 That Cabinet approves the commencement of an open procurement process for Phase 3 construction works of the Scheme with an estimated contract value of approximately £13.5 million, with the procurement undertaken by Brighton & Hove City Council in its capacity as Lead Authority for the Scheme and in consultation with the Cabinet Member for Transport and City Infrastructure.

2.2 That Cabinet confirms Brighton and Hove City Council's continuing role as Lead Authority for the Scheme and delegates authority to the Corporate Director, City Operations, in consultation with the Cabinet Member for Transport and City Infrastructure, to:

2.2.1 take all steps necessary to enter into any partnership, funding or delivery agreements required to facilitate Phase 3 and complete the Scheme.

2.2.2 evaluate tenders and award the Phase 3 construction contract; and,

2.2.3 enter into any associated contracts, warranties, deeds and ancillary documentation.

2.3 That Cabinet approves the revision of Brighton & Hove City Council's capital contribution to the Scheme from £11 million to £4.5 million, reflecting updated funding arrangements and increased Environment Agency Grant in Aid allocations.

2.4 That Cabinet approves an increase in capital budget of £9.8m funded by Grant in Aid and external contributions from Shoreham Port Authority.

3. Context and background information

3.1 Brighton & Hove City Council is both a Coast Protection Authority under the Coast Protection Act 1949 and a Lead Local Flood Authority under the Flood and Water Management Act 2010. The Brighton Marina to River Adur Flood and Coastal Erosion Risk Management (FCERM) Scheme forms part of the national Flood and Coastal Erosion Risk Management Strategy and has been developed to reduce flood and coastal erosion risk along the vulnerable stretch of coastline between Brighton Marina and the mouth of the River Adur.

3.2 Brighton & Hove City Council acts as Lead Authority for the Scheme and works in partnership with Adur & Worthing Councils, Shoreham Port

Authority and the Environment Agency. The partnership was established to deliver a coordinated approach to coastal resilience, secure external funding and achieve value for money through joint planning, design and delivery across administrative boundaries. Each partner remains responsible for funding their agreed works to the Scheme and in this regard Brighton and Hove City Council and Shoreham Port Authority intend to enter into a contract for BHCC to receive payments in respect of Area 2A and 2B (Phase 3) to cover all costs associated with the tendered contract and final value. This would be prior to any notification to the appointed winning contractor.

3.3 This was formally recognised within a Memorandum of Understanding (MoU) signed by the Stakeholders in April 2016 and served both a commitment and outline in approach to governance, procurement and delivery in a spirt of mutual trust and cooperation to achieve the Schemes objectives.

3.4 The Scheme will improve resilience to coastal erosion, storm events and rising sea levels through a combination of beach management, improvements to existing sea defences, construction of rock revetments and associated infrastructure works. The completed Scheme will provide long-term protection to communities, businesses, transport infrastructure, utility assets and environmental resources along this section of the Sussex coastline, supporting adaptation to climate change and reducing the future costs of coastal erosion and flooding.

3.5 The Scheme comprises three phases. Phase 1 included development of the Outline Business Case, environmental assessments, planning approvals, licences, detailed design, biodiversity mitigation measures and enabling works, together with construction activities at Basin Road and the Lagoon. Phase 2 comprises coastal defence improvements at Kings Esplanade and Southwick Beach and is currently progressing on programme, with completion anticipated in 2026.

3.6 Phase 3 represents the final principal construction phase of the Scheme and is located primarily within Shoreham Port and the administrative area of Adur & Worthing Councils. The works include repairs and enhancement of existing sea wall structures, construction of new rock revetments, improvements to coastal resilience infrastructure and reinstatement of public access routes. These assets provide protection to nationally significant port infrastructure, transport connections, utility infrastructure, employment land and surrounding communities.

3.7 In April 2025 Cabinet approved the funding strategy for the Scheme based on an overall Scheme value of £41.5 million, including an anticipated Brighton & Hove City Council capital contribution of £11.0 million. Following an updated Outline Business Case (Appendix 3) and successful negotiations with the Environment Agency, Grant in Aid funding has increased from £14.0 million to £25.9 million, reducing the Council's forecast capital contribution to £4.5 million and significantly improving the affordability of the Scheme. The budget for the final phase now requires approval.

3.8 The current approved Scheme budget is £26.5m. It is anticipated that the final costs of the scheme will be £36.5m with the latest forecast indicating that delivery remains achievable within that funding envelope while retaining an appropriate contingency provision of £1.5m. Cabinet are therefore being asked to approve the final element of the capital budget of £9.8m to bring the total to £36.5m. Table 1 below provides an outline of the financial position of the programme and the movements in budget and funding.

Table 1 - Financial Position of the scheme (July 2026 OBC update)	**Total Project with updated funding proposals (£'000)**	**Approved by Cabinet to date (£'000)**	**Requires Cabinet Approval (£'000)**
Scheme costs	36,500	26,700	9,800
Funded by			-
BHCC Borrowing	4,500	11,000	(6,500)
External Contribution*	6,100	1,700	4,400
EA / DEFRA Flood Defence Grant in Aid	25,900	14,000	11,900
Total original funding	**36,500**	**26,700**	**9,800**
Revised funding			-
Expenditure and commitments			-
Spend to 31 March 2026	9,300	9,300	-
Spend and commitments in 2026/27	11,900	11,900	-
Total spend and commitments	21,200	21,200	-
Funding applied to spend and commitments			-
BHCC Borrowing	3,300	3,300	-
External Contributions	2,600	2,600	-
Grant	20,600	20,600	-
Total funding applied	26,500	26,500	-
Remaining cost to be incurred	**15,300**	**5,500**	**9,800**

*Subject to agreement and final costs

3.9 The purpose of this report is therefore to seek authority to undertake procurement and delivery of Phase 3 and to approve the revised funding profile reflecting the increased Environment Agency contribution and reduced borrowing requirement.

4. Analysis and consideration of alternative options

4.1 The option of not proceeding with Phase 3 has been considered and is not recommended. The Phase 3 works form the final principal construction phase of the Brighton Marina to River Adur FCERM Scheme and are required to complete the approved programme of coastal defence improvements.

4.2 Failure to proceed would increase the risk of coastal erosion, flooding and deterioration of existing defence assets affecting Shoreham Port, associated utility infrastructure, transport links, employment land, public access routes and surrounding communities. In addition to increasing environmental and economic risks, non-delivery would reduce the overall effectiveness and benefits of the wider Scheme.

4.3 The Council has acted as Lead Authority for the Scheme since its inception and has worked collaboratively with Adur & Worthing Councils, Shoreham Port Authority and the Environment Agency to secure funding, complete design development and obtain the necessary approvals. Failure to complete the final phase could damage strategic partnerships and may adversely affect future opportunities to secure external funding for flood and coastal resilience projects.

4.4 Alternative procurement routes were considered. An Open Tender process is recommended as it provides the greatest level of market competition, transparency and value for money whilst ensuring compliance with the Procurement Act 2023 and the Council's Contract Standing Orders. The contract has been prepared by engineering consultancy Mott MacDonald and approved by Legal Services.

4.5 The Council's Procurement Team has been consulted on the proposed procurement strategy and has confirmed that sufficient capacity is available to support the procurement process and contract award timetable. Technical, project management and specialist support arrangements are also in place to support successful delivery of Phase 3.

5. Community engagement and consultation

5.1 The wider Scheme and proposals to both the Kings Esplanade beaches and Shoreham Port Authority sea walls, have been extensively promoted both internally and externally to all stakeholders over the last 6 years including; press releases, internal presentations to councillors and wider directorates, public open sessions and road show exhibitions.

5.2 The April 2025 the Cabinet report confirmed there had been extensive public engagement sessions over the previous years. In recent times a large Public Engagement session was held at the King Alfred Leisure centre in April 2026 to provide a Phase 2 (and 3) update as the works progressed. This was extremely well attended (about 70 residents and business owners and interested parties) and included all the senior deliver partners who gave presentations, Jane Miller OBE (the first female High Commissioner to Guyana), local ward councillors and the cabinet member for Transport and City Infrastructure Cllr Trevor Muten.

5.3 Phase 2 works have extensively engaged with the local community, stakeholders and interested parties and this has remained a key component of this FCERM Scheme throughout. Furthermore, during Phase 2 a web site was created with access via a QR code giving real-time information on what,

where and when with both videos and oversite of the activities to be completed. In addition, an on-site Public Liaison Officer was present 3 days a week and also provided a drop in kiosk, dedicated email and phone contact details and regular engagement sessions with Schools and other social value elements. Please see Appendix No 1 for a full list of all social value activities.

5.4 Phase 3 does not alter the scope or nature of the approved Scheme and therefore no additional consultation is required in relation to the recommendations set out in this report beyond what has already taken place. However, the team will continue with both new public engagement sessions for Phase 3 as well as continued social value delivery as part of our wider commitment to the community and the City corporate Plan.

6. Financial implications

6.1 The current approved capital budget for the Brighton Marina to River Adur Flood and Coastal Erosion Risk Management Scheme is £26.7m, this is included in the capital programme and is for costs from inception of the project up to 31 March 2026. The final cost estimate to complete the whole project is £36.5m. As per recommendation 2.4, Cabinet are being recommended to approve a budget increase of £9.8 million to be included within the capital programme, funded by additional Environment Agency Grant in Aid and an increase in external partner contributions.

6.2 The updated funding profile for the project includes £25.9m (increased from £14.0m) of approved Environment Agency Grant in Aid and £6.1m of external contributions. The external contributions are subject to the finalisation of the relevant funding agreements being agreed and final scheme costs. This increase in funding enables the council's contribution to be reduced from the previously approved £11.0m to £4.5m.

6.3 The £6.5m reduction in council borrowing represents a significant improvement in the affordability of the Scheme, reducing the council's exposure to future borrowing costs, including interest and Minimum Revenue Provision charges. The cost of financing the £4.5m is estimated to be £0.370m, using an interest rate of 6.56% (24 September 2026 PWLB rates less 0.2 basis points) over a 25-year asset life. Actual interest rates will be subject to the timing of the borrowing and in line with the Council's Treasury Management strategy. Within the overall City Infrastructure budgets there is headroom within the service borrowing budget lines to fund this expenditure, however this does reduce what is available for other projects in the pipeline which are likely to require pressure funding. This value is unknown and requires business cases to be developed.

6.4 The previously approved borrowing provision included an allowance for scheme risk, uncertainty over external funding and a potential loan facility for Shoreham Port Authority. Following approval of the updated Outline

Business Case and confirmation of the increased Environment Agency funding, this level of council provision is no longer required. Shoreham Port Authority remains responsible for funding works relating to its assets and land, with its contribution to be secured through other funding agreements as opposed to a loan directly from the council.

6.5 The risks associated with the project are in an increase in costs over and above the £1.5m contingency allowed for in the latest budget estimate. As final element of the works relates to assets the council does not own an agreement will need to be sought with Shoreham Port Authority with regards the funding of the cost overrun so that the councils financial position is not worsened as a result.

6.6 Should any cost overrun relate to a council asset this would need to be funded by council resources. At the rates assumed in paragraph 6.3 for every £0.100m worth of borrowing the revenue impact will be £0.010m. As outlined in the report the project is expected to be managed within the latest approved budget which includes £1.5m of contingency (10% of the remaining costs). Robust financial monitoring and reporting will therefore be required throughout procurement and delivery of the final phase.

Craig Garoghan Date consulted: (24/09/26)

7. Legal implications

7.1 The Council has the power to take forward the arrangements contemplated by this report under the general power of competence set out at section 1 of the Localism Act 2011, which allows the Council to do anything that an individual may do subject to any statutory constraints on the Council's powers. No such limitation has been identified as preventing the Council from implementing the recommendations in this report.

7.2 The Council is able to act as Lead Authority in relation to works on land on neighbouring coastlines because it is complying with statutory requirements, relevant consents, and agreements, primarily under the Coast Protection Act 1949, the Flood and Water Management Act 2010, and the Marine and Coastal Access Act 2009. Such requirements include that the purpose of the work should be to manage coastal erosion risk in the authority's own area, as it is in relation to this project. The Coast Protection Act also makes clear that an authority may enter into agreements with other authorities for the carrying out of such works, The Marine and Coastal Access Act 2009 also provides for joint discharge of functions and for local authorities to act together or on each other's behalf in the management of the marine and coastal environment (c. 23 s. 20).

7.3 In proceeding with the procurement and award of contract contemplated by this report and in accordance with recommendations 2.1 and 2.2, the Council is required to comply with the Procurement Act 2023 and associated regulations, together with the Council's Contract Standing Orders.

7.4 As Lead Authority for the FCERM Scheme, BHCC will enter into an NEC4 Engineering and Construction Contract with the successful bidder for the delivery of the works. BHCC will also enter into a separate funding agreement with Shoreham Port Authority (SPA) through which SPA will contribute its agreed share of the costs of the works. The funding agreement will include appropriate provisions governing the timing and payment of SPA's contribution, together with provisions protecting BHCC in the event of late payment or default by SPA.

Jane Woods Date consulted: 29 September 2026

8. Risk implications

8.1 The principal risks associated with the Scheme are summarised below:

Risk	Impact	Mitigation
Failure to proceed with Phase 3	Increased flood and erosion risk	Delivery of approved Scheme
Loss of external funding	Financial and reputational impacts	Continued programme delivery
Procurement delays	Increased costs and programme slippage	Early procurement and project management
Construction inflation	Increased costs	Budget controls and contingency management
Climate change impacts	Increased exposure to flooding and erosion	Climate-adapted infrastructure design
Failure of existing assets	Threat to infrastructure and services	Planned replacement and enhancement works

8.2 Failure to deliver the proposed works would increase the environmental, economic and social risks associated with coastal erosion and flooding. There is also a risk that failure to proceed could adversely affect future funding opportunities and strategic relationships with funding and delivery partners.

9. Equalities implications

9.1 Equality Analysis has been carried out through a project screening process to give due consideration to equality, diversion and inclusion. This was submitted as part of the OBC and the Council's diversity team has been consulted. A copy is attached in Appendix 2. This will remain under review.

9.2 Establishing relevance was determined around restrictions to any particular group (protected and others) regarding the sea defence activities within the Scheme.

9.3 Due to the nature of the improvements and the fact no new amenities are being constructed (replacement and repair only) the overall implications are neutral.

10. Sustainability implications

10.1 The project has both net zero and biodiversity at its heart in respect of contributing to the wellbeing of the city.

10.2 Energy: where possible reduced emissions will be created using biofuels where no alternative to hydrocarbons exists. Consumption will be reduced wherever possible and clean energy use will be encouraged across the Scheme utilizing a mix of clean energy options.

10.3 Travel & Transport: the team are committed to keeping activities local to reduce travel and transport requirements and to also encourage shared services where possible.

10.4 Sustainable procurement: we are encouraging through our key qualification questions the need for suppliers to provide evidence and examples of their commitment to operating in a culturally sustainable manner as a business.

10.5 Sustainable economy: the Scheme has and continues to encourage local participation by suppliers. Many of the team live locally.

10.6 Health Safety and Wellbeing: the suppliers and future suppliers have and are required to demonstrated environmental credentials, their commitment to operating in a proactive manner and their legislative responsibilities.

10.7 Construction Environmental Management Plan (CEMP): all our suppliers and delivery partners both contribute and work to assist each other in ensuring clarity and best practice.

10.8 Biodiversity and nature conservation: the beach and the designs delivered are to be constructed allowing for an increase in biodiversity net gain, protection of existing non-invasive species and encouragement of new colonies within a designated set aside area. This will help establish a connection of flora and fauna with existing established areas all along the seafront.

11. Health and Wellbeing Implications:

11.1 The promenade, beach access along Basin Road and facilities built on top of defence assets include education and skills, healthy places for communities, transport links and shared spaces bringing together people and communities.

11.2 The beaches and the structures built for sea defence have the added benefit of offering opportunity for wellbeing. This includes physical and mental and is shared across all groups helping to reduce inequality.

11.3 The wider beaches, repaired pathways and better defence offer increased wellbeing for millions of residents and visitors per year.

12. Procurement implications

12.1 The procurement strategy was set out and agreed in 2020 and further updated through the committee and cabinet approval process. The Scheme is split into three phases; 1, 2 and 3. Phase 1 covers all shared cost and runs the entire period from 2020 to the end of the whole Scheme – March 2028.

12.2 Procurement of Phase 3 is via open tender and there are no issues or concerns regarding this route in relation to the next phase of works.

13. Conclusion

13.1 The Brighton Marina to River Adur FCERM Scheme is a significant investment in coastal resilience and climate adaptation that supports the Council Plan priorities of protecting communities, supporting the economy and responding to climate change.

13.2 Phase 1 activities have substantially been completed, and Phase 2 construction works are progressing in accordance with the approved programme. Phase 3 represents the final major construction phase of the Scheme.

13.3 Additional Environment Agency funding has substantially reduced the Council's borrowing requirement while enabling the full Scheme to be delivered. The revised funding position represents a significant improvement in affordability compared with that reported to Cabinet in April 2025. Additional Environment Agency Grant in Aid has reduced the Council's anticipated borrowing requirement by £6.5 million whilst maintaining delivery of the full Scheme and retaining an appropriate level of contingency within the approved programme budget.

13.3 Approval of the recommendations will enable the Council, in its role as Lead Authority, to complete procurement and delivery of the final phase of the Scheme and realise the long-term benefits of improved flood and coastal erosion protection across this section of the Sussex coastline.

Supporting Documentation

1. Appendices

1.1 Appendix No 1 – Social and Community Engagement Delivery
1.2 Appendix No 2 – Equalities Impact Assessment
1.3 Appendix No 3 – Updated OBC