



Portfolio Holder Report

The portfolio holder will make a decision on this item after seven days have elapsed (including the date of publication).

Report of:	Portfolio Holder	Date of publication
Mark Billington, Service Director People and Places	Councillor Alan Vincent, Resources Portfolio Holder	20 June 2019

Appointment of Contractor to Provide Economic Input to the Wyre Beach Management Scheme Outline Business Case
--

1. Purpose of report

- 1.1 To seek Portfolio Holder approval for an exemption to the council's financial procedure rules for the procurement of the engineering contractor Volker Stevin to provide project economic, technical and buildability advice for the Wyre Beach Management Scheme Outline Business Case.

2. Outcomes

- 2.1 Deliver the Wyre Beach Management Scheme.

3. Recommendations

- 3.1 That approval is given to appoint Volker Stevin to assist in the preparation of a business case for the Wyre Beach Management Scheme to submit to the Environment Agency to secure funding for the design and construction of the scheme.
- 3.2 That approval is given by the Resources Portfolio Holder for the Head of Engineering Services to enter into an agreement with Volker Stevin to provide consultancy services to assist in the preparation of the business case.
- 3.3 That approval is given by the Resources Portfolio Holder to allow for the appointment of consultants under the exemptions to Contract Procedures contained within the Financial Regulations and Financial Procedure Rules on the grounds that if a framework agreement is available that necessitates the Council not having to go out to tender and the goods, works services will still provide the council with best value for money.

4. Background

- 4.1** The Wyre Urban Core Strategy (WUCS) was approved in September 2012. The strategy recommended four schemes to take forward. The highest priority schemes at Rossall and Anchorsholme were developed first and are now complete. The other two schemes identified were the Royles Brook and Hillylaid Watercourse which officers have been assisting the Environment Agency (EA) to develop and the Wyre Beach Management scheme.
- 4.2** The Beach Management scheme aims to provide a high standard of protection against flooding for over 11,250 properties along the open coast frontage between the boundary with Blackpool at Cleveleys and Fleetwood Ferry Dock. This will involve raising and sustaining beach levels along the frontage through a combination of beach control structures and beach management.
- 4.3** The scheme has been identified in the EA's Medium Term Plan (MTP) commencing 2017/18. However in order to progress the scheme to construction it is necessary to follow the EA's appraisal guidance which is in accordance with the Department for Environment, Food and Rural Affairs' (DEFRA) policy statement. The works required include the development of a business case in accordance with HM Treasury's Five Case business model which must be developed in three phases:
1. Strategic Outline Case (SOC) – the case for change;
 2. Outline Business Case (OBC) – preferred option, and;
 3. Full Business Case (FBC) – detailed design and firm prices.
- 4.4** Phase 2 is currently being carried out by Jacob's consultants in accordance with the Portfolio Holder approval obtained on 25 October 2018. In order to progress the OBC it requires the assistance of a competent contractor who has significant knowledge of this length of coastline to develop the economic, technical and buildability aspects of the Business Case.
- 4.5** The Outline Business Case (OBC) has identified and shortlisted suitable options which are to be economically, technically and environmentally appraised. Assistance with the technical and economical appraisal from an experienced contractor is required. Volker Stevin are the EA's preferred contractor for the North West and are currently undertaking coastal works for Fylde Council. They have vast experience in coastal construction and are ideally placed to assist with the OBC.

5. Key issues and proposals

- 5.1** In order to commence the construction works in accordance with the EA's MTP it is necessary to complete the OBC by October 2019. In order to achieve this, it is necessary to obtain the support of a competent and experienced contractor. Volker Stevin meet these requirements having been selected as the Environment Agency's Water and Environmental

Management procurement framework (WEM) contractor. It is proposed to directly appoint Volker Stevin through this framework.

- 5.2** Exemption from the Council's standing orders is therefore sought as a framework agreement is available that necessitates the Council not having to go out to tender and the goods, works services will still provide the council with best value for money. The cost of works to assist with the OBC are in line with the EA's National framework and represent value for money.
- 5.3** The works required to inform the OBC will be supported through external funding through Grant in Aid (GiA). The scheme is already on the Capital Programme.

6. Delegated functions

- 6.1** The matters referred to in this report are considered under the following executive function delegated to the Resources Portfolio Holder (as set out in Part 3 of the council's constitution):

"To consider departures from Rules relating to financial and contractual matters if appropriate."

Financial and legal implications	
Finance	<p>Volker Stevin will charge £19,256 for assisting with the technical and economic aspects of the business case.</p> <p>These costs will be met from the fund already allocated for agreed development of the OBC by the EA. This is shown in the Capital Programme for 2019/20 within the £162,468 on 8273/04000 for Consultants and in-house fees.</p>
Legal	<p>A contract will be entered into with Volker Stevin under New Engineering Conditions of Contract 3 Professional Service Contract Option E.</p>

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	✓
equality and diversity	x
sustainability	x
health and safety	✓

risks/implications	✓ / x
asset management	✓
climate change	✓
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

report author	telephone no.	email	date
Carl Green	01523 887215	carl.green@wyre.gov.uk	12/06/2019

List of background papers:		
name of document	date	where available for inspection
None		

Appendices

None

dems/ph/res/cr/19/0006cg3