

Report to: Cabinet



Date of Meeting 3 March 2021

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Sidmouth and East Beach Beach Management Plan (BMP) Standing Orders Exemption

Report summary:

To notify cabinet of the standing orders exemption used for the new additional work required on the Sidmouth and East Beach BMP. This is keeping the existing consultant to update the Outline Business Case (OBC) to match new government funding rules, which have been updated since the previous OBC was completed.

Recommendation:

That Cabinet;

Are notified that a Standing Order Exemption has been used to continue work on the Sidmouth and East Beach BMP. The value is £62,514.50.

Reason for recommendation:

1. Central Government updated their spending rules making them more favourable, and the current OBC no longer matches these rules and would not be accepted.
2. Keeping the existing consultant to update their own figures and documents is both quicker and cheaper than procuring another consultant to start from scratch. The consultant's price breakdown is similar to their original competitive tender for like for like activities.

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Portfolio(s) (check which apply):

- Climate Action and Emergencies
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Culture, Tourism, Leisure and Sport
- Democracy and Transparency
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities

Financial implications:

The financial implications are detailed in the report. If approved there will be minor staff costs in the current financial year which can be accommodated within existing budgets with the full costs then incorporated into the 2021/22 budget proposals.

Legal implications:

The contract value falls below the threshold set out in the Public Contracts Regulations 2015 and therefore the EU procurement procedure (which is still currently relevant) does not apply and an exemption can be validly relied upon pursuant to the Council's Contract Standing Orders Rule 3.2. The reason for using the exemption in this case appears justified.

Equalities impact .

Low Impact

Climate change High Impact

Risk: Medium Risk; Risk of not entering a direct contract with the consultant would have led to project delays of approximately 6 months, whilst a tender is carried out, and the work carried out. Given the background work required, it would be unlikely another competitor would win the work, so there would be no saving, but just added additional delay to the implementation of the BMP.

Links to background information

Link to [Council Plan](#):

Priorities (check which apply)

- Outstanding Place and Environment
- Outstanding Homes and Communities
- Outstanding Economic Growth, Productivity, and Prosperity
- Outstanding Council and Council Services

Report in full

1. Introduction

- 1.1 Sidmouth and East Beach BMP is the project to deliver improved flood and coastal protection for the Town of Sidmouth. Although EDDC are contributing £500k, the primary funder of the project is DEFRA, however their funding contribution must be assured by a team of experts within the Environment Agency, known as the National Project Assurance Service (NPAS). NPAS require an OBC to be produced to demonstrate the economic case for undertaking the project. Once the project is assured it can access DEFRA funding and progress to detailed design and construction.
- 1.2 Royal HaskoningDHV successfully won the competitive tender to produce the OBC, and this was largely completed to a near final draft stage, however we still had a funding gap of £1.5million using the previous funding methodology.

2. Why is this additional spend required?

- 2.1 Due to changes in government funding, we need to update the OBC to match the revised funding methodology. This includes further study to enable claiming of additional benefits which will likely mean more central Government grant available, closing the funding gap. The current consultant (Royal HaskoningDHV) has completed a draft business case for the

previous funding, so is best placed to update the business case. Appointing a new consultant would increase delivery time, and risk a knowledge gap. The current consultant hold all the models and data to ensure a quick turnaround of the project.

- 2.2 Of the £62k package, approximately £30k is updating the business case to the latest requirement, including additional study and updating the environmental impact assessment.

£6k is for a series of public exhibitions (virtual) to help inform and design the splash wall.

£5k is for assistance in putting together tender documents to deliver the next phase of the project (to help speed up delivery).

£22k is for a further study into beach shingle volume analysis. This was originally due to be in addition to the previous project, but has been brought into this contract. It's addition was supported by the Sidmouth and East Beach BMP Sub-Finance group. The aim of the analysis is to identify at which trigger points the beach will need to be replenished in the future to maintain the standard of protection. This will help plan future maintenance, and is hoped will bring whole life costs down.

3. Where is the funding for this additional expenditure

- 3.1 EDDC have already assigned £500k to the project and this additional cost will be covered by that.
- 3.2 The new modelling and funding rules close the Sidmouth BMP funding gap and so this work is essential in progressing the project in a timely manner.
- 3.3 The standing orders exemption (linked under background papers) was completed in August 2020. The delay in bringing the covering Cabinet report forward is related to conflicting workloads and pandemic response work.