

Report to: Cabinet



Date of Meeting 4 June 2025

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Seaton Coast Protection Scheme. Funding and proceeding prior to external funding being claimable

Report summary:

This report is to update Cabinet and to seek approval to spend up to £673,500 at risk to enable the project to start within the desired time frame before external grant confirmation and payment is received.

The report explains the reasons for the administrative delay in grant confirmation and payment and highlights the risks to the council.

Is the proposed decision in accordance with:

Budget Yes ☐ No ☒

Policy Framework Yes ☒ No ☐

Recommendation:

1. That Cabinet recommend to Council that up to £673,000 of the works budget is spent at risk before external funding can be confirmed and claimed in late summer in order for the scheme to be completed with the required timescale.

Reason for recommendation:

1.To enable the project to proceed. Deferring the project by a year will likely lead to prices increasing further, so it's the last chance to proceed with the current scheme. There is a small chance the scheme can proceed this year without this upfront spend, however the window is small.

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Portfolio(s) (check which apply):

- ☐ Assets and Economy
- ☐ Communications and Democracy
- ☐ Council, Corporate and External Engagement
- ☐ Culture, Leisure, Sport and Tourism
- ☒ Environment - Nature and Climate
- ☒ Environment - Operational
- ☒ Finance
- ☐ Place, Infrastructure and Strategic Planning
- ☐ Sustainable Homes and Communities

Equalities impact Low Impact

Climate change High Impact

Risk: Medium Risk; Project is well developed, but lacking funding

Links to background information May add link to updated business case when prepared.

Link to [Council Plan](#)

Priorities (check which apply)

- ☐ A supported and engaged community
 - ☐ Carbon neutrality and ecological recovery
 - ☒ Resilient economy that supports local business
 - ☐ Financially secure and improving quality of services
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Report in full

1. Background

- 1.1. Seaton Hole Beach Management Plan (BMP) has been developed over many years and the Outline Business Case (OBC) was assured in 2021 by the Environment Agency, securing external funding subject to approval. Since the OBC was assured, the project has been transferred to BCP (Bournemouth Christchurch Poole) Council to run under our South West Flood and Coastal (SWFC) service share agreement. The project is now called the Seaton Hole Coastal Protection Scheme (CPS)
- 1.2. The projects aim is to reduce the rate of erosion on the cliffs at Seaton Hole and reduce risk of cliff falls to beach users.



Figure The 2012 cliff slip at Seaton Hole, East Devon (Source: <https://www.dailymail.co.uk/news/article-3712663/Three-cliff-houses-command-premium-prices-stunning-sea-views-virtually-worthless-huge-landslip-left-brink-100ft-drop.html>)

- 1.3. The project is largely to increase the volume of existing rock armour on the beach at the toe of the cliffs and also upgrade gabion baskets and maintain the existing wall.

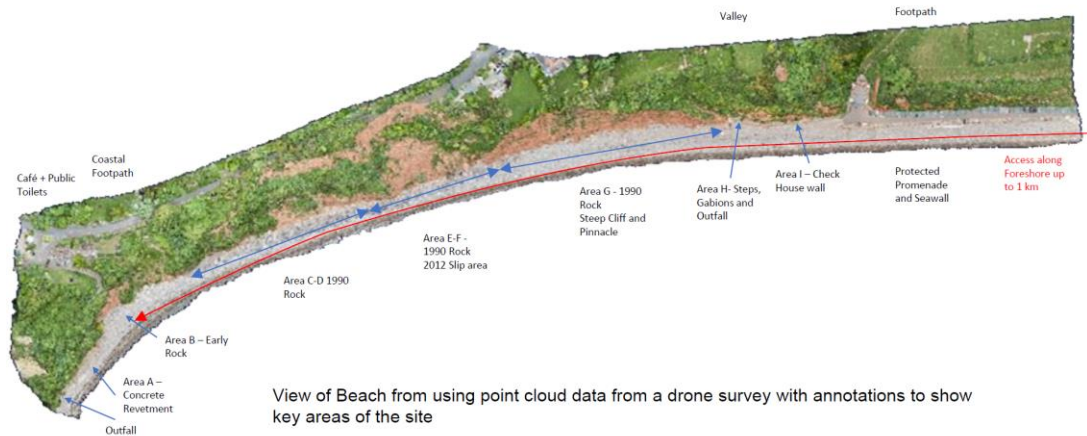


Image 1.3. Overview of the works area.

- 1.4. We have tendered the contract for these works to the open market receiving two compliant bids back, and subject to funding, we will award the winning bidder to complete the works.
- 1.5. The tendered price is above what was allowed for in the business case, so we require additional funding to close the funding gap. (See section 2)
- 1.6. The works require 7000 tonnes of rock to be brought to Seaton. We have enquired about bringing this by road, but due to the road network, a sea only delivery is possible, which has led to the increased scheme cost

2. Programming concern

- 2.1. To enable the contractor to build the works safely, rock needs to be delivered by early September at the latest, or risk poor weather and further costs. To enable this to occur, a rock supply and vessels needs to be secured as soon as possible.
- 2.2. We currently do not have enough funds within the project to allow us to enter a contract to enable rock to be sourced and supply ship secured. We only have approximately £260k available. However, we need £935k available.
- 2.3. To enable us to access the agreed funding from both FDGIA and Local Levy, we need to have completed the (Coastal Protection Act) CPA1 and CPA2 forms, before the Environment Agency can legally transfer funds to our project budget.
- 2.4. We have met all the requirements of the CPA1 and CPA2 forms aside from gaining full planning permission.
- 2.5. Due to delays with the new BNG requirement, planning is unlikely to be granted until Mid July 2025, and possibly later if it needs to go to committee.
- 2.6. Therefore funding administered by the Environment Agency can't be released until Mid July at the earliest, which puts entering contract to enable supply and delivery of rock before mid September extremely unlikely.
- 2.7. This means we would not enter contract with the contractor, and we may need to retender for starting work next summer, however it is likely through inflation, costs would increase, requiring further funding.
- 2.8. We have approached the Environment Agency to explore if there is a way of allowing funding prior to administrative approval, but it is not possible.
- 2.9. Therefore we either need spend £673,500 at risk until external funding is confirmed (July to September 2025) or risk the project being delayed until next year, where more funding challenges may be realised.
- 2.10. We believe the Environment Agency funding rules may change again in the near future, which may make the scheme affordable again to deliver next year, however nothing is confirmed.

3. Financial situation

- 3.1. The total project's cost is £2.227 million.
- 3.2. The updated business case was recently assured by the Environment Agency meaning the project is fully funded (when money is claimable) This money has also been allocated.
- 3.3. The current funding sources are as follows:

Funding	Value	Notes
FDGIA	£1,099,380	Assured and allocated but not administratively approved
Local Levy	£587,712	Assured and allocated but not administratively approved
EDDC and SWFaC	£849,772	Accessible
Seaton Town council	£20,000	Not yet claimed
	£2,556,864	

- 3.4. The project has spent to date approximately £550,000 from the EDDC and SWFaC funding pot.

4. Planning Risk.

- 4.1. We are confident that planning permission will be granted as we have completed a pre-application enquiry, and no major issues were noted. However, it remains a risk to the project if it is not granted once the rock is on order/in delivery.

5. Conclusion.

- 5.1. To ensure the project can make it to site this summer/autumn, we need the council to approve spend of up to £673,500 to cover works costs prior to funding being confirmed and paid. This is at the risk of planning not being granted, this being the remaining requirement to receive funding.
 - 5.2. There is a small chance the scheme can proceed with waiting until planning permission is granted, but requires many things to align positively, however we believe this to be unlikely.
 - 5.3. We could wait until next year, but likely we will need to find additional funds either internally or externally to cover the likely increased costs.
 - 5.4. Therefore, it is recommended that the Council approve up to £673,500 of works against this project, which will be met through external funding if planning permission for the scheme is approved and thereby meeting all grant conditions for eligible funding.
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Financial implications:

The financial details are covered in the report. The project has incurred preparations costs in line with the Council approving the overall budget for this scheme, the request here is that the works begin for reasons outlined in the report prior to planning permission being granted and hence meeting all grant conditions necessary. It is believed planning permission will be granted thereby the Council receiving external funding as outlined in the report, there is a small risk described in the report of this not happening in which case the Council will have spent up to £673,500 which will not be recoverable for this project, at this time. The Council will have purchased rock armour that under worst case scenario is likely to have use for in the future.

Legal implications:

Some of the legal implications are covered in the report, any works need to be procured and contracted in accordance with legislation and the Council's Contract Standing Orders.