



CABINET

Tuesday 3 November 2020

SOUTHWOLD HARBOUR NORTH PIER FENDER REPAIR

EXECUTIVE SUMMARY

1. Southwold Harbour North Pier Fender is damaged and in need of repair to protect mariners from harm when navigating in to and away from the Blyth Estuary.
2. This report explains why a repair is required, what options for repair have been considered and makes a recommendation for a repair in spring 2021 at an estimated maximum cost of £1.1M. The funding sources are proposed as: £400,000 from existing Coastal Management capital funds, £170,000 from Coastal Management reserves and the balance of £530,000 from the capital budget to be repaid from the Southwold Harbour account.
3. The actual cost may be lower subject to the outcome of the procurement process and an application for Flood Defence grant in aid.
4. The report also notes that further significant spending is required to sustain the North Pier in the short and medium term and recommends that this financial commitment be recognised in forward spending plans by the team responsible for management.

Is the report Open or Exempt?	Open
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Wards Affected:	Southwold
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Cabinet Members:	Councillor David Ritchie Cabinet Member with responsibility for Planning and Coastal Management Councillor Maurice Cook Cabinet Member with responsibility for Resources
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1 INTRODUCTION

- 1.1 Southwold Harbour entrance North Pier has both navigation and flood and erosion management functions. It was substantially rebuilt in 1992 when a rock armour mound was added to the seaward piled jetty seaward end and channel face. The aim was to narrow the channel, support the unstable piled jetty and reduce wave energy. A timber fender mounted on steel piles was installed around the rock mound to protect vessels from impact damage. This was a requirement of Trinity House.
- 1.2 In 2008 ~18m of the seaward face of the fender was rebuilt after several steel piles failed. At that time other parts were found to be deteriorating and replacement of the remaining length of ~16m was assumed likely within 5-10 years i.e. by 2018.
- 1.3 Fender condition diving surveys were done in 2012 and 2016. The 2016 report identified a high risk of failure of the seaward part and recommended a range of potential improvements. In autumn of 2016, a 9m length of seaward fender failed.
- 1.4 In late 2017 a Cabinet Report considered a range options including repair of both seaward and channel fender parts. The channel part at ~54m is less exposed and has a longer life. It was resolved to replace the damaged outer part using the original 1992 design at a cost of £120,000 during summer 2018.
- 1.5 Not maintaining or removing the fender has been considered at each occurrence of damage. In every case that idea has been strongly resisted by harbour users and consultees.
- 1.6 In 2018 the Council's R&M term contractor, J T Mackley (JTM), was appointed to carry out design and construction. A design review took place including consultation with other stakeholders. An alternative design was prepared and priced by JTM at ~£250,000.
- 1.7 Challenges to that price increase led to the 2018 window of construction opportunity being missed. The term contract with JTM ended in mid-2018 and it was decided to seek tenders for the works via the Council's Direct Purchasing System.
- 1.8 Lack of resources in the CPE team delayed design completion and tender preparation and release to early 2020. At this time, further damage had increased the work scope, replacement of the navigation light had been added and low beach levels had made land access more difficult which increased the expected tender value to ~£375,000. This assumed access to construct the works was possible by use of a temporary beach platform.
- 1.9 It was recognised that if beach access was not possible then a tender value involving marine access would be much higher. This was estimated at £650k however no budget provision was made for the higher price Marine Access tender outcome.
- 1.10 In 2020 there has been more damage to remaining parts of the seaward fender. It has been patch-repaired under the Council's R&M Term contract but will require additional works to be added to the capital works scope.
- 1.11 The spring 2020 tender process was affected by Covid19. It limited the availability and appetite of bidders to prepare tenders and, despite an extension to the bid period, only 2 were received, both significantly above the budget. The tender period extension also pushed back the construction period from June to autumn with an associated increase in weather risk and cost.
- 1.12 Other client-owned risks, estimated at time of tender at ~£100,000 but subject to review, sit outside the tender sum and must be considered in the budget. The risk sum is included in forecast costs.

- 1.13 Both tenders received proposed use of marine access in the form of a Jack Up barge (JUB) to build the works and both also proposed methods of construction that will require changes to a key consent (Marine Licence) that will involve further consultation of up to 13 weeks.
- 1.14 Both tenders offered alternative bids including suggested design changes. These have been reviewed with the designer with a conclusion that none are beneficial to the client.
- 1.15 Assuming a decision on funding is made and able to be acted upon by mid-November, and that a Marine Licence re-consultation period of 13 weeks is required then the earliest construction start date is mid-February 2021. This start date will require negotiation with the previous bidders as the tender validity date has now expired. Weather conditions in February 2021 will increase construction risk and therefore costs.
- 1.16 A lower cost outcome will probably be achieved if the work is retendered for construction in fair weather conditions during Spring / early Summer of 2021.

2 HOW DOES THIS RELATE TO EAST SUFFOLK BUSINESS PLAN?

- 2.1 The proposed work is required to sustain the river Blyth estuary as a navigable harbour for commercial fishing and recreational sailing purposes. In addition to being home to a fishing fleet and leisure boating enterprises the harbour has great appeal to tourists. It therefore makes a significant contribution to the local and regional economy.

3 FINANCIAL AND GOVERNANCE IMPLICATIONS

- 3.1 The Coastal Management local capital budget allocated £400,000 for this work in 2020. This budget assumed summer working and that access was possible via a beach causeway.
- 3.2 ESC has a forward marker with Environment Agency (EA) for a potential grant contribution of up to £250k that will require approval by EA at national level. An application for this has a 2-3 month processing time. CPE will submit an application to run in parallel with the MMO licence application.
- 3.3 Based upon the tenders received to date there is a budget shortfall of up to ~£700,000. This may reduce if EA grant is awarded and / or a retender results in a lower price. The value of the shortfall will not be known until a decision is taken on the procurement route – negotiation or retender – and that process is concluded. The timing of construction will also effect cost with summer weather likely to produce a lower cost.
- 3.4 It is proposed to fund the shortfall with £170,000 taken from Coastal Management capital reserves and the balance from the capital budget, to be repaid from the Harbour Account
- 3.5 The most favourable value for money outcome will be achieved by a retender leading to construction in April / May 2021. This may attract a greater number of bids and potentially include a beach access option that will probably be a lower cost.
- 3.6 Whilst the fender is incomplete there is a risk that vessels may run aground on rocks exposed by the missing fender parts. The implications of this ongoing situation for the Council's insurance liability are unfavourable.
- 3.7 A more comprehensive management plan for the harbour structures is under preparation as part of the Harbour Study that is due to report in January 2021. It will make recommendations for a 'whole harbour' investment approach including the fender. This will be presented to Cabinet at a later date.

4 OTHER KEY ISSUES

- 4.1 Since 1990 responsibility for sustaining the Southwold Harbour entrance North Pier structure has sat with the Coastal Management (CM) team whilst the Operations team has managed all other Council-owned harbour assets. This split was based upon the premise that the North Pier was primarily a coast protection structure that qualified for funding as such and that the CM team was best placed to deliver those works.
- 4.2 The Environment Agency has since resolved to withdraw maintenance from flood defences in the Blyth by 2030; a consequence of this is that works to harbour entrance structures will probably no longer qualify for Defra Flood and Erosion Management grant funding. This calls into question the benefit of management of the north pier being separated from the remainder of the harbour infrastructure.
- 4.3 A review of alternative options for management, combined with an updated investment plan, is recommended to compliment the development of a strategic Harbour Management Plan.
- 4.4 An Equality Impact Assessment is not relevant to this item.

5 CONSULTATION

- 5.1 Informal consultation has taken place with the following organisations since 2018 regarding potential construction methods and consents. Natural England, Environment Agency, Suffolk Wildlife Trust, Crown Estate, Marine Management Organisation (MMO), AONB and ESC planning team.
- 5.2 The views of the Harbour Master and Harbour Users group have been sought and considered as part of the design process.
- 5.3 There has been more formal consultation on the works under the Marine Licence process which will be repeated before construction starts.
- 5.4 There are no known objections to the planned works.

6 OTHER OPTIONS CONSIDERED

- 6.1 A – Attempt to negotiate with the spring 2020 tender bidders to achieve the earliest possible site start date.
- 6.2 Money. Assuming a total Coastal Management budget allocation of £570,000 the funding gap is estimated at up to £530,000. This may reduce if EA grant is awarded.
- 6.3 Pros. Marine safety is improved asap. ESC reputation is improved asap. Risk of further fender damage is reduced.
- 6.4 Cons. Amendments to the Marine Licence will delay the earliest start date to January / February 2021. This is mid-winter and will increase the weather cost risk.
- 6.5 B – Defer work to spring 2021 in hope of obtaining more and lower bids.
- 6.6 Money. Assuming a total Coastal Management budget allocation of £570,000 the funding gap is estimated at up to £530,000. This may reduce if EA grant is awarded.
- 6.7 Pros. Shoreline conditions in spring 2021 will be more favourable than winter possibly allowing a lower-cost beach access option and probably with a lower weather downtime cost. A new tender process post-Covid19 may produce more competitive prices for a marine access option.

- 6.8 Cons. The extent of damage may increase requiring more capital repair work than in current scope. There will be increased risk to harbour users from an extended period of reduced protection. The reputation of the Council may suffer from criticism for another delay.
- 6.9 C – Increase the scope of works to replace the whole seaward fender length.
- 6.10 It is increasing difficult to gain access to the seaward fender to allow major works. The mobilisation cost of the required equipment is high. There is an argument to maximise use of the equipment once in place to delay the time to the next mobilisation. The maximum works option is to replace ~30m of seaward fender, including those remaining parts installed in 2008.
- 6.11 Money. The cost of this option may be up to £1,500,000 assuming marine access, much less if by land access.
- 6.12 Pros. Will delay the need for capital renewal costs to the seaward fender for 20-25 years.
- 6.13 Cons. The channel fender will probably need capital renewal works within 5-10 years probably involving marine access. If so, this will provide an opportunity to do works to the seaward fender, if required.
- 6.14 D – Do not repair the damaged and missing seaward fender parts.
- 6.15 Based upon the 2020 tender returns the cost of sustaining a fender at this location are extremely high. The rate/m is ~£50,000. This compares with a range of ~£3,000/m to ~£15,000/m for recent coastal defence works in Suffolk.
- 6.16 This raises questions including:
What have been the negative consequences of a part failed seaward fender since 2017?
What are the risks to the Council of not replacing it?
Do the benefits of an intact seaward fender justify the high cost of sustaining it?
- 6.17 These questions have been posed before. The response of the majority of consultees is that a fender at this location is required.

7 REASON FOR RECOMMENDATION

- 7.1 The earliest works start date is February 2021 if it is possible to negotiate a new tender price with one of the 2 spring 2020 bidders and subject to the issue of an amended Marine Licence. The risks associated with winter working will probably increase the already high tender sum.
- 7.2 The alternative (Option B) is for a retender, or a negotiation with the previous tenderers, leading to works in more favourable and low risk weather conditions in spring that may result in a significant cost saving if beach access is possible.
- 7.3 The net benefits of Option B outweigh the those of Option A.
- 7.4 Option C does not provide a certain cost saving.
- 7.5 Option D is not acceptable to most stakeholders and creates unacceptable reputational and financial risks to the Council.

RECOMMENDATIONS

1. That damage to the Southwold Harbour North Pier fender is repaired by works in Spring 2021 at an estimated cost of up to £1,1 million, including risk.
2. That the work is funded from a combination of existing East Suffolk Council Coastal Management capital budget and reserves of £570,000, and a new allocation of up to £530,000 from the General Fund budget.
3. That provision is made in the 2021/22 capital budget for the new capital expenditure.

APPENDICES

None

BACKGROUND PAPERS

None