

	REPORT TO CABINET TO BE HELD ON 18 JULY 2017	
	Key Decision	YES
	Forward Plan Ref No	
Corporate Priority Aim 3 – Creating Healthy and Vibrant Communities	Cabinet Portfolio Holder	Cllr Mike Cockerill

REPORT OF: DIRECTOR (NE) 17/169

WARDS AFFECTED: WHITBY STREONSHALH & WHITBY WEST CLIFF

SUBJECT: REMEDIAL WORKS TO PILING AT ENDEAVOUR WHARF, WHITBY

RECOMMENDATION (S):

Cabinet is recommended to:

- i. Delegate authority to the Director (NE) to accept European Fisheries Funding (EFF) of approximately £315,000 from the Marine Management Organisation (MMO) as a 75% contribution toward the cost of works to Endeavour Wharf Sheet Pile Repairs if the Council's bid is successful;
- ii. Approve expenditure of £104,861.25 from Harbour Reserves as the Council's financial contribution towards the scheme and note that any overspend will be met from additional contributions from Harbour Reserves if additional funding cannot be secured; and
- iii. Agree entering into an NEC3 Construction Short Contract with Southbay Civil Engineering Limited to undertake remedial to sheet pilings at Endeavour Wharf, Whitby.

REASON FOR RECOMMENDATION

To undertake essential remedial repair works to Endeavour Wharf to maintain the structure's ongoing sustainability.

HIGHLIGHTED RISKS:

See attached risk matrix

1. INTRODUCTION

- 1.1 Remedial works are required to a large section of the sheet pile facing of the Endeavour Wharf Structure to prevent its continued deterioration and eventual failure. Subject to contract, contractors for the works have been procured and the necessary external funding secured. Approval is now sought from Cabinet to accept this funding and to enter into construction contract/s in order to undertake the remedial works.

2. CORPORATE AIMS/PRIORITIES AND THE COMMUNITY PLAN

- 2.1 Place: to protect and improve our environment, now and for the future

3. BACKGROUND AND ISSUES

- 3.1 Endeavour Wharf is the principle wharf / dock within the Port of Whitby accommodating both resident and visiting fishing vessels, commercial craft and the Council's own dredger system throughout the year. The wharf is also the location for fishing pot and net storage; equipment storage and vessel maintenance; it is the location for the Harbour Office and Tourist Information Centre and provides parking provision for the public and skippers and crew. Importantly the Wharf is fundamental in maintaining the structural integrity and sustainability of the Port as a whole.
- 3.2 The Wharf has been in existence for over 60 years. The frontage is approximately 375m in length and various repairs have been undertaken to sections of the sheet pile frontage of the wharf since its installation, the latest works being to an area known as the Bullnose in 2015.
- 3.3 However, a large section of the sheet piled frontage, approximately 180m, originally constructed in the 1950's, is now suffering from significant corrosion and is in need of repair.

- 3.4 This section of corroded piling presents 2 major problems. Firstly, holes within the piles are a snagging hazard to vessels, equipment and personnel, presenting an ever increasing health and safety concern. Secondly, these same holes allow the free flowing ingress of water into the wharf, resulting in “wash out” of the structure behind the piles and creating sub surface erosion which is literally undermining the integrity of the entire structure.
- 3.5 A structural survey of the Wharf carried out in 2011 concluded that without repair the structure has a limited lifespan with failure predicted within less than 20 years.
- 3.6 Based on the findings of the structural survey and in cognisance of the Wharf’s importance in maintaining the sustainability of the Port, officers undertook the necessary design development, obtained tenders and sought funding to undertake remedial works to prevent the continued deterioration and subsequent failure of the structure.

Tender process

- 3.7 To repair the Wharf it is necessary to excavate behind the existing steel sheet pile facings to a depth of approx. 2.2m. To then pour mass concrete in behind the existing corroded piles; and once cured, to cut off and remove the corroded piles entirely creating a new concrete facing to the Wharf. This method of remedial repair is common place within port undertakings globally and was last undertaken in Whitby in 2015. A sketch of the affected area and proposed remedial works can be found at Appendix 1.
- 3.8 Using this design solution tenders were sought to undertake the works to the Wharf through an open tender procedure via the YORtender framework. Six compliant tenders were received in April 2017.
- 3.9 The tenders were assessed by officers from the Engineering & Projects and Regeneration teams on the basis of 50% quality 50% price. Following the assessment Southbay Civil Engineering Limited were identified as the successful tenderer subject to funding, approval and contracts.
- 3.10 Southbay Civil Engineering demonstrated a good level of understanding of the scope of the works, methodology and approach, had extensive recent experience of undertaking similar works and also provided the most economically competitive price.

Funding

- 3.11 Following a long period of project development, discussion with the MMO and the subsequent receipt of compliant tenders, an application for EFF funding of £314,583.75 (75% of the total cost of the works) was submitted in April 2017. The application was assessed by the MMO funding panel on the 13 June 2017. The Council is awaiting confirmation that the funding has been

awarded. The remaining contribution being £104,861 (25%) which is to be met from Harbour Reserves.

The cost of the works:

Construction works	£397,445
Internal and professional fees	£22,000
TOTAL Forecast Costs	£419,445

Funding Profile

EMFF @75%:	£314,583.75
SBC Harbour reserves @25%	£104,861.25
TOTAL Funding secured	£419,445

Programme of works and impact on other operations / developments

- 3.12 Subject to Cabinet approval and contract the works are scheduled to commence in September 2017 and to be completed on or before the 31 March 2018. This programme contains a significant float for inclement weather and given favourable conditions the project may be completed in early January.
- 3.13 The project has been purposefully scheduled to coincide with the end of the main summer season to avoid undue conflict with tourism activity. The works also offer the contractor a reasonable weather window during the autumn to undertake the majority of the works.
- 3.14 Public parking will still be able to take place on the Wharf though capacity will be reduced during the works. The exact number of parking spaces lost during the works is not yet known however officers estimate this could be up to 70 spaces. The works will be carried out during a period of overcapacity for parking within the area and therefore no direct loss of parking revenue or loss of convenience to the public is anticipated.

4.0 ASSESSMENT

- 4.1 Remedial works to repair the sheet piled frontage at Endeavour Wharf, although not yet critical are becoming increasingly necessary as time passes. With funding available and contractors procured the Council presently has an ideal opportunity to undertake the works.

- 4.2 Cabinet should note however that the project is not without risk. The funding contains no contingency element (contingency is not eligible). If during the works overspends are anticipated and identified it is possible to apply for additional funding contributions to cover these costs. However securing such funding cannot be guaranteed and there is a strong likelihood that cost overspends from the project will have to be met from additional contributions from the Borough Council's Harbour Reserves. Contingency for projects of this type often run to 20%+. On this basis the cost risk to the Council could be in the region of circa £80,000.
- 4.3 In order to act in a prudent manner and avoid the over commitment of reserves, an equivalent provision will be made from the Harbour Reserve to mitigate a cost overrun of 20%. This provision, while not added directly to the scheme budget will be ring-fenced within the Harbour Reserves.
- 4.4 Due to this element of financial risk Cabinet may wish to consider not undertaking the works at this time. However, Cabinet should be aware that the Wharf would continue to deteriorate. Corrosion of the pile faces would continue and the risk to personnel and shipping through potential snagging would increase. Further wash out and erosion of the entire structure would also continue increasing the likelihood of structural failure of the Wharf in future years and simultaneously increasing the cost of future repair solutions. Furthermore there is uncertainty about the availability of public sector funding in future years (particularly EU funding) therefore it may be some significant time before funding to undertake the works would once again be available, if ever.
- 4.5 If on balance Cabinet consider this cost risk acceptable and to commence with the scheme the project team will have to be particularly vigilant in identifying potential overspends early on in the contract and to try and either value engineer the scheme as works progresses to rebalance the budget and / or apply for additional EFF funding contributions toward these costs at a very early stage.

5.0 IMPLICATIONS

5.1 Policy

There are no Policy implications associated with this report.

5.2 Financial

As detailed within the report European Fisheries Funding of £314,583.75 from the Marine Management Organisation (MMO) has been applied for as a 75% contribution toward the cost of the works. Subsequently 25% of the cost of the works (£104,861.25) is required to be funded from Council Resources.

The Council contribution will be funded from current Whitby Harbour Reserves. Harbour Reserves form part of the Councils Operational Reserves. These reserves primarily relate to accumulated underspending that has been carried forward to support known future operational requirements.

The pre audited Financial Statements for 2016/17 currently show a further contribution to the Whitby Harbour Reserve of £41,496. As a result of this contribution, together with a saving made against budget of £3,128 on the Whitby Lighthouse refurbishment scheme, the balance of the reserve currently stands at £204,618..

Should Members agree to the acceptance of these works the required draw from the reserve will be £104,861.25 resulting in an uncommitted balance of £99,757.

As previously detailed within this report the project is not without risk. The funding contains no contingency element (contingency is not eligible). Contingency for projects of this type often run to 20%+.

A provision will therefore be made within the reserve of £80,000 to prudently avoid any potential over commitments. The remaining uncommitted balance of the reserve will subsequently stand at just £19,757.

5.3 **Legal**

Subject to the approval of Cabinet and award of the funding the Council will enter into a grant funding agreement with the MMO for EFF funding totalling £314,583.

A tender exercise has been carried out using the YORtender framework. Subject to the approval of Cabinet the Council will enter into an NEC3 Engineering and Construction Short Contract with principle contractors Southbay Civil Engineering Limited. The contract value will be £397,445 + VAT.

5.4 **Equalities and Diversity**

There are no Equalities and Diversity implications associated with this report.

5.5 **Staffing Issues**

The project will managed, supervised and delivered by internal staff from the Engineering and Projects Team and Regeneration Team.

5.6 **Planning, Environmental, Health and Safety, Sustainability, Crime and Disorder**

The works will be notifiable to the Health and Safety Executive through the standard form F10. The works are repairs to an existing structure, therefore permitted development and no consents are required in relation planning and environmental legislation.

6.0 **PROGRAMME**

6.1 Outline programme for the project:

Confirmation of funding from EMFF:	June 2017
Enter into construction Contract:	July - Sep 2017
Mobilisation of works and site establishment	Sep 2017
Construction	23 Sep 17 - Feb 18
Demobilisation, inspection and testing	28 Feb 2018
Handover and completion	On or before 31 Mar 2018

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Background Papers: None

IF YOU HAVE ANY QUERIES ABOUT THIS REPORT OR WISH TO INSPECT ANY OF THE BACKGROUND PAPERS, PLEASE CONTACT ALEX RICHARDS ON 01723 383649 OR E-MAIL alex.richards@scarborough.gov.uk

Risk Matrix

Risk Ref	Date	Risk	Consequences	Mitigation	Current Risk Score	Target Score	Service Unit Manager/ Responsible Officer	Action Plan
1	July 2017	Cabinet does not approve Entering into contract construction contracts to undertake the works	Works may not proceed leading to delays in undertaking essential works to the Wharf. EFF funding may be lost.	Contractor procured in accordance with public procurement requirements. Contract within budget and funds in place	B3	A1	Alex Richards	
2	July 2017	Cabinet agrees to enter into construction contract to undertaker the works.	Contingency funding is not eligible through the EFF. Therefore it is likely that any cost overspends would have to be met from Council budgets. A contingency of 20% circa £80k would be likely assessment of possible overspend on a project of this type.	Now identified as a risk and project team will be vigilant in managing cost overruns. Though funding of contingency is not eligible. If overspends are identified before they are incurred it may be possible to apply for additional funding support to cover these costs.	B3	B1	Project delivery team	
3	July 2017	Cabinet do not agree to enter into EFF funding agreement for the works.	Funding offer will be returned to EMFF. This may jeopardise any future opportunities to secure funding from this source not only for works to Endeavour Wharf but to all Council port infrastructure.	None	C3	A1	Alex Richards	

Risk Ref	Date	Risk	Consequences	Mitigation	Current Risk Score	Target Score	Service Unit Manager/ Responsible Officer	Action Plan
4	July 2017	Cost and time overruns on Construction works contract.	<p>Possible additional cost risk to the Council estimated at circa £80k.</p> <p>Possible conflicts with 2018 tourism activity and parking revenues</p>	<p>See risk ref 2 for mitigation in respect of overspend.</p> <p>The programme is scheduled for completion on or before 31 March 2018. However within this programme there is approximately 6 weeks of float for poor weather and non-productive time. I.e. Christmas.</p>	B3	A1	Project Team	
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