

CAMPBELTOWN FLOOD PROTECTION SCHEME

1.0 EXECUTIVE SUMMARY

1.1 This report provides an update on progress with the Campbeltown Flood Protection Scheme (CFPS), including work completed, key dates and risks going forward.

1.2 The Committee is asked to:

- Note a paper detailing the full Business Case will be brought back to EDI Committee in March 2022. Construction of the final scheme will be subject to approval of Full Business Case (FBC) prior to tender award.
- Approve the purchase of required land to minimise delays after FBC approval.
- It's recommended that the Committee refer the estimated additional funding requirements £0.042m to be considered as part of the budget in February 2022.

CAMPBELTOWN FLOOD PROTECTION SCHEME

2.0 INTRODUCTION

2.1 This report provides an update on progress with the Campbeltown Flood Protection Scheme (CFPS), including work completed, key dates and risks going forward.

3.0 RECOMMENDATIONS

3.1 The Committee is asked to:

- Note a paper detailing the full Business Case will be brought back to EDI Committee in March 2022. Construction of the final scheme will be subject to approval of Full Business Case prior to tender award.
- Approve the acquisition of required land to minimise delays after FBC approval.
- It's recommended that the Committee refer the estimated additional funding requirements £0.042m to be considered as part of the budget in February 2022.

4.0 DETAIL**BACKGROUND**

4.1 Please refer to the EDI Committee Report from September 2021 for the background to the flood protection scheme. Updates since September 2021 are detailed below.

STAKEHOLDER CONSULTATION

4.2 A two day drop-in consultation event is scheduled to go ahead on the 3rd & 4th November to provide an opportunity for residents and businesses to understand the detailed design of the four main work areas and likely disruption throughout the works. This will also be an opportunity for the community to put forward suggestions for future uses of Burnside Square.

DETAILED PROGRESS

4.3 The design and tender preparation has been prolonged due to a number of factors, ultimately these delays are aimed at reducing the Council's financial risk

to the project after tender award. With Scottish Government funding being capped at 80% at tender award.

- 4.4 There are numerous delays in the submission of C3 estimates (outline design and cost estimates for utility diversionary works) from utility companies. They failed to provide the C3 quotations within the NRSWA standard timeframes (20 days) for requests, with Scottish Water requests exceeding over three months.
- 4.5 A high risk utility interaction has warranted further investigation. Further trial holes carried out in October have proven the risk exists, with the sewer alignment different to what was expected. Design modifications to the sewer and approvals from Scottish Water are now being progressed.

PROJECT BUDGET

- 4.6 A review of the project budget has highlighted a potential increase in the original estimate of £9.33m.
- 4.7 The recent review of total scheme costs estimates total project costs of £9.54m. Including the advised 13% Covid/ Inflation cost increases we could expect to see total project costs of £10.621m.
- 4.8 The grant for an eligible flood scheme is fixed at 80% of estimated costs after tender acceptance. It is therefore expected that the Scottish Government will cover 80% of any increases over the £9.33m, if tenders are over total project estimate.

	Original Est	Oct 21 Est	Including 13% Covid/ Inflation
Est Total Cost	£ 9.33m	£ 9.54m	£ 10.621m
Est Council's 20% Share	£ 1.866m	£ 1.908m	£ 2.124m
Est Difference against £9.33m		£ 0.042m	£ 0.258m

- 4.9 It must be highlighted that recent experience from construction tender returns has seen significant increase in tender costs against the estimated costs.
- 4.10 It's recommended that the Committee refer the estimated additional funding requirements £0.042m to be considered as part of the budget in February 2022.

LAND ACQUISITION

- 4.11 Estates are currently negotiating compensation arrangements for acquisition and rights of access. This is estimated to be around £180k, with abortive legal fees of £75k.
- 4.12 The approval to carry out acquisition and rights of access, will reduce the risk of delays after FBC approval. This is mainly due to the timescales for legal to carry

out the acquisition before contractor takes access after tender award.

- 4.13 There is also risk that negotiations will become irrelevant if landowners arrange private sale of their land.

TENDERS

- 4.14 Construction tender selection stage has been completed. Five successful contractors will be invited to tender. One submission did not meet the requirements of the selection stage criteria.
- 4.15 Construction tender is due to be issued in November 2021.
- 4.16 Property Flood Resilience Supply & Installation tender is due to be published in November 2021.

FULL BUSINESS CASE (FBC)

- 4.17 A paper detailing the full Business Case will be brought back to EDI Committee in March 2022. The FBC will detail the full project costs at tender award. Construction of the final scheme will be subject to approval of the Full Business Case prior to tender award.

5.0 CONCLUSION

- 5.1 The work to progress CFPS to tender publication has been postponed to enable further financial risk reduction. The project is continuing to progress towards the next stage.

6.0 IMPLICATIONS

Please refer to the EDI Committee Report from September 2021 for any implications, any new implications since September 2021 are highlighted below.

- 6.1 Policy – Works are in accordance with the Local Flood Risk Management Plan 2016-2022 as endorsed by the Council. Local Authorities have powers under Flood Risk Management (Scotland) Act 2009 “to manage flood risk and to take forward a flood protection scheme.” Campbeltown Flood Protection Scheme would enable Argyll and Bute Council to enact this power under the Flood Risk Management Policy.
- 6.2 Financial – The Scottish Government will fund 80% of the estimated project costs at tender acceptance with 20% required from the Council. Some of the Council’s 20% share is included within the current capital plan, with the remainder set aside from the loans review gain reported to Council in February 2020.

The recent review of total scheme costs estimates total project costs of £9.54m. Including the advised 13% Covid/ Inflation cost increases we could expect to see total project costs of £10.621m.

- 6.3 Legal – Property Flood Resilience (PFR) – Property owners in receipt of funding for PFR measures will be required to sign a legal agreement, which sets out procedures for the works and acceptable obligations for the Council.

Granted Planning Permission will expire on 30 April 2023, unless the development has been started.

- 6.4 HR – None

- 6.5 Fairer Scotland Duty:

- 6.5.1 Equalities – None

- 6.5.2 Socio-economic Duty: As outlined in the Outline Business Case

- 6.5.3 Islands – None

- 6.6 Risk –

Abortive Fees – If the scheme is not progressed the Council will be liable for legal fees incurred by land owners to date. This is currently estimated to be £75k.

If the scheme is not progressed as per the LFRMP, the Council will forfeit potential for 80% funding from the Scottish Government and may require to reimburse SG those funds already provided expressly for this purpose.

If we do not proceed, this would potentially negatively and financially impact all other current LFRMP actions from future execution.

- 6.7 Customer Service – None

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