

## Wyke Beck Valley Project - Overspend

Date: 12-05-2023

Report of: Flood Risk Management

Report to: Chief Officer (Highways and Transportation)

Will the decision be open for call in? ☐Yes ☒No

Does the report contain confidential or exempt information? ☐Yes ☒No

### Brief Summary

An increase in the costs for delivering the Wyke beck project have led to a funding shortfall. Additional funds need to be secured to underwrite these costs. The total project costs have increased by £1,671,788.54 whilst the available funding has only increased by £931,678.94 meaning there is an overall projected funding shortfall of £714,042.43. This report asks that approval is given to inject £0.714m of Capital funding from Flood Risk Management Capital Budget and to give authority to spend £1.672m on the Wyke Beck Valley project (supplementing previous authority to spend £4.75m from Exec Board).

### Recommendations

- a) To give approval to inject £0.714m of Capital funding from Flood Risk Management Capital Budget.
- b) Give Authority to spend £1.672m on the Wyke Beck Valley project (supplementing previous authority to spend £4.75m from Exec Board)

### What is this report about?

#### Including how it contributes to the city's and council's ambitions

- The Wyke Beck Valley project received Executive Board approval in December 2018 to deliver 3 projects along the Wyke Beck Valley with the aims of reducing flood risk, facilitating growth, improving public amenity and enhancing ecological/biodiversity.

- The approved project cost was £4.75m, with the funding made up of WYCA grant funding £2.55m, Flood Risk Management (FRM) Capital Fund £0.25m, secured S106 developer drainage and greenspace contributions (£1.83m), Environment Agency Flood Defence Grant in Aid funds of £0.05m and Capital Programme fund of which £0.07m
- A number of compensation events claimed by the contractor during construction of the scheme at Killingbeck Meadows has led to an increase in the original projected cost. This was primarily driven by unexpected ground conditions encountered during the construction of the embankment.
- The change of project expenditure is summarised in the table below:

	Baseline Forecast	Current Forecast	Change
<u>Wyke Beck Programme</u>	£435,817.30	£266,018.14	-£169,799.16
<u>Arthurs Rein</u>	£404,048.64	£412,522.27	£8,473.63
<u>Killingbeck Meadow</u>	£3,317,994.18	£5,443,185.30	£2,125,191.12
<u>Halton Moor</u>	£282,784.45	£300,707.40	£17,922.95
<u>Maintenance</u>	£310,000.00	£0.00	-£310,000.00
<b>TOTAL EXPENDITURE</b>	<b>£4,750,644.57</b>	<b>£6,422,433.11</b>	<b>£1,671,788.54</b>

- Following project completion, we have explored all options to secure additional funding from external sources to minimise the impact of the significant increase in planned expenditure.
- We have successfully secured additional retrospective funding from The Environment Agency, The Department for Education and Yorkshire Water there is also a small variation in the sums received from S106 agreements due to indexation.
- The change in project funding is summarised in the table below:

	Baseline	Current	Change
<b><u>Original Funding sources</u></b>			
WYCA	£ 2,557,797.00	£ 2,557,797.00	£ -
EA	£ 50,000.00	£ 608,000.00	£ 558,000.00
S106 GS	£ 851,983.58	£ 860,369.38	£ 8,385.80
S106 D	£ 996,543.16	£ 1,001,836.30	£ 5,293.14
Developer	£ 70,388.00	£ 70,388.00	£
FRM Capital	£ 250,000.00	£ 250,000.00	£ -
<b><u>Additional Funding Sources</u></b>			
DFE	£ 0.00	£ 100,000.00	£ 100,000.00

EA Covid Funding	£ 0.00	£ 74,000.00	£ 74,000.00
EA Additional Grant	£ 0.00	£ 156,000.00	£ 156,000.00
Yorkshire Water	£ 0.00	£ 30,000.00	£ 30,000.00
TOTAL	£ 4,776,711.74	£ 5,708,390.68	£ 931,678.94

- The total project costs have increased by £1,671,788.54 whilst the available funding has only increased by £931,678.94 meaning there is an overall projected funding shortfall of £714,042.43.

### Options Considered

- A number of options have been identified to secure the additional £0.714m required to meet the costs of the programme.
1. To inject additional funds from Flood Risk Management Capital Budget to meet the whole of the shortfall. This is our preferred option as set out in our recommendations.
  2. To submit a report to Strategic Investment Board requesting additional funds from LCC Central contingencies to meet the whole of the shortfall.
  3. To inject additional funds from Highways and Transportation Capital Budget to meet the whole of the shortfall.
  4. To use a combination of all three options above to each meet 1/3 of the shortfall.

### Why is the proposal being put forward?

- 1 An increase in the costs for delivering the Wyke beck project have led to a funding shortfall. Additional funds need to be secured to underwrite these costs. Alternative opportunities to obtain further funding with other partners have been explored.

### What impact will this proposal have?

#### Wards Affected:

Have ward members been consulted? ☐ Yes ☒ No

- 2 This proposal related to additional funds required. The works were completed in line with the previously approved Executive Board report and all ward members and the Executive member were briefed regularly throughout the project lifecycle.

### What consultation and engagement has taken place?

- 3 This proposal is related to additional funds required. No further external consultation and engagement has taken place.

### What are the resource implications?

- 4 This proposal is related to additional funds required. There are no additional resource implications.

### **What are the legal implications?**

- 5 This proposal is related to additional funds required. There are no legal implications.

### **What are the key risks and how are they being managed?**

- 6 This project is now complete Key Risks have been mitigated or realised.

### **Does this proposal support the council's 3 Key Pillars?**

☒ Inclusive Growth      ☒ Health and Wellbeing      ☒ Climate Emergency

- 7 The overall programme of work clearly delivered benefits against the three pillars as they were at that time and this was covered in more detail in Executive Board reports.

### **Options, timescales and measuring success**

#### **a) What other options were considered?**

- 8 See options considered above

#### **b) How will success be measured?**

- 9 By the project being fully funded

#### **c) What is the timetable for implementation?**

- 10 Once recommendations are agreed they can be injected into the capital scheme immediately.

### **Appendices**

- 11 N/A

### **Background papers**

- 12 N/A