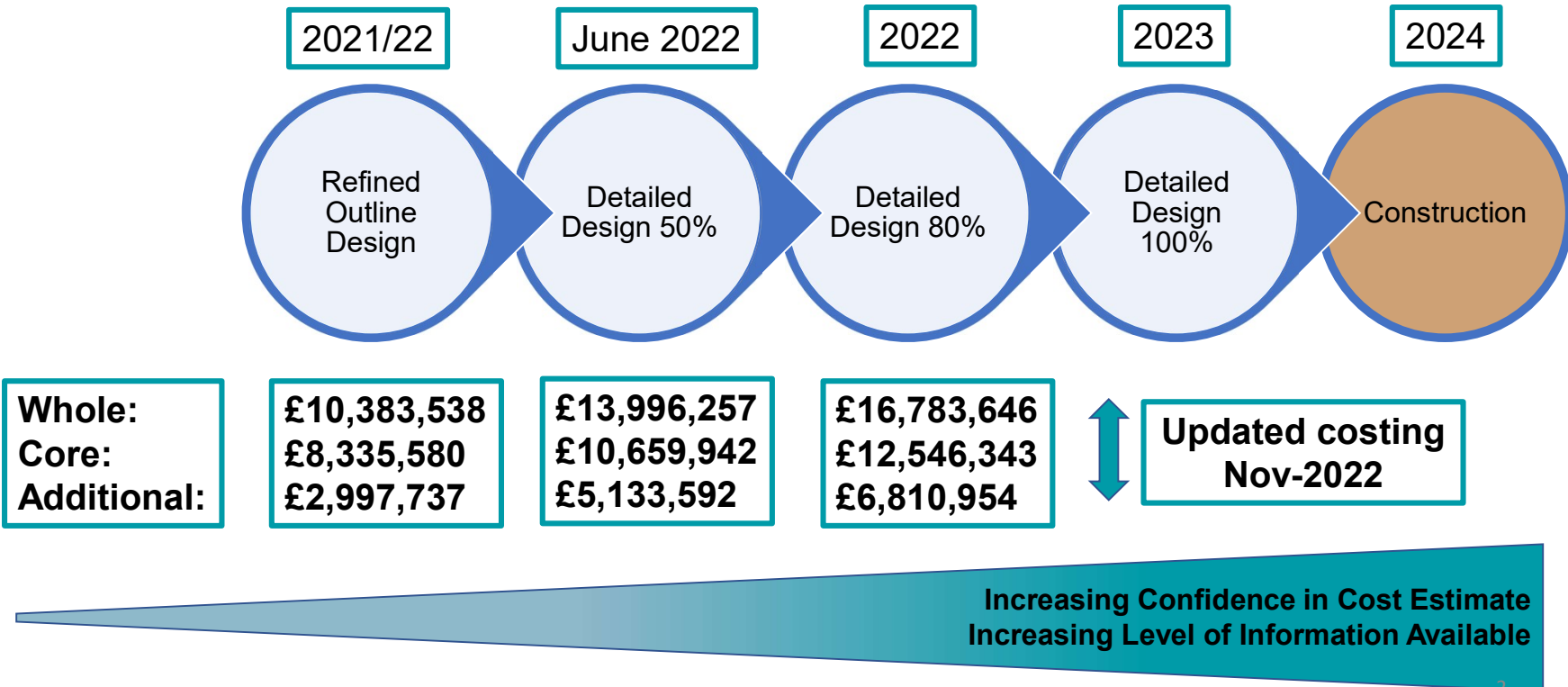




Construction Cost Estimates

Cost Estimation Timeline



Note: Costs are with risk included, excludes sunk costs for appraisals

Scheme Cost Breakdown

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	Base Construction Costs 50%	Base Construction Costs 80%	Total Costs 50%	Total Costs 80%
Whole Scheme	£7,824,282	£8,995,927	£13,996,257	£16,783,646
Core Scheme	£5,964,575	£6,619,451	£10,669,942	£12,576,343
Additional Scheme	£2,789,561	£3,564,714	£5,133,592	£6,810,954

NB. Core Scheme benefits currently estimated at £12.1million

Scheme Cost Breakdown

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Base Construction Costs includes: -

- Preliminary costs.
- The contractors fee.

Total Costs includes Base Construction Cost and: -

- Contractor's Construction Risk (8%)
- Client Design Development, Change and Other Risk (10%)
- Optimism Bias (15%)
- Inflation (20%)
- Allowance for Project Design, Survey & Management Costs (~20%)
- Allowance for utilities and Statutory authorities

What are Preliminaries?

- Time-related on site costs; e.g. site team staff, labourers, plant maintenance, site offices and welfare facilities, service charges, survey equipment
- Non time-related on site costs; e.g. site establishment – water, electricity, waste, security, ecological & environmental monitoring/protection
- Temporary Works for compounds; e.g. fencing, diversions, service protection, haul road
- Plant associated with main compound and satellite compounds; 'General Purpose Plant'

Scheme Cost Breakdown

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	Base Construction Costs 50%	Base Construction Costs 80%	Total Costs 50%	Total Costs 80%
Core Scheme				
Frontage 1A	£325,506	£655,265	£582,276	£1,222,351
Frontage 2	£472,663	£1,012,781	£845,515	£1,889,271
Frontage 3	£587,861	£1,233,445	£1,589,997	£2,300,904
Frontage 4	£1,951,776	£1,475,283	£3,491,399	£2,752,036
Frontage 5	£1,583,093	£1,389,104	£2,831,888	£2,591,274
Additional Scheme				
Frontage 1B	£1,698,279	£2,512,639	£3,037,936	£4,687,149
Frontage 6	£905,311	£714,616	£1,619,449	£1,333,065

Why are the costs increasing?

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Design Process

- Refinement and progressions of the design modelling and assessments.
- Incorporation of constraints.

Economic Impacts – Global & Domestic

- Significant increase in material costs
- Significant increase in fuel and energy costs.
- Labour shortages
- Current and future impacts of inflation



Funding and Investment

Funding to Date

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Funding Sources

- HBC Community Infrastructure Levy
- RFCC Local Levy
- FCERM Grant-in-Aid
- EA Other Government Department (OGD)
- Water Environment Investment Fund (WEIF)
- EA Covid Recovery Claim
- Hampshire County Council
- Endangered Landscapes Programme
- Environment Statutory Allowance
- Department for Education
- Highways England
- Commercial and Residential Contributions

Funding Contributions Summary

Confidence	Value (£)
Committed	£6,114,486
High Confidence	£4,399,629
Medium Confidence	-
Low Confidence	-
Total (if all secured)	£10,514,115

Note: Bids have been submitted to the Department of Education, EA Environment Statutory Allowance and the Endangered Landscapes Programme for the Solent Seascape Restoration Landscape Project led by BLUE

Shortfall

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80% Funding Shortfall - £2.1million to £6.46million

What are we doing to close the Gap?

Project Affordability

- Working with our design consultant and ECI contractor to find design and construction cost efficiencies.
- Reduce / mitigate risk.
- Review of future maintenance

Funding

- Chase existing funding claims
- Seek new funding opportunities
- Seeking contributions and investment into the scheme.

Investing in the Scheme

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Closing the Funding Shortfall

How much do we need to contribute?

Contributions are generally being looked for to support the scheme and to assist with providing project enhancements such as Flood Glass etc.

When can we contribute?

This will be confirmed at the 100% design milestone once we are most confident with costings

How can we contribute?

We are currently seeking advice from our Legal Advisors as to how contributions can be secured and invested towards the scheme

Is it just us?

No, anyone can invest in a FCERM scheme. We will be inviting contributions towards the core scheme to help address the funding gap for the whole scheme

Project Status

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80%

Current Status

- The Benefit to cost Ratio is around parity.
- The Langstone Scheme is still a priority project for HBC.
- Full support of the council to progress the design to 100% completion.



Next Stage 80-100%

- Progress and refine design to completion – 100%.
- Seek cost and programme efficiencies, and reduction of risk.

100%

100% Detailed Design

- Design will be reviewed.
- Benefits will be re-assessed.
- A refined cost estimate will be undertaken by our cost consultant.
- Design Exhibition Summer 2023

11



Next Steps

Meeting Outcomes

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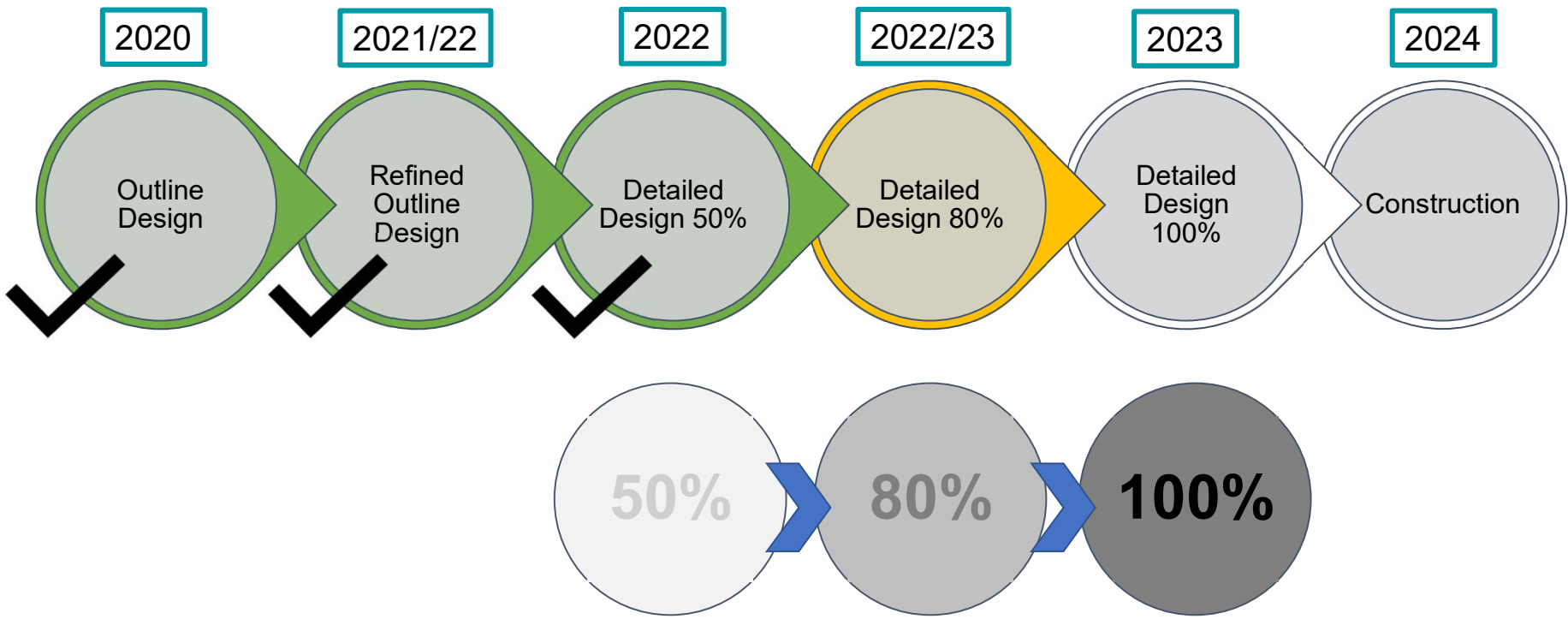
Coastal Partners

After this LSWG, the following outcomes are due:

- Coastal Partners will prepare and circulate meeting minutes and set out any actions
- Include a summary of the feedback received in the breakout sessions including Q&A
- AECOM will take forward the breakout session feedback and incorporate into design where appropriate
- The project webpages will be updated to include the presentation slides and meeting minutes so that these can be shared widely by LSWG members



Project Milestones



Engagement Ahead – All Frontages



80%
Design
Milestone



**Langstone Stakeholder
Working Group 6
Feb 2023**



100%
Design
Milestone




**Cabinet Meeting
Planning Application
Autumn/Winter 2023**

Find out more



Looking for more information?

 Visit our Project Webpages:
<https://coastalpartners.org.uk/project/langstone-coastal-defence-scheme>



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