

Broads Authority

02 December 2022

Agenda item number 10

Capital Funding from DEFRA

Report by Chief Executive

Purpose

To inform Members of the Defra capital funding and to seek authority to expedite the procurement process for the capital items.

Broads Plan context

B1 - Restore, maintain and enhance lakes and use monitoring evidence to trial and implement further innovative lake restoration techniques

B3 - Seek biodiversity net gain and enhance areas of fen, reed bed, grazing marsh and wet woodland, to protect peatlands as carbon sinks

C3 - Manage water plants and riverside trees and scrub, and seek resources to increase operational targets

Recommended Decision

- i) Welcome the capital funding from Defra and in view of the compressed timescale for the purchase of the capital items and the specialist nature of the equipment:
 - a) Approve the waiver of standing orders relating to contracts set out in paragraph 2.7.
 - b) Authorise the Chief Executive to make appropriate variations to the listed items to ensure that the additional funding is used to best effect.

Contents

1.	Description	2
2.	Purchasing process	2
3.	Financial implications	5
4.	Risk implications	5
5.	Conclusion	6

1. Description

- 1.1. Members will recall that at the last Authority meeting on 23 September 2022 I reported that at very short notice the Authority had been invited by Defra officials to submit a bid for capital funding to support the management of SSSIs and species recovery in the Broads, which we did so on 16 August. The bid was for £1,215,000 for 8 projects (Truxor T250, three Whaly work boats, the purchase of 30 acres of fen habitat, a Loglogic soft track system, a long reach 360 excavator, a third water plant cutting machine, ancillary items to support the moving and locating of plants and the replacement of the drainage structure at Strumpshaw Fen, part of the Water Mills and Marshes project). Funding was also requested to support the final phase of the Water Mills and Marshes project, to match the funding from the Lottery. Details at 2.4 below.
- 1.2. I am delighted to be able to inform Members that both requests have been successful providing a total of £1,338,880 over two financial years, with the following amounts:

Capital funding for equipment and land purchase £1.115 million in 2022/23.

Capital and Revenue funding for Water Mills and Marshes as set out in the following table.

	2022/23	2023/24
Capital	£142,112	£75,000
Revenue	£3,384	£3,384

- 1.3. At the time of writing the report on 23 November, Defra officers recommend that we wait for the formal Change Control Notice before committing to the purchases. A verbal update will be given at the meeting.

2. Purchasing process

- 2.1. At the instigation of Members, given the short timescale, authority was given to officers to proceed with the land purchase if the funding came through.
- 2.2. The reduced timescale for purchasing the capital items (four months) means that it is now impossible to purchase the Loglogic Softrak this financial year due to order book demands by the manufacturer, therefore with agreement from Defra, this has been substituted with the purchase of a support barge.
- 2.3. Where it has been possible officers have been progressing the preparation of the procurement of these items. But because of the specialist nature of some the equipment, and the timing constraints, it is not possible to obtain the three quotes or to go out to contract.
- 2.4. The current state of play is as follows:

Table 2. Position re procurement

Item	Description	Current position re procurement	Costs
1	Purchase of Truxor T50 amphibious vehicle with accessories and low loader lorry	<p>Truxor purchase in the UK is of limited availability. A non-binding reservation has been placed ahead of funding confirmation with a UK supplier. Immediate follow up is required with the supplier to secure purchase within the timeframe. Not confirming the purchase ASAP would bring a high risk of not achieving timely procurement.</p> <p>Purchase of a second-hand low loader lorry to transport the Truxor is dependent upon availability of a suitable vehicle, but once identified, purchase can be very swift. Medium risk of not achieving timely procurement</p>	£285,000
2	Purchase of 3 Whaly workboats	Good availability and short turnaround time between order and delivery. Low risk of not achieving timely procurement.	£40,000
3	Purchase of 30 acres of fen habitat	We are in a discussion with the landowner who is receptive to the Authority's purchase. This site provides a unique opportunity to continue managing and protecting this land and developing its biodiversity.	£150,000
4	Multipurpose workboat/barge, plus welfare unit (item to replace Softrak cutter)	<p>A non-binding reservation has been placed ahead of funding confirmation with the sole UK supplier. Immediate follow-up is required with the supplier to secure the purchase within the timeframe. High risk of not achieving timely procurement.</p> <p>Steel welfare unit has good availability and a short turnaround time between order and delivery. Low risk of not achieving timely procurement.</p>	£118,000
5	Long reach 360 Excavator and hardwood excavator mats	Long reach excavator timeline between ordering and delivery is several months. Immediate follow-up is required with the supplier to secure the purchase within the	£187,000

Item	Description	Current position re procurement	Costs
		<p>timeframe. High risk of not achieving timely procurement.</p> <p>For hardwood excavator mats there is good availability and a short turnaround time between order and delivery. Low risk of not achieving timely procurement.</p>	
6	Water plant management – water plant harvester vessel and associated mobile fuel bowser	<p>Berky water plant harvester. A non-binding reservation has been placed ahead of funding confirmation with the sole UK supplier. Immediate follow-up is required with the supplier to secure purchase within the timeframe. High risk of not achieving timely procurement.</p> <p>For the mobile fuel bowzers there is good availability and a short turnaround time between order and delivery. Low risk of not achieving timely procurement.</p>	£265,500
7	Equipment to support fen management & invasive species control in Protected Sites	For chainsaws, brush cutters and reciprocating mowers there is good availability and a short turnaround time between order and delivery. Low risk of not achieving timely procurement.	£9,500
8	Replace drainage structure at Strumpshaw Fen in the Yare Broads and Marshes SSSI	<p>Planning permission and EA permit required. It is anticipated this will take at least 2-3 months. Works cannot commence until these are in place.</p> <p>Preparation of a schedule of works required by structural engineer and a contractor will need to be appointed through tender process, unless waiver can be obtained. Obtaining a suitable contractor at short notice could be difficult. High risk of not achieving timely procurement.</p>	£60,000
n/a	Total		£1,115,000

2.5. If the Authority is to complete the purchase of these items within the financial year then we need to place the orders immediately.

2.6. My delegations under the Standing Orders Relating to Contracts are that the Chief Executive can approve waivers under the value of £150,000 (unless otherwise stated below) and where budgetary provision already exists:

- where the Chief Executive certifies that there is an extreme urgency;
- where there are only one or two suppliers for the supply of goods or services, and no other acceptable alternatives;
- where goods or materials are to be purchased via an auction or second-hand, including historical documents;
- for extensions to existing contracts, providing that the variation is not more than 10% of the original contract sum;
- for repairs to, or supply of, parts to existing machinery or plant;
- where it is not considered reasonably practicable, or in the interests of the Authority, to do so, subject to a report to the next meeting of the appropriate committee; and
- where the Authority acts as an agent for another body or in 50% partnership where the other bodies own Standing Orders have been complied with.

All waivers that exceed the above require Committee approval.

2.7. The purchase of three of the items are all outside my delegations and require the Authority to waive its Standing Orders in relation to items 1, 5 and 6 in table 2 above, due to urgency and limited suppliers so that the purchases can be made against the tight timetable.

3. Financial implications

3.1. This is a large one-off increase to the Authority's financial resources. It is not envisaged that any of the purchases will lead to a significant increase in revenue expenditure because the equipment will increase efficiency and is either replacing existing machinery or has the potential to generate income or goodwill through hiring/sharing it with other bodies. The funding for Water, Mills and Marshes is a huge help at this stage of the programme in that it fills the gap in matched funding which could have reduced the amount of the Lottery funding that could be drawn down to complete projects.

4. Risk implications

4.1. This additional funding is very welcome but has come late in the financial year. There is a risk that not all of the money will be able to be spent by 31st March 2023. Officers will do their best to expedite the procurement. I am in the process of clarifying with Defra

officials, given the timing of this decision, whether this funding needs to be spent or committed by 31st March 2023.

5. Conclusion

- 5.1. This development is important for two reasons. Firstly, this is the first time that the Authority has received capital funding from the Government and it creates a precedent for the future. Secondly, the purchase of some of the equipment will transform our biodiversity work at a time when the biodiversity crisis demands a greater effort from all conservation bodies to protect and enhance the special qualities of the Broads.
- 5.2. There are also benefits for users of the waterways with the purchase of a third water plant harvester.

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Date of report: 23 November 2022

Broads Plan strategic actions: B1, B3, C3