

HAMPSHIRE COUNTY COUNCIL**Executive Decision Record**

Decision Maker:	Executive Member for Environment and Transport
Date:	22 July 2016
Title:	Hambledon Phase 2 Flood Alleviation – Project Appraisal Update
Reference:	7595
Report From:	Director of Economy, Transport and Environment

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1. The decision:

- 1.1. That the Executive Member for Environment and Transport gives approval to procure and spend for the updated Project Appraisal for Hambledon Phase 2 Flood Alleviation with its new value of £4,239,000, as set out in the supporting report;
- 1.2. That the Executive Member gives approval for negotiations to take place with partners to secure additional contributions; and
- 1.3. That the Executive Member approves the increase of the County Council's contribution by up to £350,000 funded from the Flood Risk and Coastal Defence Programme.

2. Reasons for the decision:

- 2.1. On 11 July 2014, the Executive Member for Economy, Transport and Environment approved a project appraisal for the Hambledon Phase 2 Flood Alleviation Scheme up to the value of £3.89m.
- 2.2. Following confirmation of the award of £1.4m Flood Defence Grant in Aid by Defra in October 2014, the scheme was further developed and tenders were invited in January 2015.
- 2.3. A tender from Mildren Construction Limited was accepted in April 2015 in the sum of £3,490,627.55. With the addition of other costs including fees and utility costs, the total value of the project was estimated at this stage to be in the region of £4.05m. Although significant risks had been identified in the project risk register, because of investigative surveys and other advanced work, there was a good level of confidence that these could be adequately

managed within the construction phase and that the budget approved at Project Appraisal would, within acceptable tolerances, be sufficient.

2.4. Work on Hambledon Phase 2 Flood Alleviation Scheme commenced in May 2015. The principal feature of the scheme is the provision of a large culvert, between 900mm and 1200mm in diameter, beneath West Street and East Street over a length of approximately 1.5km. This part of the scheme started in June 2015 and has involved trench excavations up to 4m in depth, the provision of new foul sewer, and the realignment and replacement of other services to accommodate the large pipe. The work has also entailed the implementation of a traffic diversion plan to avoid the necessary road closures, and temporary accommodation works to minimise disruption to the local community and businesses. The anticipated date for completion is October 2016.

2.5. Notwithstanding the rising groundwater and flood warning notices in the winter, the scheme has progressed well. Efficiencies in the delivery of the work have been achieved by the contractor and the project team, and the expectations of key partners, the local community and businesses have been effectively managed. However, it has not been possible to minimise a number of risks identified in the project risk register, and the extent of some areas of work itemised in the contract have increased due to unforeseen events, and following re-measurement.

2.6. Every opportunity is being taken to reduce the impact that these changes are having upon the overall cost of the project. Compensatory savings are being pursued, alternative, lower cost options are being investigated, and additional contributions from partners are being explored. Currently, the estimated overall cost of the scheme is £4.239m, 9% above the original Project Appraisal value.

2.7. The updated Project Appraisal sets out the revised financial position and the reasons for this, for the approval of the Executive Member. It also seeks approval of the proposed funding arrangements to meet the additional expenditure forecast at completion of the construction phase, and negotiations to secure further partnership contributions. This report is therefore an interim position statement and a further update will be prepared as necessary in order to provide further detail on present uncertainties and the proposed actions outlined.

3. Other options considered and rejected:

3.1. This Project Appraisal updates the position as previously reported on 11 July 2014 and reflects actual and forecast expenditure on the scheme during the construction phase.

3.2. The option not to make the additional funds available, pending the outcome of the negotiations with partners about the availability of further financial support,

was rejected on the basis that it would place the intended scheme outcomes at risk.

4. Conflicts of interest:

4.1. Conflicts of interest declared by the decision-maker: None

4.2. Conflicts of interest declared by other Executive Members consulted: None

5. Dispensation granted by the Conduct Advisory Panel: none.

6. Reason(s) for the matter being dealt with if urgent: not applicable.

7. Statement from the Decision Maker:

Approved by:

Date:

22 July 2016

**Executive Member for Environment and Transport
Councillor Rob Humby**