

LYNDHURST FLOOD RELIEF SCHEME : INCREASE IN PROJECTED EXPENDITURE

1. Background

- 1.1 Approval for the Lyndhurst Flood Relief Scheme was given at a projected cost of £115,000.
- 1.2 The scheme was to be part-funded by Hampshire County Council with a contribution of £30,000 for highway drainage works. Of the remaining £85,000 25% (£21,250) was to be funded by DEFRA and the remaining 75% (£63,750) by the Council, with the Government providing Supplementary Credit Approval (SCA) for that amount.

2. Increased Costs

- 2.1 The first phase of the work, in Queens Parade and the lower part of Empress Road, was carried out by New Forest Contract Services (NFCS) in autumn 2002. Bad ground conditions coupled with bad weather resulted in an increase in the cost of the work to £48,000.
- 2.2 When prices were obtained from NFCS and other contractors for the second, main, phase of the works they exceeded the remaining budget by a considerable amount because the tenderers were allowing for the ground conditions that had been found during the first phase. The best price (from NFCS) was £100,000.
- 2.1 With fees, contingencies, and first phase expenditure the total cost of the scheme rose to £208,000 an increase of £93,000.

3. DEFRA Grant

- 3.1 DEFRA were notified of the increased cost of the scheme and asked to approve the additional sum of £93,000. That approval was received in their letter dated 30 September 2003.
- 3.2 Since the original scheme approval, changes to DEFRA grant rules have resulted in the grant rate being raised from 25% to 45% of eligible costs. In this case eligible costs are the full scheme costs, less the £30,000 contribution from Hampshire County Council.
- 3.3 These changes to scheme costs and grant rates are summarised in the following table

	Original Approval		Proposed Costs		Difference
Works Fees etc.	£115,000		£208,000		£93,000
Hampshire County Council Contribution	£30,000		£30,000		Nil
Eligible Costs	£85,000		£178,000		£93,000
Grant	25%	£21,250		£8	£58,850
SCA	75%	£63,750		£9	£34,150

4. Financial Implications

- 4.1 For the scheme to be completed it will be necessary for the council to approve additional expenditure of £93,000 which would be funded by grant and SCA as outlined in paragraph 3.3 above.

5. Environmental Implications

- 5.1 If the scheme is not completed flooding of properties will continue.

6. Crime and Disorder Implications

- 6.1 There are no crime and disorder implications.

7. Portfolio Holder Comments

- 7.1 The Portfolio supports the recommendation contained in this report.

8. Recommendation

- 8.1 It is recommended that the Council approve a supplementary estimate of £93,000 to be funded by grant and SCA as outlined in paragraph 3.3 above to enable the Lyndhurst Flood Relief Scheme to be completed.

Further Information:

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Background Information:

Previously published documents