

**A MEETING OF THE COMMUNITY BOARD  
WAS HELD ON 7 JULY 2021**

**82. RISK UNDERWRITING FOR THE CONSTRUCTION OF THE FLOOD DEFENCE SCHEME AT ALVERSTOKE**

Consideration was given to a report by the Head of Streetscene regarding risk underwriting for the construction of the flood defence scheme at Alverstoke.

A Member advised that they had consulted Mott MacDonalds who had advised that it was very unusual to have a contingency plan such as the one proposed in place and that it was not usual practice.

They also questioned why the risk was that of the Council's and not the company undertaking the work.

The Board was advised that it was usual to have such a contingency in place and that it was usual to consider that there be a risk from unforeseen circumstances like poor ground conditions and that it was the correct thing to do to put aside a contingency for these to ensure there was no delay in the work process and funds were available to address any issues that might occur.

In answer to a Member's question the Board was advised that 20% was the minimum required for such a contingency and 30% was ideal.

The Board was also advised that it was standard to have such a risk pot in case unforeseen circumstances occurred and that in most circumstances it would be used, the Board also advised that it was for the client to bear the risk.

The Board was advised that the contractor would need to justify the use of the risk pot before any of it was released.

**RESOLVED:** That the Board gave formal support of the risk underwriting by the Council for costs in excess of the current approved funding, allocated to the Council by the Environment Agency (EA) and other contributors, for the scheme.

That the Board referred the report to Policy and Organisation Board for the provision of financial allocation of the risk underwriting for the Alverstoke Coastal Defence Scheme at the recommended 30% contingency level (£212,269), with a minimum of 20% contingency level (£108,600), should costs be in excess of the current approved funding.