

Report To: Cabinet

Date of Meeting: Monday, 5th December

Report Title: Buckshole Reservoir finance update

Report By: Cameron Morley, Waste and Cleansing Manager

Key Decision: Y

Classification: Open

Purpose of Report

To brief Cabinet on the likely shortfall in the capital budget to complete the mandatory safety improvement works at Buckshole reservoir and seek approval to increase the capital budget of this project as presented in the accompanying part 2 report

Recommendation(s)

- 1. Cabinet approves the report for consideration at Full Council with the recommendation to increase the capital budget for the Buckshole Reservoir safety improvement works in line with the figures provided in the associated part 2 report.**
- 2. To give delegated authority to the Managing Director in consultation with the Lead Member for the Environment to make provision for the additional budget.**

Reasons for Recommendations

Several factors, including the global pandemic, have led to an increase in the cost of materials which has had the effect of increasing the costs of the project above the current capital budget.

Introduction

1. The Buckshole Reservoir safety improvement project is for the reconstruction of the reservoir spillway channel and the installation of a new emergency drawdown outlet pipe. These works are required to satisfy statutory recommendations made for reservoir safety improvement works. The contractor undertaking these works is Jackson Civil Engineering (JCE), appointed in 2021 following a tendering process.
2. Previous Cabinet reports on this project have set out the legal and safety background to the works. Councillors will be aware the works are mandatory on the council.

Project Update

3. Work started in 2021. However due to the late commencement of the project, the works were postponed over the winter of 2021/22. They re-commenced again in Spring 2022 with the contractor's stated completion date of 2nd August 2022.
4. In July 2022 a Southern Water (SW) burst water main near St Helens Road, resulted in the construction site being flooded. Works were significantly delayed and coupled with further delays mostly related to poor ground conditions and ground water ingress, the contractor has since reviewed their completion date back to 9th November 2022.
5. As a result of delays, the implications on the project from the Sothern Water incident, and compensation claims being filed by the contractor for delays, officers need to provide Councillors with an early warning that the current capital budget is insufficient to complete the project.
6. It is noted that HBC has submitted our own claim for compensation to SW.

Financial implications and risks

7. Whilst a risk assessment matrix is continually reviewed and updated by officers and the Project Board, the major risk currently relates to the shortfall in the capital project to complete the works. The Part 2 report presents detailed financial implications for councillors' consideration.

Timetable of Next Steps

8. Please include a list of key actions and the scheduled dates for these:

Action	Key milestone	Due date (provisional)	Responsible
Report presented to Full Council for approval	Cabinet 5 th December 2022	Full Council, 15 th December 2022	Cameron Morley, Waste and Cleansing Manager

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Action	Key milestone	Due date (provisional)	Responsible

Wards Affected

Braybrooke; Silverhill; St Helens;

Policy Implications

Reading Ease Score:

Have you used relevant project tools?: Y/N

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	N
Crime and Fear of Crime (Section 17)	N
Risk Management	Y
Environmental Issues & Climate Change	N
Economic/Financial Implications	Y
Human Rights Act	N
Organisational Consequences	N
Local People's Views	N
Anti-Poverty	N
Legal	N

Additional Information

Officer to Contact

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