

**Open Report on behalf of Andy Gutherson, Executive Director - Place**

Report to:	<b>Highways and Transport Scrutiny Committee</b>
Date:	<b>10 June 2019</b>
Subject:	<b>Review of the Highways &amp; Transport Capital Programme 2018/19</b>

**Summary:**

This report describes the Council's capital programme financial performance in 2018/19, specifically in respect of Highways and Transport spend.

The Council's full capital programme will form part of the 'Review of Financial Performance 2018/19' which will be presented to Overview and Scrutiny Management Board on 27th June 2019 and Executive on the 9th July 2019.

**Actions Required:**

The Committee is asked to consider this report and members of the committee are invited to make comments to OSMB in support of the scrutiny of the whole financial performance of the Council when it considers this report on the 27th June 2019.

**1. Background**

1.1 The Overview and Scrutiny Management Board (OSMB) are due to consider a report on the Review of Financial Performance 2018/19 at its meeting on 27<sup>th</sup> June 2019. This is prior to the report being presented to Executive on 9<sup>th</sup> July 2019.

1.2 The Highways and Transport Scrutiny committee has requested to scrutinise an extract of this report which includes the capital programme falling specifically in the remit of this committee. The committee will also have the opportunity to review in year budget monitoring reports during 2019/20 for the Highways and Transport capital programme, ahead of OSMB scrutiny.

1.3 The capital programme is presented by commissioning strategies. The commissioning strategy 'Sustaining & Developing Prosperity through Infrastructure' includes the spend which is relevant to this committee.

1.4 Table A shows the actual spend, budget and variance for the gross expenditure, the income received and the net cost to the council of the capital programme for 2018/19.

## Sustaining & Developing Prosperity Through Infrastructure

TABLE A

Capital Performance Report 2018/2019									
Project	Gross Expenditure			Grants & Contributions			Net Expenditure		
	Actuals	Revised budget	Outturn Variance	Actuals	Revised budget	Outturn Variance	Actuals	Revised budget	Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Highways Asset Protection	53,983	57,903	-3,921	-46,683	-46,469	-214	7,300	11,434	-4,135
Integrated Transport	1,734	2,012	-278	-3,573	-3,529	-45	-1,839	-1,516	-323
Lincoln Eastern Bypass	26,020	47,890	-21,870	-6,461	-6,461	0	19,559	41,429	-21,870
Lincoln East-West Link	300	298	2	0	0	0	300	298	2
Spalding Relief Road (Phase I)	6	0	6	0	0	0	6	0	6
Grantham Southern Relief Road	4,452	2,141	2,312	0	0	0	4,452	2,141	2,312
A16/A1073 Spalding to Eye Road Improvement	19	33	-14	0	0	0	19	33	-14
Other Sustaining and Developing Prosperity Through Infrastructure	60	181	-121	-8	0	-8	52	181	-129
Lincoln Growth Point	626	177	449	3	0	3	629	177	452
Lincolnshire Waterways	2	-142	144	0	0	0	2	-142	144
Historic Lincoln	396	468	-72	-450	-450	0	-55	17	-72
Street Lighting Transformation	252	610	-358	0	0	0	252	610	-358
Lincolnshire Enterprise Partnership Contribution	0	3,057	-3,057	0	0	0	0	3,057	-3,057
Network Resilience	28	540	-512	0	0	0	28	540	-512
NPIF - National Productivity Investment Fund	1,896	1,896	0	-338	-338	0	1,558	1,558	0
A46 Welton Roundabout (Integrated Transport/NPIF)	196	400	-204	-800	-800	0	-604	-400	-204
Holdingham Roundabout (Sleaford Growth Schemes)	52	105	-53	0	0	0	52	105	-53
Other Transport Initiatives	619	1,379	-761	-549	-549	0	70	831	-761
Lincoln Castle Revealed phase 2	1,067	1,067	0	-640	-640	0	427	427	0
A46 Roundabouts	69	400	-331	0	0	0	69	400	-331
Countryside Rights of Way	252	250	2	0	0	0	252	250	2
A1084 Safer Road Fund	0	0	0	-1,245	-1,245	0	-1,245	-1,245	0
A631 Middle Rasen to Bishops Bridge Safer Road Fund	0	0	0	-645	-645	0	-645	-645	0
Gainsborough Corringham Road (Dev with WLDC)	0	216	-216	0	0	0	0	216	-216
Sleaford Rugby Club (Sleaford Growth Scheme)	34	200	-166	0	0	0	34	200	-166
Sustaining & Developing Prosperity Through Infrastructure	92,064	121,082	-29,018	-61,390	-61,126	-263	30,674	59,956	-29,282

1.5 The schemes highlighted in yellow are relevant to this committee and total a gross expenditure of £89.723m against a budget of £116.205m. The main variations are detailed below.

1.6. Highways Asset Protection. The gross budget for this activity (£57.903m) is larger than previous years due to additional funding received in year from the Department for Transport (DfT), recognising the damage caused to roads during the poor weather in 2018. Whilst the programme is showing an underspend in 2018/19, the budget is fully committed and schemes will continue to be completed into the spring period.

A breakdown of the funding received is show in table B below:

TABLE B

	£000's
DfT Highways Maintenance Block - needs element	24,955
DfT Highways Maintenance Block - incentive element	5,238
DfT Pothole funding	3,457
DfT Additional pothole funding	1,737
DfT Additional pothole funding 2018/19 onwards	13,747
Carry forward of underspend from 2017/18	5,467
Additional LCC budget	3,300
Clearance of LCC Reserve	2
	<b>57,903</b>

A breakdown of the spend of the Asset Protection programme is shown in Table C.

TABLE C

	£000's
Surface Dressing	15,242
Surface Treatments	11,791
Mobile Maintenance Teams	2,639
Minor Works	3,247
Pain Gain Management	4,287
General Roads Maintenance	708
Contract Prelims	2,809
Street Lighting	810
Signs and Lines	210
Traffic Signals	984
Safety Fencing	40
Priority Route Network (PRN) and non PRN works	9,082
Road Rail interface	49
Bridges	2,085
TOTAL	53,983

1.7 Integrated Transport. This is a grant from the DfT whilst this is showing an underspend in 2018/19, the funding has been committed to current schemes including:

- A46 Dunholme/Welton Roundabout
- A46 Nettleham and Riseholme Road Roundabout Improvements, Lincoln
- Holdingham Roundabout Improvements, Sleaford
- Rugby Club Junction, Sleaford
- Corringham Road Junction Signalisation, Gainsborough

1.8 Lincoln Eastern Bypass. This scheme is showing an underspend in the current year, this is mainly due to actively using external grant funding before using LCC budget and a delay of earthworks across the scheme together with piling work on the River Witham Bridge. These works are now progressing well. Following Council approval in February 2019, the total gross budget for this scheme is £124.228m. The scheme is currently forecast to be delivered within budget.

1.9 Grantham Southern Relief Road (GSSR). Following approval from Council in February 2019 the gross scheme budget for the GSSR is £101.630m. The overspend in the current year is because the council was expecting a higher value of grant from the Lincolnshire Local Enterprise Partnership (GLLEP) than what was received. The additional grants from the GLLEP will instead be received in financial year 2019/20, thus offsetting the overspend in this financial year.

1.10 Street Lighting Transformation. This underspend is to be utilised in LED replacements going forward.

1.11. Network Resilience. This underspend mainly relates to delayed payments in the programme of purchasing the winter gritter fleet away from a lease payment operation. These purchases are progressing with payment expected over the first few months of the new financial year.

1.12. A46 Welton Roundabout. LCC was successful against the DfT NPIF tranche 2 bid for a £2m grant. Planning approval was granted in February 2018 and work has been completed on detailed design. Land acquisition is progressing in parallel with the legal orders process. The legal orders were published in April 2019 and the objection closing period is mid-June 2019. It is expected that works will commence in 2020. The agreed budget for the project is £4.939m against a forecast total scheme expenditure of £5.322m. This projected overspend is due to complications regarding the publication of orders and additional costs due to land acquisition.

1.13 Holdingham Roundabout. NKDC and LCC secured £1.5m of funding from the GLLEP towards the planned improvements at Holdingham Roundabout, this is further supported through S106 contributions. The planned improvements include part signalisation and widening of tapers in to and out of the circulatory. The works are planned to commence in 2020. The agreed budget for the project is £4.050m against a forecast total scheme expenditure of £3.692m. This projected underspend will be balanced with the overspend on the Rugby Club Junction as these two projects are being promoted as one package of works.

1.14 Other Transport Initiatives. This spend area includes a £0.495m transfer from the revenue budget to provide further funds for the punctuality improvement programme and other transport initiatives going forward. Elements of the underspend have been created due to slippage in relation to replacement IT systems, vehicle adaptations and Electronic Ticketing Machines (ETM) project deliverables. Expenditure will now occur in 2019/2020.

1.15 A46 Nettleham and Riseholme Road Roundabout. LCC secured £2.5m of GLLEP funding towards the improvements at these two roundabouts. The improvements include constructing a larger circulatory, providing additional entry and exit lanes and lengthening the approach tapers. This project will reduce congestion in the morning and afternoon traffic peaks and help to accommodate for further growth in Lincoln. Both roundabouts are planned to commence in 2020. The agreed budget for the project is £4.600m against a forecast total scheme expenditure of £4.525m.

1.16 Gainsborough Corringham Road. This project entails improving the junction between Corringham Road and Thorndike Way in Gainsborough by incorporating traffic signals to control movements. This junction is one of the counties highest priorities with regards to reducing accidents and is also designed to accommodate planned growth in Gainsborough. This project is planned to commence in 2020. The agreed budget for the project is £1.500m against a forecast total scheme expenditure of £1.420m. The scheme is being undertaken in partnership with West Lindsey District Council (WLDC) with a receipt of £1.000m contribution during 2020/21.

1.17 Sleaford Rugby Club (Sleaford Growth Scheme).The improvements at the Rugby Club Junction will include signalisation and widening of lanes to reduced congestion and queue lengths. The project will also accommodate for future planned growth in the local plan. The project like Holdingham Roundabout is planned to commence in 2020. The agreed budget for the project is £1.335m against a forecast total scheme expenditure of £1.608m. This projected overspend will be balanced against the underspend on the Holdingham Roundabout project as these two projects are being promoted as one package of works.

## **2. Conclusion**

2.1 OSMB will be considering the Financial Performance of the capital programme at its meeting on the 27 June 2019. Following consideration of the contents of this report, the committee is asked to consider any comments it may want to feedback to OSMB in assurance of the performance of the Highways & Transport Capital schemes.

## **3. Consultation**

### **a) Have Risks and Impact Analysis been carried out?**

No

### **b) Risks and Impact Analysis**

N/A

## **4. Background Papers**

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