

CAPITAL BUDGET MONITORING REPORT 2020/21 - QUARTER 2 TO 30 SEPTEMBER 2020

COMMENTS FROM THE OVERVIEW AND SCRUTINY MANAGEMENT BOARD

At a virtual meeting on 26 November 2020, the Overview and Scrutiny Management Board considered the report and unanimously agreed to support the recommendation to the Executive.

Members of the Board asked a number of questions, when the following points were confirmed:

- Overspend of £8.755m on Lincoln Eastern Bypass – the forecast overspend on the Lincoln Eastern Bypass was due to a number of issues which could not be foreseen. This has included the public inquiry, the bankruptcy of the original contractor Carillion, flooding, redesigns and Covid-19. There were always a number of unknowns, such as bad weather, which were factored in as risks. The project should be physically completed this calendar year, but would not be financially completed for some time due to outstanding claims such as for bad weather.
- Overspend of £8.833m on Grantham Southern Relief Road – Delays and costs were increasing, mainly due to Covid-19 and waiting for third parties, namely Network Rail, Highways England and utility companies, to divert power and water supplies.
- Overspend trends – the Board suggested that it would be useful to have a breakdown of overspends in previous quarters included in the report going forward so that quarters could be compared and any trends could be identified.
- Review and analysis of major projects on completion – there was no formal process to review and consider lessons learnt at the end of a major project. An officer led Capital Review Group was in place to strengthen reporting to scrutiny committees and the Executive. Lessons learnt from major projects could be considered by the Capital Review Group going forward.
- Managing overspends from within the existing capital programme – it was likely that there would be an impact on other capital projects from managing forecast overspends for the Lincoln Eastern Bypass and the Grantham Southern Relief Road. Work was being undertaken to rebalance the programme and this would be set out in the Budget report for 2021/22 which would be presented to the Board early in the new year.
- Risk assessments for funding from other developments for highways projects – Section 106 agreements would be put in place to ensure funding from developers was made available to help provide infrastructure. The Council was reliant on developers working with district councils to deliver developments and provide funding. The Council forward funds infrastructure, such as roads, in case there was any delay to funding being received from developers.

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