

**Open Report on behalf of Andrew Crookham, Executive Director - Resources**

Report to:	<b>Executive</b>
Date:	<b>1 March 2022</b>
Subject:	<b>Capital Budget Monitoring Report 2021/22 - Quarter 3 to 31 December 2021</b>
Decision Reference:	<b>I022178</b>
Key decision?	<b>No</b>

**Summary:**

- This report provides an update on capital spending compared with budgets for the financial year which started on 1 April 2021.
- The tables in this report show the net expenditure for the first nine months of this financial year to 31st December 2021, along with the forecasts for spending and a comparison of the forecasts against the latest revised budgets.
- For capital projects which span more than one financial year, the forecast position for the whole life of the project is given.
- The tables are split into "Blocks" which are annual recurrent allocations of funding, usually for maintenance or rolling replacements of assets, and "Projects". The Gross Programme tables show the total value of the project - some schemes are wholly or partially funded by Grant and income from outside bodies. The Net Programme tables, after having deducted the Grants and income, show the actual cost of the project to be funded by the Council.
- The report gives an overview of the financial position, with more detailed information on selected capital programme schemes in Appendix D.
- The current 2021/22 forecasted position is an underspend of **£23.689m** (Block schemes **£15.607m**, Project schemes **£8.082m**). For the project schemes, the whole life budget is forecast to be overspent by **£0.117m**.

**Recommendation(s):**

That the Executive notes the position on the capital programme and decide on any corrective action necessary.

**Alternatives Considered:**

1. This report shows the actual capital financial performance to 31 December 2021,

and forecast outturns for 2021/22, therefore no alternatives have been considered.

**Reasons for Recommendation:**

To maintain the Council's financial resilience.

**1. Background**

**Overall Financial Position**

1.1 The table below shows the forecast net summary position for Block schemes as at 31 December 2021.

	2021/22					
	Original Budget £m	In Year Changes £m	Revised Budget £m	Net Expenditure £m	Forecast £m	Forecast Variance £m
Blocks						
Adult Care	-	0.960	0.960	-	0.285	-0.675
Children's Services	0.818	1.427	2.244	-3.950	2.145	-0.099
Commercial	12.372	-6.820	5.553	1.284	4.533	-1.019
Fire and Rescue	4.203	-2.949	1.253	0.793	1.257	0.003
Place	20.542	29.777	50.319	41.305	47.367	-2.952
Resources	-	0.025	0.025	-	-	-0.025
Other Budgets	5.200	6.276	11.476	-1.077	0.636	-10.840
<b>Total Block</b>	<b>43.135</b>	<b>28.695</b>	<b>71.830</b>	<b>38.354</b>	<b>56.223</b>	<b>-15.607</b>

1.2 The table below shows the forecast net summary position for Project schemes as at 31 December 2021.

	2021/22					
	Original Budget £m	In Year Changes £m	Revised Budget £m	Net Expenditure £m	Forecast £m	Forecast Variance £m
Projects						
Adult Care	-	-	-	0.014	-	-
Children's Services	1.075	-0.725	0.350	14.253	0.350	-
Commercial	2.007	1.375	3.382	2.930	3.172	-0.210
Place	64.996	-9.010	55.985	38.423	48.113	-7.872
<b>Total Project</b>	<b>68.078</b>	<b>-8.360</b>	<b>59.718</b>	<b>55.620</b>	<b>51.635</b>	<b>-8.082</b>

1.3 The capital programme comprises a series of schemes/projects which often span a number of years. The table below shows the forecast whole life net summary position for projects.

	Whole Life total				
	Original Approved Budget £m	Total Budget and CGU £m	Total Net Expenditure to Date £m	Scheme Total Forecast £m	Variance £m
Projects					
Adult Care	1.990	5.571	1.430	5.571	0.001
Children's Services	1.500	2.585	28.766	2.585	--
Commercial	41.430	45.431	25.944	44.405	-1.026
Place	163.758	296.258	137.593	297.401	1.142
Total Project	208.678	349.845	193.734	349.962	0.117

1.4 The detailed listing for both Block and Project schemes including whole life costs can be found in Appendix A, B and C, respectively.

1.5 Where a scheme/project is known to be exhibiting a material variance to its spending profile this will be explained in Appendix D. This also shows further detail for selected Block Schemes and Projects.

1.6 There are additional costs to capital schemes of **£7.827m** arising from the impact of Covid-19. Any cost increases identified in future years have been built into the latest capital programme for 2022/23 onwards.

1.7 The forecast position for this year on the Block Schemes is a net underspend of **£15.607m**. Appendix A breaks this underspend down into more detail and Appendix D provides the explanation of significant variances.

1.8 The forecast position for this year on Capital Projects is a net underspend of **£23.689m**, however, the whole life cost of these projects is an overspend of **£0.117m**. Appendix B and C breaks these positions down into more detail and Appendix D provides the explanation of significant variances.

### Impact of the Capital Position

1.9 The current year's forecast underspend of £23.689m means that our borrowing requirement is reduced compared to our estimate of this at the start of the year. This position also leads to a forecast underspend on capital financing charges which is reported in the Revenue Monitoring report for quarter two on the same agenda as this report.

1.10 The whole life cost of projects is forecast to be overspent by £0.917m. This position will need to be addressed as part of the 2022/23 budget setting process to ensure the capital programme is affordable over the longer term.

## **Progress on Development Fund Initiatives**

1.10 Appendix E shows a list of initiatives where the capital costs are to be funded by the Development Fund earmarked reserve. Progress on each of these is reported in the appendix. Expenditure in 2020/21 was £4.823m and £4.528m is forecast to be spent in the current year.

## **Assessment of Impact on Financial Resilience**

1.11 The forecast whole life position is an overspend and this will need to be addressed, however it is a relatively small overspend so unlikely to adversely impact on the Council's long term financial resilience. The capital programme was modified to take into consideration the current and future capital programme as a whole to ensure affordability, thereby maintaining our financial resilience. Our Capital Strategy 2021/22 requires the capital programme to be affordable over the longer term and the next iteration of the capital programme will need to remain affordable.

## **2. Legal Issues:**

### **Equality Act 2010**

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.

Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
- Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.

Compliance with the duties in section 149 may involve treating some persons more favourably than others.

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision making process.

As this report simply reports on performance against the capital budget, there are no implications that need to be taken into account by the Executive.

#### Joint Strategic Needs Analysis (JSNA) and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health & Well Being Strategy (JHWS) in coming to a decision.

As this report simply reports on performance against the capital budget, there are no implications that need to be taken into account by the Executive.

#### Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area.

As this report simply reports on performance against the capital budget, there are no implications that need to be taken into account by the Executive.

### **3. Conclusion**

- 3.1 The Council's current position on the capital programme is highlighted in this report for the Executive to note.

#### **4. Legal Comments:**

This report sets out an update on spending to 31 December 2021 compared with the capital budget for the financial year starting on 1 April 2021 to assist the Executive to monitor the financial performance of the Council. It also incorporates forecast total expenditure against budget for the whole life of capital projects which span more than one financial year, including 2021/22.

#### **5. Resource Comments:**

This report indicates that the current year capital budget is projected to be underspent by £23.689m, therefore, no other call on reserves is expected to be required within the current financial year.

#### **6. Consultation**

##### **a) Has Local Member Been Consulted?**

n/a

##### **b) Has Executive Councillor Been Consulted?**

Yes

##### **c) Scrutiny Comments**

This report is due to be considered by the Overview and Scrutiny Management Board on 24 February 2022. Any comments of the Board will be reported to the Executive.

##### **d) Risks and Impact Analysis**

The impact of this reported financial position on the Council's overall financial resilience has been assessed and is reported on within this report.

#### **7. Background Papers**

These are listed below and attached at the back of the report

Appendix A	Capital Monitoring Report for Block Schemes as at 30 December 2021
Appendix B	Capital Monitoring Report for Projects as at 30 December 2021
Appendix C	Capital Monitoring Report for Projects Whole Life Cost
Appendix D	Capital Programme Detail for Selected Projects and Blocks as at 30 December 2021.
Appendix E	Monitoring of Development Fund Initiatives 2021/22

## 8. Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
Budget Book 2021/22	<a href="#">Budget and financial strategy – Lincolnshire County Council.</a>

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## Capital Monitoring Report for Block Schemes as at 31 December 2021 Appendix A

	2021/22					
	Actuals £m	Original Budget £m	In Year Changes £m	Revised Budget £m	Forecast £m	Forecast Variance £m
Adult Care	-	-	0.960	0.960	0.285	-0.675
Adult Frailty & Long Term Conditions	-	-	0.960	0.960	0.285	-0.675
Adult Care and Community Wellbeing	-	-	0.960	0.960	0.285	-0.675
Infrastructure and Refresh Programme	0.586	3.539	-2.236	1.303	1.343	0.040
Replacement ERP Finance System	0.045	0.312	-0.028	0.284	0.051	-0.233
ICT Development Fund	0.044	0.121	0.024	0.145	0.065	-0.080
Improvement Transformation	-	2.000	-2.000	-	-	-
Information Management Technology	0.674	5.972	-4.240	1.732	1.459	-0.273
Property	0.476	6.125	-2.726	3.399	2.653	-0.746
County Farms Block	0.134	0.275	0.147	0.422	0.422	-
Property	0.610	6.400	-2.579	3.821	3.075	-0.746
Commercial	1.284	12.372	-6.820	5.553	4.533	-1.019
Fire & Rescue and Emergency Planning	0.106	1.074	-0.822	0.252	0.268	0.016
Fire Fleet & Equipment	0.687	3.128	-2.127	1.001	0.989	-0.012
Fire and Rescue	0.793	4.203	-2.949	1.253	1.257	0.003
Fire and Rescue	0.793	4.203	-2.949	1.253	1.257	0.003
Devolved Capital	-0.210	-	-	-	-	-
Provision of School Places - Basic Need	-3.563	-	-	-	-	-
School Modernisation Condition	-1.708	-	-	-	-	-
Schools Access Initiative	0.003	-	-	-	-	-
Provision of School Places (Basic Needs - Sleaford)	1.107	-	1.107	1.107	1.107	-
Early Years Sufficiency / Extended Provision	0.500	-	0.559	0.559	0.559	-
Healthy Pupils	0.024	-	-0.002	-0.002	-0.002	-
Full Fibre Broadband Capital	-0.196	-	0.347	0.347	0.348	0.001
Connect the Classroom	-0.001	-	-	-	-	-
Education	-4.045	-	2.011	2.011	2.013	0.001
Foster Capital	0.065	0.189	-0.005	0.185	0.090	-0.095
Other Children's Social care	0.030	0.628	-0.580	0.048	0.042	-0.006
Social Care	0.095	0.818	-0.585	0.233	0.132	-0.101
Children's Services	-3.950	0.818	1.427	2.244	2.145	-0.099
Libraries	-	-	0.399	0.399	0.399	-
Other Environment and Planning	0.006	-	0.018	0.018	0.018	-
Flood & Water Risk Management	0.167	-	0.866	0.866	0.866	-
Equipment & Vehicles at Waste Transfer Stations	0.024	0.252	0.048	0.300	0.300	-
Fire Suppression at Waste Transfer Stations	0.003	0.421	-0.321	0.100	0.100	-
Local Flood Defence Schemes	-0.035	1.350	-0.750	0.600	0.600	-
Other Transport Initiatives	0.071	-	0.679	0.679	0.679	-
Countryside Rights of Way	0.026	-	0.049	0.049	0.049	-
Waste	-	0.100	-	0.100	0.100	-
Drainage Investigation and Flood Repairs	0.207	-	-	-	-	-
Waste - Separated Paper and Card Scheme	0.935	1.206	0.459	1.664	1.664	-
Communities	1.405	3.329	1.448	4.777	4.777	-
Lincoln Growth Point	-	-	-0.256	-0.256	-0.256	-
Lincolnshire Waterways	0.001	-	-0.144	-0.144	-0.144	-
Teal Park, Lincoln	-	-	-0.001	-0.001	-	0.001
LEP Skills Investment Programme	1.545	-	1.545	1.545	0.105	-1.440
Economic Development - Business Unit Development	0.365	1.500	0.017	1.517	0.833	-0.683
Other Growth and the Economy - Economic Infrastructure	0.288	-	0.160	0.160	0.160	-
Growth	2.199	1.500	1.322	2.822	0.700	-2.122
Highways Asset Protection	26.943	-3.657	11.039	7.382	12.032	4.650
Integrated Transport	-2.262	-	1.569	1.569	-2.441	-4.010
A16/A1073 Spalding to Eye Road Improvement	0.007	-	-	-	0.008	0.008
Network Resilience	0.842	0.723	0.141	0.864	0.911	0.046
Holdingham Roundabout (Sleaford Growth Schemes)	6.621	3.839	2.871	6.710	6.706	-0.003
A46 Roundabouts	0.080	-	0.286	0.286	0.087	-0.199
A18 Safer Road Fund	0.140	-	-	-	-	-
Energy Efficiency Street Lighting Schemes	0.234	0.164	0.071	0.234	0.234	-
Local Highways Improvements (pinchpoints) to support coastal route:	0.060	1.705	-1.436	0.269	0.234	-0.035
Other Highways	0.027	-	0.525	0.525	0.413	-0.113
Boston Development Schemes	0.066	0.641	-0.373	0.268	0.093	-0.175
Rural Roads Fund	4.734	12.300	-4.800	7.500	6.500	-1.000
Highways	37.491	15.714	9.893	25.607	24.777	-0.830
Lincolnshire Enterprise Partnership Contribution	0.210	-	17.114	17.114	17.114	-
LEP	0.210	-	17.114	17.114	17.114	-
Place	41.305	20.542	29.777	50.319	47.367	-2.952
Safer Communities	-	-	0.025	0.025	-	-0.025
Public Protection	-	-	0.025	0.025	-	-0.025
Resources	-	-	0.025	0.025	-	-0.025
New Developments Capital Fund	-	5.200	6.276	11.476	0.636	-10.840
Capital Fund	-1.077	-	-	-	-	-
Finance	-1.077	5.200	6.276	11.476	0.636	-10.840
Other Budgets	-1.077	5.200	6.276	11.476	0.636	-10.840
	38.354	43.135	28.695	71.830	56.223	-15.607



## Capital Monitoring Report for Projects as at 31 December 2021

	2021/22					
	Actuals £m	Original Budget £m	In Year Changes £m	Revised Budget £m	Forecast £m	Forecast Variance £m
De Wint Court - Extra Care Housing	0.003	-	-	-	-	-
Linelands – Extra Care Housing	0.001	-	-	-	-	-
Hoplands - Extra Care Housing	0.010	-	-	-	-	-
Welton - Extra Care Housing	0.001	-	-	-	-	-
Adult Frailty & Long Term Conditions	0.014	-	-	-	-	-
Adult Care and Community Wellbeing	0.014	-	-	-	-	-
Broadband	1.537	-	1.223	1.223	1.223	-
Care Management System (CMPP)	-	0.005	0.009	0.014	0.014	-
IMT (Cloud Navigator/Windows 10)	0.014	-	0.035	0.035	0.035	-
Azure Data Migration Project	0.636	0.460	0.351	0.811	0.781	-0.030
Information Management Technology	2.187	0.465	1.618	2.083	2.053	-0.030
Blue Light South Park	0.034	-	0.208	0.208	0.021	-0.187
Lexicon House	-	0.950	-0.950	-	-	-
County Emergency Centre	-	-	-	-	-	-
Property Area Review	0.026	0.202	-0.102	0.100	0.100	-
School Mobile Classroom Replacement	-	0.390	0.026	0.416	0.416	-
Property Improvement	-	-	-	-	-	-
Orchard House Repairs	0.073	-	0.072	0.072	0.072	-
Horncastle Estate	-	-	-	-	-	-
Castle Motte Repairs	0.577	-	0.510	0.510	0.510	-
Grantham Fire	0.011	-	-0.007	-0.007	-	0.007
Leverton Fire Station	0.022	-	-	-	-	-
Property	0.744	1.542	-0.243	1.299	1.119	-0.180
Commercial	2.930	2.007	1.375	3.382	3.172	-0.210
SEND capital funding with pupils with EHC plans	14.092	-	-	-	-	-
Educaton	14.092	-	-	-	-	-
Children's Homes	0.162	1.075	-0.725	0.350	0.350	-
Social Care	0.162	1.075	-0.725	0.350	0.350	-
Children's Services	14.253	1.075	-0.725	0.350	0.350	-
HWRC Tattershall	0.093	3.950	-2.650	1.300	1.300	-
Lincoln Castle Revealed phase 2	-	-	-	-	-	-
Heritage / Archives	-	2.500	2.500	5.000	0.074	-4.926
Electronic Ticket Machines	0.143	-	0.130	0.130	0.130	-
HWRC Skegness	-	-	-	-	-	-
Communities	0.236	6.450	-0.020	6.430	1.504	-4.926
Holbeach Food Enterprise Zone	0.971	-	0.011	0.011	0.605	0.594
Economic Development – Horncastle Industrial Estate Exte	-	1.000	-1.000	-	-	-
Skegness Countryside Business Park 2	0.054	-	0.092	0.092	0.051	-0.040
Growth	1.025	1.000	-0.897	0.103	0.656	0.553
Lincoln Eastern Bypass	4.879	5.847	-2.127	3.720	2.523	-1.197
Spalding Western Relief Road (Section 5)	0.259	11.547	-11.642	-0.095	-	0.095
Grantham Southern Relief Road	28.154	29.703	13.347	43.049	41.378	-1.672
Street Lighting Transformation	0.006	0.150	0.020	0.170	0.100	-0.070
A46 Welton Roundabout (Integrated Transport/NPIF)	1.511	0.361	1.790	2.151	1.751	-0.400
A1084 Safer Road Fund	0.867	-	-	-	-	-
A631 Middle Rasen to Bishops Bridge Safer Road Fund	0.680	-	0.175	0.175	0.175	-
Gainsborough Corringham Road (Dev with WLDC)	-0.041	-	0.221	0.221	0.135	-0.086
Sleaford Rugby Club (Sleaford Growth Scheme)	-0.150	1.014	-0.994	0.020	-0.150	-0.170
A631 Louth to Middle Rasen Safer Road Fund	0.025	-	0.700	0.700	0.700	-
A52 Skegness Roman Bank Reconstruction	1.286	0.325	0.716	1.041	1.041	-
North Hykeham Relief Road	-0.315	-	-	-	-	-
Spalding Western Relief Road Section 1	-	10.400	-10.300	0.100	0.100	-
Spalding Western Relief Road Section 1 S106	-	-1.800	-	-1.800	-1.800	-
Lincoln East-West Link	-	-	-	-	-	-
Highways	37.162	57.546	-8.093	49.452	45.953	-3.499
Place	38.423	64.996	-9.010	55.985	48.113	-7.872
Project Total	55.620	68.078	-8.360	59.718	51.635	-8.082

## Capital Monitoring Report for Projects Whole Life Cost

	Whole Life total				
	Original Approved Budget £m	Total Net Budget and CGU £m	Total Net Expenditure to Date £m	Scheme Total Forecast £m	Variance £m
De Wint Court - Extra Care Housing	-	1.400	1.409	1.400	--
Linelands – Extra Care Housing	1.990	0.011	0.011	0.011	0.001
Hoplads - Extra Care Housing	-	2.560	0.010	2.560	-
Welton - Extra Care Housing	-	1.600	0.001	1.600	-
Adult Frailty & Long Term Conditions	1.990	5.571	1.430	5.571	0.001
Adult Care and Community Wellbeing	1.990	5.571	1.430	5.571	0.001
Broadband	10.000	13.042	5.318	13.042	--
Care Management System (CMPP)	2.500	4.648	4.634	4.648	--
IMT (Cloud Navigator/Windows 10)	16.500	11.196	3.108	11.182	-0.014
Azure Data Migration Project	1.165	1.348	1.148	1.274	-0.073
Information Management Technology	30.165	30.233	14.209	30.146	-0.088
Blue Light South Park	7.140	6.910	6.736	6.910	-
Lexicon House	1.975	1.925	0.975	1.925	-
County Emergency Centre	0.500	0.582	0.582	0.574	-0.008
Property Area Review	0.550	0.550	0.133	0.550	-
School Mobile Classroom Replacement	0.600	2.400	0.484	2.400	-
Property Improvement	0.500	0.541	0.541	0.500	-0.041
Orchard House Repairs	-	1.496	1.497	1.400	-0.096
Horncastle Estate	-	0.114	0.114	-	-0.114
Castle Motte Repairs	-	0.679	0.633	-	-0.679
Grantham Fire	-	--	0.019	-	-
Leverton Fire Station	-	-	0.022	-	-
Property	11.265	15.198	11.735	14.259	-0.939
<b>Commercial</b>	<b>41.430</b>	<b>45.431</b>	<b>25.944</b>	<b>44.405</b>	<b>-1.026</b>
SEND capital funding with pupils with EHC plans	-	1.085	28.600	1.085	--
Educaton	-	1.085	28.600	1.085	--
Children's Homes	1.500	1.500	0.167	1.500	--
Social Care	1.500	1.500	0.167	1.500	--
<b>Children's Services</b>	<b>1.500</b>	<b>2.585</b>	<b>28.766</b>	<b>2.585</b>	<b>--</b>
HWRC Tattershall	4.000	2.000	0.095	2.000	--
Lincoln Castle Revealed phase 2	1.200	0.146	0.146	0.480	0.334
Heritage / Archives	5.000	5.000	-	5.000	-
Electronic Ticket Machines	-	0.365	0.377	0.250	-0.115
HWRC Skegness	-	2.000	-	2.000	-
Communities	10.200	9.511	0.618	9.730	0.219
Holbeach Food Enterprise Zone	6.025	7.840	4.399	7.840	--
Economic Development – Horncastle Industrial Estate Exte	1.500	1.500	-	1.500	-
Skegness Countryside Business Park 2	2.398	0.909	0.871	-	-0.909
Growth	9.923	10.249	5.270	9.340	-0.909
Lincoln Eastern Bypass	47.640	85.107	73.103	85.107	--
Spalding Western Relief Road (Section 5)	10.000	18.458	-0.046	18.458	-
Grantham Southern Relief Road	64.000	80.179	41.141	81.092	0.913
Street Lighting Transformation	2.082	1.332	1.168	2.082	0.750
A46 Welton Roundabout (Integrated Transport/NPIF)	3.216	4.133	3.493	4.728	0.595
A1084 Safer Road Fund	-	--	-0.027	-	-
A631 Middle Rasen to Bishops Bridge Safer Road Fund	-	0.175	0.137	-	-0.175
Gainsborough Corringham Road (Dev with WLDC)	1.500	1.154	0.893	1.082	-0.072
Sleaford Rugby Club (Sleaford Growth Scheme)	-	1.236	1.067	1.376	0.140
A631 Louth to Middle Rasen Safer Road Fund	-	0.700	-1.040	0.700	--
A52 Skegness Roman Bank Reconstruction	-	1.116	-0.495	0.800	-0.316
North Hykeham Relief Road	-	48.000	-0.315	48.000	-
Spalding Western Relief Road Section 1	-	27.800	-	27.800	-
Spalding Western Relief Road Section 1 S106	-	-5.520	-	-5.520	-
Lincoln East-West Link	15.197	12.628	12.628	12.626	-0.002
Highways	143.635	276.499	131.705	278.331	1.832
Place	163.758	296.258	137.593	297.401	1.142
<b>Project Total</b>	<b>208.678</b>	<b>349.845</b>	<b>193.734</b>	<b>349.962</b>	<b>0.117</b>



## Capital Programme Further Detail of Selected Schemes

Type of Scheme	Project		
Directorate	Children's Services		
Area	Education		
<b>Scheme Name</b>	<b>SEND Capital Funding with pupils with EHC Plans</b>	<b>Status of Project</b>	<b>In progress</b>

Financial Information 2021/22 £m			
Gross Expenditure Budget	32.696	Net Expenditure Budget	0.000
Gross Income Budget	<u>-32.696</u>	Actual to date	14.092
Net Expenditure Budget	0.000	Forecast Net Outturn	0.000
		<b>Forecast Net Over/(Underspend)</b>	<b>0.000</b>

Whole Lifetime Financial Information £m			
Gross Expenditure Budget	86.945	Net Expenditure budget	1.085
Gross Income Budget	<u>-85.860</u>	Scheme Total Forecast	<u>1.085</u>
Net Expenditure Budget	1.085	<b>Whole Life Variance</b>	<b>0.000</b>

Purpose of Scheme
<p>Capital funding to create communities of specialist education across the county for pupils with SEND, in both special and mainstream schools, through collaboration and collective responsibility ensuring all pupils' needs can be met at their nearest schools. When fully implemented, pupils will no longer have to travel considerable distances to a school to have their needs met, nor will pupils need to be educated away from home, unless a very specific need dictates. This includes Department of Education grant funding to improve the special provision for children and young people with education, health &amp; care (EHC) plans.</p>

Performance of Scheme
<p>The budgets reflect the revised project timescales. It should be noted that the forecasts are based on the current project plan and its delivery timetable. As the entire SEND strategy is subject to a continuing decision making process, projects may be re-prioritised over the coming months. Work has been completed on the Boston Endeavour Academy, which has space for 140 pupils. Other projects are on schedule to complete according to plan.</p>

Type of Scheme Block Scheme  
 Directorate Place  
 Area Highways  
**Scheme Name Highways Asset Protection**

Financial Information 2021/22 £m			
Gross Expenditure Budget	49.410	Net Expenditure Budget	7.382
Gross Income Budget	<u>-42.029</u>	Actual to date	26.943
Net Expenditure Budget	7.382	Forecast Net Outturn	12.032
			<b>Forecast Net Over/(Underspend)</b>
			<b>4.650</b>

**Purpose of Scheme**

This block includes spending on surface treatment, potholes, structures, traffic signals, street lighting and a variety of minor works to maintain highway assets and is predominantly funded by a Department of Transport (DfT) annual grant.

**Performance of Scheme**

Highways Asset Protection is primarily funded by a DfT grant and as such the programme can vary from year to year with the flexibility to carry forward any under or over spending. For 2021/22 the Council committed a further £12.3m of its own resources which are reported separately. This is to offset the year on year reduction in DfT grant and preserve the current level of the maintenance programme. In September 2021, the Council also approved an additional £10m of prior year revenue underspend to be added to the Development Fund for Highways Initiatives. This funding will help to meet a demanding programme of rural roads maintenance whilst balancing the available resources. Projects are overallocated during the year as slippage can often occur due to resource and winter weather. The current forecast is for an overallocation based on the milder winter and any balance on the grant will be carried forward.

Type of Scheme Project  
 Directorate Place  
 Area Highways

**Scheme Name Lincoln Eastern Bypass**

**Status of Project**

**In progress**

<b>Financial Information 2021/22 £m</b>			
Gross Expenditure Budget	3.720	Net Expenditure Budget	3.720
Gross Income Budget	<u>0.000</u>	Actual to date	4.879
Net Expenditure Budget	3.720	Forecast Net Outturn	<u>2.523</u>
<b>Forecast Net Over/(Underspend)</b>			<b>-1.197</b>

<b>Whole Lifetime Financial Information £m</b>			
Gross Expenditure Budget	135.604	Net Expenditure budget	85.107
Gross Income Budget	<u>-50.497</u>	Scheme Total Forecast	<u>85.107</u>
Net Expenditure Budget	85.107	<b>Whole Life Variance</b>	<b>0.000</b>

<b>Purpose of Scheme</b>
<p>Construction of 7.5km highway scheme to the east of Lincoln, connecting sections of the A15 to the north and south of Lincoln.</p> <p>This scheme is funded by a £49.950m grant from the Department for Transport with the balance, including the advance funding of expected Community Infrastructure Levy contributions, being met from LCC borrowing.</p>

<b>Performance of Scheme</b>
<p>The forecast costs for the Lincoln Eastern Bypass increased as a result of a number of extreme weather events and the need to modify working practices to comply with The Health Protection (Coronavirus) Regulations 2020. The forecast expenditure is based on the contractor's forecast costs and the Council's assessment of the other costs associated with the project but contain a number of uncertainties and are therefore still subject to change. Although construction is now substantially complete, several Compensation Events (CEs) are yet to be resolved but progress is looking favourable to enable the project to come back on budget.</p>

Type of Scheme Project  
 Directorate Place  
 Area Highways

**Scheme Name** Grantham Southern Relief Road **Status of Project** In progress

<b>Financial Information 2021/22 £m</b>			
Gross Expenditure Budget	43.049	Net Expenditure Budget	43.049
Gross Income Budget	<u>0.000</u>	Actual to date	28.154
Net Expenditure Budget	43.049	Forecast Net Outturn	41.378
			<b>Forecast Net Over/(Underspend)</b>
			<b>-1.672</b>

<b>Whole Lifetime Financial Information £m</b>			
Gross Expenditure Budget	113.179	Net Expenditure budget	80.179
Gross Income Budget	<u>-33.000</u>	Scheme Total Forecast	<u>81.092</u>
Net Expenditure Budget	80.179	<b>Whole Life Variance</b>	<b>0.913</b>

**Purpose of Scheme**

The Grantham Southern Relief Road aims to improve the town's infrastructure and growth by the construction of a 3.5km relief road in three phases:  
 Phase One - creation of a roundabout off the B1174.  
 Phase Two - the B1174 will join the A1 trunk road.  
 Phase Three - link the A52 at Somerby Hill to the new roundabout.  
 The scheme is funded by £28m from Greater Lincolnshire Local Enterprise Partnership (GLLEP) and £5m from Highways England with the balance, including the advance funding of expected Developer contributions, being met from LCC borrowing.

**Performance of Scheme**

In common with other major schemes, work on the Grantham Southern Relief Road has been affected by extreme weather events, exacerbated by technical issues and ecological considerations. Operation of the site was further affected by the COVID-19 pandemic and although work continued with appropriate social distancing measures implemented, some activity such as the diversion of high voltage power cables, that were dependent on third party agencies, was delayed. Final finishing work on Phase 2 of the project is ongoing and work on the Phase 3 is underway. Forecast expenditure is based on the contractor's forecast costs but still contains a number of risks and uncertainties. Although the contractor is attempting to mitigate the global material supply and price issues by placing early orders and holding stocks of materials, there is now limited scope to absorb further impacts within the project risk allocation. Consequently, on the basis of current cost estimates, the whole-life project cost may eventually rise further than the forecasts stated above.

Type of Scheme Project

Directorate Place

Area Highways

**Scheme Name Spalding Western Relief Road  
(Section 5)**

**Status of Project**

**In progress**

<b>Financial Information 2021/22 £m</b>			
Gross Expenditure Budget	12.660	Net Expenditure Budget	-0.095
Gross Income Budget	<u>-12.755</u>	Actual to date	0.259
Net Expenditure Budget	-0.095	Forecast Net Outturn	0.000
<b>Forecast Net Over/(Underspend)</b>			<b>0.095</b>

<b>Whole Lifetime Financial Information £m</b>			
Gross Expenditure Budget	39.588	Net Expenditure budget	18.458
Gross Income Budget	<u>-21.130</u>	Scheme Total Forecast	<u>18.458</u>
Net Expenditure Budget	18.458	<b>Whole Life Variance</b>	<b>0.000</b>

#### **Purpose of Scheme**

The Spalding Western Relief Road (SWRR) will be a 6.5km road linking the A1175 and A16 to the south and east of Spalding, to the B1356 Spalding Road to the north of Spalding, via the B1172 Spalding Common.

It is a strategic infrastructure project essential to delivering the growth of Spalding and required to address the strategic transport connectivity around the town as well as addressing specific transport problems within Spalding.

Section 5 of the scheme is funded by £20.130m from the Housing Infrastructure Fund (HIF), £1.000m from South Holland District Council (SHDC), £4.500m from the Department for Transport Integrated Transport Block (ITB) with the balance being met from LCC borrowing.

#### **Performance of Scheme**

The completion of detailed design for the scheme resulted in an increase in forecast construction costs from that envisaged at the planning stage, however additional grant of £8.130m from the Housing Infrastructure Fund has been secured to fund these additional costs. All the required land has now been acquired and work undertaken to divert overhead power lines. Final design work has been completed and construction started on 10 January 2022. Although work has been undertaken to value engineer the design, whole-life costs are expected to exceed the current budget due to the inflationary impacts of the global material supply and price issues. This is being addressed as part of the 2022/23 budget process.



Type of Scheme Project  
 Directorate Place  
 Area Highways

**Scheme Name** A52 Skegness Roman Bank **Status of Project** In progress  
**Reconstruction**

<b>Financial Information 2021/22 £m</b>			
Gross Expenditure Budget	1.041	Net Expenditure Budget	1.041
Gross Income Budget	<u>0.000</u>	Actual to date	1.286
Net Expenditure Budget	1.041	Forecast Net Outturn	1.041
<b>Forecast Net Over/(Underspend)</b>			<b>0.000</b>

<b>Whole Lifetime Financial Information £m</b>			
Gross Expenditure Budget	4.765	Net Expenditure budget	1.116
Gross Income Budget	<u>-3.649</u>	Scheme Total Forecast	0.800
Net Expenditure Budget	1.116	Whole Life Variance	<b>0.316</b>

**Purpose of Scheme**  
 To fully reconstruct a total of 550m of the A52 Roman Bank in Skegness.  
 This project is funded from the Local Highways Improvements (Pinchpoints) to support Coastal Route Programme and a Department for Transport Highways Maintenance Challenge Fund grant of £3.649m.

**Performance of Scheme**  
 Delays have been experienced in the diversion of utilities but current forecasts for the scheme show it to be within budget over the full life of the project. Any remaining underspend on completion, will be returned to the Coastal Highways Programme budget.  
 Phase 4 (out of 6) was completed in May 2021 in order to allow for the suspension of work and temporarily open the road back up to vehicular traffic for the Summer period.  
 Phase 5 works recommenced on site in September 2021 and are currently progressing in line with the planned programme.

Type of Scheme    Block Scheme  
 Directorate        Centralised  
 Area  
**Scheme Name    New Developments Capital Fund**

<b>Financial Information 2021/22 £m</b>			
Gross Expenditure Budget	11.476	Net Expenditure Budget	11.476
Gross Income Budget	<u>0.000</u>	Actual to date	0.000
Net Expenditure Budget	11.476	Forecast Net Outturn	0.636
		<b>Forecast Net Over/(Underspend)</b>	<b>-10.840</b>

**Purpose of Scheme**

Funds set aside for capital schemes which emerge throughout the year.

**Performance of Scheme**

The amount of New Developments Capital Fund available for use this year has been increased by funds being returned to the contingency totalling £2.350m from the Public Protection and Corporate Property areas of the capital programme. This sum will not be spent. Of the remaining budget of £9.126m the sum of £0.636m has been earmarked for projects this year. With only one quarter to go, it is unlikely that any significant capital sums will be spent in this year so an underspend of £10.840m is forecast at this stage.

## Appendix E

DEVELOPMENT FUND PROJECTS							
CAPITAL							
Children's Services	Strategic Commissioning	Education Transport links to School (Route sustainability)	440	0	100	340	<p>The Sustainable Travel Group (STG) has focused on two specific routes for improvement as a priority with work to commence this financial year. A third route is subject to further cost-benefit analysis work.</p> <ul style="list-style-type: none"> <li>Fishtoft- A project lead has been assigned the work. Technical Services Partnership is currently scoping costs and this has been scheduled into the timetable. It is envisaged this will be completed late 2021 or early 2022. This is an improvement to an existing suitable route but where there is no footpath and further supports the removal of previously existing transport entitlements to specific students and safeguards against future applications/appeals. Estimated cost c. £60k. Annual savings estimate c. £12-18 p.a.</li> <li>Toynton All Saints- All landowners are in agreement with proposals for the new track. The owner of part of the track is unknown and so we are awaiting dispensation from the Secretary of State to post legal notices of the proposal on the land. The Public Rights of Way (PROW) team is undertaking informal consultation with relevant stakeholders before progressing to the design stage. Depending on any objections raised, this may take 3-12m to progress. Estimated cost c. £100k. Annual savings estimate £7k.</li> </ul> <p>Whilst expenditure was expected in 2021/22, only £4k has been spent to date and it is unlikely that further spend will incur in this financial year.</p>
Place	Highways	Traffic signals - Wireless communications	80	80			Two regions have been fully commissioned and are utilising the wireless facilities. All the equipment has been installed into the additional regions by the contractor. The network settings require changing for these additional regions to allow the contractor to test the wireless links and complete the project.
Place	Highways	Community Maintenance Gangs	3,981	3,981			The full allocation was fully committed in 2020/21 to deliver a variety of community maintenance gangs throughout the financial year. This additional resource was well received by local members and the general public in solving a variety of minor maintenance improvements and repairs.
Place	Highways	Drainage Investigation and Flood Repairs	2,000	646	1,204	150	<p>Schemes totalling £700k were commissioned in 2020/21 with an in year spend of £646k; most of the remaining budget is expected to be spent in 2021/22 with £150k expected to be spent in 2022/23.</p> <p>Our contractors, Balfour Beatty, identified additional resources for delivering these works and we have also employed additional specialist drainage engineers to complete all investigation and design work on the more complex schemes that our Technical Services Partnership design team is overseeing.</p>
Place	Highways	Works on B class roads and lower	10,000	0	3,000	7,000	Approved as part of the LCC carry forward in summer 2021. Various works are progressing with the majority of the spend expected in 2022/23
Fire and Rescue and Public Protection	Fire and Rescue	Flood Management Pumps	116	116			Project completed in terms of asset purchase and auxiliary equipment added. Stations equipped with necessary charging systems to ensure 24/7 response. Driver training to be under taken at Holbeach & Alford stations however other stations have necessary training to mobilise if required. Project now complete.
Fire and Rescue and Public Protection	Fire and Rescue	Replacement Trading standards Metrology equipment	50	0	24	26	New software and licences have been delivered for 3 out of 5 machines and these are installed and working. Remote installation was carried out with a remote training session due to pandemic. 2 more licences are on order and due to be delivered and installed with support.
Commercial	IMT	Broadband - 4G	800	0	200	600	Delivery of the overall Broadband project is currently on track and in line with the contractual milestones. The need for funding 4G development as a means of providing wider, mobile broadband access is being reviewed and consequently the scope and funding for the project is currently being re-assessed.
<b>TOTAL DEVELOPMENT INITIATIVES CAPITAL</b>			<b>17,467</b>	<b>4,823</b>	<b>4,528</b>	<b>8,116</b>	

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