

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

Report to:	Executive
Date:	05 April 2022
Subject:	North Hykeham Relief Road (NHRR)
Decision Reference:	I025137
Key decision?	Yes

Summary:

The purpose of this report is to:

- (1) Provide an update to the Executive on the progress of the North Hykeham Relief Road (NHRR) project.
- (2) Seek approval from the Executive to enter into a two-stage design and build contract for the purpose of delivering the NHRR.

Recommendation(s):

It is recommended that the Executive:

- (1) Note the update on the progress of the NHRR project.
- (2) Approve the award to Balfour Beatty, under the SCAPE Framework, of a two-stage design and build contract for the delivery of the North Hykeham Relief Road.
- (3) Approve proceeding with all stage one (pre-construction) elements of the contract activities including, surveys, outline design & planning application, planning determination & discharge of conditions, support in respect of statutory orders, detailed design & full business case preparation, and advanced works
- (4) Delegate authority to the Executive Director of Place in consultation with the Executive Councillor for Highways Transport and IT to negotiate detailed contract terms, award and enter into the two-stage contract for the delivery of the NHRR.
- (5) Delegate authority to the Executive Director of Place in consultation with the Executive Councillor for Highways Transport and IT to authorize the progression

through the phases contained with the first stage of the two-stage contract up to but not including the giving of notice to proceed to the construction phase.

Alternatives Considered:

1.	Not to proceed with the project. The Council would no longer be entitled to receive the Department for Transport (DfT) funding, and any funds drawn down would need to be repaid. The economic, environmental, social, and transport benefits of the scheme would not be realized.
2.	To procure the design separately from the construction. This has historically been the Council’s approach to the delivery of highways projects; however, the scale and complexity of the NHRR will bring greater liability and exposure to risk and cost increases. Procuring the design separately means that the Council incurs the full cost of any change during construction and therefore this approach does not deliver cost certainty. Furthermore, this approach does not benefit from the contractor’s input at an early stage, increasing the likelihood of re-work and further delays to the project programme which has the potential to put the DfT funding at risk.
3.	To procure the design and build contract using an alternative procurement route. This would require an open tender process or the use of an alternative public sector framework agreement. Tendering the works would take a significant period of time to develop a robust tender package and furthermore take several months to complete the tender process. This would adversely affect the project programme to such an extent that the DfT funding may be withdrawn; furthermore, open tenders rarely deliver cost certainty and so the risk of cost over run is also higher. Alternative frameworks do exist, most noticeably the MHA+ MSF3/4 framework, which the Council has successfully used on previous highway projects. This framework typically utilizes a two-stage contract for early contractor involvement. Whilst the framework can be used for design and build, it is not frequently used for this purpose, and the framework level contract has not been drafted with design and build contracts in mind, nor does the framework have any mechanism for prior contractor involvement to develop the design and build contract itself. As such it is a less appropriate than the proposed SCAPE framework, which is intended to be used for design and build contracts.

Reasons for Recommendation:

Adoption of the recommendations will secure the contractual basis for the delivery of the NHRR and enable the pre-construction stages to be implemented in a controlled manner. Progress on the design and other pre-construction elements of the project will allow a more fully informed decision to be made in due course whether to proceed with the construction phase.

The benefits of delivering the NHRR are as follows:

- To reduce traffic congestion, improve journey times and journey time reliability, maximize accessibility to Lincoln and improve road safety in nearby settlements.

- To support sustainable economic growth in Lincoln and Lincolnshire, improve business efficiency, access to more productive jobs, and unlocking the South West Quadrant Sustainable Urban Extension – a development wholly dependent on this scheme.
- To utilize funding that was sought from the DfT for investing in the North Hykeham Relief Road as well as future S106 developer contributions.

1.1 Background

- 1.1.1 The NHRR, previously known as the Lincoln Southern Bypass (LSB), is the last major highway scheme contained within the Lincoln Integrated Transport Strategy (LITS). The NHRR is also the last element of a complete ring road around the greater Lincoln urban area comprising both Lincoln and North Hykeham. The ring road will comprise of four sections of carriageway: the Lincoln Western Relief Road (LWRR), the Lincoln Northern Relief Road (LNRR), the Lincoln Eastern Bypass (LEB), and the NHRR. The NHRR will also form part of the Lincolnshire Coastal Highway.
- 1.1.2 The NHRR has been a long-term aspiration of the County and District Councils, and the principle of a relief road has been developed as part of several strategies and policy plans covering the Lincoln area for many years; this includes the Lincoln Integrated Transport Strategy (LITS) of which NHRR is a key part.
- 1.1.3 Following the identification of the preferred route in 2006, the adoption of the Central Lincolnshire Local Plan (CLLP) in 2017 (of which the Relief Road is a key supporting infrastructure scheme), and construction of the LEB, the Council is now able to progress proposals for the NHRR. The proposed NHRR will provide a new road link to the south of the city of Lincoln and the suburb of North Hykeham.
- 1.1.4 The NHRR will provide a connection between the A46 (at the scheme's western end), and the A15 (at the scheme's eastern end), where it will link into the LEB. The route of the proposed scheme passes through an area of predominantly farmland, situated to the south of the city of Lincoln and the suburb of North Hykeham.
- 1.1.5 The project aims and benefits are to:
- Assist the sustainable economic growth of Lincoln and Lincolnshire
 - Improve the quality of life in central Lincoln and surrounding area
 - Maximize accessibility to central Lincoln
 - Improve road safety in central Lincoln and the other settlements nearby.
- 1.1.6 There have been several previous reports provided to relevant Executives and Committees on, and related to, the NHRR scheme. These include:

September 2005	Authority to undertake public consultation for the LSB
April 2006	Authority to undertake further work to determine a preferred route for the LSB
November 2006	Discretionary blight policy adopted
December 2006	Preferred route of LSB adopted
April 2013	4 th Lincolnshire Local Transport Plan adopted
April 2017	Central Lincolnshire Local Plan adopted
October 2018	Approval to seek funding for NHRR

1.1.7 The following report is noted for completeness; however, the adoption of this document is a matter for Full Council:

February 2022	5 th Lincolnshire Local Transport Plan
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1.1.8 The adoption of the preferred route in 2006 gave rise to a number of blight notices being served upon the Council. During the period 2008 to 2010, eight properties and one parcel of land were acquired by the Council in respect of the blight notice claims. In May 2021 the Council was served with a further statutory blight notice and is compulsorily required to acquire the respective property. It is therefore anticipated that the total number of properties acquired by the Council will rise to nine.

1.1.9 Following the approval to seek funding for NHRR, the Council submitted an Outline Business Case (OBC) and has been successful in securing a £110 million allocation from the DfT.

1.2 Scheme Benefits

1.2.1 The scheme provides economic, environmental, social, and transport benefits.

1.2.2 By providing an alternative route choice for A46 users to travel around or bypass the Lincoln urban area, journey time savings are made for medium and longer trips on these routes. Congestion is reduced on some radial routes into the city centre, in particular on the A1434 Newark Road / A15 corridor, plus Brant Road and the A607 Grantham Road. Congestion is also reduced within the Lincoln urban area, in particular in North Hykeham and Waddington, which reduces travel time for shorter trips in these areas. The value of the journey time savings is forecast at £152.1m for business users and £179.6m for other users.

1.2.3 The scheme also produces benefits for journey time reliability through providing additional network capacity and route choice, in particular for east-west movements and as an alternative route around the city to the existing orbital network.

1.2.4 There will be an overall improvement to the performance and reliability of the local transport network which will improve the efficiency of businesses and promote sustainable economic growth. The scheme increases effective business catchment areas, which has a positive benefit for labour supply and a move to more productive jobs.

- 1.2.5 The NHRR is a vital part of Lincolnshire's plans to support the growth of its priority economic sectors, improve the efficiency of the strategic road network within central Lincolnshire – and in turn the links to the major national and international gateways and support the creation of new housing.
- 1.2.6 The scheme unlocks the South West Quadrant (SWQ) Sustainable Urban Extension (SUE). The whole of this development is dependent on the NHRR. The development will be residential led, incorporating circa 2,000 dwellings and up to 5ha of additional general employment land, along with retail and community uses including a new primary school, open space and formal sports pitches.
- 1.2.7 Overall, the scheme provides a benefit in terms of noise by altering the physical location of vehicles, as well as flows, composition, and speeds on the existing network, and introducing new traffic flows along the length of the new road. A noise appraisal undertaken in 2015 identified that 748 properties would experience an increase in daytime noise levels, but that 3,158 properties would experience a reduction in daytime noise levels in the Design Year (2041). Mitigation will be incorporated into the design to reduce the adverse effects on other environmental impacts including landscape and biodiversity.
- 1.2.8 By incorporating new segregated walking, cycling and equestrian infrastructure, the scheme will encourage physical activity for existing residents and for future residents of the SWQ SUE. Furthermore, decreased traffic flow on existing local roads in the Lincoln urban area reduces barriers to walking and cycling on the existing network.
- 1.2.9 The scheme reduces the overall level of traffic across the network in the residential areas of North Hykeham and Waddington. This improves accessibility to local community facilities and services for motorized users through reduced delay and for non-motorized users through reducing congestion as a perceived barrier to travel.
- 1.2.10 There will be a reduction in the total number of road traffic accidents through the transfer of traffic from less appropriate routes, in particular the rural roads to the south of the Lincoln urban area, onto a new dual carriageway which typically has a lower accident rate. An assessment has derived a forecast total of 427 accidents saved over the 60-year appraisal period.
- 1.2.11 Based on all the evidence, the scheme is very likely to offer high value for money when assessed against the DfT's guidance document Value for Money Framework (2017).

1.3 **Scheme Proposals**

- 1.3.1 The NHRR proposal is for an 8km bypass road providing a connection between the A46 (at its western end) and the A15 (at its eastern end) immediately to the south of the Greater Lincoln urban area, and North Hykeham in particular.

- 1.3.2 A new 70mph dual carriageway link between the A46 on the western side of Lincoln and the A15/LEB Junction, the scheme will tie into the existing at-grade 4 arm roundabout at the A46 WRR/A1434 Newark Road/A46 (T)/Middle Lane and join the A15/LEB junction on the eastern side of Lincoln through an additional arm.
- 1.3.3 The A46 roundabout forms part of the Strategic Road network maintained by National Highways. This roundabout will be enlarged to cater for the 5th arm onto the NHRR. The A15 roundabout was recently constructed by LCC as part of the LEB and contains provision for an additional arm onto the NHRR.
- 1.3.4 In addition to the junctions with the A46 and A15 the scheme will also include the provision of three new junctions with the main radial routes into Lincoln where they intersect with the NHRR. These include:
- South Hykeham Road: A new four arm at-grade roundabout junction will be provided which will maintain access onto the local road network and potential future access to the SWQ SUE.
 - Brant Road: A new four arm at-grade roundabout junction will be provided to maintain access onto the local road network
 - A607 Grantham Road: A four arm at-grade roundabout will be provided to maintain access to the A607 Grantham Road.
- 1.3.5 It will also include the provision of the following bridge structures:
- River Witham Overbridge: This will form a circa 119 metre bridge and carry the NHRR over the River Witham.
 - Station Road Overbridge: This will form a circa 47 metre bridge which will carry the realigned Station Road over the NHRR. These works should also include for NMU facilities to tie in with the existing Station Road provision.
- 1.3.6 In addition, grade separated NMU bridges will be provided at the following locations:
- A46/NHRR Roundabout: This will provide a crossing over the NHRR to maintain National Cycle Network route 9.
 - Wath Lane: A non-motorised user (NMU) structure will be provided over the NHRR to maintain the existing public right of way along Wath Lane. Further options are being developed to consider allowing use by agricultural vehicles.
 - Viking Way/A607 Grantham Road: A NMU structure will be provided over the NHRR to maintain the existing public right of way along Viking Way and the cycle route along the A607 Grantham Road.
- 1.3.7 All of the above works should also include provision for tying back into the new footway / cycleway provisions that will be part of the NHRR scheme.

1.4 Procurement

- 1.4.1 The Council has historically delivered major schemes through its own bespoke Major Schemes Framework. More recently a combination of stand-alone contracts and the

Midlands Highways Alliance + Medium Schemes Framework 3 have provided the Council with alternative routes to market. However, both of these procurement routes have had their challenges.

- 1.4.2 A review of procurement options was undertaken in 2021. The report concluded that a Design and Build (D&B) form of contract should be adopted because this type of contract provides greater cost certainty when compared to a more traditional route.
- 1.4.3 A design and build contract transfers liability for design away from the Council to the contractor. This reduces the risk of cost overrun during construction because errors or problems in the design are the contractor's liability rather than the Council's. Having a single organisation to design and build the project should increase the reliability of the design because there is no future means to claim money for errors or problems in that design. Equally, the designer will benefit from the input of the contractor at a much earlier stage than is traditional, ensuring that buildability and sequencing of works are key considerations of the design early, reducing the need for re-work and ensuring the right solution is adopted first time. Risk is not eliminated due to the pain/gain mechanism of the proposed NEC Option C contract, and scope changes will always remain a LCC responsibility. Furthermore, initial estimated costs are likely to be higher because the contractor will need to include contingency in their price to cover their expose to their additional risks. Overall, the design and build route provides for lower risk and higher cost certainty than the traditional procurement routes used by LCC, with all parties benefiting from the additional knowledge and experience brought into the project team by the inclusion of the contractor at an early stage.
- 1.4.4 The SCAPE framework is a suitable framework to accommodate the project needs and is one regularly used by other authorities for this scale and nature of project.
- 1.4.5 SCAPE appointed Balfour Beatty as sole contractor to its National Civil Engineering Framework. Through the framework, Balfour Beatty provide an end-to-end service from pre-construction through to project delivery.
- 1.4.6 The form of contract used by the framework is the NEC4 Engineering and Construction Contract. The Government Construction Board recommends that public sector organisations use the NEC contracts when procuring construction, and the council has significant experience in managing this form of contract.
- 1.4.7 Although a single contract includes both design and construction, the contract is delivered in two stages. The first stage will be for preconstruction. The second stage will be for construction. There is no obligation on the Council to proceed from stage one to stage two and therefore no liability, at this time, for any construction costs.
- 1.4.8 A further report will be presented to the Executive at the appropriate time to seek approval to issue the 'notice to proceed' which will enable the construction works

to commence. This same report will include an updated cost estimate, funding profile, and delivery timetable.

1.4.9 Gateways will be introduced into stage one of the contract to separate out key activities including, surveys, outline design & planning application, planning determination & discharge of conditions, support in respect of statutory orders, detailed design & full business case preparation, and advanced works. Works will progress through these phases by a mechanism similar to the ‘notice to proceed’ and only when authorized by the Executive Director of Place.

1.4.10 The two-stage contract and the gateways to be introduced into stage one limit the Council’s exposure to the expenditure incurred on the instructed works only. This report does not seek authority to enter into stage two of the contract so the maximum liability to the Council pursuant to the proposed contract is estimated to be £17.3m. The gateways will further reduce exposure to costs during stage one. Detailed negotiations are ongoing; however, it is anticipated that each phase within stage one would range between £1.5m and £4.5m. This is so that risk and liability is managed through smaller packages of work and to align with the Council’s normal governance procedures required for a scheme of this nature (e.g., planning applications and statutory orders).

1.4.11 Throughout the procurement process and the whole project delivery it has been acknowledged that LCC must hold a strong intelligent client role rather than delegate to others. This client governance role has been implemented which incorporates robust commercial scrutiny. It also retains the management and co-ordination role for elements such as archaeology, ecological and environmental requirements. In addition, LCC is reviewing its archaeological policy to ensure it is fit for purpose and through the future planning process won’t require any unnecessary activities to be taken as a result of the road construction. In summary, the client role is to drive the programme delivery and as a function reduce costs to provide the council the confidence that the project is being led effectively.

1.5 Cost Estimates

1.5.1 The most likely cost of the scheme is estimated to be in the range of £179.3m to £212.4m as set out below:

	Most likely range (£m)		
	High	Medium	Low
Construction (based on Q4 2021 prices)	121.9	112.8	108.9
Preconstruction	17.9	17.3	15.2
Stat diversions	9.0	9.0	9.0
Land & client costs	14.9	10.4	10.4
Risk	24.4	20.6	18.8
Inflation	24.3	23.0	16.9
TOTAL	212.4	193.4	179.3

1.5.2 The estimated costs have been developed by the proposed contractor, Balfour Beatty through the SCAPE framework, except for the land & client costs which have been assessed by the Council and its professional advisors.

1.5.3 The cost estimate is based on the same level of design information contained within the OBC. Additional desktop work has been undertaken to understand the geology and the effect this will have on the scheme design and construction, as well as a comprehensive review of existing statutory undertaker’s apparatus. Collaborative workshops have also been held with designers, internal and external stakeholders, and the contractor to ensure that the risks and opportunities are fully understood. Although this remains a preliminary estimate, the advanced work undertaken results in a cost range which is robust and reliable.

1.5.4 The cost estimates are approximately 16% to 38% higher than those contained in the OBC as set out below:

	Most likely range (£m)		
	High	Medium	Low
OBC estimate	154.458		
Current estimate	212.4	193.4	179.3
% Change	+37.5%	+25.2%	+16.1%

1.5.5 The original estimates contained within the OBC were based on the information available at that time. A benefit of the chosen procurement route is that the design information and assumptions contained within the OBC can be reviewed at early stage and supplemented with additional information as described in paragraph 1.5.3. The coronavirus COVID-19 pandemic has led to an unprecedented rise in the cost of construction materials, resulting in a larger than anticipated industry inflation rate in 2020 and 2021. Rebasing the costs in Q4 2021 incorporates this inflation, whilst future inflation is based on information provided by the RICS Building Cost Information Service. Furthermore, an extension to the programme (discussed in section 1.6) has caused expected costs to rise. The drivers for the cost increases have already occurred, but the chosen procurement route enables these to be realized much earlier than has historically been the case, which reinforces the assessment that this is a robust and reliable cost estimate.

1.5.6 Works to reduce costs will naturally continue through the pre-construction stage of the proposed contract. A review of opportunities has been undertaken, and whilst a reasonable proportion of these savings has been included in the cost estimates presented, it remains a priority to reduce costs where possible.

1.5.7 The cost increase has the potential to adversely impact the benefit to cost ratio identified in the OBC. The change will not be determined until such time as the Full Business Case is prepared and submitted, which will be shortly before the commencement of construction. However, the risk is anticipated to be low because material cost increases have been experienced nationally, such that all schemes may

be affected similarly. The cost profile is formally reported to the DfT on a quarterly basis for monitoring purposes, mitigating any residual risk. It remains the case that the OBC has been accepted, that the scheme represents high value for money, and delivers significant benefit to the county of Lincolnshire as described in section 1.2. The scheme continues to enjoy access to the DfT funding, and this funding will be drawn down as the scheme progresses.

1.6 Timetable

1.6.1 The proposed timetable anticipates pre-construction works (stage one) commencing under this contract in May 2022, with construction works (stage two) commencing November 2025 and completing in November 2028 as set out below:

	Start	End	Duration
Preconstruction (stage one)	May 2022	October 2025	41 months
Construction (stage two)	November 2025	November 2028	36 months

1.6.2 The proposed timetable has been developed by the proposed contractor, Balfour Beatty, through the SCAPE framework and with input from the Council in respect of its retained responsibilities and statutory processes.

1.6.3 The programme represents a prolongation of the scheme duration when compared to the OBC. Road opening is now expected to be 2 years later: November 2028 rather than November 2026. Approximately half of the delay is to be found within the construction duration, which is now anticipated to be 3 years, rather than 2 years. However, the advanced work undertaken by the contractor to sequence and schedule all key tasks required for construction as part of the SCAPE procurement process now provides a more robust and reliable construction timetable than was contained in the OBC.

1.7 Funding

1.7.1 The scheme will be funded by the following contributories, shown together with the value of their contribution:

- Department for Transport - £110,045,000
- Lincolnshire County Council - £38,000,000
- S106 developer contributions - >£10,000,000
- **TOTAL £158,045,000**

1.7.2 Lincolnshire County Council will forward fund the S106 developer contributions, with a view to recovering the money as and when the developments come to fruition.

1.7.3 There is currently an estimated funding gap of between £24.8m and £57.9m. The Council will address the funding gap before the key decision is required to authorize the giving of notice to proceed to the construction phase through the Council's normal budget setting processes.

1.8 The Council's Retained Responsibilities

1.8.1 The contractual requirements which govern the contractor's outputs have been developed by the Council. The detailed contract terms are being negotiated and this paper seeks delegated authority to negotiate those detailed contract terms, award and enter into the two-stage contract. The scope of works has been established by the project team through internal and external liaison to establish the design principles and constraints.

1.8.2 Technical assurance will be undertaken by Lincolnshire County Council's Technical Services Partnership to ensure that the design produced by the contractor meets the Council's technical requirements.

1.8.3 Whilst the responsibility for producing and submitting the planning application (subject to instruction from the Council) is that of the contractor, the responsibility for the planning application remains with the County Council as the applicant.

1.8.4 Land assembly and land access will be retained by the Council as it has statutory powers available to it to ensure that the scheme is able to proceed. Any subsequent legal orders (subject to appropriate authority at the relevant time) will be made and managed by the Council in its statutory capacity.

1.9 Approvals Required

1.9.1 The purpose of this paper is to seek approval to award to Balfour Beatty, under the SCAPE Framework, a two-stage design and build contract for the delivery of the North Hykeham Relief Road, and to proceed with stage one (preconstruction).

1.9.2 To delegate authority to the Executive Director of Place to negotiate detailed contract terms, award and enter into the two-stage contract for the delivery of the NHRR, and to authorize the progression through the phases contained within the first stage of the two-stage contract up to but not including the giving of notice to proceed to the construction phase.

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 minimize 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.

An Equality Impact Assessment has not been undertaken. This work is considered neutral in its impact on protected characteristic groups

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 & Wellbeing Strategy (JHWS) in coming to a decision.

Consideration has been given to the JSNA and the JHWS and can be seen from the scheme descriptions that they will have positive benefits for both the health and wellbeing of local residents.

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.

The works are considered to have a neutral impact on the Crime and Disorder Act 1998.

3 Conclusion

- 3.1 The purpose of this paper is to update the Executive on the progress of NHRR, to seek approval to award a two-stage contract for the delivery of the NHRR and to delegate authority to the Executive Director of Place to negotiate detailed contract terms, award and enter into the two-stage contract for the delivery of the NHRR.

4. Legal Comments:

The Council has the power to enter into the contract proposed. The proposed procurement route is compliant with the Council's legal obligations in relation to procurement.

The decision is consistent with the Policy Framework and within the remit of the Executive.

5. Resource Comments:

5.1 Accepting the recommendations within the report will commit the council to the costs of the first stage of the two-stage contract to proceed with the North Hykeham Relief Road. Whilst there is a cost range identified for this stage, this can be met from the currently approved capital programme for this scheme.

5.2 Before progressing beyond this stage of the contract, the budget will need to be reviewed and consideration given to the impact of any additional budget required to deliver the whole scheme. At this point it is considered that there will be a shortfall in the scheme budget against the range of the likely costs of construction calculated.

6. Consultation

a) Has Local Member Been Consulted?

N/A

b) Has Executive Councillor Been Consulted?

Yes.

c) Scrutiny Comments

On 07 March 2022, the Highways and Transport Scrutiny Committee considered the report on the North Hykeham Relief Road and recorded its unanimous support of the Recommendations to the Executive.

The following points were highlighted:

- Members expressed concerns that in a period of high inflation rates it was not clear how costings would be affected. Officers provided assurance that although that is a valid concern, inflation, price rises, and other cost pressures had been factored into the costs presented. The cost element included for the accelerated construction inflation experienced over the last 18 months and also accommodated normal levels of construction inflation throughout the life of the project. There was also a range of variance included in the forecast cost range to account for future normal levels of construction inflation running either slightly higher or lower than expected. It was stressed that a further substantial spike in interest rates like has been seen in the last 18 months had not been factored into the price as it was too variable to estimate. Officers maintained that if the scheme forecast costs that would be regularly reported back to members and if the council felt the scheme has become too untenable then there were provisions within the contract to terminate at no further cost or damages and cease development of the project. The Department for Transport were not going to increase their financial offer above what was already agreed; therefore, any cost overrun would have to be factored in through other forms of funding and funding bids that could be explored. Further assurance was provided that the benefit to cost ratio followed the Green Book basis of the business case; when DfT received the final business case which was programmed for 2025 a summary of costs (as these would have changed over the course of time as the scheme progressed) would be provided.
- Members expressed their satisfaction over the positive impact for local divisions such as Doddington, Hykeham East, North Hykeham, Waddington and the South of Lincoln and were pleased to see that this was a dual carriage way road, with cycling provisions.
- It was clarified by Officers that the commencement of the construction works was planned for November 2025, prior to this a further key decision report would be

submitted to this Committee and any other relevant (in line with para 4.8 of the report).

- Members echoed local residents' concerns in relation to the nature and conservation measures being taken before and during construction of the North Hykeham Relief Road, and also around the archaeological investigations that were being carried out and what was expected to be found as part of these in this land. Officers confirmed that once appointed, Balfour Beatty, being the designer, would appoint consultants who would on their behalf, carry out a series of activities including data collection, environmental surveys, ecology surveys, as well as preliminary design of the works to be carried out. All these would feed into the next major milestone, which was to submit a planning application, part of which was an Environmental Impact Assessment that was a legal and statutory requirement; the application would demonstrate a level of mitigation throughout the process. In terms of archaeological screening, Members were pleased to hear that the actual digging would not commence before November 2025 and that early indicators suggested that although there will be finds they were unlikely to be as significant as was found at the Lincoln Eastern Bypass. The team remained in close collaboration with Heritage team.
- A point was raised in relation to disruptions caused by closed roads as part of the works scheduled and a question was asked about communications with residents through development stages. Members received assurance that the County Council had already written to residents in affected areas and that there was a robust Comms strategy (including letters, emails, a website, newsletters etc.) in place to ensure residents and landowners remained informed at all stages and that road closures would be communicated promptly. Officers were not in position to comment on where the works would begin from but confirmed that they would be taking place in more than one location simultaneously in line with works requirements; equally the scheme will open across the whole length.
- In relation to the £38m allocated by Lincolnshire County Council to the North Hykeham Relief Road project, further clarification was requested on the determining factors for allocating funding for Highways Capital Programme schemes. The Executive Support Councillor for Highways, Transport and IT agreed to pass on to the Executive Councillor for Highways, Transport and IT.

d) Risks and Impact Analysis

Risk and Impact Analysis are being undertaken as part of the ongoing design process.

7. Background Papers

The following background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

Background Paper	Where it can be viewed
Report to Executive dated 5 December 2006 "Preferred Route for Lincoln Southern Bypass"	Democratic Services https://lincolnshire.moderngov.co.uk/ieListMeetings.aspx?Committeed=121
Report to Executive dated 2 October 2018 "North Hykeham Relief Road"	Democratic Services https://lincolnshire.moderngov.co.uk/documents/s23624/NHRR%20-%20Cover%20Report.pdf

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