

## **COUNTY COUNCIL MEETING – 09 December 2022**

**Statement from: Councillor R G Davies, Executive Councillor for Highways, Transport and IT**

### **HIGHWAYS & TRANSPORT**

#### **Major Projects**

##### **Grantham Southern Relief Road**

Phase 1 from the B1174 running towards the A1 is already complete.

Phase 2 which is the new graded separated junction on to the A1 was completed in December 2021. The junction is likely to open later in 2022.

Phase 3 is the final phase of the project and is the largest and most complex to deliver. It consists of a 5 span viaduct carrying the road over the East Coast Mainline railway and the River Witham. Works commenced April 2021 and have focussed on extensive ground works, embankment construction either side of the Witham Valley and the installation of the bridge foundation piles.

The piling works for the bridge piers commenced in January 2022 and the foundation for the western abutment has been completed. There are complexities and challenges with the construction of the eastern embankment which are being developed. One of these issues is that the underlying ground is not as robust as the designer had anticipated or designed the bridge to sit upon. The result is that the bridge is being lengthened approximate 70m towards the East to avoid the area where the poor ground is situated. This will result in approximately 18 months delay, pushing the completion back to Summer 2025. The project will also incur significant cost increases in excess of £15m.

A full investigation is under way to understand how this has occurred and where the liability rests. This is being done in conjunction with the design remediation. Elsewhere the project is continuing well with the A1 junction planned to be open by the end of 2022 and the section between the A52 Somerby Roundabout and the development roundabout opening Spring 2023.

##### **North Hykeham Relief Road**

When complete, this new road will link the A15 Lincoln Eastern Bypass with the A46 Western Bypass at Pennells Roundabout to create a full ring road around Lincoln.

The project also aims to:

- Assist the sustainable economic growth of Lincoln and Lincolnshire.
- Maximise accessibility to Lincoln.
- Improve journey times and road safety in Lincoln.

In December LCC was informed that the project had achieved programme entry approval from the Department for Transport (DfE), which also secured £110m towards the project from the DfT. A key decision to appoint Balfour Beatty as the Design and Build Contractor was approved on the 5<sup>th</sup> April 2022 who in turn will appoint a design consultant.

The project has now entered the next key stage which focusses on data acquisition and design in advance of a planning application being submitted in late 2023. Three public engagement events took place the 13<sup>th</sup>, 14<sup>th</sup> and 15<sup>th</sup> September to ensure the public are informed on progress and to gain their views on progress being made. These events were generally well received and positive towards the proposed scheme. Two further events are planned in Spring and then Summer 2023. It's likely that works will commence late 2025, however the project is subject to many statutory processes and risks that have the potential to delay the scheme. It's also worth noting that current material inflation will have a significant increase of forecast scheme costs.

#### Spalding Western Relief Road (SWRR)

Section 5 (Northern Connection) – In February 2018 South Holland District Council in collaboration with Lincolnshire County Council (LCC) were successful in securing £12m from the Homes and Communities Agency (HCA) for delivering this section of the SWRR. Since then, a further £8.13m has been sourced from the HCA.

Works commenced in January 2022 with the construction of the 2 piling platforms to allow the c1600 number piles to be installed to support the bridge over the rail line. These piles are now complete with the focus moving to pile caps (currently 650 completed) and construction of the embankment. In addition, the new roundabout on Spalding Road is largely completed and open to traffic. Works are programmed to be completed by the end of 2023.

#### Lincolnshire Coastal Highway

LCC investigated potential improvements to the A158 across the county from the A1 to the North Sea coast, known as the 'Lincolnshire Coastal Highway'. This looked at the options for intervention along the route. In identifying improvements to the Highway, consideration was given to being future-ready, building in capacity to support growth, investigating options across a range of modes and building in resilience and lower longer term costs for management of infrastructure.

A Horncastle bypass concept paper was completed which identified expected costs and benefits. Due to the DfT scoring mechanism, the benefits are very low in comparison to the cost and therefore would not attract any Government funding. This project is therefore currently not being progressed but is included in the Council's pipeline of projects to consider in the future.

A Skegness Relief Road concept paper has also been completed which indicates a route that attracts a medium 'Benefit to Cost Ratio' score meaning that it may attract third party funding should a funding opportunity be presented. A further detailed feasibility of the potential road is now being developed.

A feasibility of an Orby bypass is also being progressed.

### Levelling Up Fund Projects (LUF)

LCC submitted a bid to Government under the LUF initiative, this consisted of the following projects:

- A16/A151 Springfield roundabout capacity improvement.
- A16 Greencell roundabout (Spalding Power Station) capacity improvement.
- A16 Kirton four-way signalised junction – with associated small section of dual carriageway leading into and out of the junction along the A16.
- A16 Marsh Lane Roundabout – designated north bound lane.
- Boston Active travel schemes.

In October 2021 it was announced that the bid had been successful. Since the announcement the projects have all moved into detailed design with a view to start on site in 2023 and be completed 2025.

There have been some concerns raised from the local community regarding the development of the Kirton signalised junction. A public meeting was held in July where the project team attended to answer questions and took away a large quantity of views and thoughts for the form of the proposed scheme. The team are now considering those views with regards the final form of the improvement scheme and potentially its viability.

### A17 Heckington Dual Carriageway

LCC was successful with a funding bid of £50k from Midlands Connect to progress a scheme to a Strategic Outline Business Case Stage. This is match funded by LCC to help build-up a sizable 'pool' of credible business cases Midland Connect region can prioritise for submission to the DfT when the next Major Road Network (MRN) fund and Regional Evidence Base process is called. A date for which is unknown at this stage, but it could possibly be in 2023.

LCC put forward the A17 Heckington dualling proposals, which includes dualling the sections between the east and west junctions of Heckington and possibly some junction alterations. The Business Case is due to be completed Autumn/Winter 2022.

### Red Lion Square

This project is now complete and has been well received by those that wanted this form of paving. The project was delivered under budget.

### Highway Maintenance

Inflation within the construction sector continues to cause significant challenges for the Highway Service. Increasing material prices, skills shortages and supply chain disruption continue to hamper delivery; however, the rate of inflation increase is showing signs of a plateau.

Inflation within the Highways Works, Traffic Signals and Professional Services contract means that the cost of the service is approximately 13% higher in April 2022 than it was in April 2021. Since April 2022, monthly inflation has continued to increase at a rate of 3% per month;

however, between July and August 2022 the average increase rate has dropped to approximately 1% with some elements of the service starting to decrease.

% change	Prelims	Routine, Cyclic and Time Charge Works	Renewals and Construction Works	Professional Services	Machine Surfacing	Hand Surfacing/ Patching	Surface Dressing	Road Markings	Street Lighting	Vehicle Maintenance	Columns
Year 1	1.14%	1.85%	0.91%	0.06%	-1.84%	-0.32%	-1.68%	-1.41%	0.38%	1.34%	0.91%
Year 2	1.08%	1.25%	0.91%	2.62%	0.00%	0.25%	-2.17%	0.78%	2.21%	1.99%	0.91%
Year 3	4.87%	5.36%	8.58%	3.36%	5.72%	5.71%	10.98%	5.22%	6.13%	4.48%	56.39%
Jun-22	12.67%	12.29%	20.98%	13.45%	19.89%	17.88%	31.88%	15.46%	13.07%	10.30%	93.78%
Jul-22	13.33%	13.07%	21.13%	13.51%	25.02%	20.86%	36.33%	16.32%	13.18%	10.77%	68.63%
Aug-22	14.14%	15.26%	21.93%	13.38%	26.37%	22.19%	30.14%	17.41%	12.82%	12.12%	65.93%

The combined Capital and Reactive budget for the Highway Maintenance service for 22/23 is approximately £82 million. The inflationary pressure since the start of the contract has reduced the buying power of the service by approximately £19.3 million. The consequence of this, is that less service can be delivered in comparison to previous years and strain is being placed on the contract, the partners and supply chain in Lincolnshire.

Whilst not contractually required to do so, LCC have implemented a mid-year rate review from the August 2022 that is targeting uplifts at Small and Medium sized enterprises working within Lincolnshire. The additional uplift is programmed to be implemented by the end of November 2022 so that the supply chain is supported during the challenging economic climate.

The contract refresh procedure within each of the contracts has been completed and a decision to delay the contractual extensions has been made. This decision will now be made in May 2023. Prior to that date both parties will work through a number of actions and improvements identified as part of the refresh procedure. Balfour Beatty, Colas and WSP have also been tasked to consider what else could be offered if the extension timescales were increased.

Following Dan Goodman’s move to Lincs Laboratory as the Highways Laboratory Services Manager, Dan Adams has been appointed as the new Local Highways Manager for South. Dan Adams has previously worked in TSP as well as Local Highways East and as a Senior Highways Officer in Local Highways North. This means the Local Highways Managers are as follows:

- North – Joe Phillips
- East – Leila Hardy
- South – Dan Adams
- West – Rowan Smith

**Highways Works (Balfour Beatty)**

The Highway service continues to focus on the reactive service delivery. The scale of demand, resource requirements and commercial pressure within the contract are challenging, but all parties involved (including the supply chain) are making the required improvements. Since March 2022 the number of live jobs within the system has continually reduced from highs of 8200 to the current level of approximately 1800. Maintaining this figure in a manageable position will enable the service to deal with the demands placed on the service in line with

the Highways Infrastructure Asset Management Plan. The improved position in relation to the number of live jobs has meant that for the first time since the contract started it is anticipated that PI3 is likely score during Q2 of 2022.

During this phase of catch up work the Contractor's liability in terms of insurance claims (LCC recharge claims from the public where the service has not met its policy and is beyond the timescales set within the contract) has dropped significantly from on average of £30,000 to £2000 a month

### **Traffic Signals (Colas)**

Within the Traffic Signals contract, both capital and reactive work programmes continue on schedule based out of the main office in Grantham. Colas have completed a major CCTV upgrade within Lincoln, Grantham and Boston. LCC are now finalising the CCTV access in a software system that combines all the video feeds. Once complete, the project will provide improved visibility of the network and will be remotely monitored by the LCC Traffic Signals Team.

### **Professional Services (WSP)**

In combination with the LCC Technical Service Partnership, our design partners WSP continue to deliver a busy programme of works, offering top up advice and support on highway design, transport modelling and other specialist advice. WSP continue to offer professional service to a number of clients across the Place directorate.

## **Transport**

### **Passenger Transport**

The service wide restructure has finished the consultation; and internal recruitment and selection stages. The new structure will be in place in February 2023, with remaining vacant roles being recruited to between November and February, alongside implementation planning for transition to a very different structure.

The passenger travel supplier market continues to face significant challenges, which is affecting all of Transport Services' contracting activity. The driver shortages are resulting in bus service cancellations and our ability to deliver statutory educational travel effectively. Operating costs on top of this are resulting in higher contract prices and requests for inflationary increases on existing contract prices, over and above budget forecasts.

In public transport, bus operators continue to be supported by the Government but this is likely to end late March 2023. In educational travel, the expectations of parents/carers and complex needs of passengers both continue to heighten. All of these issues are being proactively managed as much as possible, enabled by the continuing partnership working with operators. None of these issues will be eradicated in the medium term, in fact they are likely to increase in severity, reinforcing the needs for transformation.

### **Public Transport Services**

Continued support to bus operators by both the DfT and County Council has stabilised the bus network for now. The County Council has had to intervene to provide more subsidy to service

37 (Spalding to Peterborough) operated by Stagecoach East. This is to provide funding for the Sunday service and some peak journeys during the work at an additional cost of £33,000 per annum.

Bus service operating costs continue to increase and 5 local bus and 11 CallConnect contracts are due for renewal in 2023, which is likely to result in increased contract prices. Driver shortages continue to be a problem to bus operators, leading to service cancellations, but operators continue to run most of the network. Combined with a probable withdrawal of Government financial support from April 2023, the likely impact is that current budgets will no longer cover the full cost of the current service levels provided to the residents of Lincolnshire. This uncertainty is being monitored and operators will be reviewing all their current networks before the end of March 2023. To get ahead of the issue, we are assessing the impact of changing service levels to determine whether the cost avoidance would be justifiable.

We will continue to work collaboratively with bus operators through Lincolnshire's Enhanced Partnership, focusing on protecting the bus network and enabling sustainable passenger growth. There are a number of activities, such as the 'Freedom Never Gets Old' campaign, which has resulted in an increase in the number of bus pass holders, increased levels of engagement with communities, improved bus stop infrastructure and the quality of information communicated through a variety of formats.

The Bus Service Improvement Plan (BSIP) adopted in October 2022 is being refreshed following feedback from the DfT. The revised Plan will be more focused on a smaller number of projects. The Enhanced Partnership Plan and Scheme are both binding on both the County Council and bus operators, once adopted. The process was paused earlier this year and will be resumed for adoption by the end of March 2023.

Projects that can be pursued within current budgets include:

- Continued programme of traffic light priority measures, enabling sequencing to change if a bus is more than three minutes late – 7 measures are live in Grantham and work is progressing in Spalding.
- Development of a Passenger Charter.
- Development of other campaigns to encourage bus usage.

The Government is still launching the £2 fare cap for single bus tickets between January and March 2023. The scheme covers local registered bus services. The scheme is voluntary and operators who participate will receive their reimbursement direct from the Department for Transport (DfT). The indication from the DfT is that the big 5 bus operators are participating, including Stagecoach East Midlands and Stagecoach East. Other Lincolnshire operators continue to indicate they will not participate, mainly due to the lack benefits for the required work involved.

#### Educational Travel

The team's ability to manage the high volumes of applications and customer contacts and queries is exacerbated by market sufficiency issues and increasingly higher expectation from customers. The restructure addresses this through more balanced capacity levels in the high

volume areas. In addition, net passenger numbers continue to increase year on year and we believe that parent/carers challenges with the cost of living are impacting on the demand for free educational travel.

The planned procurement activity of geographically based tendering events continues, and the whole transformation programme is projected to have achieved the first 2 years' worth of cost avoidance targets in year one – estimated to be the avoidance of £3.3m on contract prices and route removals through optimisation.

The current focus aside from operational delivery, is budget forecasting and a re-set of transformation activity in order to re-plan cost avoidance projections.

## **IMT SERVICES**

Looking back over the last calendar year, our IMT service and Serco have delivered many successful projects as we continue our modernisation journey. We are reaching the final stages of the Office 365 rollout with the remaining areas, LFR and Legal Services, due to receive their upgrades early in the new year.

We have also seen positive developments for Legal with an upgrade to a supported version of Norwell, and focus now turns to providing a longer-term solution as they develop their business model. A replacement for the STAMP school transport system should also be implemented by the end of this month bringing benefits to that service area as it continues its transformation programme.

We have also seen successful conclusions to the implementations of Modern Desktop Management and Azure Cloud Solutions, both modernising the way we work.

Work continues at pace with our telephony systems following a required successful upgrade of the Avaya platform with focus now on transferring to the new Anywhere 365 solution, which will put the Council in the best possible position ahead of the 2024 Customer Service Centre re-procurement and delivering our wider customer and digital ambitions.

I look forward to 2023 with optimism and key priorities including refreshing and broadening our IMT strategy.

## **LINCOLNSHIRE BROADBAND UPDATE**

### **LCC/BDUK ongoing Contract 3**

Contract 3, (the provision of ultrafast broadband to circa 8K premises in areas prefixed by postcode LN and DN), has now upgraded 4680 premises. These premises are able to opt for download speeds of up to 100Mb/s (Ultrafast Broadband), moving up to 1Gb/s over the coming months as a result of equipment upgrades.

The contracted target area remains as postcodes prefixed by LN and DN, but our contractor Quickline, is utilising overlapping coverage from new provision to pick up some areas in the NG & PE postcode areas. This is deemed 'incidental coverage' under the contractual terms and is simply an additional benefit derived from the technology we are using.

Towards the end of this calendar year, we are looking at potentially investing additional, existing funding to extend coverage under this contract. That coverage will be in the form of Fibre To The Premises (FTTP) and will enable those premises upgraded by this deployment to enjoy gigabit capable speeds.

BDUK are still dragging their heels in terms of approving the 5G based technology that Quickline are using as being approved as gigabit capable; but we are pressing BDUK on this issue as we see it as the most cost-effective method of reaching our more remote areas with gigabit capability and will be necessary if Project Gigabit is to be successful in this county.

### **Project Gigabit**

Project Gigabit is the latest version of the Government's £5 Billion scheme to extend gigabit capable broadband to the 20% of UK premises deemed non-commercially viable for private investment. The project is being run by BDUK, but Local Bodies are expected to work in partnership with BDUK through the procurement and deployment stages.

The plan is to break up the UK into what BDUK term 'Lots' (groups of geographical areas) that will go to tender for a provider to bid for. There are 2 Lots that currently affect Lincolnshire, Lot 10 which is an area that forms roughly concentric circles around the outer areas of Lincoln and moves west to meet premises in Nottinghamshire. Lot 23 covers the remainder of the county and includes N. and NE. Lincolnshire and the East Riding areas.

Lot 10 will go to Tender in between February and April 2023, with a supplier being appointed between November 2023 and January 2024. Lot 23 will go to Tender between April and June 2023 with a supplier appointed between January and March 2024.

The Open Market Reviews and Public Reviews have now concluded for both Lots, although BDUK will seek ongoing updates from the commercial sector on build activities up to the launch of both Tenders.

One note of concern with Project Gigabit is the aspirations of BDUK relating to the percentages of coverage they hope to achieve by Lot type. Type A, (smaller areas up to 10K premises) has an expected percentage of gigabit coverage of 90% which is a reasonably high figure, but Type B Lots (premises count above 10K which includes Lots 10 & 23) has an aspirational percentage of only 70%, although they expect suppliers might achieve a little higher percentage.

To that end, the Broadband Team has raised their concerns with BDUK regarding what they see as an unacceptable percentage of very rural premises that could be left with nothing, with no plans existing to cover these remaining premises. The Broadband Team has been working to ensure that BDUK has some form of contingency in place for these premises. The outcome of these discussions will be described in the next section (Rural Gigabit Voucher Scheme).



### **Rural Gigabit Voucher Scheme**

There are currently over 24 community schemes within the county that are at various stages of progression. The scheme encourages a community to express a collective interest in obtaining gigabit capable broadband connectivity, by way of drawing down BDUK 'vouchers' that will fund the provision. We see this as a very effective way for rural communities to obtain this connectivity which is at zero cost to them.

The plus point of this scheme is that, when a community has agreed a scheme with a provider, the full deployment must be completed in less than 12 months under the service level agreement. Openreach has traditionally been the main organisation involved in this scheme and we meet with them fortnightly to discuss progress and further potential schemes that we are identifying by working with communities and by attending parish council meetings.

However, because of the impending activities that are scheduled under Project Gigabit, any new potential schemes have been suspended. Whilst this did create concern, we are now reassured by a revised scheme that has been announced and will provide greater levels of funding on a per premises basis. The actual amount of funding will be announced on 5<sup>th</sup> December 2022. The Broadband Team, conscious of the potential for a significant percentage of more rural premises still not benefitting from Project Gigabit, has been pressing BDUK to re-introduce the voucher scheme as soon as each Lot under Project Gigabit has been awarded to a supplier. At that stage, the supplier will have provided an Implementation Plan down to UPRN level and this will serve the purpose of identifying premises not going to be upgraded. We believe this will be the appropriate time to encourage those left out to take up the voucher scheme. At the time of writing, BDUK has agreed this approach.

Some schemes currently in various stages of progress include Corby Glen, South Rauceby, Swaton, South Carlton, Walesby, Upton/Burton Village and Old Bolinbroke.

### **The Gigahub Scheme**

The Broadband Team are currently collaborating with colleagues in both N. and NE. Lincs, along with emPSN colleagues to put together a Tender for the connection of rural 'hub sites' across the three areas. The hub site will be a public building in a rural location that will be connected to the nearest telephone exchange/fibre aggregation point via full fibre connectivity. This provides the dual benefit of utilising public funding to provide a high-speed connection to a public building, with the spare fibre capacity being used to potentially connect adjacent premises and communities to full fibre.

It is further envisaged that the provision of the main 'fibre spine' utilising public funding will then encourage private investors to branch out from this fibre spine to rural areas that would otherwise be seen as non-commercially viable for private investment. LCC has identified 194 eligible sites that include primary schools, blue light buildings and doctor's surgeries, along with other public buildings. All sites are now formally approved as 'eligible' for progression by BDUK. BDUK is still working through the approvals process, and we hope to go to Tender in late Autumn.

### **Private Investment**

At the time of writing and forgetting Openreach and Virgin Media for now, we have no less than 7 private investors who are at various stages of deployment across our larger urban areas, with a further investor having just declared a plan to deploy in the county. Clearly, this is excellent news, and we are already seeing residents and businesses in Boston, Stamford, Lincoln, Spalding, Sleaford, Holbeach, Grantham, Bourne, Skegness and the Deepings signing up for this cutting-edge technology.

There are various plans in place to deploy to Gainsborough. All investors are well funded and collectively, we believe that we will see well over 220K premises connected by the end of 2025 by private investment, with a large percentage of this number by the end of 2023. The Broadband Team are closely engaged with all investors to facilitate their involvement with Highways, planners and stakeholders, to fully understand their progress and to work with them to identify further investment opportunities in the county.

KCom has recently announced an investment of £100M in full fibre provision across the North East and their initial plans include Caistor, Market Rasen, Louth, Alford, Mablethorpe and Sutton. At this early stage, we do not have the fine detail.

In addition, Openreach has announced plans to deploy FTTP to 41 rural telephone exchanges (120K premises in total) by the end of 2026. Virgin Media has now upgraded their systems to allow areas covered by them to obtain gigabit connectivity. This upgrade by them, in conjunction with ongoing private investment has seen the percentage of gigabit capable premises rise from 10.8% in September 2021 to a current level of 47.5%, with full fibre to the premises (FTTP) currently at 27%.