

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

Report to:	Executive
Date:	07 March 2023
Subject:	Capital Budget Monitoring Report 2022/23 - Quarter 3 to 31 December 2022
Decision Reference:	I027773
Key decision?	No

Summary:

- This report provides an update on capital spending compared with budgets for the financial year which started on 01 April 2022.
- The tables in this report show the net expenditure for the first six months of this financial year to 31 December 2022, 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 C.
- The current 2022/23 forecasted position is a net underspend of **£11.5m** (Block schemes £11.9m underspend, Project schemes £0.4m overspend). This represents less than 1% of the net capital programme budget for 2022/23. For the project schemes, the whole life net budget is forecast to be underspent by **£2.1m**.

Recommendation(s):

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

Alternatives Considered:

1. This report shows the actual capital financial performance to 31 December 2022, and forecast outturns for 2022/23, therefore no alternatives have been considered.

Reasons for Recommendation:

To maintain the Council's financial resilience.

1. Background**Overall Financial Position in 2022/23**

1.1 The table below shows the total net budget, forecast and forecast variance for 2022/23 (Projects and Blocks) by Directorate.

Directorate	Budget £m	Forecast £m	Variance £m
⊕ Children's Services	10.642	10.559	(0.083)
⊕ Adult Care and Community Wellbeing	1.305	1.305	0.000
⊕ Place	104.699	105.688	0.989
⊕ Fire and Rescue	1.476	1.476	0.000
⊕ Resources	8.135	8.218	0.083
⊕ Other Budgets	20.636	8.152	(12.484)
Total	146.893	135.397	(11.495)

1.2 The net position shown above is split between Blocks and Projects in the two tables below.

Capital Blocks Net Position 2022/23

Directorate	Actuals £m	Budget £m	Forecast £m	Variance £m	Change in Variance from last quarter £m
⊕ Children's Services	(5.332)	0.512	0.429	(0.083)	(0.073)
⊕ Adult Care and Community Wellbeing	0.008	0.545	0.545	0.000	0.000
⊕ Place	46.024	40.334	41.067	0.733	(2.054)
⊕ Fire and Rescue	0.242	1.476	1.476	0.000	2.700
⊕ Resources	3.864	7.908	7.879	(0.030)	0.199
⊕ Other Budgets	(0.728)	20.636	8.152	(12.484)	(0.723)
Total	44.078	71.411	59.548	(11.864)	0.049

Capital Projects Net Position 2022/23

Directorate	Actuals £m	Budget £m	Forecast £m	Variance £m	Change in Variance from last quarter £m
Children's Services	11.847	10.130	10.130	0.000	0.000
Adult Care and Community Wellbeing	0.313	0.760	0.760	0.000	0.000
Place	21.281	64.365	64.621	0.256	(0.229)
Resources	0.196	0.226	0.339	0.113	0.062
Total	33.637	75.481	75.850	0.369	(0.167)

1.3 Appendices A (i) and A (ii) show a breakdown of the net position by scheme for capital blocks and capital projects respectively for 2022/23. The most significant variance relates to the New Developments Capital Contingency budget (a forecast underspend of £11.8m), and more detail about this scheme and the reasons for the forecast underspend is provided in Appendix C. Other more significant variances include a forecast overspend of £3.1m on the Highways Asset Protection block, and a forecast underspend of £2.5m on the Fire Fleet and Equipment block.

1.4 The gross expenditure position for 2022/23 is shown in the table below.

Directorate	Actuals £m	Budget £m	Forecast £m	Variance £m	Change in Variance from last quarter £m
Children's Services	27.507	47.605	47.571	(0.034)	(0.073)
Adult Care and Community Wellbeing	7.298	1.305	1.305	0.000	0.000
Place	108.760	148.690	156.018	7.328	(5.998)
Fire and Rescue	0.353	1.476	1.476	0.000	2.700
Resources	4.090	8.135	8.213	0.079	0.261
Other Budgets		22.204	9.720	(12.484)	(0.723)
Total	148.008	229.414	224.303	(5.111)	(3.833)

This shows that in gross expenditure terms there is an underspend forecast this year of £5.8m. When adjusted for the gross income (grants and contributions) position, this becomes a forecast underspend of £11.5m which is less than 1% of the net capital programme budget.

1.5 Appendices B (i) and B (ii) show a breakdown of the gross expenditure position by scheme for capital blocks and capital projects respectively for 2022/23.

1.7 Appendix C includes further information on the capital schemes with the most significant variances this year.

Whole Life Financial Position for Capital Projects

1.8 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, by Directorate.

Directorate	Whole Life Variance £m	Change in WL variance from last quarter £m
+ Children's Services	(0.000)	0.000
+ Adult Care and Community Wellbeing	(0.000)	0.500
+ Place	(1.926)	(0.081)
+ Resources	(0.172)	0.000
Total	(2.098)	0.419

1.9 The forecast underspend position relates mainly to the Place Directorate and is made up of minor variances on a number of schemes. None of these schemes is forecasting a whole life variance of more than £1m.

Impact of the Capital Position

1.10 The current year's forecast is a net underspend of £11.5m and means that our borrowing requirement is reduced compared to our estimate of this at the start of the year. This position also contributes to a forecast underspend on capital financing charges which provides short term benefits to the revenue budget.

Progress on Development Fund Initiatives

1.11 Appendix D 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 from this reserve in 2022/23 is expected to be £11.9m for capital schemes.

Assessment of Impact on Financial Resilience

1.12 The forecast underspend in the current year on Capital Projects will not adversely impact on the Council's financial resilience. In addition, the forecast whole life position is also an underspend and this will not adversely impact on the Council's long term 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 2022/23 requires the capital programme to be affordable over the longer term and the latest position confirms that it remains 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 2022 compared with the capital budget for the financial year starting on 1 April 2022 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 2022/23.

5. Resource Comments:

This report indicates that the current year capital budget is projected to be underspent by £11.5m, 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 23 February 2023. 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. Appendices

These are listed below and attached at the back of the report	
Appendix A (i)	Capital Monitoring Net Position at 31 December 2022 - Blocks
Appendix A (ii)	Capital Monitoring Net Position at 31 December 2022 - Projects
Appendix B (i)	Capital Monitoring Gross Expenditure Position at 31 December 2022 - Blocks
Appendix B (ii)	Capital Monitoring Gross Expenditure Position at 31 December 2022 - Projects
Appendix C	Further Detail for Selected Capital Schemes
Appendix D	Monitoring of Capital Development Fund Initiatives as at 31 December 2022

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 2022/23	Agenda for Council on Friday, 18th February, 2022, 10.00 am (moderngov.co.uk)

This report was written by Michelle Grady, who can be contacted on 01522 553235 or Michelle.Grady@Lincolnshire.gov.uk.

Appendix A (i)

Capital Blocks Net Position 2022/23

Directorate	Actuals £m	Budget £m	Forecast £m	Variance £m	Change in Variance from last quarter £m
Children's Services	(5.332)	0.512	0.429	(0.083)	(0.073)
Connect the Classroom	0.081	(0.029)	(0.029)	(0.001)	0.000
Devolved Capital	(0.271)	0.000	0.000	0.000	0.000
Digital Education Platform Grant	0.000		0.000	0.000	0.000
Early Years and Childcare	(0.069)		0.000	0.000	0.000
Foster Care	0.072	0.228	0.155	(0.073)	(0.073)
Full Fibre Broadband Capital	0.222	0.297	0.297	0.000	0.000
Other Children's Social care	0.007	0.016	0.006	(0.009)	0.000
Provision of School Places (Basic Need)	(3.915)	0.000	0.000	0.000	0.000
Schools Access Improvements	0.026		0.000	0.000	0.000
Schools Maintenance Programme	(1.486)	0.000	0.000	0.000	0.000
Adult Care and Community Wellbeing	0.008	0.545	0.545	0.000	0.000
Adult Care	0.008	0.500	0.500	0.000	0.000
Better Care Fund	0.000	(0.000)	(0.000)	0.000	0.000
Registration Celebratory & Coroners Services		0.020	0.020	0.000	0.000
Safer Communities		0.025	0.025	0.000	0.000
Place	46.024	40.334	41.067	0.733	(2.054)
A16/A1073 Spalding to Eye Road Improvement	0.006		0.014	0.014	0.000
A18 Safer Road Fund	0.007				
A46 Roundabouts	0.000	0.019	0.000	(0.019)	0.048
Boston Development Schemes	0.016	0.550	0.118	(0.432)	(0.458)
Countryside Rights of Way	0.006	0.058	0.100	0.041	0.041
Drainage Investigation and Flood Repairs	0.794				
Economic Development- Business Unit Development	0.895	1.096	1.077	(0.019)	0.000
Energy Efficiency Street Lighting	0.124	0.224	0.224	0.000	0.000
Equipment & Vehicles at Waste Transfer Stations	0.516	0.512	0.512	0.000	0.000
Exec £10m additional funding. B class roads and lower	8.287	8.287	8.287	0.000	0.000
Fire Suppression at Waste Transfer Stations	0.080	0.760	0.760	0.000	0.000
Flood & Water Risk Management	0.208	1.606	1.616	0.010	0.010
Highways Asset Protection	24.103	8.404	9.634	1.230	(1.900)
Holdingham Roundabout (Sleaford Growth Schemes)	(0.052)	0.091	0.030	(0.061)	0.204
Integrated Transport	(1.404)	(0.140)	(0.064)	0.076	0.185
LEP Skills Investment Fund		(0.000)	(0.000)	0.000	0.000
Libraries	0.076	0.399	0.399	0.000	0.000
Lincoln Growth Point	0.000	(0.256)	(0.256)	0.000	0.000
Lincolnshire Enterprise Partnership Contribution	7.674	10.700	10.700	0.000	0.000
Lincolnshire Waterways	0.000	0.236	0.236	0.000	0.000
Local Flood Defence Schemes	(0.265)	0.951	0.969	0.019	0.019
Local Highways Improvements (pinchpoints) to support Coastal Routes	0.000	0.665	0.665	0.000	0.000
Network Resilience	0.051	1.579	1.593	0.014	0.000
Other Environment & Planning	0.002	0.007	0.007	0.000	0.000
Other Growth and the Economy - Economic Infrastructure	(0.046)	(0.180)	(0.180)	0.000	0.000
Other Highways	0.200	0.892	0.616	(0.275)	(0.280)
Other Transport Initiatives	0.373	0.939	0.939	0.000	0.000

Rural Roads Fund	2.629	1.834	1.968	0.134	0.077
Teal Park Lincoln	0.000	(0.001)	0.000	0.001	0.000
Waste		0.035	0.035	0.000	0.000
Waste - Separated Paper and Card Scheme	1.745	1.069	1.069	0.000	0.000
Fire and Rescue	0.242	1.476	1.476	0.000	2.700
Fire & Rescue and Emergency Planning	0.050	0.081	0.081	0.000	0.178
Fire Fleet and Equipment	0.193	1.395	1.395	0.000	2.522
Resources	3.864	7.908	7.879	(0.030)	0.199
County Farm Block	0.416	0.650	0.650	0.000	0.000
ICT Development Fund	0.015	0.028	0.000	(0.028)	0.000
Improvement Transformation		2.000	2.185	0.185	0.000
Infrastructure and Refresh Programme	1.847	2.323	2.269	(0.054)	(0.278)
Orchard House Repairs	0.003	0.002	0.002	0.000	0.000
Property	1.537	2.666	2.673	0.006	0.477
Property Rationalisation Programme		0.000	0.000	0.000	0.000
Replacement ERP Finance System	0.046	0.240	0.100	(0.140)	0.000
Other Budgets	(0.728)	20.636	8.152	(12.484)	(0.723)
Capital Fund	(0.728)	(1.568)	(1.568)	0.000	0.000
New Developments Contingency Fund		22.204	9.720	(12.484)	(0.723)
Total	44.078	71.411	59.548	(11.864)	0.049

Capital Projects Net Position 2022/23

Directorate	Actuals £m	Budget £m	Forecast £m	Variance £m	Change in Variance from last quarter £m
Children's Services	11.847	10.130	10.130	0.000	0.000
Children's Homes	0.753	0.687	0.687	0.000	0.000
Lincs Secure Unit	0.000				
School Mobile Classroom Replacement		0.000	0.000	0.000	0.000
SEND Reorganisation	11.094	9.444	9.444	0.000	0.000
Adult Care and Community Wellbeing	0.313	0.760	0.760	0.000	0.000
De Wint Court - Extra Care Housing		0.000	0.000	0.000	0.000
Digitising Social Care	0.312	0.260	0.260	0.000	0.000
Hoplands - Extra Care Housing	0.001				
Welton - Extra Care Housing	0.000	0.500	0.500	0.000	0.000
Place	21.281	64.365	64.621	0.256	(0.229)
A1084 Safer Road Fund	0.001	(0.003)	(0.003)	0.000	0.000
A16 Levelling Up Fund (LUF)	(1.743)	2.197	2.197	0.000	(0.462)
A46 Welton Roundabouts (Integrated Transport/NPIF)	(0.002)	0.225	0.139	(0.086)	0.005
A52 Skegness Roman Bank Reconstruction	0.513	1.116	0.920	(0.196)	0.004
A631 Louth to Middle Rasen Safer Road Fund	0.268	0.700	0.700	0.000	0.000
A631 Middle Rasen to Bishops Bridge Safer Roads	0.006	0.020	0.020	0.000	0.000
Broadband	0.308	2.027	2.027	0.000	0.000
Economic Development - Horncastle Industrial Estate Extension		0.000	0.000	0.000	0.000
Electronic Ticket Machines	0.004	0.000	0.000	0.000	0.000
Gainsborough Corringham Road (Phase 1-5)	0.016	0.016	0.016	0.000	0.000
Grantham Southern Relief Road	16.729	40.584	40.584	0.000	0.000
Heritage/archives	0.016	1.151	1.151	0.000	0.000
Holbeach Food Enterprise Zone	(0.160)	(0.547)	(0.061)	0.486	0.000
HWRC Skegness		0.000	0.000	0.000	0.000
HWRC Tattershall	0.909	0.900	0.952	0.052	0.052
Lincoln Eastern Bypass	0.357	3.110	3.110	0.000	0.000
North Hykeham Relief Road	(1.800)	2.029	2.029	0.000	0.000
Skegness Countryside Business Park 2	0.000	0.040	0.040	0.000	0.000
Sleaford Rugby Club (Sleaford Growth Schemes)	(0.004)	(0.004)	(0.004)	0.000	0.173
Spalding Western Relief Road (Section 5)	5.791	10.631	10.631	0.000	0.000
Spalding Western Relief Road Section 1		0.100	0.100	0.000	0.000
Spalding Western Relief Road Section 1 S106		0.000	0.000	0.000	0.000
Street Lighting Transformation	0.071	0.071	0.071	0.000	0.000
Resources	0.196	0.226	0.339	0.113	0.062
Azure Data Migration Project	0.122	0.051	0.234	0.183	0.062
Blue Light South Park	0.000	0.000	0.000	0.000	0.000
Care Management System (CMPP)		0.014	0.014	0.000	0.000
Castle Motte Repairs	0.016	0.004	0.004	0.000	0.000
Grantham Fire Project	0.031	(0.007)	0.000	0.007	0.000
IMT (Cloud Navigator/Windows 10)	0.010	0.088	0.010	(0.078)	0.000
Leverton Fire Station	0.005				
Lexicon House		0.000	0.000	0.000	0.000
Property Area Review	0.008	0.077	0.077	0.000	0.000
Waddington Training Facility - Capital	0.002				
Total	33.637	75.481	75.850	0.369	(0.167)

Appendix B (i)

Capital Blocks Gross Expenditure Position 2022/23

Directorate	Actuals £m	Budget £m	Forecast £m	Variance £m	Change in Variance from last quarter £m
Children's Services	7.329	12.589	12.555	(0.034)	(0.073)
Connect the Classroom	0.243	(0.029)	(0.029)	0.000	0.000
Devolved Capital	0.697	0.993	0.993	0.000	0.000
Digital Education Platform Grant	0.002		0.002	0.002	0.000
Early Years and Childcare	(0.069)		0.000	0.000	0.000
Foster Care	0.072	0.228	0.155	(0.073)	(0.073)
Full Fibre Broadband Capital	0.222	0.297	0.297	0.000	0.000
Other Children's Social care	0.007	(0.031)	0.006	0.038	0.000
Provision of School Places (Basic Need)	3.248	6.217	6.217	0.000	0.000
Schools Access Improvements	0.026		0.000	0.000	0.000
Schools Maintenance Programme	2.882	4.914	4.914	0.000	0.000
Adult Care and Community Wellbeing	6.984	0.545	0.545	0.000	0.000
Adult Care	0.008	0.500	0.500	0.000	0.000
Better Care Fund	6.976	(0.000)	(0.000)	0.000	0.000
Registration Celebratory & Coroners Services		0.020	0.020	0.000	0.000
Safer Communities		0.025	0.025	0.000	0.000
Place	71.658	81.695	80.923	(0.772)	(6.144)
A16/A1073 Spalding to Eye Road Improvement	0.006		0.014	0.014	0.000
A18 Safer Road Fund	0.007				
A46 Roundabouts	0.000	0.019	0.000	(0.019)	(1.631)
Boston Development Schemes	0.016	0.550	0.118	(0.432)	(0.458)
Countryside Rights of Way	0.053	0.058	0.100	0.041	0.041
Drainage Investigation and Flood Repairs	0.794				
Economic Development- Business Unit Development	0.895	1.096	1.077	(0.019)	0.000
Energy Efficiency Street Lighting	0.124	0.224	0.224	0.000	0.000
Equipment & Vehicles at Waste Transfer Stations	0.516	0.512	0.512	0.000	0.000
Exec £10m additional funding. B class roads and lower	8.287	8.287	8.287	0.000	0.000
Fire Suppression at Waste Transfer Stations	0.080	0.760	0.760	0.000	0.000
Flood & Water Risk Management	0.208	1.606	1.616	0.010	0.010
Highways Asset Protection	46.585	46.533	47.874	1.340	(1.900)
Holdingham Roundabout (Sleaford Growth Schemes)	(0.052)	0.091	0.030	(0.061)	0.204
Integrated Transport	1.099	3.092	3.196	0.105	0.214
LEP Skills Investment Fund		(0.000)	(0.000)	0.000	0.000
Libraries	0.076	0.399	0.399	0.000	0.000
Lincoln Growth Point	0.000	(0.256)	(0.256)	0.000	0.000
Lincolnshire Enterprise Partnership Contribution	7.674	10.700	10.700	0.000	0.000
Lincolnshire Waterways	0.000	0.236	0.236	0.000	0.000
Local Flood Defence Schemes	0.217	0.951	0.969	0.019	0.019
Local Highways Improvements (pinchpoints) to support Coastal Routes	0.000	0.665	0.665	0.000	0.000
Network Resilience	0.051	1.579	1.593	0.014	0.000
Other Environment & Planning	0.002	0.007	0.007	0.000	0.000
Other Growth and the Economy - Economic Infrastructure	(0.046)	(0.180)	(0.180)	0.000	0.000
Other Highways	0.320	0.892	1.138	0.246	(0.555)


Other Transport Initiatives	0.373	0.939	(1.226)	(2.165)	(2.165)
Rural Roads Fund	2.629	1.834	1.968	0.134	0.077
Teal Park Lincoln	0.000	(0.001)	0.000	0.001	0.000
Waste		0.035	0.035	0.000	0.000
Waste - Separated Paper and Card Scheme	1.745	1.069	1.069	0.000	0.000
Fire and Rescue	0.353	1.476	1.476	0.000	2.700
Fire & Rescue and Emergency Planning	0.050	0.081	0.081	0.000	0.178
Fire Fleet and Equipment	0.303	1.395	1.395	0.000	2.522
Resources	3.895	7.908	7.874	(0.034)	0.199
County Farm Block	0.416	0.650	0.650	0.000	0.000
ICT Development Fund	0.015	0.028	0.000	(0.028)	0.000
Improvement Transformation		2.000	2.185	0.185	0.000
Infrastructure and Refresh Programme	1.878	2.323	2.265	(0.058)	(0.278)
Orchard House Repairs	0.003	0.002	0.002	0.000	0.000
Property	1.537	2.666	2.673	0.006	0.477
Replacement ERP Finance System	0.046	0.240	0.100	(0.140)	0.000
Other Budgets		22.204	9.720	(12.484)	(0.723)
New Developments Contingency Fund		22.204	9.720	(12.484)	(0.723)
Total	90.220	126.417	113.094	(13.324)	(4.041)

Capital Projects Gross Expenditure Position 2022/23

Directorate	Actuals £m	Budget £m	Forecast £m	Variance £m	Change in Variance from last quarter £m
Children's Services	20.178	35.016	35.016	0.000	0.000
Children's Homes	1.517	2.207	2.207	0.000	0.000
Lincs Secure Unit	0.000				
School Mobile Classroom Replacement		0.000	0.000	0.000	0.000
SEND Reorganisation	18.661	32.809	32.809	0.000	0.000
Adult Care and Community Wellbeing	0.313	0.760	0.760	0.000	0.000
De Wint Court - Extra Care Housing		0.000	0.000	0.000	0.000
Digitising Social Care	0.312	0.260	0.260	0.000	0.000
Hoplands - Extra Care Housing	0.001				
Welton - Extra Care Housing	0.000	0.500	0.500	0.000	0.000
Place	37.101	66.995	75.094	8.100	0.146
A1084 Safer Road Fund	0.001	(0.003)	(0.003)	0.000	0.000
A16 Levelling Up Fund (LUF)	0.957	2.197	2.572	0.375	(0.088)
A46 Welton Roundabouts (Integrated Transport/NPIF)	(0.002)	0.225	0.139	(0.086)	0.005
A52 Skegness Roman Bank Reconstruction	0.513	1.116	0.920	(0.196)	0.004
A631 Louth to Middle Rasen Safer Road Fund	0.268	0.700	0.700	0.000	0.000
A631 Middle Rasen to Bishops Bridge Safer Roads	0.006	0.020	0.020	0.000	0.000
Broadband	(0.169)	2.027	2.027	0.000	0.000
Economic Development - Horncastle Industrial Estate Extension		0.000	0.000	0.000	0.000
Electronic Ticket Machines	0.004	0.000	0.000	0.000	0.000
Gainsborough Corringham Road (Phase 1-5)	0.016	0.016	0.016	0.000	0.000
Grantham Southern Relief Road	16.729	40.584	40.584	0.000	0.000
Heritage/archives	0.016	1.151	1.151	0.000	0.000
Holbeach Food Enterprise Zone	2.078	(0.547)	2.177	2.724	0.000
HWRC Skegness		0.000	0.000	0.000	0.000
HWRC Tattershall	0.909	0.900	0.952	0.052	0.052
Lincoln Eastern Bypass	0.357	3.110	3.110	0.000	0.000
North Hykeham Relief Road	3.011	2.029	2.029	0.000	0.000
Skegness Countryside Business Park 2	0.000	0.040	0.040	0.000	0.000
Sleaford Rugby Club (Sleaford Growth Schemes)	(0.004)	(0.004)	(0.004)	0.000	0.173
Spalding Western Relief Road (Section 5)	12.340	13.261	18.492	5.231	0.000
Spalding Western Relief Road Section 1		0.100	0.100	0.000	0.000
Spalding Western Relief Road Section 1 S106		0.000	0.000	0.000	0.000
Street Lighting Transformation	0.071	0.071	0.071	0.000	0.000
Resources	0.196	0.226	0.339	0.113	0.062
Azure Data Migration Project	0.122	0.051	0.234	0.183	0.062
Blue Light South Park	0.000	0.000	0.000	0.000	0.000
Care Management System (CMPP)		0.014	0.014	0.000	0.000
Castle Motte Repairs	0.016	0.004	0.004	0.000	0.000
Grantham Fire Project	0.031	(0.007)	0.000	0.007	0.000
IMT (Cloud Navigator/Windows 10)	0.010	0.088	0.010	(0.078)	0.000
Leverton Fire Station	0.005				
Lexicon House		0.000	0.000	0.000	0.000
Property Area Review	0.008	0.077	0.077	0.000	0.000
Waddington Training Facility - Capital	0.002				
Total	57.788	102.997	111.209	8.213	0.208

This page is left intentionally blank

Capital Programme Further Detail of Selected Schemes – Gross and Net Expenditure Positions
Other Budgets

	Scheme Name New Developments Contingency Fund	Gross in year position				
		Actuals £m	Budget £m	Forecast £m	Variance £m	Change in Variance from last period £m
			22.204	9.720	(12.484)	(0.723)
Financial Year 2022/23		Net in year position				
Period 9		Actuals £m	Budget £m	Forecast £m	Variance £m	Change in Variance from last period £m
			22.204	9.720	(12.484)	(0.723)
Purpose of Scheme Funds set aside for capital schemes which emerge throughout the year.		In Year Performance of Scheme An underspend on the New Developments Capital Contingency Fund of £12.484m is forecast at this stage in the year. Various schemes have already been earmarked this year to be funded from this fund, totalling £4.609m (these include the purchase of land at Waddington Training Centre and works at Grantham Fire Station). A further £5.111m has been set aside to fund potential requests in theremainder of the year. The remaining balance is the forecast underspend.				
		Mitigating actions for issues identified				

Scheme Name

Highways Asset Protection ▼

Financial Year

2022/23 ▼

Period

9 ▼

Gross in year position

Actuals £m	Budget £m	Forecast £m	Variance £m	Change in Variance from last period £m
46.585	46.533	47.874	1.340	(0.931)

Net in year position

Actuals £m	Budget £m	Forecast £m	Variance £m	Change in Variance from last period £m
24.103	8.404	9.634	1.230	(0.931)

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.

In Year Performance of Scheme

Mitigating actions for issues identified

Scheme Name

Spalding Western Relief Road (Section 5) ▼

Gross in year position

Actuals £m	Budget £m	Forecast £m	Variance £m	Change in Variance from last period £m
12.340	13.261	18.492	5.231	0.000

Financial Year

2022/23 ▼

Net Whole Life position

Actuals £m	Budget £m	Forecast £m	Variance £m	Change in Variance from last period £m
5.465	28.458	27.458	(1.000)	0.000

Net in year position

Actuals £m	Budget £m	Forecast £m	Variance £m	Change in Variance from last period £m
5.791	10.631	10.631	0.000	0.000

Period

9 ▼

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.

In Year Performance of Scheme

Whole Life Performance of Scheme

The completion of the 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 was 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 was undertaken to value engineer the design, whole-life costs have increased due to the inflationary impacts of global material supply and price issues. This was addressed as part of the 2022/23 budget process, with additional LCC funds being committed to the project. However, inflationary risks remain and are being closely monitored.

Mitigating actions for issues identified

Scheme Name

Grantham Southern Relief Road

Financial Year

2022/23

Period

9

Net Whole Life position

Actuals £m	Budget £m	Forecast £m	Variance £m	Change in Variance from last period £m
59.676	88.773	87.773	(1.000)	0.000

Gross in year position

Actuals £m	Budget £m	Forecast £m	Variance £m	Change in Variance from last period £m
16.729	40.584	40.584	0.000	0.000

Net in year position

Actuals £m	Budget £m	Forecast £m	Variance £m	Change in Variance from last period £m
16.729	40.584	40.584	0.000	0.000

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.

In Year Performance of Scheme

Whole Life 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 third and final phase is now underway. Although the contractor is attempting to mitigate the global materials 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. The site team have identified an area of unstable ground resulting in engineering issues for the construction of the bridge to span the East Coast Mainline and River Witham. This has necessitated the re-design of the bridge, which is expected to delay progress and result in increased cost. Once the new bridge design is complete the full impact of this issue in terms of timescales and costs will be clearer and the forecasts updated accordingly.

Mitigating actions for issues identified

Monitoring of Development Fund Initiatives 2022/23

Service Area	Project	Amount Approved from Development Fund £000's	Funding Utilised up to 31/03/22 £000's	Forecast Use of Funding Current Year and Future		Update on Progress
				2022/23 £000's	Future Years £000's	
CAPITAL						
Place - Communities	Education Transport links to School (Route sustainability)	440	0	30	410	<p>The Sustainable Travel Group has been focused on enabling more pupils to walk and cycle to and from school. There were initially, three priority schemes, with work originally planned to commence 2022/23. However, further work is needed to analyse the cost vs benefit of these schemes, alongside other potential schemes. A joint approach between the Sustainability Team and Transport Services Group are now seeking to establish the potential for modal shift. The current priority schemes are:</p> <ul style="list-style-type: none"> •Fishtoft - A project lead has been assigned the work. costs currently being scoped. This is an improvement to an existing suitable walking 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. •Toynton All Saints – There has been an objection to the planned works and the Public Rights of Way (PROW) team now needs to submit a case to the Secretary of State, which will delay progress by more than 12 months. Estimated cost c. £100k. Annual savings estimate £7k. •Greenfields, Grantham – headline cost versus benefit analysis demonstrated that this should not be a priority. As such, this scheme is on hold. The walking route to the school has been deemed unsafe and this will likely have an increase on the cost of educational travel as more pupils will be eligible. However, all transport for this school has been optimised and re-tendered, likely generating a saving on the current costs irrespective of this increase in the number of eligible pupils. <p>No drawdown of the Development Fund has yet taken place for the scheme. It is expected that the expenditure incurred in 2022/23 will relate to the review needing to be undertaken, which will require some of the Development funding currently identified as capital, re-allocating to revenue.</p>
Place - Highways	Traffic signals - Wireless communications	80	80	0	0	<p>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 have been changed for these additional regions to allow the contractor to test the wireless links and complete the project.</p>
Place - Highways	Community Maintenance Gangs	3,981	3,981	0	0	<p>The 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.</p>

Service Area	Project	Amount Approved from Development Fund £000's	Funding Utilised up to 31/03/22 £000's	Forecast Use of Funding Current Year and Future		Update on Progress
				2022/23 £000's	Future Years £000's	
CAPITAL contd.						
Place - Highways	Drainage Investigation and Flood Repairs	3,444	1,207	1,786	451	Schemes totalling £700k were commissioned in 2020/21 with an in-year spend of £646k. A further £561k was spent in 2021/22 and the remaining budget from the original funding allocation will be spent in 2022/23 on schemes in Scothern and Kirton. In addition, to allow for the delivery of these two schemes, c.£992,650 from the additional £1.444m allocation, approved as part of the 2022/23 Budget, will be utilised. The remaining c.£451,350 will then be spent in 2023/24 to deliver a programme of approx 33 localised schemes/works packages. Our contractors, Balfour Beatty, have 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.
Place - Highways	Works on B class roads and lower	10,000	0	10,000	0	Expenditure of £1.7m was incurred during 2021/22 on patching sites in preparation for the surface dressing 2022/23 programme, reactive patching to deal with pothole clusters, additional maintenance drainage gangs for jetting and CCTV and ironwork adjustments across various sites in the county. The remaining £8.3m is committed to a programme of work on residential and terraced streets and a village road improvement programme, to be completed in 2022/23. In total, £10m has now been drawn down from the Development Fund in the 2022/23 financial year.
Fire and Rescue	Flood Management Pumps	116	116	0	0	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 undertaken at Holbeach & Alford stations however other stations have necessary training to mobilise if required. Project now complete.
ACCW - Public Protection - Trading Standards	replacement Trading standards Metrology equipment	50	0	50	0	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.
Place - Growth	Broadband - 4G	800	0	0	800	Delivery of the overall Broadband project is currently progressing in line with the revised contractual milestones, having experienced some delays due to Covid and the worldwide shortage of semi-conductors that affected equipment availability. The need for funding 4G development as a means of providing wider, mobile broadband access is now being overtaken by progress in both 4G and 5G in urban centres and improvements to rural areas being funded by the Building Digital UK (BDUK) £1bn Shared Rural Network programme. Following the conclusion of the latest BDUK Open Market Review the need for the interventions originally proposed by this project was reviewed and it is likely that the use of 4G is no longer necessary although there are other pressures within the service which require funding.
		18,911	5,384	11,866	1,661	
		30,138	6,552	15,862	7,723	