

Capital Budget 2021/22 – forecast main variances**Children and Family Services**

Net slippage of £7.0m is forecast compared with the updated budget. The main variances are:

	£000
Provision of Additional Primary Places	-4,801
<p>1) Rothley Phase 2 - Slippage of £1.5m. Issues with the site has caused planning problems, with permission being repeatedly pushed back. The developer's planning application included both the new school building, plus outline permission for up to 80 additional dwellings. However, Charnwood Borough Council subsequently refused the planning application, citing issues with the settlement boundary, the lack of demonstration of a housing need, and being contrary to the Charnwood Local Plan amongst the various reasons for refusal. Although the scheme has now received planning approval in principle, the decision notice has not yet been issued as the Section 106 agreement is not complete.</p> <p>2) Ashby School Places - slippage of £1.0m. Delays have been encountered both at Ivanhoe's end and LCC end. In addition to the age range change, Ivanhoe has recently joined an Academy Trust, which has brought with it changes in key stakeholders at the school. The resultant draft payment schedule indicates that only 50% of the funding will be passported by year-end.</p> <p>3) Lutterworth Primary - slippage of £0.9m. The scheme has been delayed due to higher than expected quotes being received by the school and a funding agreement being put in place. The agreement has now been completed and sent to the Academy Trust for signing. Upon signing the funding can begin to be passported to the school. The scheme is still forecast to deliver places in time for the 22/23 academic year.</p> <p>4) Melton, John Fernley - slippage of £0.7m. This S106 funded substantial project creates 8 new classrooms, science lab, food technology, expended library, offices and outdoor eating space. There have been numerous design changes requested, which along with procurement framework issues has resulted in significant delays.</p> <p>5) Castle Donington Community College - slippage of £0.6m. Issues with planning permission for the project has delayed the start date.</p> <p>6) Coalville Places, Newbridge School - slippage of £0.4m Delays have been encountered both at Newbridge's end and LCC end. The resultant draft payment schedule indicates that only part of the 21/22 funding will be passported by year-end.</p> <p>7) Anstey Martin School - acceleration of £0.8m. This S106 funded passported scheme forms part of the 22/23 programme. However, it is now envisaged that the works can be completed by year-end.</p> <p>8) Syston St Peters & St Pauls - underspend of £0.3m. The final contract sum for the scheme was lower than expected.</p>	
SEND Programme	-1,376
<p>1) New/Expansion of Special School Places - slippage of £1.1m. Time spent on schemes that were ultimately deemed unfeasible has delayed progress in this area. The reduction of available funding has resulted in the School Place Planning Team needing to revisit plans and priorities regarding options to address imminent need for places. One scheme to expand one of the existing special schools has been agreed in principle. This is awaiting Regional Schools Commissioner consent - as this is unlikely to be granted until the end of February only minimal costs will be incurred in 21/22.</p> <p>2) SEMH School - slippage of £0.2m. The timeframe for these works is linked to the progress of the 'Shepshed Masterplan' - a complex scheme which creates additional primary places in Shepshed, and ultimately physical space for the creation of this SEMH school. Due to delays to the Masterplan, demolition works for this scheme have slipped until April as the DfE are not taking transfer until later in the year.</p>	
Assessment & Resi Multi-functional Properties x 4	-800
<p>The availability of suitable properties in the buoyant property market has caused further delays to this scheme. One property that LCC had had an offer accepted on fell through due to restrictive covenants in the deeds rendering it unsuitable for the required purpose.</p>	
Other variances	0
TOTAL	-6,977

Adults & Communities

Net slippage £0.1m is forecast compared with the updated budget. The main variances are:

	£000
Hamilton Court/Smith Crescent - NWL Development	-240
<p>Cabinet agreed that a short breaks facility was no longer required on this site therefore no further development is expected in 2021/22. A decision is required by Cabinet on the re-allocation of these monies.</p>	

SCIP Loughborough - Ashby Court - Refurbishment	238
Overspend forecasted with a budget increase requested from the SCIP Board. This could be accelerated from the 2022/23 SCIP allocation.	
SCIP Specialist Dementia Facility - Coalville	-50
Slippage on this scheme due to estimated construction costs post pandemic being higher than initially budgeted. It is expected that the scheme will be reviewed and a re-assessment of the costs from external surveyors will be sought.	
Other variances	-2
TOTAL	-54

Environment and Transport

Net slippage of £14.5m is forecast compared with the updated budget. The main variances are:

	£000
A511 Major Road Network (MRN)	383
Acceleration on programme relating to design work to quantify the costs of the project.	
Melton Mowbray Distributor Road - North and East Sections	-5,253
Slippage due to contractors reducing planned work on the advanced work package to minimise the financial risk to LCC of completing work before Full Business Case is agreed with DFT. Increased slippage as the forecast and programme are being aligned also less work is expected to be completed by external contractors.	
Hinckley Hub (Hawley Road) - NPIF	-3,338
Slippage due to delays relating to Covid 19 restriction and then waiting to commence the works after the Christmas period to minimise traffic flow concerns. The evaluation of tenders taking longer than anticipated meaning a delay in signing the construction contract.	
Melton Distributor Road - Southern Section	-1,778
Slippage due to the signing of the legal agreements terms for funding from Homes England taking longer than expected and thus the work was been delayed until the agreement was signed. The agreement has now been signed.	
Safety Schemes	-832
Slippage due to impact from Covid 19 stalling the programme in addition the programme is suffering with a resourcing issue.	
Vehicle replacement programme	-700
Slippage of programme due to lead in time for purchase of vehicles and ongoing work for business case for green vehicles.	
TAM - Capital Maintenance Schemes	-677
Slippage of £0.4m due to design fees on major projects being less than anticipated and works on footway schemes due to risks built into the programme that may not be quantifiable until next financial year. Underspend of £0.3m due to over accruals from prior year, estimations were completed for final settlements but the costs were less than expected.	
Recycling House Waste Sites - General Improvements	-633
Slippage due to the lead in time to secure mobile plant being longer than previously anticipated. In addition there is slippage relating to some additional money provided by highways to waste during lockdown.	
Advanced Design / Match Funding	-549
Slippage due to delays in procurement of services on Cycling and Walking Strategy and public consultation not commencing until next financial year, a lack of funding availability to progress works on the Desford Crossroad project. Also delays on the design guide programme caused by more review work being required.	
Kibworth Site Redevelopment	-500
Slippage due to a more accurate estimation of value of works completed during the 2021/22 financial year.	
TAM - Traffic Signal Renewal	-252
Slippage due to additional funding from the DFT provided during 2021/22 to be spent by March 2023, schemes currently being investigated	
TAM - Flood Alleviation - Environmental Works	-187
Slippage due to programme taking longer to design than anticipated and so works can not commence until 22/23.	

Other variances	-228
TOTAL	-14,544

Chief Executives

Net underspend of £0.2m is forecast compared with the updated budget. The main variances are:

	£000
Rural Broadband Scheme - Phase 3	-195
The Broadband Phase 3 contract was amended by Change Request 1 and the net effect was a reduction in the financial commitment. De-scoped and re-scoped a number of properties based on contract activity to date.	
Other variances	0
TOTAL	-195

Corporate Resources

Net variance of net nil is forecast compared with the updated budget. The main variances are:

	£000
Workplace Strategy - End User Device (PC, laptop)	742
Acceleration of £0.6m due to revision of business case and a more ambitious plan in the wake of Covid-19. Overspend of £0.1m relating to 50 high powered laptops which had been expected to form part of a programme in the future, however, these are required earlier than anticipated.	
Climate Change - Public Sector Decarbonisation Scheme	209
Overspend due to compensation event of £0.2m for the thermal store for County Hall due to services under the concrete slab, there is also oil contamination. The programme was delayed because of an issue with the location of the thermal store being changed and planning permission needing resubmitting.	
Ways of Working - Property	157
Acceleration due to revision of business case and a more ambitious plan in the wake of Covid 19.	
Climate Change - Score + (Schools Energy Efficiency Scheme)	-593
Slippage has been due to consideration of the operating / finance lease and also whether it is viable for LCC to undertake the works. This is under review.	
County Hall Lift Replacement Scheme	-160
Slippage due to a review of procurement routes no suitable option has been identified and so to ensure appropriate use of funds the project will commence next financial year once a new framework is in place. This is the most suitable option to ensure due diligence by both procurement and Legal ensuring contracts will be evaluated for compliance.	
Climate Change - Electric Vehicle Car Charge Points	-150
Slippage due to a lack of staffing resource delaying the ongoing works with E & T.	
Romulus Court - IT Environmental monitoring	-85
Slippage due to a review of procurement routes no suitable option has been identified and so to ensure appropriate use of funds the project will commence next financial year once a new framework is in place. This is the most suitable option to ensure due diligence by both procurement and Legal ensuring contracts will be evaluated for compliance.	
Other variances	-123
TOTAL	-3

Corporate Programme

Net slippage of £0.4m is forecast compared with the updated budget. The main variances are:

	£000
CAIF - Airfield Business Park - Phase 3-4	70
Completion of Airfield Farm phase 2, acceleration from future years asset acquisitions funding.	
CAIF - Industrial Properties Estate - General Improvements	-223
Slippage as projects not come forward due to lower than expected lease turnover, resulting in fewer refurbishment/upgrade projects.	
CAIF - M69 J2 Strategic Development Site	-100
Slippage as a result of workstreams relating to the project slowing down and delays associated with the emerging local plan.	
CAIF - Lutterworth East - Planning and Pre-Highway construction Works	-96
Slippage due to delay in obtaining planning permission less work than anticipated is being undertaken in this financial year.	
Other variances	-54
TOTAL	-403

Capital Programme - Changes in Funding**2021/22 Budget Adjustments**

<u>Children & Families</u>	
Provision of School Places - from Section 106 developer contributions	169
<u>Environment and Transport</u>	
TAM Restorative Patching - revenue contribution	1,802
TAM Preventative Maintenance - revenue contribution	198
Externally Funded Schemes - from Section 106 developer contributions	292
TAM Traffic Signal Renewal - funding from Department for Transport	250
TAM Flood Alleviation - various income	105
M1 J23 - Section 106 contributions	777
M1 J23 - virement from adv design	617
Adv Design virement - to M1J23	-617
Ashby Canal - from earmarked fund	379
Plant Renewals - from earmarked fund	82
Cycleways - cancellation of funding	-21
<u>Corporate Resources</u>	
Tree Planting Programme - funded from Forestry Commission Grant	65
Snibston Country Park - funding from British Cycling	38
<u>Corporate Programme</u>	
CAIF - County Farms Estate General Improvements - transfer to CAIF reserve for Firs Farm	-500
Overall Total	3,636