



Lincolnshire County Council

NORTH HYKEHAM RELIEF ROAD

Financial Case – Outline Business Case





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TYPE OF DOCUMENT (VERSION) CONFIDENTIAL

PROJECT NO. 70038233

DATE: OCTOBER 2018

Lincolnshire County **Council**

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QUALITY CONTROL

Issue/revision	First issue	Revision 1	Revision 2	Revision 3
Remarks	DRAFT			
Date	31/10/18			
Prepared by	FR			
Signature				
Checked by	JP			
Signature				
Authorised by	GB			
Signature				
Project number	DRAFT			
Report number				
File reference				



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1 FINANCIAL CASE

1.1 INTRODUCTION

This section of the Outline Business Case (OBC) addresses the Financial Case for North Hykeham Relief Road (NHRR), outlining the affordability of the proposal and its funding arrangements. An overview of the scheme is provided in Appendix A and this document sets out the latest cost estimate for the scheme, including details of the risk and inflation assumptions applied. It also highlights the key financial risks of the scheme.

The Department for Transport's (DfT's) guidance document 'The Transport Business Case' states that the Financial Case should include the matters highlighted in the table below.

Table 1 – DfT Financial Case requirements

Issue	Description	Outline	Full
Introduction	Outline the approach taken to assess affordability.	Completed	Updated
Costs	Provide details of: <ul style="list-style-type: none"> the expected whole life costs; when they will occur; breakdown and profile of costs by those parties on whom they fall; and any risk allowance that may be needed (in the event of things going wrong). 	Completed	Updated
Budgets / Funding Cover	Provide analysis of the budget/funding cover for the project. Set out if relevant, details of other funding sources (e.g. third party contributions, fees).	Completed	Updated
Accounting Implications	Describe expected impact on organisations balance sheet.		

The remainder of the Financial Case is set out as follows:

- **Section 2** sets out the current base costs, inflation forecast and impact of the risk assessment;
- **Section 3** sets out the expected budgets and provides an indicative funding cover for the project; and
- **Section 4** provides a summary and overview of the NHRR Financial Case.

2 SCHEME COST ESTIMATE

2.1 COST ESTIMATE APPROACH

In line with DfT's latest version of WebTAG Unit A1.2 – Scheme costs (July 2017), there are three key components of a scheme cost estimate that need to be assessed and reported in scheme appraisals:

- **Base cost estimate** – the base cost includes both investment and operating costs;
- **Adjustment for inflation** – inflation adjustment is made to the base cost over the estimated length of the design and construction phases in order to provide a robust estimate of the expected costs; and
- **Adjustment for risk** – covers all risks that can be identified, the majority of which then need to be assessed and quantified through a Quantified Risk Assessment (QRA) and included in the risk-adjusted cost estimate.

2.2 BASE COST ESTIMATE

The base cost estimate includes both investment and operating costs. WebTAG Unit A1.2 – Scheme costs outlines the elements of cost which fall into these two categories:

- **Investment costs:**
 - Construction cost: This includes:
 - Main works contract (including preliminaries, structures, general road works, earthworks, main carriageway, interchanges, side roads, signs etc.)
 - Ancillary work contracts (including provisions of maintenance compounds, lighting, landscaping, noise insulation etc.)
 - Work by other authorities
 - On site Supervision and Testing
 - Land & property costs (including land acquisition, legal fees, and compensation).
 - Preparation and administration costs (including project management, consultancy fees, design, public consultation, public inquiry, surveys and costs associated with gaining statutory powers/orders).
 - Traffic-related maintenance costs (e.g. non-routine reconstruction, resurfacing, surface dressing attributable to the investment). These specific costs are summarised in Appendix B.
- **Operation costs:**
 - Includes routine and non-traffic related maintenance costs e.g. drainage, street lighting, fencing, grass cutting, repainting lines etc. As the operating and maintenance liabilities will fall to the local authority these costs do not form part of the business case and have not been included in the cost estimate.
 - The Operation costs are summarised in Appendix B.

2.2.1 BASE COST

The latest base scheme cost estimate (excluding traffic related maintenance) was reviewed in April 2018 using a Quarter 4 2017 price base. The cost has been derived from the latest outline designs for the scheme, reviewed and updated in April 2018.

For the purposes of the Financial Case the base cost estimate (excluding risk and inflation) for the preferred option has been presented below.

The base cost estimate for the preferred option is **£91,040,330**

The above cost does not include sunk costs which are those costs spent prior to NHRR Business Case. This includes historic consultation, design development and some land/property costs to develop the scheme.

The base costs include an assessment of the forecast construction, contractor risk, land and design, and preparation costs. These will be regularly reviewed at each design stage and the final target costs provided in the full business case following the completion of the statutory approvals stages and the detailed design phase.

Table 2 – Scheme Cost Estimate (excluding risk and inflation)

Cost Element	Cost
Contract total	£58,923,321
Ancillary works	£15,467,372
Stats costs / third parties	£1,546,737
Risk (Contingencies)	£2,946,166
Land & Property not including part one claims – Estimate	£1,683,068
Design / Procurement / Preparation	£10,473,666
Total Base Costs	£91,040,330

2.3 INFLATION ALLOWANCE

It is important to take into account the impact of inflation on the base cost estimate. This should be over the estimated length of the design and construction phases in order to provide a robust estimate of the expected costs.

In line with WebTAG Unit A1.2 – Scheme Costs, industry sources of information have been reviewed in order to derive appropriate inflation rates over the spend profile. The Department for Business, Innovation and Skills (BIS) Road Construction Tender Price Indices (RCTPI) and the Office for National Statistics (ONS) Construction Output Price Indices (OPI) have been analysed to identify a suitable rate of inflation for the construction related aspects of the cost estimate. Between 2014 and 2017, on average national construction prices have increased by 4.1% per annum and hence, in line with DfT guidance, inflation of 4.1% pa has been applied to the construction costs estimate.

For other elements of the cost estimate, such as land, preparation and supervision, a general inflation rate has been calculated and applied with the approach in line with WebTAG Unit A1.2.

Table 3 presents the general inflation rate and construction inflation rate used to estimate the inflation costs.

Table 3 – Applied inflation rates

	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	2023/ 24	2024/ 25	2025/ 26
General inflation rate	1.5%	1.4%	1.3%	1.3%	1.5%	1.6%	2.2%	2.4%	2.4%
Construction inflation rate	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%

The effect of applying general and construction inflation, over the estimated spending profile for the respective elements of the scheme, results in an additional **£25,159,232** to the package cost estimate.

2.4 RISK ALLOWANCE

A structured and systematic process for identifying, assessing and managing risk has been established for NHRR. A risk register has been generated which identifies risks that may occur during the planning, design and construction phases and outlines any future issues that have the potential to adversely impact on the scheme delivery programme or cost.

Risks have been identified by specialists from all relevant disciplines, including highways and structural engineering, geotechnics, transport planning, quantity surveying and the environmental disciplines.

The risk register was last updated in Quarter 3 2018 and currently contains risks which can be grouped into the following key areas:

- **Design:** Factors which will impact on the ability to deliver the specified design of NHRR;
- **Economic / funding:** Factors contributing to the appraisal and funding arrangements;
- **Planning / Statutory process:** Including unforeseen statutory services and delivery programme risks;
- **Construction:** Including programme delays and resource issues;
- **Procurement:** Factors which will impact on the procurement of construction contractors; and
- **Strategy and Policy:** Policy, planning and stakeholder consultation.

All risks within the register are assessed and classified against the probability of the risk occurring and, the most likely impact on costs and time which would arise if the risk did occur. Following the development of the risk register, the potential financial impact of each risk was quantified using the Palisade @RISK analysis software. The @RISK software performs the risk analysis using a Monte Carlo calculation and allows the potential impact to be considered as part of the overall scheme cost estimate. This method is recommended by DfT.

The Quantified Risk Assessment (QRA), calculated using the @Risk software programme and using the 80% percentile, has identified a risk allowance of £31,878,000 (further details regarding the calculation of this figure is found in Chapter 8 of the Management Case)

As part of the risk management strategy, the risk register is regularly reviewed and updated.

2.4.1 KEY FINANCIAL RISKS

A risk management process has been implemented for the NHRR scheme, as set out in the Management Case document. A summary of the key financial risks associated with the project, as identified on the current project risk register, is provided in the table below:

Table 4 – Key financial risks

Description	Expected Impact	Risk Rank	Mitigation
Expected developer contributions not agreed (CIL and / or S106) or not viable	Increase in LCC's borrowing costs	15	Continued engagement with developers; political steer on developer funding; and review / agree funding strategy.
Scheme costs exceed DfT expectations / expected cost through the National Major Roads Fund	Additional support required, additional developer contributions or borrowing by LCC (with additional costs associated with this).	9	Ongoing discussions with DfT regarding the scope of the National Major Roads Fund. Consideration of additional funding streams.
Lack of support from District Councils in securing agreed funding.	Increased funding required from DfT or LCC	8	Early discussion regarding funding arrangements. Identify potential issues and risks. Members / Senior Officer Discussion - costs, benefits.
DfT National Major Roads Fund opportunity delayed	Delay to the scheme programme	5	Early engagement with DfT regarding the funding opportunities and programme
DfT National Major Roads Fund unsuccessful	Scheme delayed or abandoned	4	Early engagement with DfT regarding the strategic case, need for the scheme and benefits

2.4.2 IMPLEMENTATION OF RESPONSE PLANS AND REVIEW OF RISK

The effectiveness of the response plans will depend on the proper implementation of the plans, and review of the residual risk, including any secondary risk associated with implementation, at key decision points in the life of the scheme.

To achieve this, scheme risk assessments and their associated response plans will be reported regularly to the Project Board throughout the design, preparation and construction stages of the NHRR's development.

2.5 OUTTURN COST ESTIMATE & SCHEME COST PROFILE

The scheme cost as defined by DfT, is the outturn capital cost of the scheme excluding costs incurred prior to completion of the OBC. The previous sections have outlined how the base cost, risk allowance and inflation elements of the scheme cost have been calculated. All of these are used to calculate the outturn cost estimate as detailed in Table 5.

The overall scheme cost profile for NHRR is set out in Appendix C. The profile is based on the scheme programme summarised in the Management Case and illustrates the years when costs are expected to be incurred. It is assumed that the Monitoring & Evaluation phase will be funded by LCC and are not included below¹.

The risk-adjusted outturn cost estimate for NHRR is **£148,077,562**

This is the forecast capital cost of the NHRR scheme and is the basis for the funding bid and future local contributions.

Table 5 – Scheme Outturn Cost Estimate

Cost Element	Total
Base cost at 2018 Q1 prices	£91,040,330
Risk allowance	£31,878,000
Inflation	£25,159,232
Total Outturn Cost	£148,077,562

¹ As stated in TAG Unit A1.2 Scheme Costs only survey and assessment costs that form part of the scheme preparation should be included. As the costs for monitoring and evaluation do not form part of the preparation stage they have not been included.

3 BUDGETS & FUNDING COVER

3.1 OVERVIEW

The indicative funding profile is set out in Table 6 – Funding profile (Outturn value £000) below. As shown the funding for the scheme is split between LCC, third parties – which specifically relate to the developments which the NHRR supports, and national or regional funding sources. Table 6 shows that in addition to the national and regional funding required for the scheme, LCC has approved a contribution of up to £34m and a minimum of £10m has been identified from third parties. The LCC and third party contributions represent approximately 30% of the total outturn costs.

Table 6 – Funding profile (Outturn value £000)

Source	Years Contribution are Received (£000)									Total
	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	
LCC Contribution	£342	£691	£1,554	£2,273	£3,187	£4,583	£9,867	£11,927		£34,423
Third Party Contribution									£10,000	£10,000
Regional or National Funding Sources							£51,000	£51,000	£1,654	£103,654
Total	£342	£691	£1,554	£2,273	£3,187	£4,583	£60,867	£62,927	£11,654	£148,077

The remainder of this section has been split into two parts:

- Contributions: will look at where the money for NHRR will come from; and
- Accounting implications: examines how Lincolnshire County Council (LCC) will fund the scheme.

3.2 CONTRIBUTIONS

3.2.1 LINCOLNSHIRE COUNTY COUNCIL (LCC)

It is anticipated that LCC contribution will be used to fund the ongoing design and preparation of the scheme as well as the initial construction stages. The LCC contribution to NHRR will be in the region of £34.4 million and this has been approved by the LCC Executive Committee (2nd October 2018).

LCC will also forward fund third-party developers' costs as they will take several years to recover due to being dependent on the construction of dwellings as stipulated by S106 agreements. This principle was also approved by the LCC Executive Committee on the 2nd October.

LCC is currently delivering and funding a range of significant infrastructure schemes, as set out in the Management Case (Section 2) this includes the Lincoln Eastern Bypass, Grantham Southern Relief Road and Spalding Western Relief Road as well as other non-transport related infrastructure detailed within the Strategic Infrastructure Delivery Plan. This also involve underwriting third party

contributions in advance of these being recovered through Section 106 (S106) or the Community Infrastructure Levy (CIL). As a result, the Council has reached a position where the £34m identified for the NHRR is the maximum that they are able to contribute.

3.2.1.1 Sunk costs

As detailed in the Strategic Case and the Options Assessment Report this scheme has been in development for some time. The preferred route was initially developed in 2006 and the requirements for the scheme were further developed as part of the Lincolnshire Integrated Transport Strategy process. The route corridor has been adopted as part of the Central Lincolnshire Local Plan and as a result LCC has taken the decision to purchase eight properties at a key point on the scheme. These properties are at the point where the scheme crosses Station Road and were purchased for a total of £4.8m.

The cost of the land and property purchased to date are being treated as Sunk Costs and have not been included in the funding requested from Central Government.

3.2.2 THIRD PARTY CONTRIBUTION

The third-party contribution to NHRR will total a minimum of £10m and will be sought through S106 contributions. This will include the South West Quadrant (SWQ) development which will be supported by the delivery of the NHRR and the development of up to 2,000 homes and 5ha of employment land as well as the provision for significant social and physical infrastructure. Discussions with the landowners and developers of the SWQ are ongoing and LCC, North Kesteven District Council and the developers meet on a quarterly basis. As the NHRR scheme and SWQ development progress the level and timing of the S106 contributions will be considered in more detail and agreed.

In addition, a number of other sites in the North Hykeham will contribute S106 funds to the delivery of the scheme, a number of which have already been secured. This includes two developments located in the North Hykeham area, the first is a 44-acre commercial development that will be located to the north of the NHRR and the second is a residential development which will provide approximately 160 new homes. The contributions from both are expected to total £1m (these form part of the £10m identified above).

To ensure that there is no delay to the NHRR LCC will forward fund third-party developers' costs. It is recognised that they will take several years to recover due to being dependent on the construction of dwellings as stipulated by S106 agreements.

3.2.3 REGIONAL OR NATIONAL FUNDING SOURCES

The funding required directly or indirectly from regional or national funding sources for the delivery of the NHRR is approximately £104m and represents 70% of the total scheme costs. As set out earlier LCC has identified a maximum contribution that they are able to provide and will underwrite the third party contributions in advance of these being made available. As stated these will be used to progress the design and preparation and early construction phases. The funds identified to be provided from regional and national sources will (as shown in Table 6) support the bulk of the construction phase.

At this stage three potential funding routes for securing the necessary contributions have been identified. These are:

1. **National Road Fund for the Major Road Network (DfT):** The government has committed to creating a Major Road Network (MRN) across England with the aim to reduce congestion, support economic growth and support the delivery of the Industrial Strategy and support housing delivery. The MRN will include the most important 'A' roads and within Lincoln there are aspirations for the inclusion of the A15, A57 and A46. Under the proposals funding applications would be submitted to DfT with eligible schemes expected to include:
 - **Bypasses** or other new alignments to alleviate congestion in villages and towns and make through journeys quicker, safer and more reliable;
 - **Missing Links** – new roads that link existing stretches of the Major Road Network or Strategic Road Network;
 - **Widening of Existing Major Road Network roads** where there is a known congestion pinch point or safety risk;
 - **Major Structural Renewals** on roads, bridges, tunnels and viaducts on the MRN;
 - **Major Junction Improvements** such as grade separation that would improve the performance, flow or safety of the MRN;
 - **Variable Message Signs, Traffic Management and the Use of Smart Technology and Data** to raise the performance of defined stretches of the network across a region; and
 - **Packages of Improvements** along a stretch of road, or corridor where a known issue has been identified.

It is understood that a funding opportunity is imminent and LCC are awaiting guidance from DfT. LCC will review this option and the potential for this funding route to support the delivery of the NHRR once final details are provided by DfT. LCC are also working closely with Midlands Connect which is presently collating potential schemes for prioritisation on the MRN network within its area.

2. **Housing Infrastructure Fund (Ministry of Housing, Communities and Local Government (MHCLG)):** The Housing Infrastructure Fund is a government capital grant programme of up to £2.3 billion with the aim of supporting the delivery of new houses in England. To date the funding has been awarded on a competitive basis, with the grant funding being provided for new infrastructure that will unlock housing delivery in the areas of greatest housing demand. Specifically, the aim of the fund has been to:
 - Deliver new physical infrastructure to support new and existing communities;
 - Make more land available for housing in high demand areas, resulting in new additional homes that otherwise would not have been built; and
 - Support local authorities who want to step up their plans for growth.

At present it is unclear when further Housing Infrastructure Fund bidding opportunities are likely to come forward. LCC will review this option and the potential for this funding route to support the delivery of the NHRR as and when further details are provided by the MHCLG.

3. **Large Local Majors (DfT):** The aim of the funding stream has been to support the delivery of large, potentially transformative local schemes that are too big to be otherwise taken forward within regular local growth scheme allocations. To date it has funded schemes that are not affordable through other funding routes and those that are required to be delivered as a single phase. At present it is unclear whether further bidding opportunities will come under Large Local Majors or whether this fund will be replaced by the National Road Fund for MRN. However, as with the other identified funding streams LCC will continue to monitor any further opportunities through this fund.

3.3 ACCOUNTING IMPLICATIONS

As detailed above it is anticipated that LCC contribution will be used to fund the ongoing design and preparation of the scheme as well as the initial construction stages. The LCC contribution to NHRR and the requirement to underwrite the expected third-party contributions was approved by the LCC Executive Committee on the 2nd October 2018.

The Council's use of prudential borrowing or other funding sources to provide the third-party contributions up front will be managed as part of the Council's overall treasury management strategy and subject to Local Authority accounting rules, codes and standards. The borrowing and repayment position will be reported internally as part of corporate and project governance procedures.

As detailed in Section 6 of the Management Case the scheme will also be subject to the following finance reporting and monitoring:

- **LCC Annual Budget Setting & Quarterly Finance Reporting:** The NHRR annual budget and quarterly reports will be prepared by the Project Executive and Project Manager. This will be reviewed by the CPSG, Project Board and reported to the Scrutiny Committee;
- **Executive Project Board:** The forecast spend and cost profile will be regularly reported by the Project Executive and Project Manager reviewed by the project board; and
- **National or Regional Funding Source Finance Reporting:** A quarterly finance report will be prepared by the Project Executive and Project Manager and reported as part of the requirements of the National or Regional funding source.

4 FINANCIAL CASE SUMMARY

The financial case for the NHRR demonstrates that:

- A detailed scheme cost estimate has been developed and this covers construction, preliminary works, earthworks, ancillary works and third-party costs as well as the expected design and preparation costs;
- The outturn cost estimate for the scheme promoted in this Outline Business Case is **£148,077,562**;
- The scheme cost estimate includes inflation and a quantified risk allowance, both of which have been calculated as per DfT guidance; and
- As appropriate for a scheme at this stage of development an indicative funding profile has been put together which illustrates the level of national or regional funding required as well as the identified LCC and third-party funding required for the scheme.

In conclusion the Financial Case has illustrated that the scheme is financially viable and based on robust cost estimates. As stated, LCC has approved a contribution of up to £34m and a minimum of £10m has been identified from third parties. LCC will also forward fund third-party developers' costs as it is recognised that these funds may take several years to recover due to being dependent on the construction of dwellings as stipulated by S106 agreements.

The funding required from regional or national funding sources for the delivery of the NHRR is approximately £104m. LCC has identified three potential funding routes for securing the vital contributions needed to progress the scheme, this includes the National Road Fund for the Major Road Network and Large Local Majors fund promoted through DfT and the MHCLG's Housing Infrastructure Fund. The NHRR supports the key aims of all three funds and LCC will continue to review and monitor the eligibility of the scheme as and when further details are provided.

Appendix A

GENERAL ARRANGEMENT PLAN 

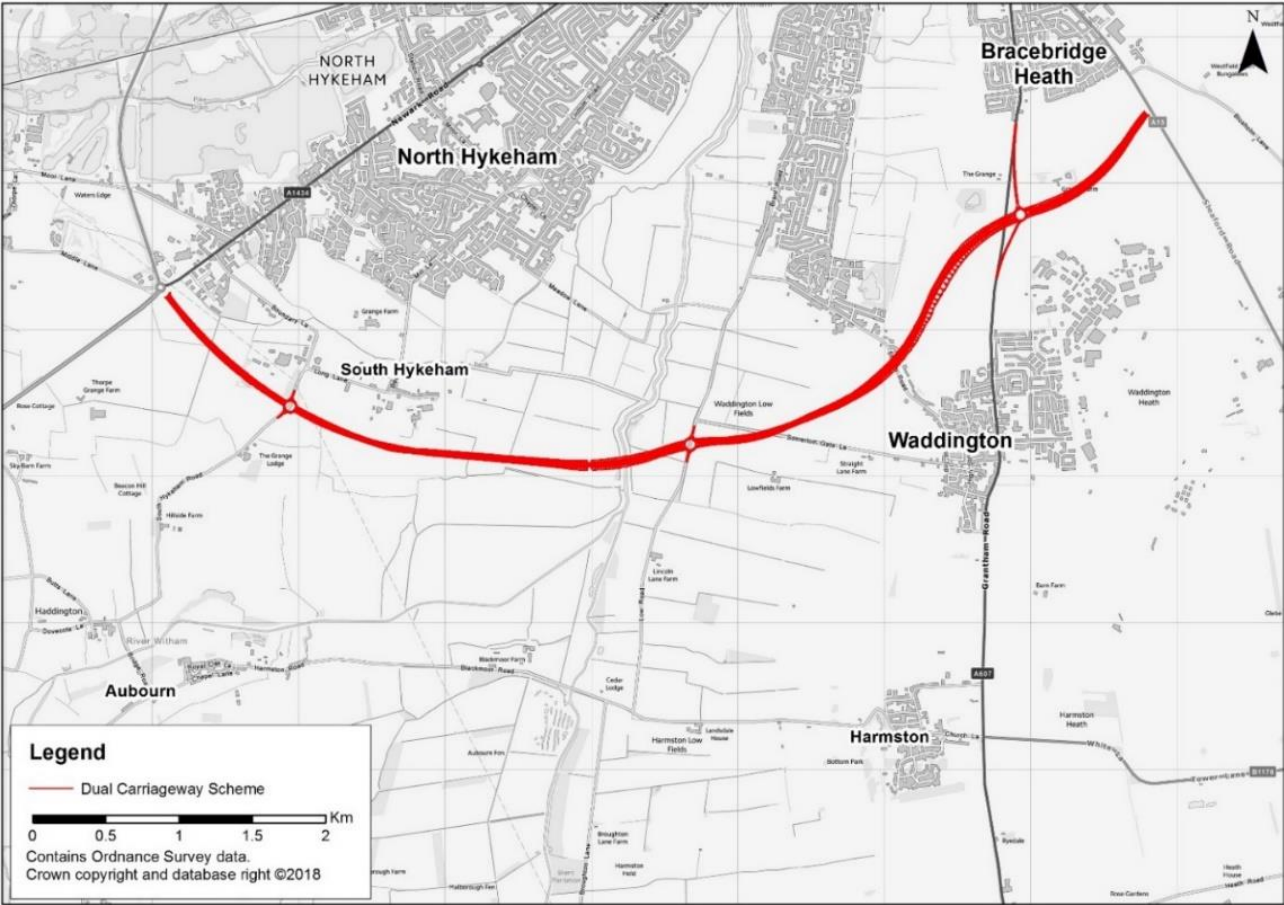
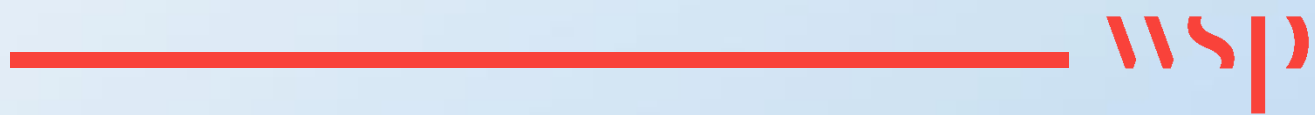


Figure 1 - Alignment of Proposed North Hykeham Relief Road

Appendix B



MAINTENANCE COSTS

Table 7 – Maintenance Cost Assumptions - Resurfacing (Q4 2017)

Work	Section	Measured o/a m2	Tonnes	Lane km's	Duration of Maintenance Work		Time Period	Cost Per Lane KM	Whitelining	Studs	On Decks	Prelims & Traffic Management	Total
Resurfacing	Section 1 (1.1km)	23,893	2,286	5.14	5	nights	Overnight off peak full carriageway closures	£83,700	£3,750	incl	incl	£30,608	£606,612
	Section 2 (2.6km)	51,437	4,922	11.06	10	nights	Overnight off peak full carriageway closures	£83,700	£3,750	incl	incl	£30,608	£1,305,919
	Section 3 (2.8km)	67,250	6,435	14.46	13	nights	Overnight off peak full carriageway closures	£83,700	£3,750	incl	incl	£30,608	£1,707,391
	Section 4 (1.1km)	20,181	1,931	4.34	4	nights	Overnight off peak full carriageway closures	£83,700	£3,750	incl	incl	£30,608	£512,370
	Total												£4,132,292

- The resurfacing works are assumed to be required every 20 years.
- The estimate is based on similar schemes and recent works completed by Lincolnshire County Council.



Table 8 – Maintenance Cost Assumptions - Reconstruction (Q4 2017)

Work	Section	measured o/a m2	Tonnes	Lane km's	Duration of Maintenance Work		Time Period	Cost Per Lane KM	Whitelining	Studs	On Decks	Prelims & Traffic Management	Total
Reconstruction	Section 1 (1.1km)	23,893	9,146	5.14	12	days	24/7 per week full carriageway closures	£237,150	£3,750	incl;	incl	£72,270	£1,609,155
	Section 2 (2.6km)	51,437	19,689	11.06	26	days	24/7 per week full carriageway closures	£237,150	£3,750	incl;	incl	£72,270	£3,464,199
	Section 3 (2.8km)	67,250	25,742	14.46	34	days	24/7 per week full carriageway closures	£237,150	£3,750	incl;	incl	£72,270	£4,529,179
	Section 4 (1.1km)	20,181	7,725	4.34	10	days	24/7 per week full carriageway closures	£237,150	£3,750	incl;	incl	£72,270	£1,359,158
Total												£10,961,691	

- The resurfacing works are assumed to be required every 40 years.
- The estimate is based on similar schemes and recent works completed by Lincolnshire County Council.

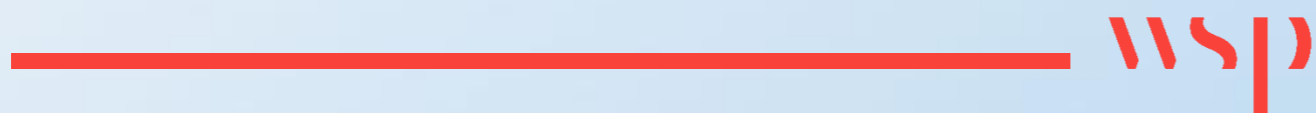
Table 9 – Operating Costs – Non-traffic Related Maintenance Cost Assumptions (Q4 2017)

Section	<u>Approximate Lane KM (currently excluding any existing made obsolete)</u>	<u>Structures Maintenance</u>	<u>Roadworks Maintenance</u>	<u>Total</u>
Section 1	5.14	£2,049	50,807	£610,598 PA
Section 2	11.06	£58,328	157,344	£17,444 per lane KM
Section 3	14.46	£11,534	249,720	
Section 4	4.34	0	80,817	

- The operating costs for the package refer to the routine and non-traffic related maintenance costs including drainage, street lighting, fencing, grass cutting, repainting lines.
- The estimate is based on similar schemes and recent works completed by Lincolnshire County Council.

Appendix C

COST PROFILE



NHRR Cost Profile

Base Costs	Year	Sunk Costs	2017/18		2018/19		2019/20		2020/21		2021/22		2022/23		2023/24		2024/25		2025/26		Total with
	Time Split	Cost	%	Cost	%	Cost	%	Cost	%	Cost	%	Cost	%	Cost	%	Cost	%	Cost	%	Cost	Inflation
Contract Total	£58,923,321	£0	0%	£0	0%	£0	0%	£0	0%	£0	0%	£0	0%	£0	45%	£26,515,494	45%	£26,515,494	10%	£5,892,332	£77,176,388
Ancillary Works	£15,467,372	£0	0%	£0	0%	£0	0%	£0	0%	£0	0%	£0	0%	£0	50%	£7,733,686	50%	£7,733,686	0%	£0	£20,133,055
Stats Costs / third parties	£1,546,737	£0	0%	£0	0%	£0	0%	£0	0%	£0	0%	£0	0%	£0	45%	£696,032	45%	£696,032	10%	£154,674	£2,025,880
Risk (Contingencies)	£2,946,166	£0	0%	£0	0%	£0	0%	£0	0%	£0	0%	£0	3%	£73,654	43%	£1,252,121	45%	£1,325,775	10%	£294,617	£3,855,089
Land & Property (not inc Part One Claims – Estimate)	£1,683,068	£4,818,459	0%	£0	0%	£0	0%	£0	0%	£0	10%	£168,307	5%	£84,153	40%	£673,227	40%	£673,227	5%	£84,153	£1,858,737
Design / Procurement / Preparation / Supervision	£10,473,666	£0	3%	£261,842	5%	£523,683	10%	£1,047,367	15%	£1,571,050	20%	£2,094,733	25%	£2,618,417	10%	£1,047,367	10%	£1,047,367	3%	£261,842	£11,150,413
Risk Assessment (OB)	£29,223,155	£0	0%	£79,695	1%	£159,390	2%	£478,170	2%	£637,560	3%	£796,950	5%	£1,593,900	40%	£12,751,200	40%	£12,751,200	8%	£2,629,935	£31,878,000
Cost before Inflation		£4,818,459		£341,537		£683,073		£1,525,537		£2,208,610		£3,059,990		£4,370,124		£50,669,126		£50,742,781		£9,317,552	£122,918,330*
Cost after Inflation		£4,818,459		£341,537		£690,519		£1,554,183		£2,272,629		£3,187,227		£4,583,063		£60,799,537		£62,851,225		£11,797,643	£148,077,562*

*Not including sunk costs



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