

# OUTLINE STRATEGIC BUSINESS CASE

<b>Directorate</b>	<b>Economy and Environment</b>
<b>Scheme Name</b>	<b>Resurfacing Herefordshire Highways</b>
<b>Budget Holder</b>	<b>Mark Averill, Service Director Environment and Highways</b>

## Project aims and objectives:

*Scheme description and demonstration of links to corporate priorities and savings plans.*

The council estimates there is a backlog of £127m in highway carriageway repairs, this value being split between preventative maintenance (surface treatments) and more traditional resurfacing/ reconstruction type activity. This OSBC is focussed only on resurfacing and reconstruction type activity.

The condition of the network is such that the available Annual Plan and Forward Plan budgets are prioritised to minimise the impact of the deteriorating condition of the carriageway asset and to manage the remainder of the asset groups following a Risk Based Approach. Noting the fact that current budgets are such that the network is in managed decline this bid seeks to reverse that trend and allows for roads that are currently identified in years 2 and 3 of the Annual Plan are brought forward for treatment now. This approach will have the dual benefit of reducing the need for reactive repairs in the interim period and will deliver better value schemes as the required intervention will be proportionally less than if carried out at a later date.

The condition of the carriageways assets is such that the annual plan needs support to prevent the assets deteriorating further.

The condition of road surfaces is a constant concern for residents, parishes and members alike. The investment will result in an improvement in public and member satisfaction and will also reduce the volume of claims received by our service provider, Balfour Beatty Living Places, for damage caused by failed roads.

The Council has a statutory duty under Section 41 of the Highways Act 1980 to ensure that roads are maintained, this funding will contribute to any defence where lack of investment is identified as a potential factor.

### Links to County Plan priorities:

County Priority – please select from	Delivery Plan Reference(s)
Community	C04, C00
Economy	EC2, EC5
Environment	EN3

**Community:** The project ensures localities remain connected, there is a risk of severance where road condition contributes to residents decisions not to use that part of the network.

A better quality network will remove some of the blockers associated with decisions to not adopt sustainable modes of transport for short journeys

**Economy:** The condition of the road network has a direct effect on businesses choosing to invest in Herefordshire. A better connected business community will thrive.

**Environment:** Reactive maintenance is wasteful, especially in terms of travel impact and waste material generated as a consequence. Large surfacing schemes, using state of the art machinery will reduce the impact of completing the work.

At the same time the materials traditionally seen as waste can be stored for reuse as a part of a wider recycling programme for surfacing/ treating our low use unclassified network.

Minimising the risk of failure and closures will reduce the diversions needed for transport.

**Estimated costs and funding sources:**

	2024/25	2025/26	2026/27	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
<b>Capital cost of project</b>					
Resurfacing Schemes	4,750	4,750			9500
Internal Staff, PM and Sundry cost	250	250			500
<b>TOTAL</b>	<b>5,000</b>	<b>5,000</b>			<b>10,000</b>
<b>Funding sources</b>					
Corporate Funded Borrowing	4,184.5	5000			10,000
Capital Receipts Reserve	815.5				
<b>TOTAL</b>	<b>5,000</b>	<b>5,000</b>			<b>10,000</b>
<b>Revenue budget implications</b>					
<b>TOTAL</b>					

**Benefits and risks:**

*The anticipated benefits and risks of the proposed project plus risks of not going ahead with the scheme.*

- By investing capital in this way the county's most valuable asset will be improved and associated revenue costs will be mitigated
- Customer satisfaction will be improved when a programme of improvements in condition is announced
- Combined with the additional funding provided as a part of the cancellation of HS2 the other asset groups can be better maintained using the limited LTP funding provided to the council.
- Reduction in claims and other correspondence relating to condition
- There are no dis-benefits associated with investing in the carriageway asset.

**Risks**

- The additional work generated by this fund may cause supply chain issues. Early engagement with the sector and development of detailed programmes will mitigate against this.
- Deliverability during the optimal period for surfacing works. A detailed programme will be developed to ensure that the programme is delivered before the onset of winter.