

Title of report: Additional Department for Transport Highway Maintenance funding 2023/24 and 2024/25

Decision maker: Cabinet member roads and regulatory services

Decision date: 16th April 2024

Report by: Corporate Director – Economy & Environment

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

(All Wards);

Purpose

The purpose of this report is to set out how the additional Department for Transport Highway Maintenance funding covering 2023/24 and 2024/25 at £1.83 million per year is proposed to be spent and to seek the necessary approvals to do so.

Recommendation(s)

That:

- a) approval is given to invest the additional Department for Transport Highway Maintenance funding covering 2023/24 and 2024/25 at £1.83 million per year as detailed within this Report; and**
- b) delegated authority is given to the Corporate Director of Economy and Environment to take all operational decisions over the lifetime of the project, to deliver the investment set out in recommendation (a).**

Alternative options

1. That this additional investment is not made and the Council continues to maintain Herefordshire's highways in accordance with sound asset management practices but wholly within the maintenance allocations and grant funding made available by Central Government.

Key considerations

2. During 2023/24 the Council invested £2.558million of grant funding from the Department for Transport in making improvements to C and U roads in the county. The works, which were in addition to the Council's usual annual spend on the road network, involved patching repair work, which included repairing potholes, to then allow surface dressing works to take place. In total, 30 C and U roads were identified for patching works, with 29 delivered between November 2023 and March 2024. A full list is set out in Appendix A.
3. On 4 October 2023, the government announced £8.3 billion of additional highways maintenance funding over the period 2023 to 2033 for highway maintenance funding as part of its Network North announcement, with £106.918 million allocated for Herefordshire. For the financial years 2023/24 and 2024/25 a total of £3.66 million was allocated to Herefordshire with £1.83 million per year, in addition to the funds already approved for the Highway Block of the Capital Programme. Given the time of year when the funding was announced and that surface dressing works can only be undertaken in the summer months, the Council have received confirmation from the DfT that the 2023/24 allocation can be spent in 2024/25.
4. In order to complete the investment in the 29 C and U roads, Officers propose to spend the £3.66 million of additional funding to surface dress each road, as well as completing patching and surface dressing works of the remaining C road that budgets did not allow to be completed during 2023/24. Should any budget remain at the end of the proposed programme then Officers intend to undertake surface dressing of further suitable sites, drawn from the Highway Forward Programme.

Procurement and Delivery

5. In order to deliver the £3.66 million investment in the C and U roads the Council will need to secure the services of a surfacing contractor.
6. A compliant route to market already exists through the Council's partner contractor, Balfour Beatty Living Places, who will continue to deliver the agreed Annual Plan of highway works. In order to enable the Council to quickly and efficiently appoint contractors to support and deliver its additional planned programme of works in order to demonstrate value for money, in January 2024 the Council advertised its intention to create its own framework for the delivery of civil engineering and associated works for the improvement of the Council's highway network and public realm. This framework is being procured following Council Procedure Rules and relevant

legislation and as part of this framework, a Lot for the delivery of surfacing schemes has been included.

7. Whilst alternative routes to market should exist moving forward, the Council's own framework is currently going through the relevant procurement process and will not be in place for use until April 2024 and there is currently no indication as to the supply chain capacity and rates that will be offered through the framework.

Community impact

8. The £3.66 million additional Department for Transport Highway Maintenance funding contributes to the County Plan ambitions, providing a safe usable network for the localities and for the economy of Herefordshire.
9. The £3.66 million investment will be allocated across the county to those roads listed in Appendix A.

Environmental Impact

10. The investment plan seeks to deliver the council's environmental policy commitments and aligns to the following success measures in the County Plan.
 - a) Reduce the council's carbon emissions in reducing the need for reactive works, minimising disruption on the network and choosing appropriate materials for their whole life benefits in reducing the impact on the carbon footprint.
 - b) Work in partnership with others to reduce county carbon emissions delivering an efficient network.
 - c) Increase the number of short distance trips being completed by sustainable modes of travel by ensuring that the highway network is safe.
11. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
12. The environmental impact of this proposal has been considered through the service specification and includes appropriate requirements on the contractor/delivery partner to minimise waste, reduce energy and carbon emissions. This will be managed and reported through the ongoing contract management.

Equality duty

13. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
14. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Our providers will be made aware of their contractual requirements in regards to equality legislation.
15. Should budgets permit and based on need, further roads will be surface dressed in addition to the 30 already identified, taking account of the statutory demands for the local highway authority as well in addition to the highway network hierarchy. This approach is founded on the guidance set out in Well Managed Highway Infrastructure: A Code of Practice. When considering the highway network hierarchy in Herefordshire the presence of community, medical or educational facilities are considered as part of the usage consideration ensuring that highway corridors to these functions are afforded more priority. As a result the selection of roads for investment as part of this decision is considered to have a positive impact on the protected characteristics of Age and Disability. The investment set out in this report is considered to have a neutral impact on the other protected characteristics.

Resource implications

16. Whilst a compliant route to market to deliver the investment already exists through the Council's partner contractor, Balfour Beatty Living Places, the Council is in the process of creating its own framework for the delivery of civil engineering and associated works for the improvement of the Council's highway network and public realm.
17. It is the recommendation of Officers that the approach that has the capacity and offers the best value for money based on a comparison of price be chosen by the Corporate Director of Economy and Environment, as set out in recommendation (b).
18. The project will be delivered through the Council's Highways and Traffic Team, with the Service Director for Environment and Highways being responsible for delivery. As a result of the project being delivered in-house, temporary staff will be required to support the Highways and Traffic Team to cover such tasks as preparing and issuing contract documentation, physically walking and measuring schemes, as well as carrying out supervision of the works whilst they are being undertaken. £183k of the additional funding has been allocated to cover such staff costs.
19. A unique project code will be allocated so that the project manager assigned can monitor and review progress to enable reporting to the relevant programme boards.
20. There are no direct implications to revenue funding as a result of this investment. The investment set out in this report should result in an overall lower requirement to respond to carriageway defects on the 30 identified roads that are listed in Appendix A.

Capital Project	2024/25	2025/26	Future Years	Total
	£000	£000	£000	£000
Surfacing Works	3,477	0	0	3,477
Staff costs including Project Management	183	0	0	183
TOTAL	3,660	0	0	3,660

Funding Streams	2024/25	2025/26	Future Years	Total
	£000	£000	£000	£000
Additional Department for Transport Highway Maintenance funding	3,660	0	0	3,660
TOTAL	3,660	0	0	3,660

Legal implications

21. Any procurement undertaken in delivering the recommendations of this report must be in accordance with the Council's Contract Procedure Rules.

Risk management

22. The £3.66 million investment will reduce the overall risk in highway safety and improve customer satisfaction, investing in a key asset group.
23. Any risks will be managed at service level and escalated in accordance with the Risk Management Plan.
24. Risk / Opportunities:

Risk / opportunity	Mitigation
Demand /deterioration on the network significant and budget not sufficient.	Review within the overall annual and forward programme and deliver in line with the council's priorities.
Environmental issues / constraints restrict project delivery in year.	Review and reprofile as required.
Projects conflict with programmed and other funded works such as Levelling Up funding or s106 works	Opportunity to incorporate into the project, potential for savings and minimising impact on communities and economy of Herefordshire.
Deliverability due to rising costs and available resources.	Effective contract management processes will provide early warnings of such implications.
Reduction in personal injury and vehicle damage claims	Opportunity to potentially reduce claims and therefore costs to the Council.

Consultees

25. As part of the revised consultation process for key decisions, a Political Group Consultation was undertaken on 16th March 2024 with Officers outlining the content of the report. Various matters were raised by and responses given to members, including:

- a. How works are quality assured and the mechanisms for inspection and verification against the contractual specification
- b. How the procurement and delivery process associated with the works will be undertaken and whether additional costs and delay will be incurred as a result of no longer using a single provider
- c. How roads are selected for investment and the location of those that will benefit from this funding and whether there is a risk that some places will miss out as a result of following asset management principles
- d. The need to address other defects beforehand, such as drainage, and to co-ordinate with utility companies and wider highway improvement projects.
- e. When and how we intervene and communicate regarding reactive defects and how this information is fed into the investment planning process

Appendices

Appendix A List of C and U roads identified for patching and surface dressing works

Background papers

None identified