

Title of report: Resurfacing Herefordshire Highways

Decision maker: Cabinet member roads and regulatory services

Decision date: 19/04/2024

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 £10.0 million investment Resurfacing Herefordshire Highways is proposed to be spent and to seek the necessary approvals to do so.

Recommendation(s)

That:

- a) approval is given to invest the £10.0 million budget allocated for Resurfacing Herefordshire Highways across 2024/25 and 2025/26 in accordance with the Council's Highway Asset Management Plan; 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. On 8 December 2023, Council approved a Capital Programme Review and Update report. As part of the report, approval was given to invest to improve the A and B road network and a £10.0 million budget for investment was allocated for Resurfacing Herefordshire Highways, with an expected spend profile across 2024/25 and 2025/26. Officers propose to spend the £10.0m investment as set out below.

Type of work to be delivered

3. As set out in the 8 December report, £10.0 million of investment for Resurfacing Herefordshire Highways was provided. £9.185 million of the funding has been made available through Council funded prudential borrowing which requires a 40 year useful economic life and as a result the total £10.0 million investment is proposed to be spent on roads that require resurfacing, with the existing layers removed and a new surface laid.

Identification of sites

4. As part of its duty under the Highways Act 1980 to maintain the public highway, the Council uses various data collection and survey methods to capture the condition of the network. The condition of our A and B roads is captured over a two year period and the C road network is captured over a three-year period. The Unclassified road network condition is measured over a two-year cycle.
5. On an annual basis, data collected from these surveys is used to classify roads into condition bands that range from 1 (Very Poor Condition) to 5 (Good Condition). The data collected is then used to update the forward programme of works held by the highways team, from which the annual plan of work is selected. Investment in the right road and at the right time is critical, given that the average treatment cost associated with preventing a road from slipping down the condition bands is less than the average treatment cost associated with having to undertake more significant structural work. Investing in roads that are within condition bands 3 and 4 therefore provides the best value for money.
6. The £10.0 million investment that has been provided through the capital programme was provided in order to be allocated to those A and B roads identified as requiring the most urgent work. It is the recommendation of Officers that the highway forward programme is used to identify sites that satisfy this condition and would be taken forward for delivery in 2024/25 and again at the appropriate point in time for 2025/26. Roads requiring the most urgent work would be agreed as set out in recommendation (b) for each of the 2024/25 and 2025/26 investment periods.

Procurement and Delivery

7. In order to deliver the £10.0 million investment in Resurfacing Herefordshire Highways the Council will need to secure the services of a surfacing contractor.
8. A compliant route to market already exists through the Council's partner contractor, Balfour Beatty Living Places, and who are already used to and will continue to deliver the agreed Annual Plan of highway works. To demonstrate value for money and in order to enable the Council to quickly and efficiently appoint contractors to support and deliver its planned programme of works, 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, provision for the delivery of surfacing schemes has been included.
9. Whilst alternative routes to market will 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. As there is currently no indication as to the supply chain capacity and rates that will be offered through the framework, it is the recommendation of Officers that a blended approach is used to ensure that the solution offers the best value for money.

Community impact

10. The £10.0 million investment for Resurfacing Herefordshire Highways contributes to the County Plan ambitions, providing a safe usable network for the localities and for the economy of Herefordshire.
11. The £10.0 million investment will be allocated across the county to those A and B roads identified as requiring the most urgent work, based on data collected by way of various survey techniques.

Environmental Impact

12. 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.
13. 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.

14. 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

15. 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.
16. 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.
 17. The selection of roads for investment will take 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

18. In order to deliver the £10.0 million investment in Resurfacing Herefordshire Highways the Council will need to secure the services of a surfacing contractor.
19. A compliant route to market already exists through the Council's partner contractor, Balfour Beatty Living Places, and 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.
20. It is the recommendation of Officers that the approach that has the capacity and offers the best value for money be chosen by the Director of Economy and Environment, as set out in recommendation (b).
21. The project will be managed by the Council's Highways and Traffic Team with the Service Director for Environment and Highways being responsible for delivery.

22. 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. The £10.0 million investment was approved at Council in December 2023 to be funded from corporate borrowing and capital receipts.
23. There are no implications to revenue funding as any future maintenance is managed within the existing programme and budget, however, capital investment should ease the revenue budget reducing the need to undertake additional repairs over the whole life of the asset. The interest for borrowing was approved at full council from the corporate revenue budget during budget setting. Additional staff will be required in order to manage and deliver this project, covering 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.

Capital Project	2024/25	2025/26	Future Years	Total
	£000	£000	£000	£000
Resurfacing Works	4,750	4,750	0	9,500
Internal Staff costs including Project Management	250	250	0	500
TOTAL	5,000	5,000	0	10,000

Funding Streams	2024/25	2025/26	Future Years	Total
	£000	£000	£000	£000
Corporate Funded Borrowing	4,592	4,592	0	9,184
Capital Receipts	408	408	0	816
TOTAL	5,000	5,000	0	10,000

Legal implications

24. The delegation to the Corporate Director of Economy and Environment is permissible and allows the officer to make changes to the actual services delivered within the budget.

Risk management

25. The £10.0 million investment for Resurfacing Herefordshire Highways will reduce the overall risk in highway safety and improve customer satisfaction, investing in a key asset group.
26. The £10.0 million investment for Resurfacing Herefordshire Highways was approved at Full Council, 8 December 2023 and will be delivered over a two year period.
27. Any risks will be managed at service level and escalated in accordance with the Risk Management Plan.

28. 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

29. 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 members and discussed, 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 and how we inform members and Parish Councils of roads that will receive such investment.

Appendices

None.

Background papers

None identified