

# Title of report: 2024/25 Capital Investment in Existing Highway Infrastructure

**Decision maker:** Cabinet Member Roads and Regulatory Services

**Report by:** Engineering Manager

## **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 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.

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**

## **Purpose**

To authorise the spend/investment in the public realm existing assets and infrastructure following council's resolution at the Council meeting 10 February 2023, to approve the proposed Capital Programme for 2023/24 through to 2026/27.

## **Recommendation(s)**

**That:**

- a) **Capital investment for 2024/25, in assets as set out below, is procured::**
  - a. **Carriageway investment £1.5m**
  - b. **Structures £1.5m**

- c. **Parish Safety Schemes £100k**
- d. **Drainage £500k**
- e. **Street Lighting Columns £200k**
- f. **PRoW Structures £100k**
- g. **Project Management £185k**

**Total £4.085m**

- b) Delegated authority is given to the Corporate Director of Economy and Environment, in consultation with the S151 Officer to take all operational decisions to deliver the infrastructure projects set out in recommendation (a).**

### **Alternative options**

1. Not to invest £16.04m in the highway infrastructure asset over a 4 year period, 2024/25 investment as set out above, this is not recommended as this would be contrary to the council resolution on 10 February 2023.
2. Not to invest in the public realm infrastructure, the elements support the council's Asset Management Plan, the investment compliments the Local Transport Plan funding which is ensuring the deteriorating network is managed to ensure a safe, usable network for all. Not to invest will see accelerated deterioration in the county's assets.

### **Key considerations**

3. The investment plan ensures the network is managed and maintained. Due to the scale of deterioration of the network, the Local Transport Plan grant from central government, which forms the basis of the Annual Plan, is not sufficient to manage and keep the network in a steady state. The Capital Investment will compliment and ensure the network is managed for all users.

The investment supports the county plan and ambitions for Herefordshire:

- a. Environment: protect and enhance our environment and keep Herefordshire a great place to live;
  - b. Community: strengthen communities to ensure everyone lives well and safely together; and
  - c. Economy: support our economy which builds on the county's strengths and resources.
4. At the council meeting held on 09 February 2024, agenda item 45 was carried and the resolution was approved.
  5. The funding aims to support the council's Highways Asset Management Strategy, complementing the Capital Funding provided by the Local Transport Plan. The funding is part of the long term sustained investment strategy to provide sustained investment such as:
    - a. 2020/21: £2m investment in C and U roads;
    - b. 2021/22: £2.3m investment in c and u road drainage and carriageway works, market town investment and;

- c. 22/23: £3.685m investment in Market Towns, Village Safety Improvements and Public Transport infrastructure.
6. The 2024/25 Capital Investment in Existing Highway Infrastructure is second year of the four year plan/programme to invest in the highway infrastructure as set out in the council's 2023 Capital Programme which was approved at the 10 February, 2023 meeting.
7. The programme of works will complement the council's Public Realm Contract and will be in addition to the Department for Transport's Highways Maintenance and Integrated Transport Block Funding.
- a. The road maintenance need is based on the current network condition, with significant deterioration forecast over the coming period. The rate of deterioration will accelerate if a planned programme of work is not progressed. The proposed programme will focus on the outstanding preventative maintenance backlog.
  - b. The treatment of the structure assets will support the Department for Transport's Local Transport Plan Highway Maintenance Block funding. The funding will help to slow further deterioration of structures, this will contribute to avoiding the risk of closure of the structure and routes to localities. Due to the complex nature of design and build, the sustained investment will support the programme and ensure value for money.
  - c. The Parish Safety Schemes build on the success of previous years where the local Town and Parish councils have identified concerns. These sites can be designed and programmed for delivery. The works include changing the lining, signing and pedestrian crossing improvements.
  - d. Drainage remains an issue with a significant defect backlog, the investment will help to address the concerns on the network which are beyond the affordability of this year's Annual Plan. The outcome of investing in drainage means that potential safety issues, network resilience (during times of storms etc.) and consequential road surface deterioration will be addressed across a broader part of the network.
  - e. The Street Lighting asset is significant, the funding will be used to replace columns where necessary.
  - f. The Public Rights of Way network has a number of routes closed due to deterioration and failure in the structures. This investment will address a number of the failures and open up routes for the public, providing a safer alternative for residents and visitors alike to access the countryside and, in urban areas, providing an alternative car free route, encouraging active travel.
8. The benefits of the project will be with a safer, open, usable network for all.

### **Community impact**

9. The investment contributes to the County Plan ambitions, providing a safe usable network for the localities and for the economy of Herefordshire.
10. The investment has been identified through both safety inspections and network condition surveys which have highlighted the continued deterioration of all of the referenced asset groups. If the deterioration continues at the current rate, then there will be significant revenue pressure to undertake reactive works by the council's service provider.

11. The recommendation will not have a direct impact on children in care but, overall, the package of measures will support the communities in Herefordshire in maintaining the network, removing risk and improving safety.

## **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) Increase flood resilience in the network and address locations at risk including the network, properties and structures.
  - b) Reduce the council's carbon emissions in reducing the need for reactive works, minimise disruption on the network, choosing appropriate materials for their whole life benefits in reducing the impact on the carbon footprint.
  - c) Work in partnership with others to reduce county carbon emissions delivering an efficient network.
  - d) Improve the air quality within Herefordshire, minimising congestion and damage to property.
  - e) Improve residents' access to green space in Herefordshire by improving safety and opening Public Rights of Way closed due to asset failures.
  - f) Increase the number of short distance trips being completed by sustainable modes of travel – walking, cycling, wheeling, public transport etc. by ensuring that the network is safe with alternative options such as the PRoW network being available.
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.

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 and to consider opportunities to enhance biodiversity. This will be managed and reported through the ongoing contract management.

## **Equality duty**

14. 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.
15. 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.
  16. Given the impact that these projects have on the community, an Equality Impact Assessment will be undertaken.

### **Resource implications**

17. A procurement strategy will be developed for the delivery of the investment ensuring value for money, each element will be subject to a mini tender to demonstrate value for money, and this will be confirmed in the further governance as set out in recommendation (b). The project will be managed by the council's project management office with the Director for Environment and Highways being responsible for delivery.
18. The commissions for each element will adhere to the councils Procurement and Commissioning Strategy meeting local needs and value for money.
19. The funding , subject of this report, is to be delivered in 2024/25 with focus on the following projects:
  - a. Carriageway Investment, surfacing, surface dressing, etc.
  - b. Structures
  - c. Parish Safety Schemes
  - d. Drainage
  - e. Street Lighting
  - f. PRow Structures
20. Unique project codes will be allocated to each element so that the corporate project manager assigned can monitor and review progress to enable reporting to the capital project board along with other relevant programme boards on each of the projects. The budget was approved at council in February 2023 for the 4-year programme, with the overall programme of £16.04m to be funded from £14.46m corporate borrowing and £1.58m grant, which has yet to be sourced.
21. 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.
22. Capital Cost of the project:

<b>Capital cost of project</b>	<b>2024/25</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Future Years</b>	<b>Total</b>
	£000	£000	£000	£000	£000
Carriageway Investment	1,500				1,500
Structures	1,500				1,500
Parish Safety Schemes	100				100
Drainage	500				500
Street Lighting	200				200
PRoW Structures	100				100
Project Management	185				185
<b>TOTAL</b>	<b>4,085</b>				<b>4,085</b>

<b>Funding streams (indicate whether base budget / external / grant / capital borrowing)</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Future Years</b>	<b>Total</b>
	£000	£000	£000	£000	£000
Corporate Funded Borrowing	4,085				4,085
<b>TOTAL</b>	<b>4,085</b>				<b>4,085</b>

## Legal implications

23. The full Council meeting on 09 February 2024 allocated £6.835 million in respect to 'Highways Infrastructure Investment' as part of the Council's annual budget. This is year 2 of a 4 year investment programme.
24. This report recommends the executive decision required to use part of such funding allocation.

## Risk management

25. The sustained investment will reduce the overall risk in highway safety, investing in key elements of the asset and winter service that address some of the challenges in the network. The maintenance backlog for carriageways alone is set at £87.77 million, whilst this is significant, the investment is part of the continued sustained investment over the whole life of the highway asset with an ongoing programme of works that is targeted at treating roads as they are showing signs of deterioration and fixing roads before they need larger, more costly repairs.
26. The capital investment was approved at full council, 10 February 2023, securing the funding for the project.

27. The delivery of the project will be over the 12 month period, each element will have in year delivery targets reporting to the appropriate delivery and financial board.
28. The Risks will be managed at service level reporting to the service risk register and escalated in accordance with the Risk management Plan.

Risk / opportunity	Mitigation
Demand /deterioration on the network significant and budget not sufficient.	Review with the overall annual and forward programme, 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.	The projects will be managed in line with the delivery of current council projects and contracts which will provide early sight of implications.

## Consultees

29. As part of the revised consultation process for key decisions, the Political Group Consultation was undertaken, the meeting highlighted the drainage need, the meeting also asked for the local ward members to be informed of schemes resulting in the area to be communicated, this is agreed and will be actioned.

## Appendices

Appendix 1 2023 to 2027 Capital Investment in Highways Infrastructure Business Case

## Background papers

None

## Report Reviewers Used for appraising this report:

**Please note this section must be completed before the report can be published**

Governance                      John Coleman                      Date 15/04/2024

Finance                              Karen Morris                              Date 28/03/2024

Legal	Sean O'Connor	Date 25/03/2024
Communications	Luenne Featherstone	Date 07/05/2024
Equality Duty	Harriet Yellin	Date 15/04/2024
Procurement	Lee Robertson	Date 25/03/2024
Risk	Lindsey Lord	Date 07/05/2024

Approved by	Ross Cook	Date 29/05/2024
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**[Note: Please remember to overtype or delete the guidance highlighted in grey]**

**Please include a glossary of terms, abbreviations and acronyms used in this report.**