

# **Title of report: Highways Infrastructure Investment - Additional Funding**

**Decision maker: Cabinet member roads and regulatory services**

**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.

## **Wards affected**

(All Wards);

## **Purpose**

To approve the 2025/26 and 2026/27 additional investment in the public realm existing assets and infrastructure following resolution of Council on 7 February 2025 to approve the 2025/26 Capital Investment Budget and Capital Strategy Update.

## **Recommendation(s)**

**That:**

- a) approval is given to draw down the £5 million additional budget allocated in the capital investment budget for Highway Infrastructure Investment across 2025/26 and 2026/27 as set out in the 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. On 7 February 2025, Council approved a Capital Programme Review and Update report. As part of the report, a £5.0 million additional budget for investment was allocated for Highway Infrastructure Investment to enable a surface dressing programme to be created, with a spend profile split evenly across 2025/26 and 2026/27.
3. As the Council is not permitted to use Corporate Funded Borrowing for preventative maintenance type works (surface dressing), the £5.0 million additional budget for Highway Infrastructure Investment was proposed to replace the equivalent amount that is allocated for capital works that can be funded through Corporate Funded Borrowing and are undertaken through the Local Transport Plan budget.
4. The £5.0 million Local Transport Plan budget that would then be released would be invested into preventative maintenance type works (surface dressing) across the county. 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, with roads requiring work being agreed as set out in recommendation (b) for each of the 2025/26 and 2026/27 investment periods.
5. The £5.0 million additional budget for Highway Infrastructure Investment would be invested in works across highway asset types including carriageways, footways, structures, vehicle restraint systems, street lighting and traffic signals and drainage and flood risk. 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, with roads requiring work being agreed as set out in recommendation (b) for each of the 2025/26 and 2026/27 investment periods.

## **Procurement and Delivery**

6. The £5.0 million investment in a surface dressing programme through the Local Transport Plan budget would be delivered by Herefordshire Council through its own framework for the delivery of civil engineering and associated works for the improvement of the Council's highway network and public realm, the final approach being agreed as set out in recommendation (b).
7. The £5.0 million additional budget for Highway Infrastructure Investment would be delivered as appropriate either by Herefordshire Council through its own framework highway and public realm framework or through the existing Public Realm Contract for 2025/26 or new Public Realm Contract for 2026/27, the final approach being agreed as set out in recommendation (b).

## **Community impact**

8. The £5.0 million additional budget for Highway Infrastructure Investment contributes to the Council Plan 2024-2028 ambitions, to expand and maintain the transport infrastructure in a sustainable way and improve connectivity across the county.

## Environmental Impact

9. The investment seeks to deliver the council's environmental policy commitments and aligns to the following success measures in the Council Plan 2024-2028.
  - a) Expand and maintain the transport infrastructure in a sustainable way and improve connectivity across the county. Value nature and uphold environmental standards to minimise pollution and maximise biodiversity Reduce waste, increase reuse and increase recycling.
  - b) Work towards reducing county and council carbon emissions, aiming for net zero by 2030/31 and work with partners and communities to make the county more resilient to the effects of climate change
10. 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.
11. 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

12. 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.
13. 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.
14. 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

15. The £5.0 million investment in a surface dressing programme through the Local Transport Plan budget would be delivered by Herefordshire Council through its own framework for the delivery of civil engineering and associated works for the improvement of the Council's highway network and public realm, the final approach being agreed as set out in recommendation (b).
16. The £5.0 million additional budget for Highway Infrastructure Investment would be delivered as appropriate either by Herefordshire Council through its own framework highway and public realm framework or through the existing Public Realm Contract for 2025/26 or new Public Realm Contract for 2026/27, the final approach being agreed as set out in recommendation (b).
17. The project will be managed by the Council's Highways team with the Head of Highways being responsible for delivery.
18. A unique project code will be allocated so that progress can be monitored and reviewed to enable reporting to relevant capital programme boards. The £5.0 million additional investment was approved at Council in February 2025 to be funded from corporate borrowing.
19. 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.

| Capital cost of project                   | 2025/26 | 2026/27 | Future Years | Total |
|-------------------------------------------|---------|---------|--------------|-------|
|                                           | £000    | £000    | £000         | £000  |
| Highway Infrastructure Investment (works) | 2,500   | 2,500   | 0            | 5,000 |
| TOTAL                                     | 2,500   | 2,500   | 0            | 5,000 |

| Funding streams            | 2025/26 | 2026/27 | Future Years | Total |
|----------------------------|---------|---------|--------------|-------|
|                            | £000    | £000    | £000         | £000  |
| Corporate Funded Borrowing | 2,500   | 2,500   | 0            | 5,000 |
| TOTAL                      | 2,500   | 2,500   | 0            | 5,000 |

## Legal implications

20. 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

21. The £5.0 million additional budget for Highway Infrastructure Investment will enable a reduction in the overall backlog of works to improve carriageway condition across the county, as well as improving other highway asset groups.
22. The £5.0 million additional budget for Highway Infrastructure Investment was approved at Full Council on 7 February 2025 and will be delivered over a two year period.
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 (PGC) was undertaken on 10<sup>th</sup> March 2025 with Officers outlining the content of the report. Various matters were discussed, including:

- a. How a prioritised list of schemes is developed;
- b. How different forms of survey data are combined to ensure accuracy;
- c. What has been delivered during 2024/25;
- d. What can be delivered with the £5m of additional Highway Infrastructure Investment funding, with members making requests for various roads to be considered further;
- e. Communication, with members requesting that consideration be given to establishing an annual 'call for sites' process so that they can more formally feed into the process;
- f. Next steps, including governance and delivery.

### **Appendices**

None.

### **Background papers**

None.