

<b>Report of:</b>	Executive Member for Environment, Finance and Governance Director of Environment and Community Services
<b>Submitted to:</b>	Executive
<b>Date:</b>	10 May 2022
<b>Title:</b>	Improving our Highways
<b>Report for:</b>	Decision
<b>Status:</b>	Public
<b>Strategic priority:</b>	Physical environment
<b>Key decision:</b>	Yes
<b>Why:</b>	Decision(s) will incur expenditure or savings above £150,000
<b>Urgent:</b>	No
<b>Why:</b>	

**Executive summary**

The deterioration of national carriageways is an issue across the country. In Middlesbrough, 15% of all carriageways are currently rated Red / Amber. It is therefore appropriate to re-evaluate the approach to maintaining and improving highway assets, with a view to improving the condition of the road network.

The estimated cost of dealing with all Red / Amber roads using existing contracts is £18.9m. This report describes how savings of 18% could be derived, reducing the bill to £15.5m. It is thought that the tendering process would not be complete until December 2022 and therefore the report recommends an approach that would result in £2m of works commencing within Quarter Two of 2022/23.

Whilst this work takes place, a re-evaluation exercise will be undertaken to address Red / Amber carriageway defects as per Department for Transport classifications; developing a longer-term strategy for maintenance and improvements to carriageways, in-line with the medium-term financial plan.

## **Purpose**

1. Substantial investment is required in order to improve road / footway network. It is therefore timely to re-evaluate the current approach to maintaining and improving highway assets, with a view to improving the condition of the road / footway network back to a publicly acceptable and manageable level.
2. The Executive is therefore asked to approve prioritisation of immediate works required for 2022/23 (detailed in Appendix 1), on the premise that during which time a re-evaluation exercise will be undertaken to address the approach to Red / Amber carriageway defects; developing a longer-term strategy for maintenance and improvements, in-line with the medium-term financial plan.

## **Background and relevant information**

3. The condition of Middlesbrough's road network is in decline, with 15% of the total carriageway network (classified and unclassified roads) categorised as Red / Amber; those carriageways most in need of maintenance and are either:
  - safety critical
  - carrying a high level of risk (high-traffic routes)
  - stakeholder priority
  - supporting the corporate vision; and / or
  - demonstrating value for money
4. Whilst the recently completed pothole initiative in 2020/21 saw £1.1m investment address defects in over 5,300 locations, a further £18.9m investment would be required to fully address all carriageway / network sections currently categorised as Red / Amber.
5. Current repair methods focus on resurfacing sections of road and / or responsive 'plane and patch' on specific areas of failed road surface. Without intervention, those carriageways currently categorised as Low Amber / Green will deteriorate to Red / Amber categorisation.
6. To note, principle inspections of bridges and structures will be completed in September 2022; the findings of which will provide detail on the level of works required and to that end, a further paper will be presented to a meeting of the Executive in October 2022 and are therefore outside of scope for the purposes of this report.
7. Footways currently categorised as Red / Amber, require a further £33m to address in full and on that basis, are outside of scope for the purposes of this report.
8. The current capital budget envelope, as per current medium-term plan period (2022/23 - 2024/25), is as follows:

TVCA block capital grant allocation (LTP): Carriageway maintenance	£1.5m
MTFP initial allocation	£15.0m
<b>Total:</b>	<b>£16.5m</b>
Estimated cost to address <b>100%</b> of current Red / Amber roads	<b>£18.9m</b>
<b>Shortfall:</b>	<b>£2.4m</b>

9. To note, LTP / TVCA Highways allocation funding of £3.3m (£1.1m per annum, for 3 years) is dedicated to routine repair, maintenance and pothole initiatives and is therefore not included in the above budget envelope.
10. Direct market comparisons confirmed that contracted costs of £15-£19 per square meter are competitive for the scale of current works and provides value for money.
11. It should also be noted that a saving of 18% against direct award quoted price was achieved on the current contracting arrangement (with the same supplier) by utilising the NEPO framework.
12. Middlesbrough's Highways Team faces significant challenge to deliver the required scale of repair to network deterioration and maintain improved carriageway conditions within the existing budget envelope.
13. It is fair to assume that tendering the work for a longer-term identification, repair and maintenance strategy via NEPO framework, would achieve approximately 18% savings in comparison to a direct award, reducing the projected £18.9m cost of addressing Red / Amber carriageways to £15.5m.
14. The proposal is therefore two-fold; a proportion of immediate / high-priority works will be addressed in 2022/23 (Appendix 1), alongside the development of a strategy and forward work programme for the maintenance and improvements to carriageway:
  - The immediate / high priority works in 2022/23 (Appendix 1) would address the worst-affected 12.9% of Red / Amber roads, at a cost of £2m, though would not realise any savings from contracting arrangements.
  - A re-evaluation of the approach to addressing and prioritising Red / Amber defects will be undertaken, developing a longer-term strategy for maintenance and improvements to carriageways, based on the parameters outlined below:
    - Number / coverage of Red carriageways / zones
    - Number / coverage Amber carriageways / zones
    - Volume and cost of insurance claims
    - Volume of complaints relating to road surfaces
15. Specific focus to be given to high volume / coverage areas and considered on a geographical 'zone' basis.
16. The development of the above approach, in-line with the medium-term financial plan would provide 'breathing space' for in-house services, enabling attention to be focused

on Low Amber roads, thereby delaying further deterioration of roads currently categorised as being in acceptable condition.

17. The findings and proposed approach will be brought back to a later meeting of the Executive for a decision, as outlined in the timetable below.

<b>Activity</b>	<b>Due</b>
Prioritisation of 2022/23 activity for direct award	May 22
Develop prioritisation matrix for longer-term strategy / NEPO framework tender process	June 22
Executive approval of approach	July 22
Commencement of tender process	July 22
Contract awarded	December 22
Work commences	February 23

**What decision(s) are being recommended?**

18. That the Executive:

- Approves identification and progression of focused activity in 2022/23 to address the worst-affected 12.9% of Red / Amber roads at a cost of £2m (detailed at Appendix 1), noting that in doing so higher direct award prices (estimated at approximately £360k) will be incurred.
- Approves the undertaking of re-evaluation exercise in developing a longer-term strategy for identifying, maintaining and improving carriageways to address 100% of Red / Amber roads, tendering for works via the NEPO framework.

**Rationale for the recommended decision(s)**

19. To provide the necessary detail to allow the Executive to make an informed decision based on need and impact, whilst demonstrating that the service remains fit for purpose to best address the needs of the town.

**Other potential decision(s) and why these have not been recommended**

20. Due to the significant levels of deterioration across the road network and the due diligence work undertaken as part of this report, no other options were considered.

**Impact(s) of the recommended decision(s)**

**Legal**

21. Implementation of the above approach will enable the Highways Team to operate within the resources available to it, and continue to meet its various statutory duties; particularly, Section 41 of the Highways Act 1980 ‘Duty to maintain highways maintainable at public expense’.

22. The duty is in reference to maintaining highways in an accessible and safe condition, insofar as feasible from time to time, the publicly maintainable highway for which the authority are the Local Highway Authority. The exception is the strategic road network which is within the remit of the governmental agency now known as National Highways. As such there is a legal duty to ensure that the highways within the Local Authorities control meet and are maintained in an accessible and safe condition.

### ***Strategic priorities and risks***

23. One of the Council's Strategic Plan has nine priorities; one of which is Physical Environment. Progression of this work is key to achieving one of the underpinning initiatives within that priority.

### ***Human Rights, Equality and Data Protection***

24. There are no concerns that the planned approach could have an adverse impact on individuals or groups as a result of holding one or more of the characteristics protected by the Equality Act 2010, therefore a Level 1 screening equality impact assessment is not required.

### ***Financial***

25. There is currently an estimated cost of £18.9m for the proposed approach to address all current Red / Amber carriageways; subject to change depending on potential price increases due to current increasing inflation rates.

26. As outlined in the Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2022/23 report to Council on 23 February 2022, the Council's Medium Term Financial Plan (MTFP) for the period 2022/23 to 2024/25 provisionally provided, subject to approval by Executive, additional funding of up to £15m over the MTFP period (£5m per annum for 3 years) for a Highways Maintenance Programme. This along with existing Local Transport Plan (LTP) funding of £1.5m over the MTFP period means that there is £16.5m of funding potentially available within the current MTFP. The current estimated costs of the proposed approach are therefore within the current funding available.

27. As outlined in the report to Council on 23 February 2022, the revenue capital financing costs of the additional funding have been provided for in the Council's MTFP.

28. Following approval of the proposed approach by Executive, the Council's Investment Strategy will be amended accordingly to reflect this.

## Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Prioritisation of 2022/23 carriageway improvement activity for direct award	Director of Environment and Communities	31/05/2022
NEPO framework direct award tender process for priority carriageway improvement activity in 2022/23	Director of Environment and Communities	31/07/2022
Develop prioritisation matrix for longer-term strategy / NEPO framework tender process	Director of Environment and Communities	30/06/2022
Executive approval of longer-term strategy for maintenance and improvements to carriageways	Director of Environment and Communities	31/07/2022
Tender process and contract award for longer-term strategy for maintenance and improvements to carriageways	Director of Environment and Communities	31/12/2022
Completion of prioritised 2022/23 carriageway improvement activity	Director of Environment and Communities	28/02/2023
Implementation of longer-term strategy for maintenance and improvements to carriageways	Director of Environment and Communities	28/02/2023

## Appendices

1	Proposed prioritised Highway works for 2022/23
---	--

## Background papers

Body	Report title	Date
Council	Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2022/23	23/02/2022

**Contact:** Gemma Cooper, Strategy Delivery Manager

**Email:** gemma\_cooper@middlesbrough.gov.uk