

NORTH SOMERSET COUNCIL DECISION



DECISION OF: COUNCILLOR HUGH MALYAN. THE CABINET MEMBER FOR HIGHWAYS AND TRANSPORT

WITH ADVICE FROM: THE DIRECTOR OF ENVIRONMENT, ASSETS AND TRANSPORT SERVICES, SECTION 151 OFFICER.

DECISION NO: 25/26 EAT 296

SUBJECT: HIGHWAYS CAPITAL PROGRAMME 2026-27

KEY DECISION: NO

REASON:

This decision does not create new spending or materially affect communities. It simply allocates funding already within the approved capital programme and follows existing delegations in the Capital Strategy. It is therefore an operational decision, not a key decision.

BACKGROUND:

Each year the Council receives several capital funding allocations for the development, improvement and maintenance of the highway network. These include:

- Department for Transport (DfT) Highways Maintenance Block and Incentive Funding
- Integrated Transport Block Funding (ITB)
- Section 106 (S106) developer contributions
- Active Travel Fund (ATF)
- Other external or specific capital funding sources

On 29 November 2025, the DfT published its Highways Maintenance Block formula allocations for 2026–2030, confirming multi-year capital funding for local highway maintenance, providing greater planning certainty and enabling proactive investment in maintenance rather than short term reactive works. This reflects an overall £7.3bn national multi-year investment in local highway maintenance between 2026/27 and 2029/30. This decision includes an allocation for North Somerset of £7.401m in 26/27.

The Government has also confirmed a new Local Transport Grant (LTG) capital allocations (2026/27 to 2029/30) — integrating the former Integrated Transport Block into a longer-term settlement enabling more ambitious transport projects across local areas. This decision includes an allocation for North Somerset of £1.091m in 26/27.

In addition, Active Travel England has published the Active Travel Capability Fund allocations for local transport authorities between 2026/27 and 2029/30, supporting capacity building, network planning and early scheme design. This decision includes an allocation for North Somerset of £271,641 in 26/27.

Historically, these funding streams have been approved via separate delegated decisions for Maintenance, ITB, and S106/ATF schemes. While compliant, this fragmented approach

creates duplication, delays early mobilisation, and limits our ability to plan delivery across the year.

Following discussions with NSC Finance (November 2025) and in line with the Capital Strategy, this decision consolidates all funding streams into one single annual Highways Capital Programme decision, supported by prioritised scheme lists across all programme areas.

Early recognition of indicative allocations enables design, planning and preparatory work to commence, ensuring we maximise seasonal working windows and avoid unnecessary cost escalation.

Separately, the capitalisation of specified highway roles (including project management, design and delivery functions) supports the efficient delivery of the capital programme. where these roles meet the relevant capitalisation criteria under applicable accounting standards, associated costs can be capitalised to the appropriate capital programmes. This decision therefore seeks approval for the capitalisation of these costs, together with the funding allocated within the programme to support this approach.

DECISION:

That the Cabinet Member for Highways, in consultation with the Director of EATS and the Section 151 Officer, approves:

- 1. The 2026/27 Highways Capital Programme, comprising:**
 - Highways Capital Maintenance Programme
 - Local Transport Grant / Integrated Transport Block Programme
 - Section 106-funded transport schemes
 - Active Travel Fund / Capability Fund supported schemes
 - Slippage from 2025/26, confirmed external contributions, contingency and inflation allowances
 - The related virements to allocate the funds within the capital programme
- 2. The use of prioritised scheme lists (which are appended), which may be adjusted in-year in accordance with funding confirmation, agreed prioritisation criteria and the governance arrangements set out below.**
- 3. Recognition of funding allocations as set out in Finance below.**
- 4. Capitalisation of specified highway roles (e.g., programme management, design, project support) where accounting treatment supports capitalisation against the approved programme.**
- 5. Authority for the Head of Highways to adjust the programme,** provided adjustments remain within the approved prioritisation and total budget envelope and in accordance with the governance arrangements set out below.

REASONS:

- To enable early design, planning and preparatory activity, allowing schemes to be mobilised in a timely way, making best use of seasonal delivery windows and reducing the risk of cost escalation or under-delivery later in the financial year.
- To streamline governance and reduce duplication of separate decisions, by bringing together maintenance, integrated transport, S106 and active travel funding into a single, coordinated programme, simplifying oversight and reducing administrative burden across Finance, Highways and Democratic Services.
- To align delivery with the Capital Strategy delegation and the greater certainty provided by multi-year funding settlements, ensuring that programme approval, governance and delivery arrangements are consistent with the Council's agreed financial framework and medium-term planning assumptions.
- To provide clarity and confidence to delivery teams, contractors and delivery partners, supporting effective programme planning, resource allocation and procurement, and enabling a more coordinated and efficient approach to delivering the Council's highways investment priorities.

OPTIONS CONSIDERED:

Option 1 Proceed with a single, combined Highways Capital Programme decision (recommended)

This option enables early mobilisation of the programme, consolidates previously separate decisions into a single governance route, aligns with the Capital Strategy and multi-year funding certainty, and provides flexibility to adjust the programme in line with confirmed funding and agreed prioritisation. This option best supports efficient delivery and effective financial management and is therefore recommended.

Option 2 – Do nothing / retain separate decisions

Rejected due to inefficiency, duplication of governance processes, increased delivery risk and misalignment with the Capital Strategy.

GOVERNANCE AND MEMBER OVERSIGHT

Capital Strategy & Delegations

- The Capital Strategy sets the overall financial framework and delegates authority to the Cabinet Member for Highways, with advice from the Head of Highways, to approve the detailed annual Highways Capital Programme within the agreed funding envelope.
- The detailed works programme (including scheme-level content, work types, treatments, budgets, responsible teams, dependencies and delivery phasing) will therefore be approved by the Cabinet Member for Highways, supported by professional advice from the Head of Highways.

Programme Oversight & Corporate Governance

- The Highways Capital Board (monthly, chaired by the Head of Highways) will monitor delivery progress, risks, budget pressures and any in-year adjustments across the combined programme.
- The Capital Board (CPPDB) will receive the combined programme for information, ensuring corporate visibility and alignment with the Council's wider capital strategy.

- A quarterly report will be taken to CPPDB board, setting out any required financial adjustments; these will be enacted through a Director Decision, maintaining transparency and auditability.
- Contract awards via the Highways Dynamic Purchasing System (DPS) will be approved through a Director Decision, in consultation with Finance and Procurement.

Political Oversight & Member Communications

- The Cabinet Member for Highways will receive regular updates on programme delivery, key risks and any forthcoming decisions.
- Any significant change (as defined below) requiring Member approval will be brought forward through a Cabinet Member Decision.
- Ward councillors, town and parish councils and other stakeholders will be kept informed through the Highways Dashboard, showing scheme status, delivery timelines and forthcoming works.

Escalation of Significant Changes

- Any major change in scope or budget beyond agreed tolerance will be escalated for formal reconsideration and decision.

Proposed Definition of a Significant Change

A change will be considered significant if it meets any of the following criteria:

- Budget Variance - A change greater than £250,000 or 20% of the approved budget for an individual scheme (whichever is lower).
- Programme Impact - Deferring a scheme for more than one financial year, unless clearly communicated via the Highways Dashboard and remaining within the approved prioritisation.
- Scope Change - A material alteration to the purpose or nature of a scheme (e.g. removal of a substantial element, fundamental change to treatment type, or shifting a scheme from active travel to capacity-based intervention).
- New Funding Requirement - Introduction of an unbudgeted cost requiring additional Council capital or revenue funding.
- Reputational or Policy Impact - Any change likely to cause significant political or community impact, or which materially deviates from adopted policy frameworks.

Examples of Non-Significant Changes (for clarity)

- Deferring a scheme for up to 12 months to coordinate with utilities or other works.
- Adjusting delivery phasing within the same financial year.
- Minor treatment changes that do not materially affect cost or outcomes.
- Reprofile budgets within the approved envelope (reported through CPPDB and Director Decisions).

SCHEME SELECTION

Highway Maintenance Schemes

Selection of schemes within the Highways Capital Maintenance Programme is driven by asset-management principles and is based on a combination of condition, risk and value-for-money considerations, as set out below.

Condition Data

Use of network-wide carriageway condition data derived from accredited surveys (including Gaist data), supplemented by engineer inspections and defect records. Condition information is available for each asset to identify structural condition, deterioration trends and the need for maintenance, renewal or improvement.

Network Hierarchy

Greater priority is given to assets on roads with the highest usage or strategic importance, recognising their role in network resilience, economic activity and public perception of the service.

Risk

Higher priority is assigned to schemes presenting greater public safety risk, informed by: skid resistance data (SCRIM), collision and skid-related accident history, claims history, frequency of reactive repairs and emergency interventions.

Value for Money (VfM)

Schemes are selected to ensure the right intervention is applied at the right time, maximising asset life and delivering the most cost-effective whole-life outcomes. Preventative treatments are prioritised where they avoid more costly future reconstruction.

Network Management

Programming takes account of opportunities to coordinate, combine, delay or accelerate works to minimise disruption, align with utility works or other capital schemes, and deliver best overall network outcomes.

Integrated Transport and Active Travel Fund (ATF) Schemes

Selection of Integrated Transport and Active Travel Fund schemes is informed by the Council's established Scheme Pipeline process.

The pipeline provides a transparent, evidence-led framework for identifying, assessing and prioritising schemes in line with:

- JLTP4 objectives,
- road safety outcomes,
- active travel and accessibility priorities, and

- available funding criteria set by the Department for Transport and Active Travel England.
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Schemes progress through defined pipeline stages, ensuring that those brought forward for delivery are technically feasible, strategically aligned, and represent best use of available funding.

FINANCIAL IMPLICATIONS:

Costs

The 2026/27 Highways Capital Programme will be delivered through a combination of confirmed external capital grant funding, developer contributions, and approved slippage carried forward from 2025/26, within the overall capital funding envelope.

The programme will fund capital investment across the highway network including:

- Highways structural maintenance and asset renewal works,
- Local Transport Grant / integrated transport schemes,
- Section 106 funded transport schemes, and
- active travel capability and early design activity (where eligible).

The detailed programme costs, scheme allocations and funding sources are set out in the supporting programme spreadsheet, [Appendix 1 - Highways Maintenance and ITB Scheme List 26-27](#), provides the scheme-level breakdown used to develop and manage the overall programme.

The programme includes allowances for inflation and contingency, recognising the risks associated with market volatility, utilities coordination, and construction cost pressures. These will be managed through the Highways Capital Board governance arrangements, with any material adjustments reported through the agreed escalation and decision route.

The programme also provides for the capitalisation of eligible highways delivery roles (including programme and project management, design and associated scheme support) where the accounting treatment supports capitalisation against individual capital schemes/programmes. Where costs are not eligible for capitalisation, they will be met from the appropriate revenue budgets.

In addition, delivery will be undertaken in accordance with the Council's Contract Standing Orders and established procurement routes, including the Highways Dynamic Purchasing System (DPS) and the Council's existing highways framework contracts, ensuring compliant, efficient mobilisation of works and value for money. Contract awards will be approved through the defined governance arrangements.

Funding

On 29 November 2025, the Department for Transport (DfT) confirmed a four-year multi-year settlement for the Highways Maintenance Block (2026/27 to 2029/30), providing improved certainty and enabling more proactive planned maintenance.

For 2026/27, the confirmed transport capital grant allocations to North Somerset Council included within this programme are:

- Highways Maintenance Block (Baseline): £5,427,000
- Highways Maintenance Block (Incentive): £1,974,000
- Local Transport Grant (formerly Integrated Transport Block): £1,091,000
- Active Travel Capability Fund: £271,641

This provides a total confirmed transport capital grant allocation of £8,763,641 in 2026/27. The wider multi-year settlement provides a stable platform for medium-term planning. Across the period 2026/27 to 2029/30, the Council expects to receive £48.1m of transport-related funding comprising:

- £36.0m Highways Maintenance Block (Baseline + Incentive)
- £11.0m Local Transport Grant
- £1.1m Active Travel Capability Fund

Annual allocations increase over the settlement period from £8.8m in 2026/27 to £15.1m in 2029/30, supporting improved programme planning, early scheme development, and coordinated delivery.

The overall 2026/27 Highways Capital Programme will also be funded by:

- Section 106 developer contributions (restricted funding), which must be used in accordance with individual legal agreements and may be time-limited;
- any Active Travel Fund awards / external contributions confirmed for 2026/27; and
- approved slippage (carry forward) from 2025/26, to enable completion of schemes already in progress.

The total proposed 2026/27 Highways Capital Programme value is £10,788,462.90, comprising the confirmed grant funding plus S106, slippage and other confirmed contributions.

Receipt of the DfT Incentive Fund element remains dependent on performance against DfT self-assessment requirements; the Council will continue to maintain robust governance and asset management practice to protect eligibility.

Please note :- the approval to add the funding to the capital programme will be part of the capital strategy 2026/27 which will be approved at Cabinet and then on to Council in February 2026.

LEGAL POWERS AND IMPLICATIONS

Schemes will be delivered under the Council's statutory powers as Local Highway Authority (Highways Act 1980). Capitalisation of roles will follow applicable accounting and capitalisation rules. Virements of capital budgets are aligned to the Council's Financial Regulations.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

The programme supports the Council's Highway Asset Management Strategy, JLTP4 outcomes, Active Travel Strategy goals, carbon reduction commitments, enhanced safety, and network resilience.

CONSULTATION

Consultation and engagement has been undertaken with the following:

- The Cabinet Member for Highways and Transport;
- The Head of Highways;
- The Director of Environment, Assets and Transport Services (EATS);
- S151 Officer and the finance service

This decision will be shared with all Members when published. Ongoing Member engagement will be supported through regular updates on programme delivery and progress via the Highways Dashboard, ensuring transparency and visibility of scheme status and delivery timelines across the programme.

RISK MANAGEMENT

[Appendix 2 - Risk Register - December Highways Capital Board](#) has been produced for the 2026/27 Highways Capital Programme. The risk register is reviewed and updated at each meeting of the Highways Capital Board, ensuring that risks are actively managed and mitigations are monitored throughout the year. The latest risk register (December Highways Capital Board) is included as an appendix to this report.

The following key risks have been identified:

Key Risks	Risk	RAG	Mitigating Actions	RAG
Availability of Design Resource	Limited internal design capacity and reliance on key individuals, delaying scheme progression.	RED	Resource planning and phasing of workload; early identification of pinch points; use of external design support frameworks; recruit, develop and retain internal skills.	AMB
BSIP Delivery within DfT Timescales	The BSIP programme places significant additional workload on existing highway resource, procurement through the Highways DPS, and supply chain partners. Compressed DfT funding windows risk overloading staff capacity, creating delivery pinch points, and affecting other capital projects.	RED	Integrate BSIP and capital programme planning to balance resources; prioritise schemes against deliverability; monitor workloads closely; maintain dialogue with BSIP Team to manage expectations and agree realistic delivery profiles.	AMB
Procurement and Market Capacity (Highways DPS)	Limited contractor and supplier capacity, coupled with BSIP and core programme demand peaks, could delay delivery or increase costs. Procurement teams are under additional pressure to meet DfT spend deadlines.	RED	Early supply chain engagement; phased and prioritised procurement; flexible use of existing frameworks; ensure realistic cost and lead-time allowances with built-in contingencies.	RED
Unclear or Late Client Briefs	Scope changes or incomplete project briefs result in rework and late design changes.	RED	Strengthen governance at project initiation; formal project briefs with sign-off; early and ongoing dialogue between Client and Design teams.	AMB

Amber / Other Key Programme Risks

The risk register also identifies additional programme delivery risks which continue to be actively managed, including:

- Construction risks (weather, site conditions and utilities conflicts)
- Delays to TROs and statutory approvals (including objections and statutory timescales)
- Stakeholder and community engagement risks leading to objections, redesign or reputational impact
- Road space booking conflicts, potentially affecting start dates and delivery windows

Ongoing mitigation is embedded through programme governance, including the Highways Capital Board, monthly programme review meetings, manager accountability for cost and delivery control, and escalation of significant changes in line with the agreed tolerances and decision-making arrangements.

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? No

An Equality Impact Assessment (EqIA) has not been completed for the purposes of this decision, as the decision relates to the allocation of capital funding within an existing approved programme and does not in itself introduce new policy or change service provision.

Investment in the highway network is generally expected to have a positive impact, including improved safety, accessibility and network condition. However, equality considerations will be reviewed at scheme level as individual projects progress through development and delivery, and an EqIA will be undertaken where required based on the nature, location and scope of the works and the likely impact on protected groups

CORPORATE IMPLICATIONS

The programme is also an essential implementation plan in delivering each of the Council's three objectives as contained within the NSC Corporate Plan:

- A thriving and sustainable place
- A Council which empowers and cares about people;
- An open and enabling organisation

APPENDICES

[Appendix 1 - Highways Maintenance and ITB Scheme List 26-27](#)

[Appendix 2 - Risk Register - December Highways Capital Board](#)

BACKGROUND PAPERS

[Briefing Note - Approval process for the 26-27 IT and Maintenance Programme](#)

[Briefing Note - Capitalisation of Highway roles](#)

[Highway Asset Management Strategy](#)

SIGNATORIES:

DECISION MAKER(S):

Signed: Cabinet Member for Highways and Transport

Date:

WITH ADVICE FROM:

Signed: Director of Environment, Assets and Transport
Services

Date:

Signed:S151 Officer

Date: