

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, THE HEAD OF HIGHWAYS SERVICES.

DECISION NO: 25/26 EAT 296

SUBJECT: HIGHWAYS CAPITAL PROGRAMME 26-27

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
 - Rephased budgets from 2025/26, confirmed external contributions, contingency and inflation allowances
- 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 and increased delivery risk. In addition, retaining separate decisions reduces transparency for Members and stakeholders by fragmenting reporting across funding streams, making it harder to see the overall investment picture for 2026/27 and weakening clear political oversight of the full highways and transport programme.

This approach would not reflect the Council's commitment to a single, transparent and place-based capital programme.

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 structured updates through a single Highways Capital Dashboard, providing one source of the truth for programme status, risks, budget monitoring and delivery milestones.

This dashboard will also be adapted for different audiences (e.g. Highways Capital Board, CPPDB, Scrutiny, external publication), ensuring consistency of reporting and transparency. Ward councillors, town and parish councils and other stakeholders will be kept informed through:

- The public-facing Highways Dashboard (scheme status, phasing and changes clearly flagged); and
- Regular area-based Member and parish engagement meetings, providing an opportunity to discuss local programme impacts and upcoming works.

Escalation of Significant Changes

Any significant change will be escalated through the Highways Capital Board and reported to the Cabinet Member for Highways. Where required, a formal Cabinet Member Decision will be brought forward.

Ward Members and relevant town/parish councils will be proactively notified of significant local changes via the dashboard update cycle and/or area engagement meetings — responsibility will not rest solely on external stakeholders to monitor changes.

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).

All significant and non-significant changes will be clearly flagged within the Highways Dashboard, including where schemes are deferred due to utilities conflicts or coordination requirements. This ensures visibility of programme movement and avoids reliance on stakeholders independently monitoring changes.

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 lifecycle modelling data), supplemented by engineer inspections and defect records.

Recent Gaist data confirms deterioration pressures particularly across B, C and Unclassified roads. As a result, the 2026/27 programme includes a conscious shift toward targeted preventative and structural treatments on these parts of the network, balancing strategic route resilience with wider network condition.

Network Hierarchy

While network hierarchy remains an important consideration, investment decisions reflect a balanced approach between strategic routes and the wider local network, particularly given current pressures on the A and B road network from major works and diversion routes.

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

Integrated Transport and Active Travel schemes are selected through a structured, evidence-led pipeline process.

Schemes are assessed against:

- Demonstrable road safety need,
- Opportunities to improve walking, wheeling and cycling access,
- Connectivity to schools, town centres and employment sites,
- Deliverability within funding constraints, and
- Alignment with the Council's transport strategy objectives.

Each scheme progresses through defined development stages to confirm feasibility, value for money and funding eligibility before inclusion in the delivery programme.

FINANCIAL IMPLICATIONS:

Costs

The 2026/27 Highways Capital Programme will be delivered through a combination of confirmed external capital grant funding, developer contributions, and budgets that have rephased 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](#), which provides the scheme-level breakdown used to develop and manage the overall programme, Appendix 3 – cost centre and projects allocations shows the reallocations per cost and project code.

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.

Independent benchmarking suggests that achieving a Green rating under the DfT Spend metric would require a materially higher level of locally funded capital contribution. Based on comparative authority data, this would equate to approximately £1.6 million additional annual local investment above current levels.

Funding

The total proposed 2026/27 Highways Capital Programme value is £12,061,623 comprising the confirmed grant funding plus S106, slippage and rephased funding from the 2025/26 capital programme and other confirmed contribution.

- £8.76m DfT grant funding
- £63k S106 contributions
- £3.23m rephased funding from the 2025/26 capital programme and other confirmed contribution

This funding will deliver:

- Structural and preventative highway maintenance
- Integrated transport and road safety schemes
- Active travel development and delivery
- Developer-funded local transport improvements

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.

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.

Under the Department for Transport's new Local Road Maintenance "traffic light" framework, North Somerset is rated:

- GREEN for Network Condition
- GREEN for Asset Management & Best Practice
- AMBER for Spend

The Amber rating reflects the Council's limited ability to supplement DfT funding with additional local capital, rather than weaknesses in asset management practice. Independent assessment confirms the Council's approach is robust and aligned with national best practice.

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.

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 Cabinet Member for Highways and Transport;
- The Head of Highways;
- The Director of EATS;
- CATE Scrutiny (including briefing session February 2026).

Future scrutiny engagement will include structured reporting through the Highways Dashboard and periodic programme review sessions, ensuring transparent Member oversight.

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. The elevated BSIP-related resource risk reduces materially following the 2026/27 delivery year, when DfT timescale pressures subside.	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	The continued Red rating reflects external market capacity constraints rather than governance weakness. Further mitigation will include forward procurement scheduling, early contractor engagement and pipeline visibility to smooth demand peaks.	AMB
Unclear or Late Client Briefs	Scope changes or incomplete project briefs result in rework and late design changes.	RED	Strengthen governance at project initiation; mandatory formal project briefs with documented sign-off; tracked through programme initiation gateway; escalated beyond the Highways Programme Meeting where slippage risk emerges.	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

While this decision allocates funding within an existing approved programme, the prioritisation criteria underpinning scheme selection have previously been subject to equality consideration through adoption of the Highway Asset Management Strategy and Transport Pipeline.

Scheme-level EqIAs will be undertaken where required as projects progress to detailed design and delivery.

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 1 presents the detailed scheme list. In addition to the technical schedule, the Highways Dashboard will provide a place-based, visual representation of programme investment by area, enabling Members and communities to understand what investment is proposed in their locality.

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

[Appendix 3 - EAT296 - Cost Centre & Project Reallocation](#)

BACKGROUND PAPERS

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

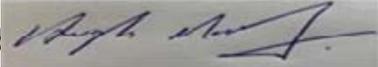
[Briefing Note - Capitalisation of Highway roles](#)

[Highway Asset Management Strategy](#)

[Integrated Transport Scheme Pipeline Guidance Document](#)

SIGNATORIES:

DECISION MAKER(S):

Signed:  Cabinet Member for Highways and Transport

Date: 19 March 2026

WITH ADVICE FROM:

Signed:  Director of Environment, Assets and Transport Services

Date: 19 March 2026

Signed:  S151 Officer

Date: 6 March 2026

Signed:  Head of Highways

Date: 17 March 2026

Details of changes made and agreed by the decision taker since publication of the proposed (pre-signed) decision notice, if applicable:

- Appendix 1 – Highways Maintenance and ITB Scheme List 26–27 (Structures tab, lines 10 & 11)
- Appendix 3 – EAT296: Cost Centre & Project Reallocation (line 97)