

# North Yorkshire Council

## Environment Executive Members

26 September 2025

### Highways Capital Programme 2026/27 – Headline Allocations

#### Report of the Assistant Director - Highways and Infrastructure

#### 1.0 PURPOSE OF REPORT

- 1.1 To seek agreement from the Corporate Director - Environment in consultation with Executive Member for Highways and Transportation, to authorise additions to the Highways Capital Forward Programme.
- 1.2 To update the Corporate Director - Environment and the Executive Member for Highways and Transportation, on current capital funding assumptions for Highway Maintenance in 2026/27.
- 1.3 That the Corporate Director - Environment in consultation with Executive Member for Highways and Transportation:
  - i. Agree the indicative headline structural highways maintenance capital allocations for 2026/27 based on current planning assumptions.
  - ii. Grant approval to carry out the relevant procurement processes for schemes to be delivered in 2026/27.

#### 2.0 SUMMARY

- 2.1 This report provides an update to the Corporate Director Environment and Executive Member for Highways and Transportation on the development and delivery of the Highways Capital Programme.
- 2.2 The report provides a summary of the current funding assumptions for 2026/27 and outlines the headline funding allocations for 2026/27 which will allow an annual programme to be developed, and for the relevant procurement processes to take place to enable scheme delivery from 01 April 2026.
- 2.3 Schemes that are being added to the Highways Capital Forward Programme (HCFP) are also identified.

#### 3.0 BACKGROUND

- 3.1 The delivery of the capital works programme is the tangible outcome of the whole of life cycle asset management approach outlined within the North Yorkshire Council's Highways Asset Management Framework.
- 3.2 Specifically the programming and delivery of capital works align with the Highways Infrastructure Asset Management Strategy. As such the objectives of the capital works programme are as follows:
  - Maximise and demonstrate Value for Money (VfM)
  - Manage VfM and drive efficiencies over the whole programme term, not just the financial year at hand.
  - Deliver on time and to budget, safely and without incident.

- 3.3 The North Yorkshire Council Highways Capital Programme is made up of four specific elements:
- Street Lighting
  - Bridges and Structures
  - Integrated Transport
  - Structural Highway Maintenance
- 3.4 In Summer 2021 a revised process for managing the highway capital programme was introduced. This process is outlined below.
- 3.5 Phase one, the HCFP. This effectively is a long list of approved schemes that do not yet have a delivery date or year assigned to them. It is important to note that inclusion within the forward programme does not guarantee delivery in a specific financial year.
- 3.6 Phase two, the Highways Capital Annual programme. This is made up of selected schemes from the HCFP up to the value of available funding. This is confirmed in late autumn for schemes to be delivered the following financial year. Schemes not included within the annual programme will remain on the forward programme for inclusion in future year's annual programmes.
- 3.7 Phase three, the Highways Capital Delivery Programme. Once schemes are confirmed for delivery within a financial year as part of the annual programme, the delivery programme is developed. This will be an operational programme with scheme start and finish dates included. Monitoring of in year programme delivery is carried out against the delivery programme.
- 3.8 This process allows us to develop a bank of "on the shelf delivery ready" schemes in advance, allowing for more efficient scheme delivery and the ability to respond more quickly to any changes in funding. It also provides more flexibility and improves forward visibility of future work for NY Highways Ltd (NYH), allowing them to work more closely and efficiently with their wider supply chain.
- 3.9 A report will be presented to a future meeting of the Corporate Director Environment and Environment Executive Members detailing the schemes to be included within the 2026/27 annual programme. The expectation is that this will be in February 2026.
- 3.10 Within the Highways Capital Annual programme, we typically seek to have a value of over programming under 10% of the total available funding to allow some level of flexibility to take in to account potential scheme delays, changes in scope and other external factors such as coordination with utilities works. Continued monitoring of in year programme delivery allows any overspend and underspend issues to be identified, and if required we can either move schemes in or out of the delivery programme for a specific year to ensure that we spend at or slightly above the available budget.

#### **4.0 SCHEMES FOR ADDITION TO THE FORWARD PROGRAMME**

- 4.1 Appendices A1 to A8 provide information on the schemes that are being added to the forward programme, broken down by Highways Area Office and Bridges and Structures. (Appendix A).
- 4.2 Schemes are added to the forward programme using data collected from asset condition surveys alongside consideration of sites identified by operational teams as requiring future maintenance activity.
- 4.3 In total 928 schemes, valued at £34.4M are proposed to be added to the HCFP. Alongside schemes already on the HCFP, this takes the total value to just under £69M. This is equivalent to about 2 years' worth of schemes for delivery.

4.4 For the purposes of budget and programme management, surface dressing and patching schemes within the annual programme will be combined into area specific budget lines based on network hierarchy and treatment type. Separate surface dressing and patching delivery programmes will be developed, allowing for oversight of scheme delivery.

## 5.0 CURRENT FUNDING ASSUMPTIONS FOR 2026/27

5.1 The existing funding settlement for Highways Capital Funding expires on the 31 March 2026. This was a one-year settlement for 2025/26 and was made up of the following:

Funding source	Funding Type	Annual funding amount (£000's)
Highway maintenance block baseline funding	Highway Maintenance	£42,198
Highway maintenance block new funding	Highway Maintenance	£15,443**
Integrated transport block	Integrated Transport	£3,046
<b>Total</b>		<b>£60,687</b>

\*\* Dependent on meeting criteria set out by DfT

5.2 This funding was transferred to the York and North Yorkshire Combined Authority (YNYCA) as per the funding information outlined by DfT in December 2024. The funding is then transferred to NYC from YNYCA. Funding is currently allocated based on the funding formula used pre YNYCA being established.

5.3 It should be noted that receipt of 25% of the new funding for 2025/26 is dependent upon NYC meeting criteria set out by the Department for Transport earlier this year. This accounts for £3.860M.

5.4 We have already published information regarding our highway maintenance activities on our website <https://www.northyorks.gov.uk/roads-parking-and-travel/information-about-our-highway-maintenance>. There is further information required by the DfT by the 31 October 2025 in respect of compliance with existing best practice criteria and information regarding the overall value of our highway assets. Work is underway to prepare this information ready for submission to the DfT by the 31 October Deadline.

5.4 At the time of preparing this report we are yet to be informed about highway maintenance funding allocations for 2026/27. To assist with planning for 2026/27 we have assumed that this will be at the same level as funding received for 2025/26. This allows for a draft annual programme to be developed which can be amended as required once the final funding allocation has been announced. Based on the timing of the government's Budget statement on the 26 November 2025 and previous year's funding announcements we would expect this to be in the week before Christmas 2025.

5.5 Integrated Transport Block (ITB) funding for 2026/27 is now included within the wider Local Transport Grant settlement which has already been confirmed for 2026/27. This funding is allocated to the YNYCA by government, with the Combined Authority responsible for the allocation of this funding to both NYC and City of York Council. The funding awarded to YNYCA for Local Transport Grant is shown in the table below.

Year	2026/27	2027/28	2028/29	2029/30	Total
LTG Funding (£M)	£20.407	£22.072	£24.529	£26.985	£93.993

- 5.6 ITB in North Yorkshire funds a range of schemes, including road safety engineering schemes, traffic signals, accessibility improvements and speed management schemes. It is a core element of our capital programme.
- 5.7 YNYCA has advised that they will be seeking to confirm LTG allocations to NYC and CYC for 2026/27 in January 2026. This will be based on scheme proposals submitted by NYC and CYC to YNYCA. To secure funding to support ITB type schemes we are now required to submit a scheme proposal to YNYCA to maintain the £3.046M of funding previously directly awarded to us by DfT. A report will be submitted to a future meeting to approve LTG proposals to be submitted to YNYCA. This will include the “ITB” funding plus other scheme proposals for integrated transport type schemes
- 5.8 Discussions are ongoing with YNYCA to ensure that NYC retains its ITB allocation, to offset the risk of not receiving the same level of funding as previous years. If this risk materialises officers will escalate the matter internally, given the ITB funds a core element of our capital works programme.
- 5.9 The following table outlines our anticipated funding settlement for 2026/27 based on current assumptions:

Funding source	Funding Type	Annual funding amount (£000's)
Highway maintenance block baseline funding	Highway Maintenance	£42,198
Highway maintenance block new funding	Highway Maintenance	£15,443
“ITB” funding via LTG from YNYCA	Integrated Transport	£3,046
<b>Total</b>		<b>£60,687</b>

- 5.10 As outlined in section 3.10 above, we seek to over programme at the start of each financial year. Applying 10% to the anticipated funding allocation of £60.687M, gives a proposed budget of £66.755M to be allocated.

## 6.0 HEADLINE FUNDING ALLOCATIONS FOR 2026/27

- 6.1 The following sections detail how we are proposing to allocate funding across asset types and activities. This is based on the proposed budget of £66.755M outlined in 5.10 above. This compares to a starting budget for 25/26 of £64.444M. A summary of the overall headline allocations for 26/27 can be found in (Appendix A (A1)).
- 6.2 These allocations will be adjusted once we have confirmation of our funding allocation. This may also vary in year in response to new schemes associated with damage caused by unplanned events, such as landslips and weather events.
- 6.3 Street Lighting: The funding will continue the upgrade of the existing street lighting stock. The proposed allocation for 26/27 is £1.5M.
- 6.4 Bridges: The funding will continue to be targeted at maintaining and strengthening the existing structures stock. The analysis of routine or special inspection reports will identify and prioritise those bridges and structures in need of treatment. The proposed allocation for 26/27 is £3.0M.
- 6.5 Public Rights of Way (PROW) Bridges: This funding supports a more structured approach to condition assessment, scheme design and delivery across our extensive bridge stock across our PROW network. The proposed allocation for 26/27 is £300K.

- 6.6 PROW Funding: This funding supports the delivery of capital improvements across the Council's public rights of way network. The funding will be used to improve footpaths and bridleways to support local access, health and well-being and the local economy. The proposed allocation for 26/27 is £380K.
- 6.7 Top Slice allocations: In line with previous years, there will be an element of "top slicing" for specific activities and projects. These include traffic data collection and modelling, highway condition surveys, structures inspections, and site investigation and analysis.

<b>Project</b>	<b>2026/27 Allocation</b>
Network Condition Surveys (Road AI / SCRIM / Kaarbontech Gullysmart)	£350,000
NYC Traffic Data Collection Contract	£100,000
Site Investigation and Analysis	£300,000
Highway Drainage Assets	£10,000
Bridges and Structures Inspections	£500,000
Pre-Planning Application Advice	£33,600
Bridge Assessments	£200,000
Highways Innovation Funding	£100,000
Bridges AMX asset management software	£19,000

- 6.8 There are further costs associated with the delivery of the Capital Programme. This includes design fees, staffing costs and contractor overhead costs. The proposed for these costs is £15.5M. This includes:
- NYH prelim costs £7.615M
  - External design and consultancy fees £2.5M
  - Capital recharge (staffing costs) £5.0M
- 6.9 Highway Drainage: The proposed allocation for 26/27 is £950K. This includes an allocation of £100K for each highway area for smaller scale drainage schemes and a countywide allocation of £250K for larger scale capital improvements.
- 6.10 Landslip Schemes: Landslips can occur at any time of the year although many are identified at an early stage because of routine Highway Safety Inspections and asset surveys. Area Offices identify locations and develop schemes in each area. The proposed 26/27 allocation is £850K. This represents £100K each for all areas One to Six. (The Area Seven team have confirmed that no funding is required in 26/27 for landslips) alongside a further allocation of £250K for other landslip schemes.
- 6.11 Other Special Engineering Schemes: The annual programme of Other Special Engineering Schemes is based upon locations identified by Area Offices which do not fall 'objectively' into other works categories, e.g. areas of cobbles or setts, laybys and guardrails etc. Area Offices identify the rationale behind their submissions and the countywide programme is determined based upon an assessment of need and network priority. The proposed maximum allocation is £980K. All seven highway areas will receive £100K each to spend plus an allocation of £280K countywide, for activities that are carried out on an annual basis such as Sutton Bank maintenance activity and repair and replacement of cobbles in Richmond Market Place.
- 6.12 Vehicle Restraint Systems (VRS): Because of progressing our cyclical service inspection regime on our VRS assets we have identified a significant programme of required upgrading and repairs. In addition to this, inspections on assets over 15 years old are required every two years to assess condition and assist in prioritising repair works. The proposed 26/27 countywide allocation is £400K.
- 6.13 Cattle Grids: Each Area Office has identified and prioritised an on-going annual programme of cattle grid maintenance schemes. The proposed 26/27 countywide allocation is £360K.

- 6.14 Category 1a, 1 and 2 footways: The Council monitors the condition of the most heavily used element of the Footway network (Category 1a, 1 and 2), in a similar way to carriageways and as a result the scheme-based programme is based upon network condition surveys with schemes prioritised across the whole of the countywide network. The proposed allocation for 26/27 is £500K and is part funded from the ITB allocation.
- 6.15 Category 3, 4 and 5 footways: The scheme-based programme for Category 3, 4 and 5 footways is based upon locations identified by local area highway offices who are able to select sites for delivery. The proposed allocation is £700K and is split equally between highway area offices, so that each area office receives £100K of funding. This is part funded from the ITB allocation.
- 6.16 Category 3,4 and 5 Surface Treatments: The Surface Treatment budget acknowledges that many of the lesser used footways (Categories 3, 4 and 5) benefit in the same way as carriageways with the application of preventative maintenance treatments. The budget allocation is based upon the (estimated) percentage of footway network in each Area; each Area Office is responsible for the identification of their programme which is based upon local knowledge and the cyclical Highway Safety Inspections. The proposed 26/27 countywide allocation is £525K.
- 6.17 Footway Patching: The patching budget is allocated on the percentage of that category of footway network within the Highways Area Office boundary. The proposed allocations are £250K for Category 1a, 1 and 2 footways and £300K for Category 3, 4 and 5 footways.
- 6.18 Cycleways/Cycle Tracks: This budget is used for maintenance of the network of cycleways/ cycle tracks that form part of the highway network. The proposed countywide allocation is £100K.
- 6.19 Category 6 Roads (Unsurfaced Unclassified Roads): Although our UUR network at 730km in length is only 8% of our network length, it is important for recreational users including walkers, horse riders, motorcyclists and 4x4 drivers. Due to various factors, one of which being the mechanically powered vehicles effect upon the often-loose surface of these routes, their deterioration, once begun, can accelerate rapidly. The proposed allocation is £225K.
- 6.20 Urban PROW Network: As part of moving the urban surfaced PROW network across to Highways, we have identified a requirement for funding to deal with issues on this network. The proposed allocation is £150K.
- 6.21 Parapet Funding: This funding is used to help upgrade damaged bridge parapets across the County. The proposed allocation for 26/27 is £1.0M.
- 6.22 Gully Funding: The proposed maximum allocation is £280K. This will be used to help upgrade gully and surface water drainage infrastructure across the County and is addition to the existing £950K countywide drainage allocation.
- 6.23 Carriageway Maintenance: It is proposed that £23.501M of the overall budget is allocated to carriageway structural maintenance activities, including surface treatment, resurface and reconstruction and patching schemes. Proposed allocations are outlined below:

Maintenance Activity	Proposed Maximum Allocation	Treatment Types
Surface Treatments	£9.458M	Surface Dressing Micro Surfacing Retexturing Carriageway Rejuvenation
Resurface and reconstruction	£6.995M	Resurfacing Schemes In situ recycling
Carriageway Patching	£7.084M	Pre surface dressing patching Carriageway patching Spray Injection Patching Local Patching including additional capital style asset management based patching to deal with highway defects.
<b>Total</b>	<b>£23.501M</b>	

- 6.24 Integrated Transport. These schemes support measures such as speed reduction, traffic signals maintenance, highway safety schemes and delivery of smaller scale active travel projects. The proposed allocation for 26/27 is £2.24M. This funded from the ITB allocation.
- 6.25 The headline allocations also consider any overspend from the previous financial year (2025/26). An allocation of £3.5M has been allocated for this. A further £8M has been allocated to fund schemes that have been moved for operational reasons from 2025/26 into 2026/27. As we continue to monitor programme delivery through 2025/26, we will update these figures and adjust the 2025/26 and 2026/27 programmes as required to ensure that we deliver in line with available funding.

## 7.0 FINANCIAL IMPLICATIONS

- 7.1 Section five above outlines current assumptions for highways capital funding for 2026/27. As more information is released by Government, we will update these assumptions and adjust our programme for 2026/27 accordingly.
- 7.2 Section six above and Appendix B set out and summarise the financial aspects of this report relative to the Highways Capital Programme Headline Allocations for 2026/27. Approval of these proposed allocations allows for the development of the annual programme to take place (Appendix B).
- 7.3 The contents of this report make no changes to the Environment Capital Plan expenditure limits.

## 8.0 LEGAL IMPLICATIONS

- 8.1 The Council, in its capacity as the Local Highway Authority, Street Authority and Local Traffic Authority must act in accordance with a wide range of statutory powers and duties imposed by legislation.
- 8.2 The proposed capital programme allocations and schemes have been developed and prioritised in line with the relevant legislation such as the Highways Act 1980, the New Roads and Street Works Act 1991, the Road Traffic Regulation Act 1984, the Transport Act 2000, the Traffic Management Act 2004 and the Flood and Water Management Act 2010.

## **9.0 EQUALITIES IMPLICATIONS**

- 9.1 Consideration has been given to the potential for any adverse equality impacts arising from the recommendations. The principles and documents discussed in this report are recommended for use in the Well-managed Highway Infrastructure Code of Practice. Officers consider that there are no adverse impacts arising from the recommendations in this report.
- 9.2 A copy of the 'Record of Decision that Equality Impact Assessment is not required' form is attached (Appendix C).

## **10.0 CLIMATE CHANGE IMPLICATIONS**

- 10.1 A climate change impact assessment has been carried out. Steps will be taken during scheme delivery and construction to reduce emissions as far as possible (Appendix D).

## **11.0 REASONS FOR RECOMMENDATIONS**

- 11.1 The recommendations will enable Council officers, working alongside NYH and partner organisations to finalise the 2026/27 annual programme.

## **12.0 RECOMMENDATION(S)**

- 12.1 It is recommended that the Corporate Director - Environment in consultation with the Executive Member for Highways and Transportation:
- i. Authorises the additions to the Highways Capital Forward Programme for Structural Highway Maintenance
  - ii. Agree the indicative headline structural highways maintenance capital allocations for 2026/27 based on current planning assumptions.
  - iii. Grant approval to carry out the relevant procurement processes.

## **APPENDICIES**

- Appendix A - Schemes to be added to Highways Capital Forward Programme  
Appendix B - Headline Allocations of Funding for 2026/27  
Appendix C - Equalities Impact Assessment Screening Form  
Appendix D - Climate change impact assessment

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## Notes on Appendices

The HCFP is based on schemes within specific links & sections of our highway network. Some schemes will include more than one link and section.

We are in the process of finalising cost estimates for some schemes within the HCFP. The proposed budget is an estimate or a split of the total allocation for a treatment type across the number of schemes of that treatment that are being proposed. Costs for these schemes will be updated through the initial design and development phase and will be included within the January 2026 Executive Members report.

A summary of highway compared to previous Districts is provided below

Area 1 = Richmondshire

Area 2 = Hambleton

Area 3 = Scarborough

Area 4= Ryedale

Area 5 = Craven

Area 6 = Harrogate

Area 7 = Selby

Abbreviations for Types are summarised below

SD – Surface Dressing

R&R – Resurfacing and / or reconstruction

Patching – Carriageway patching

Rejuvenator – Solution is applied to carriageway surface which reacts with the asphalt surface layer helping to strengthen the carriageway surface close to an as laid condition.

Retexturing – Where the surface of the road is hydro blasted or shot blasted to restore surface texture

Micro – A thin surface course applied carriageway surfaces to provide a level surface.