

North Yorkshire Council

Environment Executive Members

12 March 2026

Highways Capital Programme 2026/27 to 2029/30

Report of the Assistant Director – Highways and Infrastructure

1.0 Purpose of Report

- 1.1 To seek agreement from the Corporate Director for Environment in consultation with the Environment Executive Member for Highways and Transportation to authorise:
- schemes to be included within the Highways Capital Forward Programme
 - schemes to be included within the 26/27 Highways Capital Annual Programme
 - proposals for schemes to be submitted to York and North Yorkshire Combined Authority (YNYCA) for funding from the Local Transport Grant (LTG) in 26/27
 - draft outline programme allocations for submission to YNYCA for inclusion in future programmes (27/28 to 29/30).
- 1.2 To update the Corporate Director for Environment and the Executive Member for Highways and Transportation on:
- delivery of the 25/26 Highways Capital Annual Programme including schemes that have been moved into future year's annual programme

2.0 SUMMARY

- 2.1 This report identifies schemes that are being included within the Highways Capital Forward Programme and the 26/27 Highways Capital annual programme.
- 2.2 The report also provides an update on the delivery of the 25/26 annual programme.
- 2.3 A summary of proposals for schemes to be funded from Local Transport Grant in 26/27 is also provided alongside outline funding allocations for future LTG delivery.

3.0 BACKGROUND

- 3.1 The Highways Capital Programme (HCP) is made up of Street Lighting, Bridges and Structures, Integrated Transport and Structural Highway Maintenance. They are each subject to their own prioritisation methods based upon an assessment of the problem that is being addressed.
- 3.2 The Corporate Director - Environment in consultation with the Executive Member for Highways and Transportation considered a report on 25 September 2025 where the provisional headline allocations and distribution of the 2026/27 budget for the various works categories was agreed. These headline allocations were based on an indicative funding settlement of £60.69M maintenance funding.

3.3 This report provides details of the 26/27 Highways Capital Programme, including the amount of funding received from Department for Transport and the schemes that have been identified for delivery in 26/27.

4.0 FUNDING RECEIVED FOR 26/27

4.1 Department for Transport released highway maintenance allocations for 2026/27 through to 2029/30 in early December 2025. This funding is awarded to YNYCA as part of the consolidated settlement with Bus Grants, Local Transport Grant. YNYCA has responsibility to distribute to its constituent local highway authorities, NYC and City of York (CYC)

4.2 Funding received for highway maintenance is outlined in the table below for YNYCA

	2026/27 £k	2027/28 £k	2028/29 £k	2029/30 £k
Baseline YNYCA	47,003	52,339	58,250	69,426
Incentive YNYCA	17,299	22,300	22,445	22,825
Total YNYCA	64,302	74,639	80,695	92,251
Year on Year Increase		16.08%	8.11%	14.32%
Increase from 25/26	3.41%	20.04%	29.77%	48.36%

4.3 The allocations in the table above are based on the existing DfT formula-based approach for highway maintenance funding.

4.4 Based on the total funding received from DfT, YNYCA has confirmed that NYC will receive £59.672M for Highway Maintenance in 26/27. This is made up of £43.619M of baseline funding, plus £16.053M of incentive funding.

4.5 DfT announced that 50% of the incentive funding was dependent upon NYC meeting performance criteria. This equates to £8.026M for NYC. DfT is yet to announce what the 2026/27 performance requirements are. NYC met the required targets in 2025/26 ensuring that we retained all of our 2025/26 funding.

4.6 Historically NYC has also received £3.046M per annum from DfT as part of the Integrated Transport Block (ITB). 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.

4.7 ITB is now included within the LTG. As such NYC is submitting a proposal to YNYCA to release £3.046M of LTG funding to replace the direct ITB grant from DfT.

4.8 Working on the basis that the ITB funding from LTG will be retained, the overall budget for 2026/27 is £62.718M.

4.9 Discussions are ongoing with YNYCA in respect of highway maintenance funding for 2027/28 to 2029/30, over which there are risks to our future funding for highway maintenance subject to Mayoral priorities.

4.10 Whilst the additional funding and longer-term visibility is welcomed, it should be viewed in the context of the challenges that we face in maintaining our network. Inflationary pressures over the past five years have resulted in significant increases in costs for highway maintenance activities. Whilst the rate of inflation has slowed recently, costs are still significantly higher than 2020/21. As such the amount of work we have been able to complete in recent years is lower than the period pre-2020/21.

5.0 DELIVERY OF THE 25/26 ANNUAL HIGHWAYS CAPITAL PROGRAMME (HCP)

- 5.1 Delivery of the 25/26 annual HCP is almost complete with most schemes either completed or in progress. There remains some works on site, with some carrying over into 26/27.
- 5.2 At present we estimate that we are in the region of £4.8.M over programmed for 25/26. Typically, we seek to have a level of over programming in the region of 10% within the capital programme to allow some level of flexibility to take into account potential scheme delays for example. This is above the agreed range of over programming for year end, of up to £2M, however plans have been developed to manage cashflow across year end if necessary and it is important to note that any over programming in 25/26 is accounted for and funded from the 26/27 Annual HCP in the absence of no additional corporate capital funding being available.
- 5.3 Some schemes have moved from the 25/26 annual programme into future years. In total £6.42M of schemes have moved into future years. It is the intention that the majority of these schemes will be delivered in 26/27. Details of these schemes are outlined in Appendix A.

6.0 26/27 ANNUAL PROGRAMME

- 6.1 Based on the settlement outlined in section 4 above, the following table provides an overview of the sources of funding and how funding is allocated in 26/27. This takes into consideration the 25/26 over programming figure and the movement of deferred schemes from 25/26 to 26/27.

26/27 Sources of Funding		2026/27 (£000s)
Local Transport Plan	Highway Maintenance Baseline Funding	-43,619
	Highway Maintenance Additional Funding	-16,053
	Integrated Transport Block	-3,046
Revenue Funding	CPE	-60
	Total	-62,778
26/27 Uses of Funding		
"Topslice" Fees / Block Allocations etc		5,693
Overheads		15,784
Borrowing for Previous Year (25/26 Over programming)		£4,800
Bridges	New 26/27 Schemes	2,930
Highways Maintenance	New 26/27 Schemes	36,202
Highways Maintenance & Bridges	Carry over schemes from 2025/26	6,426
	Total	71,835
	Initial 26/27 Over-programming	9,057

- 6.2 At present we are proposing that we will be over programmed by £9.057M going into 2026/27. This is approximately 14.4% over programmed. This is more than our target of 10%. We are continuing to review schemes and as cost estimates are further refined through our scheme design and development process, we will review the programme and look to defer or add schemes as required.

7.0 SCHEMES ADDED TO THE HIGHWAYS CAPITAL FORWARD PROGRAMME

- 7.1 It is proposed to add 201 new schemes, with a combined value of £7.729M to the Highways Capital Forward Programme. As discussed at the Environment Executive Members Meeting on 26 September 2025, entry on to the forward programme does not guarantee delivery in a specific year. However, the majority of schemes identified will be included within the 26/27 annual capital programme.

- 7.2 The proposed schemes were identified through ongoing asset condition and engineering assessments carried out since the forward programme was approved on 26 September 2025. Details of the schemes are provided in Appendix B.

8.0 SCHEMES WITHIN THE 26/27 CAPITAL PROGRAMME

- 8.1 Appendices C to K outline schemes proposed for delivery in 26/27 as part of the annual capital programme.
- 8.2 Asset condition information alongside local engineering input is used to determine which schemes on the HCFP are selected for delivery. We select schemes up to available budgets.
- 8.3 Scheme costs include an increase to account for inflation. Whilst the rate of inflation has eased compared to previous years, costs continue to increase, which has an impact on the number of schemes that we are able to deliver.
- 8.4 Ahead of scheme delivery in 26/27, officers alongside our design and delivery partners, APS and NYH, have reviewed scheme designs to identify any potential efficiency savings, through using alternative treatments, changing scope and scale of planned works. This process remains ongoing and will continue ahead of scheme delivery.
- 8.5 For the purposes of budget and programme management, surface dressing patching schemes, micro asphalt surfacing and some resurfacing and reconstruction (R&R) schemes within the annual programme will be combined into area specific budget lines based on network hierarchy and treatment type. Separate area specific programmes will be developed, allowing for oversight of scheme delivery.

9.0 LOCAL TRANSPORT GRANT

- 9.1 The Department for Transport (DfT) confirmed LTG funding in September 2025 for 2026/27 through to 2029/30. LTG is a £2.3 billion investment in Local Transport and provides funding for areas that do not receive City Region Sustainable Transport Settlements (CRSTS) of Transport for City Regions funding. As such York and North Yorkshire Combined Authority (YNYCA) receives LTG funding.
- 9.2 LTG funding for 2025/26 was announced earlier in 2025, with approval to accept this grant being given by the Council Executive on 15 July 2025. Delivery of these schemes is ongoing.

- 9.3 DfT confirmed that “This simplified, long-term and consolidated funding will enable local authorities to deliver more ambitious transport projects”. They also stated that “Local leaders can choose to support schemes in line with local priorities for transport maintenance and enhancements, including improving public transport, funding new zero emission buses, improving accessibility, addressing congestion, and making our streets safer for pedestrians and cyclists”
- 9.4 Funding is provided from DfT to YNYCA as part of the consolidated transport settlement. YNYCA then working with NYC and City of York, allocate funding to specific schemes. As such NYC has developed a range of scheme proposals for delivery from LTG funding.
- 9.5 In total YNYCA will receive £93.993M of LTG funding between 2026/27 and 29/30. This is allocated as per the following table.

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

- 9.6 As outlined in section 4.3, LTG funding from 2026/27 includes the basic Integrated Transport Block (ITB) funding that was previously allocated direct to NYC. Based on the 2025/26 ITB this accounts for £3.046M per year.
- 9.7 There is no formal split of funding defined between NYC and CYC. Funding proposals are reviewed and approved by YNYCA based on deliverability and alignment against wider mayoral priorities outlined below
- Healthier travel
 - Accessible for everyone
 - Enhance safety
 - Protect our environment
 - Support economic growth
- 9.8 The focus for 2026/27 schemes is very much on deliverability, although we are confident that that our proposed schemes do make a significant contribution to Mayoral priorities.
- 9.9 YNYCA are required to submit a programme of schemes to DfT by 20 March 2026. This programme should include details of the LTG schemes to be funded in 2026/27 and an outline of proposed funding allocations by scheme type for 2027/28 to 2029/30. A further update is required by DfT in September 2026 for proposed future schemes, where they expect to receive a more detailed programme of planned schemes for 2027/28 and beyond.

10.0 Proposed LTG Schemes 2026/27

- 10.1 The following schemes have been identified by NYC officers for LTG funding for 2026/27. In total we are submitting £13.791M of schemes for 2026/27.

Ref No	Scheme	Location	Scheme Cost Including Works, Design Fees and overheads	Scheme Overview
NYC LTG1	Integrated Transport Block	Countywide	£ 3,046,000	Continuation of ITB which funds a road safety, traffic signals renewals, accessibility improvements, maintenance of active travel infrastructure
NYC LTG 9	Richmond Market Place	Richmond	£ 350,000	Maintenance of cobbles to upgrade townscape of market lace and surrounding area
NYG LTG 36	Thirsk Market Place Phase 2	Thirsk	£ 844,652	Continuation of upgrade of footways in Thirsk Town Centre
NYG LTG 80	Traffic Signals Upgrades	Countywide	£ 700,000	Package of works to deliver improvements to major traffic signal junctions in North Yorkshire
NYC LTG 84	Accessibility Schemes	Countywide	£ 872,200	Allocation of funding to deliver a range of small-scale accessibility improvements across North Yorkshire
NYG LTG 107	Tin Bridge	Skipton	£ 980,000	Installation of a replacement pedestrian bridge in Skipton
NYG LTG 108	A170 Sutton Bank KRN improvements	Area 2	£ 784,000	Major resurfacing scheme on Sutton Bank which is on a key east west corridor in North Yorkshire
NYC LTG 109	Caravan Route Drainage	Area 2	£ 910,000	Improvements to drainage on the "Caravan Route" which is the key diversion route when Sutton Bank is closed due to vehicles becoming stuck. These improvements will enhance resilience of the diversion route
NYG LTG 110	Easingwold Market Place	Easingwold	£ 844,652	Range of resurfacing improvements in Easingwold marketplace.
NYC LTG 111	Harrogate Pannal Ash Cycle Route Extension	Harrogate	£ 980,000	Extension of a planned cycle route along Pannal Ash Road, which will link to existing cycling infrastructure on Otley Road

Ref No	Scheme	Location	Scheme Cost Including Works, Design Fees and overheads	Scheme Overview
NYC LTG 112	Harrogate Otley Road Beckwithshaw link	Harrogate	£ 980,000	Extension of a planned cycle route along Otley Road, which will provide a continuous link to Beckwithshaw village
NYG LTG 113	A61 Ripley KRN improvements	Ripley	£ 980,000	Major resurfacing scheme on the A61 which is a key route between Harrogate and Ripon
NYC LTG 124	Selby Station	Selby	£ 700,000	Funding for the development of scheme proposals for the upgrade for Selby Station
NYC LTG 125	Catterick Garrison improvements to pedestrian crossing facilities	Catterick Garrison	£ 400,000	Delivery of improved pedestrian crossing facilities and footway approaches to the new Catterick Garrison town centre development
NYC LTG 126	Harrogate & Knaresborough Cycleway Improvements	Harrogate & Knaresborough	£ 420,000	Resurfacing and maintenance of cycle routes in Harrogate & Knaresborough
	Total		£ 13,791,504	

11.0 LTG Proposals for 2027/28 to 2029/30

11.1 The following provides a headline overview of how we propose to utilise LTG funding for the period covering the financial years 2027/28 to 2029/30. Further work is ongoing to review individual scheme proposals to develop a more detailed programme of future schemes. This will help to inform the submission that YNYCA are required to make to DfT in September 2026.

Scheme Proposal	2027/28	2028/29	2029/30	Comments
ITB Contribution	£ 3,046,000	£ 3,046,000	£ 3,046,000	As per 2026/27
Town Centre Improvements	£ 1,400,000	£ 1,400,000	£ 1,400,000	Improvements to footways, pedestrianised areas. Link to town investment plans
Traffic Signals	£ 1,400,000	£ 1,400,000	£ 1,400,000	Upgrades to existing traffic signal sites
Road Safety Improvements	£ 2,100,000	£ 1,400,000	£ 2,800,000	Measures to address collision cluster sites
Active Travel Schemes	£ 1,400,000	£ 1,400,000	£ 1,400,000	New Footway / Cycleway schemes - link to town investment plans

Local Accessibility Improvements	£ 980,000	£ 700,000	£ 840,000	Small scale accessibility improvements. Improvement to crossings
PROW Improvements	£ 420,000	£ 420,000	£ 420,000	Improvements and upgrades to PROW network
Large Scheme Delivery	£ -	£ 2,800,000	£ 2,800,000	Potential Schemes include Darlington Road Richmond, A162 / A63 Roundabout, Selby Toll Bridge
	£ 11,964,400	£ 13,784,400	£ 15,324,400	

- 11.2 Proposed budgets are based on works costs, plus an assumption for preliminary costs, design costs and wider overheads. It should be noted that these are subject to further review with YNYCA, but as allocations for CYC and NYC are yet to be confirmed there is further work to be carried out. Dependent on how YNYCA manage the programme, in terms of over programming etc there may be scope to add further proposals to this in September 2026.

12.0 FINANCIAL IMPLICATIONS

- 12.1 Sections 3 to 11 of this report provide an overview of financial implications. We carry out continuous monitoring of programme delivery and scheme costs to ensure that appropriate decisions are made in respect of programme management, i.e. ensuring we spend within budget limits and schemes are moved between programmes to match available funding.
- 12.2 Officers have developed proposals on how to manage the cash flow implication over year end to manage any over programming in the absence of any additional corporate capital funding being approved. This is to manage the period between year end and the receipt of the 26/27 Highway Maintenance Grant from YNYCA.
- 12.3 The contents of this report make no change to the Environment Capital Plan expenditure limits.

13.0 EQUALITIES IMPLICATIONS

- 13.1 Consideration has been given to the potential for any adverse equality impacts arising from the recommendation. An Initial equality impact assessment screening form has been carried out see Appendix L. The allocation of funding is based on the “manage, maintain and improve” (MMI) hierarchy set out in Local Transport Plan 4, which has been the subject of an Equality Impact Assessment (EIA). This concluded that the introduction of fewer improvement schemes may have a greater impact on people with mobility difficulties or without access to a private vehicle as there will be fewer new facilities provided e.g. pedestrian crossings, dropped kerbs, bus stop accessibility improvements; however, it is also considered that prioritising maintenance, particularly for footways, through the MMI hierarchy is likely to produce a net benefit for people with the same protected characteristics; particularly in terms of age and disability.
- 13.2 Furthermore, a local accessibility budget continues to be delivered. This has achieved a positive equality impact as it provides flexibility for funding for improvement schemes such as dropped kerbs which reduces the impact that the MMI process has on people with mobility difficulties or those without access to private vehicles. This also ensures the recommendation does not have an adverse impact on any of the protected characteristics identified in the Equalities Act 2010. Taking

into account the local accessibility budget and the positive outcome of the EIA in the Local Transport Plan 4. With regards to the MMI hierarchy it is considered that there are no adverse impacts arising from the allocation of funding based on the MMI and subsequent recommendation. Therefore, an Equalities Impact Assessment is not required. The Authority will continue to consider and pay due regard to the Public Sector Equality Duty throughout the allocation of funding for the Capital Programme.

14.0 LEGAL IMPLICATIONS

- 14.1 The Council as Local Highway Authority has a wide range of statutory duties imposed by a variety of legislation relating to highways and transportation and has a wide range of duties imposed by legislation in its capacity as Lead Local Flood Authority, Street Authority and Local Traffic Authority. This includes a duty under S41 of the Highways Act 1980 to maintain highways maintainable at the public expense and a duty under S122 of the Road Traffic Regulation Act 1984 to secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians) and the provision of suitable and adequate parking facilities on and off the highway. Under S16 of the Traffic Management Act 2004, the County Council is also required to manage its road network to secure the expeditious movement of traffic in that network.
- 14.2 The forward programme and associated annual programmes have been developed and prioritised in line with the Councils duties and responsibilities under the above and other legislation, including the Transport Act 2000 and the Flood and Water Management Act 2010.
- 14.3 YNYCA will produce relevant Grant Funding Agreements for Highway Maintenance Block funding and LTG schemes. These will be fully reviewed by the NYC legal in advance of these being signed.

15.0 CLIMATE CHANGE IMPLICATIONS

- 15.1 A climate change impact assessment has been carried out, see Appendix M. This has identified that the development of a forward programme will help to improve efficiency of delivery, reducing waste and emissions through improved coordination and planning of works.

16.0 REASONS FOR RECOMMENDATIONS

- 16.1 The recommendations will enable Council officers, working alongside, YNYCA, NY Highways and partner organisations to deliver the schemes listed in Appendices C to K in the 26/27 annual programme.

17.0 RECOMMENDATIONS

- 17.1 It is recommended that the Corporate Director, Environment, in consultation with the Executive Member for Highways and Transportation approve the:
- i. additions to the Highways Capital Forward Programme in Appendix B
 - ii. annual programme for delivery in 26/27 – Appendices C to K
 - iii. proposed schemes for 26/27 LTG
 - iv. proposed funding allocation for future LTG schemes

A summary of highway areas 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

Micro = Micro Surfacing

Slurry – Footway Slurry Sealing.

APPENDICES

Appendix A Schemes Deferred to future years from 25/26 annual programme
Appendix B Schemes Added to the Highways Capital Forward programme
Appendix C Area 1 Capital Annual Programme 26/27
Appendix D Area 2 Capital Annual Programme 26/27
Appendix E Area 3 Capital Annual Programme 26/27
Appendix F Area 4 Capital Annual Programme 26/27
Appendix G Area 5 Capital Annual Programme 26/27
Appendix H Area 6 Capital Annual Programme 26/27
Appendix I Area 7 Capital Annual Programme 26/27
Appendix J Countywide Allocations 26/27
Appendix K Bridges & Structures Programme 26/27
Appendix L Initial equality impact assessment screening form
Appendix M Climate change impact assessment

Background documents: None

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