



**HIGHWAYS AND TRANSPORT OVERVIEW AND SCRUTINY
COMMITTEE – 6 MARCH 2025**

**ENVIRONMENT AND TRANSPORT
2025/26 HIGHWAYS AND TRANSPORTATION
CAPITAL PROGRAMME AND WORKS PROGRAMME**

REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT

Purpose of the Report

1. The purpose of this report is to inform the Committee of the development of the Environment and Transport Department 2025/26 Highways and Transportation Capital Programme and Works Programme, both of which are appended to this report, and seek comments prior to these Programmes being presented to the Cabinet on 18 March 2025 for approval.
2. These Programmes have been developed in accordance with the overall budget envelopes included in the Medium Term Financial Strategy (MTFS) 2025/26 to 2028/29, as approved by the County Council on 19 February 2025. No additional funding is being sought through this report.

Policy Framework and Previous Decisions

3. The Highways and Transportation Capital Programme and Works Programme are rolling financial and business plans that are updated annually.
4. The Government's budget, announced on 30 October 2024, set out national spending totals for 2025/26 and a direction of travel in terms of future policy by the Government. However, it provided little detailed information or certainty in terms of future funding for highways and transport or more generally any certainty for the Council's MTFS.
5. Levels of uncertainty and challenges are making financial planning extremely challenging and require the Council to be flexible and adaptable. Recently these financial challenges have heightened, further complicating the Council's ability to present a balanced budget without the use of reserves and placing additional strain on the finance function as well as wider service teams. Until a multi-year ringfenced commitment from the Government is provided, rather than one-year settlements, these uncertainties will continue.
6. The provisional MTFS 2025/26 to 2028/29 was approved for consultation and scrutiny by the Cabinet on 19 December 2024.

7. At its meeting on 7 February 2025, the Cabinet recommended a proposed MTFS 2025-29 for approval by the County Council. The County Council approved the MTFS at its meeting on 19 February 2025.
8. The Programme have been developed with reference to the Department's key plans and strategies and align with these aims. These include:
 - a) Highways Asset Management Policy and the Highways Asset Management Strategy – approved by the Cabinet on 23 June 2017 (updated in December 2020).
 - b) Highway Infrastructure Asset Management Plan – approved by the Cabinet on 15 September 2017 (updated in March 2023).
 - c) Leicester and Leicestershire Strategic Growth Plan – approved by the Cabinet on 23 November 2018.
 - d) Environment Strategy and Action Plan – approved by the County Council on 8 July 2020.
 - e) Leicester and Leicestershire Strategic Transport Priorities - approved by the Cabinet on 20 November 2020.
 - f) Network Management Policy, Strategy and Plan – approved by the Cabinet on 15 December 2020.
 - g) Cycling and Walking Strategy – approved by the Cabinet on 20 July 2021.
 - h) Various area specific strategies, including the Interim Melton Mowbray Transport Strategy and Interim Coalville Transport Strategy (ICTS) – approved by the Cabinet on 20 July 2021 and 17 September 2021 respectively.
 - i) Net Zero Leicestershire Strategy and Action Plan – approved by the County Council on 7 December 2022.
 - j) Leicestershire Local Transport Plan (LTP4) – approved by the Cabinet on 22 November 2024.
9. Leicestershire County Council's Strategic Plan 2024 – 2026 (approved by the County Council in May 2022) outlines the Council's long-term vision for the organisation, as well as for the people and place of Leicestershire. As the effective functioning of Leicestershire's transport system is vital to day-to-day life and supporting the area's future population and economic growth, the Programmes will, at least partially, contribute to supporting all of the Strategic Plan's five outcomes, in particular the programmes supporting the 'Clean and green' and 'Strong Economy, Transport and Infrastructure' outcomes, for example, in seeking to improve provision for cyclists and maintaining and improving the highway network to seek to reduce traffic congestion. It must be noted that the outcomes represent long-term aspirations for Leicestershire

which may not be achieved in full during the four-year course of the Strategic Plan.

Background

10. The development of the Highways and Transportation Capital Programme and Works Programme for 2025/2026 has taken place against an ever more challenging and evolving backdrop.
11. In general, the Programmes continue to be affected by increased costs on some major schemes due to the impact of inflation and weather-related delays (increasingly exacerbated by the apparent effects of climate change), as well as additional pressures in highways maintenance and from more frequent severe weather events. The following sub-sections will provide further details.

Financial/funding

12. The Government has established six missions as part of its stated 'decade of national renewal'. It is being ambitious in seeking to deliver on them through several major policy announcements, including planning reform to achieve its ambition to see 1.5m new homes built within the next five years.
13. However, it is presently unclear as to what extent the Government will fund the delivery of its missions and ambitions. There have been some recent, welcome, additional one-off funding announcements, including an additional circa £7.7m awarded to the Authority for highway maintenance in 2025/26, subject in part to yet unspecified incentive criteria (which would give a potential maximum budget of circa £28.8m). The funding for passenger transport services in 2025/26 has also been confirmed by the Government (subject to terms and conditions), which in total is worth circa £7.5m (circa £3.1m and £4.4m capital and revenue respectively).
14. Until recently, the self-assessment process applied to highway maintenance operations provided incentives in the funding structure, although the Department for Transport's (DfT) view is that it has run out of steam, having served its purpose of promoting an asset management approach. However, if there was a new incentivised approach, then there would be a new set of winners and losers in terms of which authorities receive the highest level of funding, which would thus provide further uncertainty.
15. The DfT has indicated that the Authority will continue to receive its ring-fenced Integrated Transport Block settlement, rather than being rolled into a wider overall funding settlement; the Integrated Transport Block is currently worth circa £2.8m per annum and (like many other authorities) it is used flexibly by the County Council to fund work to underpin the development of future transport programmes and schemes ('Advanced Design' budget). If it is rolled into an overall settlement, this may limit the flexibility with which the Integrated Transport Block is presently used. Again, changing the formula on which funding has been provided for many years would have the negative effect of undermining the long-term certainty that the sector is seeking.

16. Further, the Network North funding (announced in October 2023 by the Government and proposed to be funded through monies released by the abandonment of the remaining sections of HS2) appears no longer extant and it is unclear what alternative funding might be put in place by the Government. The situation may begin to become clearer once the national Spending Review has been fully completed, which the Government is currently indicating will be by late spring of this year. In addition, the national economy is facing challenges which means that there is still some uncertainty hanging over the sector.
17. As was set out in the report to the Committee in January on the provisional MTFS 2025/26 to 2028/29, the County Council's financial position has been challenging for several years.
18. The MTFS for 2025/26 to 2028/29 projects gaps in all of the years, with the gaps in the second, third and fourth years being particularly concerning, especially as several mitigations have already been included, such as future increases in Council Tax.
19. Given the current national funding position aligned to the Council's latest MTFS position, significant additional savings or income generation options will still be required.
20. The proposed savings for the Environment and Transport Department are £4.5m, with £3.5m for Highways and Transport (this includes £2m from the assisted transport programme). Further savings or additional funding will be required to close the budget shortfall of £38m in 2026/27, rising to £91m in 2028/29. Areas of potential savings within the Department (which are additional to the savings already identified) are:
 - a) Fleet efficiencies and improvements.
 - b) The commercialisation of Highway Services (for example, the review and expansion of highway assets and street furniture).
 - c) Fees and charges.
 - d) School crossing patrol (by seeking contributions from third parties).
 - e) Recycling and Household Waste Sites (income and service efficiency).
 - f) Lane rental (charging third parties for working on the highway network).
 - g) Energy cost reductions.
21. To ensure that the Council remains financially sustainable, its savings will need to be greater than the transformation of services and they will need to focus on the following activities:
 - a) Service redesign and a review of the policies to focus on essential spend.
 - b) Effective procurement.
 - c) Spend controls.
22. Through prudent financial management and robust budgeting, the Council is in a better position than many other authorities. However, it is severely limited as

to the extent to which it is able to fund highways, and transport works and programmes from its own budgets, in comparison to the challenges and demands posed by a growing population and climate change, as summarised below.

Population Growth

23. Population growth presents a significant budget and service challenge. The County's population is growing and ageing at rates faster than the national averages. An increasing population drives increased travel demand by all modes (including goods vehicles as businesses respond to the needs of a growing population). This has multiple implications for the County's highway assets, including:
 - a) More and heavier (because of increases in car size, greater freight movements and electrification) vehicles that result in ever greater damage to roads, bridges, and drainage systems.
 - b) Failures to manage the footways and the cycleways to approved standards, which poses risks to the elderly and/or the infirm, through health (falls) and/or social exclusion (fear of not going out because of the footway conditions); and failing to achieve the necessary improvements to Leicestershire's communities' health and wellbeing, as people do not feel safe to walk and cycle.
 - c) The greater use and the acceptance of low standard, unclassified roads ('rat-running'), which damages routes that were never designed or built to be used by such volumes of traffic.

24. It also presents a significant challenge to the County Council's ability to maintain and provide transport services, which residents rely upon. A core area of this is around Special Educational Needs Transport, which provides disadvantaged residents access to educational opportunities, which benefits the individual residents and enables them to be an active part of the community. Loss of access to these opportunities has the potential to increase instances of social isolation and exclusion, therefore undermining these residents' health and wellbeing.

25. The County Council cannot 'prevent' population growth, so unless significant changes occur in societal behaviours and expectations, there are significant limitations as to the extent to which the impacts of growth on the County's transportation system can be mitigated (Leicester and Leicestershire will not be unique in this regard, given that levels of transport congestion are already more acute in other parts of the Country, especially in the southeast).

26. Furthermore, a growing population drives the need for new homes and jobs. But, over many years, a national failure to keep pace in investment in transport (and other) infrastructure necessary to deliver these is now manifesting in challenges to the development and delivery of Local Plans (the primary vehicles by which planned growth is delivered). Research shows that where people have decent quality homes and are in good, stable employment, they are far less likely to place demands (costs) on social and public health services.

However, supporting new homes and jobs is becoming increasingly challenging as the scope of mitigation, including transport, has significant implications on development sites viability, placing a greater burden on the Council's limited resources.

27. Given its financial position and considerations of risk, the County Council is not able to forward fund transport measures required to deliver new homes and jobs. Wider public investment (from the Government) has hitherto borne no resemblance to the delivery of real homes and jobs on the ground, either in terms of quantum, timing, and of the approach to business case development. The County Council, as the Local Transport Authority is, therefore, increasingly struggling to support Local Plans as being sound from a transport perspective as it has no confidence that the necessary investment will come forward over the Local Plans' lifetime. This is especially the case where Local Plans fail to reflect/are not underpinned by legally compliant methodologies to seek to maximise developer contributions towards the transport interventions required to address cumulative and/or cross-boundary transport impacts.
28. Until such time as the Government's policy addresses the challenges faced by local authorities in meeting housing needs whilst ensuring that infrastructure is available and appropriate, district councils, as planning authorities are in the best position to manage the developer contribution risk. It is therefore necessary for the district councils to work with the County Council to ensure that their Local Plans include policies that balance the need to support the delivery of growth, without exposing the County Council to further financial risk. District councils also need to work with the County Council to direct more funding towards priority infrastructure.
29. Without new funding, the County Council can only commit to constructing new infrastructure upon the receipt of funds from developers. Whilst the County Council will always be mindful of its statutory duty to ensure that highway safety is not compromised, there could be adverse impacts of development, such as congestion, if sufficient developer funding is not secured through the planning process.

Climate Change

30. Transport is an enabler of everyday lives; when it fails, normal life is disrupted. This is becoming ever more the case with the apparent impacts of climate change. The effects of warmer and wetter winters, hotter and drier summers and more frequent and intense weather extremes include:
 - a) Increased levels of, and more frequent occurrences of, highway flooding that result in road closures or damage to vehicles (where people inadvisably attempt to drive through flood waters).
 - b) More wind damage to trees, resulting in road closures from blockages caused by fallen trees and, in some cases, fatalities where trees fall on vehicles.
 - c) Fresh damage to highway assets or worsening existing conditions, causing risks of increased vehicle damage (and subsequent increased

- levels of insurance claims to the County Council) and in some circumstances, the need for road closures in the interests of safety.
- d) Increases in demand as a result of the impact of bad weather, causing pressures to services which in turn will increase demand for climate adaptation to the Council's assets.
 - e) Disruption of the delivery of the safe, resilient and operation of the Council's transport networks, including the bus network, which increases the potential for social isolation, which undermines the health and wellbeing of Leicestershire's communities and residents.
 - f) Disruption to planned maintenance programmes (for example, where temperatures are too hot to carry out surface dressing), which in the long-term will have implications for the condition of the highway assets.
31. Further, increased levels of flooding, including of property, places pressures on the County Council, as the Lead Local Flood Authority, to be responding promptly by investigating the causes of such flooding, with corresponding resourcing (financial) consequences in terms of increased demand for revenue repairs and for the capital flood alleviation schemes. Therefore, long-term funding is required from the Government.

Highway Asset Condition

32. The impacts of population growth and climate change do not just have environmental impacts (including presenting challenges to achieving the Council's net zero requirements/ambitions) and economic implications (such as the impacts on businesses' operating efficiencies and costs arising from the increased traffic congestion), but population growth will also significantly impact on the condition of the County's highway assets.
33. The condition of the County's highway network has been deteriorating at an increasingly rapid rate. This is particularly the case in respect of the network overall, where the percentage of network requiring maintenance to prevent the need for structural intervention (full replacement rather than resurfacing or other treatment) is increasing. This situation is reflective of the UK Roads Liaison Group Report and the 2024 National Highways and Transport Network Survey results, which demonstrate a continuing national decline in the public satisfaction of highway maintenance services and the network condition.
34. The under-investment in highway maintenance at a national level has meant that the Council has been unable to manage and slow the decline in the condition of the local highway network or mitigate the risks of further deterioration of the Council's highway assets. The Capital Programme and Works Programmes are only sufficient to maintain the existing rate of decline of highway assets.
35. Proactive, planned (as opposed to reactive/unplanned), consistent, and sustained investment in the Council's transport services, and infrastructure condition and capacity, is necessary to mitigate the implications of network deterioration, population growth and climate change. The Council, as the Local Transport Authority operates in circumstances of one-year financial settlements

from the Government (an approach that makes it difficult to plan spending effectively); uncertainty in national spending promises (the announcement of and the seeming withdrawal of the Network North funding in less than a year); and one-off annual allocations from the County Council's own budgets.

36. Leicestershire has been renowned for having well maintained roads, and safeguarding key transport services. However, whilst the Council might be in a better position than other councils, where the rate of proactive investment continues to fail to keep pace with the impacts of population growth and climate change, the implications, such as those highlighted in paragraph 30 will continue to grow and be exacerbated.
37. A continuation of the present circumstances of a growing reliance on reactive and short-term less expensive treatments, based on the Government's focus on providing funding for pothole repairs rather than wider asset renewal programmes. This cannot continue indefinitely, otherwise it will perpetuate a spiral of decline, as increasing reactive maintenance costs are expended (rather than the planned maintenance of robust treatments) for ever-decreasing asset condition benefits, to the point where assets fail completely and become unusable and/or unsafe. This directly impacts on other service areas due to the impact of poor transport provision, which undermines the health and wellbeing of Leicestershire's communities, as well as the ability for businesses to deliver goods and services in a reliable and timely manner.
38. In recognition of the challenges faced in seeking to maintain the County's highway assets, a Resilient Network Strategy is being developed by the Council. This will codify the Council's approach to the risk-based approach to asset management, as laid down in the national Code of Practice 'Well-managed highway infrastructure' 2016 and will consolidate the Council's asset management policies and strategies.

Electric Vehicles

39. The Government's policy is moving away from internal combustion engines towards ultra-low emission vehicles, such as electric vehicles (EVs). Some of the key reasons why the Council is promoting EVs and charging infrastructure include:
 - a) Air pollution – road transport is a major source of air pollutants. Full EVs have zero exhaust emissions.
 - b) Carbon reduction and climate change – transport is the largest greenhouse gas-emitting sector in the UK. If the Council is to meet its commitments to reduce carbon emissions, there will have to be a switch to a much greater use of active travel for short journeys. EVs will ensure that those journeys are taken in a way that minimises carbon emissions.
 - c) Noise – road traffic is the single biggest contributor to noise pollution. At low speeds, vehicles driven by electric motors are significantly quieter than those powered by conventional engines.

National and Local Policy

40. In November 2024, the then Secretary of State for Transport (SoST) heralded an intended significant shift in national transport policy to put 'the needs of people first'. That is to move away from an approach that delivers transport choices for transport purposes to an approach that more widely reflects peoples' travel needs.
41. It appears that the new SoST continues to support this, as the Government has called for ideas to inform the development of an Integrated National Transport Strategy (INTS), which will give effect to the policy shift. Following consultation with the Cabinet Lead Member, the Director of Environment and Transport submitted a response to the call for ideas under their delegated powers.
42. It is currently understood that the INTS will be published before the end of the 2025 calendar year.
43. From the information available, it appears that the County Council's recently adopted LTP4 Core Document will be well aligned with the intent of the proposed INTS, as it is based on the premise of transport being an enabler to help improve the health, safety and wellbeing of Leicestershire's communities.
44. The evolving national and local policy situation has come too late to have a material impact on the contents of the proposed Programmes but it is anticipated that it will have a significant impact on both the content and structure of the Programmes in future years, including the need for greater clarity about how the work of the Local Transport Authority is helping to deliver on national and local policies and bringing wider health and environmental benefits to local communities.

Concluding Comments

45. Whilst the backdrop is challenging and evolving, nevertheless Programmes continue to represent an important and worthwhile investment in resources and monies to improve the usability/accessibility, safety and capacity of the County's transport system to support the needs of Leicestershire's communities and businesses. The Programmes also help to ensure that the Council is in the best possible position to secure third-party funding from the Government and developers.
46. Officers will continue to maintain their regular liaison with the DfT to gain possible further insight into the Government's intended direction of travel in terms of funding and policy implementation. Officers will also continue to take opportunities to influence the Government's perspective, through responses to relevant consultations, such as the current INTS call for ideas, and any future discussions on local government reorganisation and devolution.

2025/26 Highways and Transportation Capital and Work Programmes

General Overview

47. The 2025/26 Highways and Transportation Capital Programme and Works Programme reflect the Environment and Transport Department's duties and the key highway service-related policies, strategies, and plans, as detailed above, whilst also taking account of the Council's future priorities. The Programmes will be monitored and evaluated to assess success against the LTP4 objectives and priorities.
48. The Programmes will be updated to reflect any changes in national or local legislation by the Director of Environment and Transport, following consultation with the Cabinet Lead Member, as well as with the Director of Corporate Resources, using the existing delegated authority.
49. Furthermore, these Programmes will continue to be, driven by wider strategic agendas, being heavily informed by transport evidence associated with district councils' work to develop Local Plans. The way particular projects support the delivery of growth and achieve net zero requirements and ambitions, is highlighted in the overview of the Programmes, set out further on in this report and in Appendix B.
50. The Programmes have been prepared using the most current information available and will be revised as necessary to ensure value for money and to respond to changing circumstances (for example, changes in the Government's policy or funding announcements from the Government). The Programmes will continue to evolve, as outlined earlier in this report.
51. A range of factors are considered when preparing the Programmes, such as:
 - a) Progress with the delivery of prior year programmes.
 - b) Schemes/projects spanning across multiple financial years (such as continued commitment).
 - c) Alignment with policies, strategies, and plans.
 - d) Resource availability.
 - e) Circumstances, for example needing to adjust in the light of severe weather events.
 - f) Evidence such as the performance of and the condition of the highway assets, the Local Plans, environment and health, and from public engagement and consultations.
 - g) Funding.
 - h) Seeking to maximise value for money and benefits.
52. The Department's Capital Programme budget totals £200.7m over the four years 2025-29, of which the major part, £197.2m (98.23%), is the Highways and Transportation element (it should be noted that these figures do not include any potential slippage/acceleration). This capital funding comes from several

sources, such as various grants from the Government and competitive funding streams; capital receipts; the County Council's capital budget and revenue balances; external contributions, such as developer contributions; and earmarked funds.

53. There will be a very limited scope to add further capital schemes to the Capital Programme. For example, this includes the following schemes that the Council does not have a budget for and which will not be included in the Capital Programme:
- a) Resurfacing or proactive maintenance schemes on footways (this has been the case for many years, and, as mentioned, above results in safety issues, such as slips and trips).
 - b) Clearing of drainage pipes, culverts or other underground drainage assets.
 - c) Maintenance of major structure.
 - d) Haunch repairs (such as to the road edge, next to the verge) for rural roads.
 - e) Proactive maintenance of sustainable drainage systems.
 - f) Balancing ponds and pumping stations that support highway drainage.
 - g) Proactive cleaning of signs or cutting back vegetation overhanging or growing around signs.
 - h) Funding for major renewals, such as the replacement of major assets at the end of their lifespan.
 - i) Adaptation or improvement for the resilience and the impacts of climate change.
54. It will become more noticeable that certain assets are not always being replaced (such as street lighting columns and bollards), that there are more closures or restrictions on minor highways due to safety concerns and that are notably expensive to maintain, that the impacts of more frequent and extreme flooding events are not being addressed, that road signs are difficult to read, and that there is overhanging vegetation on the highway and broken carriageway edges.

The 2025/26 Highway Capital Programme

55. The 2025/26 Highway Capital Programme (attached as Appendix A) sets out a summary of the budget breakdown for each of the capital lines set out in the refreshed MTFS. It also presents figures for the period 2026/27 to 2028/29, although those may be subject to change because of future MTFS refreshes and/or funding announcements from the Government.
56. Over the period of the MTFS, a Capital Programme of £197.2m is required for Highways and Transportation (£438.6m for the entire authority's Capital Programme) of which £87.4m is planned for 2025/26. The Programme reflects the need to ensure that monies available are invested in projects and measures that deliver the maximum benefit over the longest possible period whilst noting it still only leads to a managed state of decline. The areas of spend are as follows:

Major Schemes

- a) Melton Mowbray Distributor Road - North and East Sections, £23.7m in 2025/26

A key element of the Interim Melton Mowbray Transport Strategy, which supports delivery of the Melton Local Plan. This project enables the strategic growth of the town, in particular helping to support the delivery of around 4,000 new homes and 30 hectares of employment land. In December 2022, the Cabinet approved to progress to delivery of the scheme and thereby agreed to the Council borrowing additional scheme costs primarily arising from inflationary pressures. In February 2023, the DfT approved the scheme's Full Business Case, triggering the release of the £49.5m Large Local Majors Fund contribution. Work on site has now commenced on the main contract for the scheme and its completion is anticipated in early 2026.

- b) Zouch Bridge Replacement – Construction and Enabling Works, £8.2m in 2025/26

A new bridge will replace the old bridge which has major structural issues and has had a temporary weight limit already imposed to protect the current structure. Main construction work is programmed to be underway from spring 2025 and will continue until early 2027.

- c) Advance Design / Match Funding (Local Transport Plan Implementation), £2.9m in 2025/26

On 22 November 2024, the Cabinet resolved to adopt the LTP4 Core Document, which sets out the strategic vision, core themes and policy for how the Council will deliver the transport network to support people, communities and businesses across Leicestershire. The Cabinet also approved progress onto Phase 2 of the LTP4 development, which will be undertaken over the 2025/26 financial year. This work will focus on the development of the Focused Strategies, the Multi-Modal Area Investment Plans (MMAIPs) Pilot and the Countywide Strategic Transport Investment Plan.

The Focused Strategies will provide transport solutions to issues and challenges which are affecting the vitality and prosperity of Leicestershire's communities and businesses across the County. Initial work has already begun on the development of the first focused strategies: 'A Safe, Accessible and Inclusive Transport Network Strategy', and 'Delivering a Resilient Transport Network Strategy'. A programme of further focused strategies is also being developed which would include:

- i. Enabling travel choice (managing demand).
- ii. Decarbonising the transport network.

iii. Freight and logistics.

The MMAIPs are a key delivery mechanism for the delivery of the LTP4 vision, core themes and policies at the local level, through the identification and implementation of transport solutions. This will be in the form of a strategy and supporting delivery plan covering a five-year period. The first three MMAIPs are being developed as a pilot and will cover the following areas:

- i. The south of Leicester,
- ii. Market Harborough,
- iii. Hinckley.

In these three areas Local Plans have significant transport needs and challenges, which need to be addressed. In addition, the development of the wider MMAIP programme will also be progressed, with MMAIPs for the East Midlands Airport, and Ashby and Coalville, which have been identified as future priorities.

Alongside this will be the Countywide Strategic Transport Investment Plan, which will set out the strategic transport needs and requirements to support the delivery of the LTP4, as well as the objectives of the Leicester and Leicestershire Strategic Growth Plan.

d) Leicestershire Cycling and Walking Infrastructure Plan Delivery, £1.0m in 2025/26

Budget to enable the development of a Local Cycling and Walking Infrastructure Plan on the ground.

e) A511 / A50 Major Road Network – Full Business Case, £4.2m in 2025/26

Allocated for the ongoing design work for the scheme, which is partly funded by the Government's Major Road Network programme. This project is a key element of the Interim Coalville Transport Strategy, and is essential to enabling the ongoing growth in the area, including to support the delivery of 3,500 new homes in Southeast Coalville. Planning approval has been secured for the Bardon Link Road works, and the compulsory purchase order for required land together with the side roads order have both been confirmed by the SoST for the scheme overall. Subject to the final funding confirmation by the Government, the works are intended to commence on site in spring 2026, with an anticipated completion date early 2028.

f) The Parade Oadby, £1.8m in 2025/26

This scheme proposes to upgrade the junction of the A6 (Leicester Road and Harborough Road), joining Regent Street, Stoughton Road and the Parade to make it safer for cyclists and pedestrians.

Minor Schemes / Other

- g) County Council Vehicle Replacement Programme, £4.4m in 2025/26

Investment in new vehicles to replace aged vehicles and reduce running costs. It is a 20-year replacement programme.

- h) Highways Depot Improvements, £0.1m in 2025/26

To carry out improvements to the various highway depots such as building alterations to Mountsorrel depot highway stores

- i) Property Flood Risk Alleviation, £0.9m in 2025/26.

Flood alleviations schemes to mitigate the impact of flooding within Leicestershire.

- j) Safety Schemes, £0.5m in 2025/26

To enable the delivery of road safety schemes where accident levels highlight that they are required.

- k) Externally Funded Schemes (Section 106), £0.6m in 2025/26.

This covers developers/section 106 funded schemes.

- l) Melton Depot Replacement, £2.1m in 2025/26

To find an alternative depot site to replace the existing Melton depot for which the lease is due to expire December 2027

- m) Plant renewals, £0.1m in 2025/26

Scheduled plant replacement purchases to fully support operational teams with key equipment.

Transport Asset Management

- n) Transport Asset Management Programme, £25.0m in 2025/26

For capital maintenance works for highways and transport assets across the County such as roads and footways. Types of maintenance works include surface dressing, patching, bridge repairs, street lighting column replacements, and traffic signal renewals.

Funding - Capital Grants

57. Grant funding for the Capital Programme totals £139.0m across the 2025-29 Programme. Most grants are awarded by the Government's departments, such as the DfT.

58. The main DfT grant for maintenance has been announced for 2025/26:
- a) Base line allocation 2025/26 – circa £21.1m.
 - b) New funding 2025/26 – the maximum potential is circa £7.7m, subject to a yet unspecified incentivisation.
59. As noted earlier in this report, the position remains unclear regarding the Integrated Transport Block grant for 2025/26 and for the years beyond. Also uncertain is any transport funding that the Government might make available as local authorities wait to hear how the £650m October budget announcement will be allocated. At this stage, no estimate has been included in the Programme. This will be updated before the final Programme is presented to the Cabinet on 18 March 2025. There are increasing pressures on highways maintenance requirements. Given the Council's difficult financial position, these grants from the Government are essential to ensure that there is sufficient funding available.
60. However, whilst the Autumn Budget only set out the Government's detailed spending plans for 2025/26, spending has been front loaded and there are likely to be further reductions in spending by the Government, in real terms, for unprotected departments beyond 2025/26 (which includes the DfT and local government). The Institute for Fiscal Studies currently estimates that the Government's unprotected departments will see reductions in real terms of 1.4%. This will have a more significant impact on areas, such as Leicestershire, that are experiencing population growth.

The 2025/26 Works Programme

61. The 2025/26 Highways and Transportation Works Programme (attached as Appendix B) contains actions (such as intervention/work/treatment), some of which are part of longer-term projects that will take place over several years or may be implemented beyond 2025/26. Appendix B provides more information behind the budget lines set out in Appendix A, further highlighting how the work is aligned to the delivery of strategies, supporting growth, and reducing carbon levels. This includes work on the development of the Council's LTP4 and Road Safety Strategy.

Funding

62. The actions outlined in the Highways and Transportation Works Programme will be funded from a variety of sources, including capital budgets and current external sources of funding, including, for example, developer contributions. Officers will continue to explore and, as appropriate, pursue any additional sources of external funding should these opportunities arise.

Consultation

63. Where appropriate, individual schemes and projects will continue to be subject to further consultation with Local Members and the public, and reports will be presented to the Members as necessary.

Resource Implications

64. The Highways and Transportation Capital and Works Programmes involve significant amounts of money and represent a continued commitment by the Council to deliver on its strategic objectives.
65. However, based on the current evidence, population growth projections and societal behaviours and expectations, the levels of funding available through the Council's own budgets and funding allocations from the Government, while delivering vital work, are insufficient to meet current and future needs of the County. This is evidenced through work underpinning Local Plans development and driven by the growth proposals that those Local Plans include (inclusive of meeting the Government's imposed housing number requirements). Without investment from other sources, growth will be frustrated and/or travel conditions on Leicestershire's transport system will deteriorate.
66. Funding is insufficient to maintain to current standards of Leicestershire's existing highways assets (roads, cycleways and footways, verges, bridges, signs, and lines). Again, without additional funding from other sources, the condition of the County's roads and other assets will continue to decline.
67. There are also likely to be significant costs to the Council in respect of climate change, both in terms of the resources and work required to support efforts to decarbonise travel (transport) in the County to the degree necessary to meet net zero commitments/requirements (by 2050) and from the impacts of increased extreme weather events on highway assets.
68. Thus, what monies are available need to be invested in projects and measures that deliver the maximum benefit over the longest possible period. Also, the importance of ensuring that the Council is well prepared to secure additional funding from other sources, including via 'bids' to the Government and from developers (not just via planning applications, but also through ensuring that the Local Plans prepared by district councils provide a robust policy basis for seeking contributions), needs to be emphasised.
69. The Highways and Transportation Works Programme is resource intensive, both in staff and financial terms. Its delivery in recent years has been affected by the Covid-19 pandemic, which has also impacted on the timeframes of important work being undertaken by other bodies, including work by the district councils to develop new Local Plans. Work by other bodies also creates resource pressures that have the potential to impact of the Programme's delivery. Additionally, like many sectors of the economy, skill shortages and/or the inability to retain the necessary skills, is and will continue to impact on the Programme's delivery. The implications of which are the risk of slippage on

Programme delivery and cost escalation as market prices increase. Thus, going forward, it will be evermore important to ensure that resources are focused on the effective delivery of the approved Programme.

70. The Director of Corporate Resources and the Director of Law and Governance have been consulted on the content of this report.

Timetable for Decisions (including Scrutiny)

71. The Highways and Transportation Capital Programme and Works Programme report will be considered by the Cabinet on 18 March 2025 and, subject to the Cabinet's approval, the Programmes will be published after 18 March 2025. The Committee's comments will be reported to the Cabinet.

Conclusions

72. This year's Highways and Transportation Capital Programme and Works Programme have been put together against evermore challenging and evolving backdrop. Evidence is showing the enormous challenges faced in seeking to provide for population growth, whilst simultaneously seeking to maintain an effectively operating transport system and achieve net zero requirements/ambitions. Furthermore, the condition of the County's Road, footway and cycleway networks continue to deteriorate, and more and heavier vehicles will cause further 'damage' to the road network, further exacerbating the problem. The County's Roads are a vital part of Leicestershire's local transport infrastructure, and they are used every day by thousands of people. Despite their importance, the condition of the County's roads is declining and the backlog to return them to a good state of repair is increasing.
73. This year's Programmes contain important projects that will help to support the County's growth and that seek ultimately to deliver improved facilities across all modes, including for cyclists and pedestrians.
74. The Programmes are of value and importance in delivering on the Council's Strategic Plan's outcomes and seeking to improve the health and wellbeing of Leicestershire communities.
75. Looking beyond 2025/26, the structure and content of future year Programmes are likely to evolve in the light of significant changes in local and national policy, including to reflect and align to the County Council's LTP4 and the proposed INTS, as well as meeting the challenges of net zero and adapting to a changing climate and discussions on local government reorganisation and devolution.

Background Papers

Report to the Cabinet 23 June 2017 – Highway Asset Management Policy (HAMP) and Highway Asset Management Strategy (HAMS)

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5120&Ver=4>

Report to the Cabinet 15 September 2017 – Highway Infrastructure Asset Management Plan (HIAMP)

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4863&Ver=4>

Report to the County Council 8 July 2020 - Revised Environment Strategy and Action Plan

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=6040>

Report to the Cabinet on 15 December 2020 - Network Management Plan

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MID=6000>

Report to the Cabinet on 20 July 2021 – Cycling and Walking Strategy

<https://democracy.leics.gov.uk/ieListDocuments.aspx?MId=6445>

Report to the Cabinet on 20 July 2021 – Interim Melton Mowbray Transport Strategy

<https://democracy.leics.gov.uk/ieListDocuments.aspx?MId=6445>

Report to the Cabinet on 17 September 2021 – Interim Coalville Transport Strategy

<https://www.leicestershire.gov.uk/sites/default/files/field/pdf/faq/2021/9/22/LCC-ID6-LCC-Cabinet-Decisions-Friday-17-September-2021.pdf>

Report to the County Council on 18 May 2022 – Leicestershire County Council's Strategic Plan 2022 – 2026

<https://democracy.leics.gov.uk/ieListDocuments.aspx?MId=6774>

Report to the Cabinet on 15 September 2023 – Medium Term Financial Strategy Latest Position

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7078&Ver=4>

Report to the Highways and Transport Overview and Scrutiny Committee on 9 March 2023 - Environment and Transport 2023/24 Highways and Transportation Capital Programme and Works Programme

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=1293&MId=7172&Ver=4>

Report to the Cabinet on 24 April 2023 – Environment and Transport 2023/24 Highways and Transportation Capital Programme and Works Programme.

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7075&Ver=4>

Report to the Cabinet on 22 November 2024 – Leicestershire County Council's Local Transport Plan 4 (LTP4) Core Document

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7511&Ver=4>

Report to the Cabinet on 7 February 2025 – Medium Term Financial Strategy

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7873&Ver=4>

(item 4)

Circulation under the Local Issues Alert Procedure

76. This report will be circulated to all Members.

Equality Implications

77. There are no equality implications arising directly from the content of this report. It has not been necessary to undertake a detailed Equality Impacts Assessment on the Environment and Transport 2025/26 Highways and Transportation Capital Programme and Works Programme.

78. Equality Impact Assessments will be carried out in relation to work undertaken on individual projects contained within the Environment and Transport 2025/26 Highways and Transportation Capital Programme and Works Programme, when appropriate.

Human Rights Implications

79. There are no human rights implications arising from the content of this report.

80. Relevant assessments will be carried out in relation to work undertaken on individual projects contained within the Environment and Transport 2025/26 Highways and Transportation Capital Programme and Works Programme, when appropriate.

Environmental Implications

81. No detailed environmental assessment has been undertaken on the Environment and Transport 2025/26 Highways and Transportation Capital Programme and Works Programme. However, the County Council will assess the environmental implications of relevant new policies and schemes at appropriate points during their development.

Partnership Working and Associated Issues

82. Working and consulting with key partners (such as Leicester City Council, the district councils, the DfT, National Highways, Network Rail, developers and Midlands Connect), will be considered along with any impact issues, and will continue to be important in seeking to secure additional funding to deliver future transport measures and infrastructure.

Risk Assessment

83. The Environment and Transport 2025/26 Highways and Transportation Capital Programme and Works Programme have been risk assessed as part of a wider risk assessment of the Environment and Transport Department's business planning process.

84. The delivery of both Programmes is supported by the Department's business planning process and risk assessments will be undertaken for individual teams, schemes and initiatives, as appropriate.

Appendices

Appendix A - Environment and Transport 2025/26 Highways and Transportation Capital Programme

Appendix B - Environment and Transport 2025/26 Highways and Transportation Works Programme

Officers to Contact

Ann Carruthers
Director, Environment and Transport
Tel: (0116) 305 7000
Email: Ann.Carruthers@leics.gov.uk

Janna Walker
Assistant Director, Development and Growth
Tel: (0116) 305 7215
Email: Janna.Walker@leics.gov.uk