CABINET

DATE	19th August 2026
REPORT OF	Councillor Paul Batson Portfolio Holder for Housing, Infrastructure and Transport
RESPONSIBLE OFFICER	Carolina Borgstrom Director of Economy, Environment and Infrastructure
SUBJECT	Highways & Transport Capital Programme 2026/2027
STATUS	Open
FORWARD PLAN REF NO.	CB 08/26/05

CONTRIBUTION TO OUR AIMS

The Highways & Transport capital programme for 2026/27 sets out a range of schemes which contribute towards the Council's Stronger Communities outcome by promoting physical activity, reducing transport related carbon emissions, supporting accessibility, and improving road safety.

The plan also contains schemes and extra capacity for innovation that contribute to a resilient, well managed highway network, which in turn supports a Stronger Economy outcome by reducing congestion, supporting access to employment, education, training and wider opportunities as well as encouraging sustainable growth with an efficient network for residents and businesses.

EXECUTIVE SUMMARY

The following report provides details of the 2026/2027 Highways & Transport capital programme. It seeks approval of the programme from Cabinet to allow the delivery of the annual programme.

RECOMMENDATIONS

It is recommended that Cabinet

1. Approves the Highways & Transport capital programme for 2026/27 (Appendix1).

2. Approves allocation of capital to commence an innovation programme (Appendix 1), with a focus on improving the Council's ways of working to address pot holes.

3. Delegates authority to the Director of Economy Environment and

Infrastructure, in consultation with the Portfolio Holder for Housing, Infrastructure and Transport to:

a. Finalise the terms of the funding arrangements with the Department for Transport and the Greater Lincolnshire Combined County Authority (GLCCA) and to receive funds.
b. Establish programme governance arrangements including the approval of any project variations, commence any related procurement exercises in line with the Procurement Act 2023 and to make the appropriate contract awards.
c. Develop and implement an innovation programme which changes the Council's approach and ways of working in relation to potholes.
d. Implement appropriate monitoring arrangements including the receipt of a monthly highlight update report on programme progress.

4. Authorises the Director of Economy, Environment, and Infrastructure in consultation with the Portfolio Holder for Housing, Infrastructure and Transport to receive any additional in year grant funding and allocate spend accordingly and to deal with all ancillary matters arising.

5. Authorises the Assistant Director Law and Governance to settle, complete and execute all documentation arising from the above.

REASONS FOR DECISION

A Cabinet decision is required to formally receive the funding from the Greater Lincolnshire Combined County Authority and for the 2026/2027 Highways & Transport capital programme to be delivered within the necessary timescales and to the requirements of the GLCCA and Department for Transport

1. BACKGROUND AND ISSUES

1.1 North East Lincolnshire Council is responsible for the delivery of a programme of maintenance and improvements to local highway and transport networks utilising capital funding received via the Greater Lincolnshire Combined County Authority from the Department for Transport (DfT).

1.2 In 2026/27 the total budget available is £17,438,155, this includes £5,401,000 of grant funding specifically for highways (roads, footways, structures and street lighting) maintenance, £11,467,050 of Local Transport Grant (LTG) and a corporate allocation of £400,000 towards planned highway maintenance projects.

1.3 The annual programme supports North East Lincolnshire by providing the investment in highways, transport, road safety, public transport and active travel. It is designed to help deliver the Council's wider vision of a stronger economy and stronger communities alongside supporting many of the transformative regeneration schemes that are under way now.

1.4 Since there are many competing demands on available funding each year careful appraisal of schemes takes place during the development of each year's capital programme. This approach is geared towards prioritising activities that involve statutory duties and those actions that deliver most effectively against the Council’s key priorities and the local transport challenges.

1.5 The proposed schemes are identified in the accompanying Highways & Transport capital programme 2026/2027 (Appendix 1). These schemes have been identified by programme managers using data from a variety of sources including:

- analysis of technical data including road condition data, accident statistics and asset life-cycle planning information,
- review of any recent and relevant public and councillor requests,
- monitoring and review of previously delivered schemes.

1.6 Where appropriate the Council seeks to lever in additional benefit from the design of schemes to deliver maximum value for money and impact. This approach helps to ensure efficient delivery of schemes across all programme areas whilst also reducing the potential impact of highway works on the network and travelling public.

1.7 The 2026/2027 programme covers a range of areas including borough-wide programmes of active travel, road safety and traffic management. In addition, there are extensive maintenance programmes for roads and footways, highway bridges (and other structures) and street lighting. Finally, there are specific contributions to wider regeneration projects and funding to support innovation and trials of new technologies and processes aimed at improving how works are done. The programme for 2026/2027 is presented in Appendix 1.

1.8 Within each year the scheduling of schemes is determined by several factors including the desire to avoid conflicts with major events, the wish to deliver schemes within the vicinity of schools outside of term-time and the requirements to deliver most maintenance schemes during periods of good weather to minimise the possibility of weather-related disruption. Where possible, schemes of a similar nature, or within a similar geographical area, are combined to achieve economies of scale, increase value for money and reduced disruption for the travelling public.

1.9 During the year it may be necessary to make changes to the programme, where for example, an emerging high-priority scheme comes forward that needs to be delivered in year, or a programmed scheme is no longer deliverable and needs to drop out of the programme. These will be agreed with the Portfolio Holder for Housing, Infrastructure and Transport and formally confirmed via a monthly Highlight report.

1.10 Winter 2026 caused a significant increase in pothole formation and repairs on local highways. Prolonged freezing conditions, followed by sustained heavy rainfall, have significantly accelerated surface deterioration and pothole formation. While the council continues to manage highway safety in line with the *Well-managed Highway Infrastructure* Code of Practice, this winter has reinforced the ongoing challenge of balancing public expectations, safety obligations and finite resources.

1.10 Modern ways of working and new products on the market, offers an opportunity for Local Authorities to address the potholes in a more proactive and efficient manner. Allocation of capital for innovation, including trials and implementation of alternative ways of working has the potential to deliver better service outcomes.

2. RISKS, OPPORTUNITIES AND EQUALITY ISSUES

2.1. The Highways & Transport capital programme is closely aligned with the Council's strategic outcomes of Stronger Economy and Stronger Communities and as such supports (and is supported by) other key Council strategies such as the Local Plan and the NELC Carbon Roadmap. It therefore presents a low strategic risk.

2.2. The programme is mainly funded via grants from Government and is delivered in a way that retains flexibility to move schemes around within the lifetime of the programme. Monthly financial monitoring is undertaken, and a quarterly review is completed with Finance partners to ensure that robust measures are in place to monitor spend and anticipated year end expenditure. The residual financial risk is therefore considered to be low.

2.3. At an early stage all schemes are scrutinised to ensure that they are in line with corporate objectives, then as the project moves through the delivery phase there are safeguards built into the process to ensure quality delivery, these include gateway signoffs at key stages and the requirement for all schemes to follow NELC procurement guidelines. The risk of non or poor delivery is therefore low.

2.4. Reactive work to address highway defects will be prioritised using a risk based approach. This will make sure the Local Authority adheres to national requirements and best practice and reduce the risk for legal claims.

2.5. Where appropriate schemes are subject to individual communication plans which seeks to promote the positive benefits of the scheme and mitigate any negative aspects.

2.6. The importance of robust planning and delivery of the capital programme is critical as the Council forecasts its borrowing and investment decisions based on the assumed spending and delivery plans of the programme. In order to further reduce risk, the delivery team follow good practice and have developed a range of reserve schemes which can be substituted should there be any delay in the programmed schemes.

2.7. Overall delivery of the annual Highways & Trasport capital programme is not wholly without risk but there are comprehensive measures in place including an annual audit of expenditure to ensure compliance with requirements and further reduce risk.

3. OTHER OPTIONS CONSIDERED

In developing this annual programme, managers consider a range of schemes and projects, carrying out a robust assessment of the scheme deliverables, their impact against both transport and corporate priorities and value for money.

The Council could opt to continue its current approach to address potholes on an annual basis, without further transformation. Whilst this would comply with the *Well-managed Highway Infrastructure* Code of Practice, this winter has demonstrated that it does not reach the right balance between public expectations, safety obligations and finite resources.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

There are potential positive and negative reputational implications for the Council resulting from this report. An action plan will be agreed with the Council's communications service, covering all aspects of project delivery including early-stage consultation and information concerning scheme implementation dates and any disruption that may be caused by the project delivery. Copies of any public correspondence will be shared with the Portfolio Holder for Housing, Infrastructure and Transport and Ward Members. A more innovative approach to target challenges around pot holes, would have positive reputational implication for the local authority as this is a highly visible challenge to network users.

5. FINANCIAL CONSIDERATIONS

5.1. The annual capital programme is mainly funded through grant funding from the Department for Transport. In 2026/27, the Council received £4.516m of Highways Maintenance funding and £7.317m of Local Transport Grant funding. A further £5.034m associated underspend from 2025/26 is also available this year.

5.2. Since the creation of the Greater Lincolnshire Combined Authority, funding is administered via the GLCCA Transport Board which makes the decisions about how much of the total regional allocation is given to each of the constituent local authority areas. An allocation of £0.4m has been identified from corporate funding to support maintenance and improvement projects.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

This report is not expected to have any significant implications specifically for children and young people.

7. CLIMATE CHANGE, NATURE RECOVERY AND ENVIRONMENTAL IMPLICATIONS

7.1. Investment in sustainable transport infrastructure can help reduce emissions by encouraging; walking and cycling, public transport use, electric vehicle uptake through charging infrastructure and reduced traffic congestion and idling.

7.2. Schemes that reduce traffic volumes or improve vehicle flow can lead to lower e missions which can provide environmental benefits, particularly near schools, residential areas, and town centres.

7.3. The delivery of capital improvements also allows for the use of less environmentally damaging materials and where appropriate the implementation of Sustainable Urban Drainage Systems (SUDS) and enhanced biodiversity.

8. PUBLIC HEALTH, HEALTH INEQUALITIES AND MARMOT IMPLICATIONS

8.1. Along with the environmental benefits outlined above there are also likely to be benefits to people's health from schemes that support walking, scootering and cycling as well as where schemes benefit resident's quality of life which can be negatively impacted by roads and transport networks.

8.2. Transport and highway improvements around schools can help give every child the best start in life', wider network improvements contribute to ensure a healthy standard of living for all as well as supporting access to employment and training opportunities and helping to create healthy and sustainable places and communities.

9. CONSULTATION WITH SCRUTINY

A draft version of this report was considered by the Transport, Infrastructure and Housing Scrutiny Panel at its meeting on 14th July 2026. The panel highlighted issues around smart traffic signals, potholes and communications but accepted the report with no recommendations to Cabinet. The allocation of innovation funding to develop new ways of working for pot holes responds to public and scrutiny concerns, and as the project evolves, further scrutiny updates on equipment trials has been scheduled for scrutiny consideration, before implementation of any permanent changes to working methods.

10. FINANCIAL IMPLICATIONS

The Capital Programme is supported by external grant funding, approved corporate capital resources and the carry forward of previously approved funding from 2025/26. The programme is fully funded within the Council's approved Capital Investment Programme and does not require any additional borrowing beyond that already reflected within the Council's Treasury Management and Capital Strategies.

The majority of the funding is derived from Government transport and highway grants administered through the Combined Authority. The Council must therefore ensure that all expenditure complies with the relevant grant conditions and that appropriate monitoring, reporting and assurance arrangements are maintained to safeguard future funding allocations.

The proposed delegation to receive additional in-year grant funding and allocate expenditure accordingly is supported, provided that any additional commitments remain fully funded, are incorporated into the Council's capital monitoring arrangements, and do not create unfunded revenue, maintenance or lifecycle liabilities for the Council in future years. Where schemes result in ongoing revenue implications, these should be identified and managed within existing approved budgets or be subject to separate approval.

Robust programme management, financial monitoring and reporting arrangements will be essential given the scale of the programme and the requirement to achieve delivery within funding timescales. The financial risks associated with the programme are considered manageable provided that these controls remain in place and that any significant programme variations are reported through established governance arrangements.

11. LEGAL IMPLICATIONS

11.1 The above is business as usual for the Council albeit with the added governance layer as a result of devolution and the advent of the Greater Lincolnshire Combined County Authority (GLCCA).

11.2 In March 2026 Cabinet received a report to receive back highway related functions from the GLCCA which gives the Council a degree of autonomy in its allocation of funding but subject to oversight of the GLCCA. That is common for all constituent councils.

11.3 The program will be supported be relevant officers and all procurement activity will be conducted so as to comply with the Council's policy and legal obligations, specifically in compliance with the Council's Contract Procedure Rules and the Procurement Act 2023.

11.4 The delegations sought are consistent with an exercise of this nature.

12. HUMAN RESOURCES IMPLICATIONS

No HR implications.

13. WARD IMPLICATIONS

Schemes within the Highways and Transport capital programme impact all Wards.

14. BACKGROUND PAPERS

None

15. CONTACT OFFICER(S)

Paul Evans, Assistant Director for Infrastructure, 01472 323029

COUNCILLOR PAUL BATSON
PORTFOLIO HOLDER FOR HOUSING, INFRASTRUCTURE AND TRANSPORT

Appendix 1 – Highways & Transport Capital Programme 2026/2027

Programme area	**2026/27 budget figure**
Borough wide accessibility improvements and Active Travel programme	£1,613,111
Grimsby town centre transport hub	£104,206
Abbeywalk car park	£468,928
Corporation bridge	£1,563,092
Preventative maintenance technology and innovation trial focused on improving our ways of working in respect of pothole prevention and response.	£168,210
Borough wide road safety and traffic management programme	£1,422,414
Borough wide highway maintenance and resurfacing programme	£9,491,343
Smart networks technology	£197,606
Street lighting CMS system	£781,546
Borough wide traffic signals refurbishment programme	£653,095
Borough wide structures maintenance and refurbishment programme	£974,327
Total	**£17,438,155**