

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Executive Lead Member for Universal Services
Date:	23 January 2023
Title:	Highway Network Recovery Strategy - Update for 2023/24
Report From:	Director of Universal Services

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1. The decision:

- 1.1 That the Executive Lead Member for Universal Services notes the continued inflationary pressures affecting the highways service and approves an extension of the revised funding approach outlined in the report to the Executive Lead Member for Economy, Transport and Environment in May 2022 entitled 'The Impact of the Inflationary Pressures on the Delivery of the Highway Maintenance Service'.
- 1.2 That the Executive Lead Member for Universal Services approves the re-direction of up to £2.5million of revenue funding from the additional £7million to cover additional costs anticipated in delivering the planned 23/24 Structural Maintenance Programme.
- 1.3 That, in light of an expected significant increase in contract prices for 2023/24, the Executive Lead Member for Universal Services agrees to a temporary reprioritisation of spend and a managed scaling back of the planned structural maintenance programme in order to ensure that the highest priority needs across the highway network can continue to be met.
- 1.4 That the Executive Lead Member for Universal Services agrees to delay the full implementation of the Network Recovery Strategy, approved by the Executive Lead Member for Economy, Transport, and Environment in March 2022, to at least 2024/25, subject to a further review by the Director of Universal Services, in consultation with the Executive Lead Member for Universal Services, in Autumn 2023.

2. Reason for the decision:

- 2.1 Due to continuing financial volatility across the construction sector, high inflation and an anticipated significant increase in 2023/24 contract prices, it is unlikely that the proposed spending plan outlined in the Highway Network Recovery Strategy, approved by the Lead Executive Member in March 2022, can be fully implemented for the 2023/24 financial year as planned. A proportion of the additional £7million annual revenue funding for highways

maintenance will, again, be needed to cover rising costs. Approval is sought to revise the spending approach for highways maintenance in the 2023/24 financial year to ensure the funding available can be allocated and spent in the most cost-effective way.

3. Other options considered and rejected:

- 3.1. That the funding commitments outlined in the Highway Network Recovery Strategy are maintained and the increased costs due to inflation are absorbed from core highways maintenance budgets. This option was rejected as it will result in a significant reduction in work delivered on the ground, increasing the County Council's exposure to risk and liability.
- 3.2. The structural maintenance programme is fully implemented and delivered, despite these work types experiencing the highest levels of inflation for the highways service – anticipated to be circa 29% for 2023/24. This programme accounts for a significant proportion of the highways budget, and the additional inflationary costs would either need to be absorbed by the additional £7million funding or by reducing other critical highway maintenance services. This has been rejected as it would not demonstrate best value from the limited resources available and would require most, if not all, of the additional £7million to cover the additional costs.

4. Conflicts of interest:

- 4.1. Conflicts of interest declared by the decision-maker:
- 4.2. Conflicts of interest declared by other Executive Members consulted:

5. Dispensation granted by the Conduct Advisory Panel: none.

6. Reason(s) for the matter being dealt with if urgent: not applicable.

7. Statement from the Decision Maker:

Approved by:

Date:

23 January 2023

**Executive Lead Member for Universal Services
Councillor Nick Adams-King**