

Cabinet

Report Title	Highway Infrastructure Funding to Improve the Management of Assets in Red Risk Condition
Date of Meeting	Wednesday, 11 March 2026
Report Author	Barry Ridgway
Lead Officer	Executive Director - Place
Lead Cabinet Member(s)	Cabinet Member for Environment and Highways
Why is this a key decision?	To be significant in terms of its effect on communities living or working in an area comprising two or more wards of the Borough.
Wards Affected	(All Wards);
Identify exempt information and exemption category	Open
Is the report urgent?	No
Reasons for urgency (only where applicable)	
Appendices (if any)	1. Additional information related to the condition of the Boroughs Highway Network

1. Executive Summary

- 1.1 This report provides an update in relation to highways infrastructure funding requirements and seeks Cabinet approval for the allocation of additional capital funding, to be funded through prudential borrowing, to supplement existing highways capital budgets.

2. Recommendations

Cabinet is recommended to:

- 2.1 In accordance with the council's Medium-Term Financial Strategy, approve the allocation of £1,500,000 additional capital budget in 2026/27 to supplement existing Highway Services capital budgets, to be funded through prudential borrowing, and agree that the additional funding is directed towards

unclassified carriageways and footways (as opposed to any other highway asset type).

3. Proposals – Reasons for the Recommendations

Evaluation of Funding Requirement to Stabilise Red Risk Assets

Introduction

- 3.1 In June 2025 the Cabinet approved Sandwell MBC's (SMBC) updated Highway Infrastructure Asset Management Plan (HIAMP). This HIAMP defines the Council's Policies, Strategies and Plans for the maintenance of the highway network in the Borough. The HIAMP has been developed in alignment and consistent with national best practice and the relevant supporting policies and strategies.
- 3.2 More detailed improvement plans have been developed covering all the main highways asset groups: carriageways; footways; bridges and associated structures; vehicle restraint systems (VRS), traffic signals and streetlighting.
- 3.3 These plans have been developed to cover the remaining period of the City Regional Sustainable Transport Settlement which runs until March 2027 (CRSTS 1) using a combination of network condition data, structural conditional assessments, local knowledge, highway safety inspections and engineer site visits, customer feedback and guidance issued by the Department for Transport (DfT). These plans are dynamic in nature and will be updated to reflect the impact from new asset condition or other data on risk or prioritisation as it becomes available.
- 3.4 No UK Local Highway Authority, SMBC included, has the funding desired to undertake all the highway maintenance and improvement works it would ideally wish to. As a result, Sandwell undertake a risk-based approach aimed at maximising the improvements that can be made to the highway network with the funding available, identifying potential funding gaps and seeking opportunities to supplement funding through grant applications. The plans produced ensure maximum efficiency and cost benefit.
- 3.5 It is anticipated that a second round of CRSTS funding (CRST2), now referred to as Transport for City Regions (TCF), will be available from financial year 2027/28. Actual CRST 2/ TCF funding allocations are anticipated to represent a significant increase from CRST 1 and will be confirmed in due course. A discussion on condition of each asset groups is set down below:

Carriageways

- 3.6 Sandwell's road network is by far the largest and most valuable of the Council's assets. The Whole of Government Accounts was last completed in 2020-21 when the Gross Replacement Cost for all Sandwell highway assets combined was £3,967,613,000 (£3.9bn). The process has been under review by DfT/CIPFA since then.

- 3.7 When constructed from new, carriageways are normally designed to last approximately 20 years before a replacement is required. The length of our road network is currently 889 km, consisting of Classified (sub-divided into: Principal A Roads, B Roads, C Roads), Unclassified Roads and Back Lanes.
- 3.8 All our network is maintained to keep it in a safe and serviceable condition through a combination of:
- Regular highway safety inspections, as well as ad-hoc inspections in response to customer enquiries, and;
 - annual condition surveys which are used to develop our annual maintenance programme.
- 3.9 The condition of our classified road network has remained stable at a good level of condition, that compares well on a national basis. Additional information related to the condition of the Borough's Classified Carriageway can be found within Appendix 1 to this report. The priority objectives over the next two years for classified carriageways are:
- to maintain the condition of the classified carriageway network.
 - to explore the use of innovative highway imagery and materials to drive greater efficiencies.
- 3.10 Sandwell's unclassified carriageway network, sometimes referred to as our local or residential carriageway network, comprises approximately 75% of the entire carriageway network. There are datasets for the unclassified carriageway network, which are used to determine road condition. Additional information relating to the condition of the Borough's unclassified roads is also shown in Appendix One. The condition of the unclassified road network has been broadly stable with a trend towards slight deterioration. The priority objectives over the next two years for unclassified carriageways are:
- to seek additional capital support to arrest the deterioration in the unclassified roads, and;
 - maintain the condition of our unclassified carriageway network in a satisfactory state.

Footways

- 3.11 Sandwell is responsible for the maintenance of approximately 1,440 km of footways, with a value of circa. £283m. The Sandwell footway network consists of a combination of some very busy pedestrian areas, busy shopping areas, routes to local shopping centres, footways through urban areas and low usage, short estate roads and cul-de-sacs.
- 3.12 Trip hazards on footways caused by uneven surfaces, particularly caused by 'paving slabs' and tree root damage are a key concern at all times, whilst the problems of weeds, standing water and ice tend to be more seasonal.
- 3.13 The condition of the footway network in Sandwell is monitored as part of routine and ad-hoc highway safety inspections and through an annual Footway Network Survey (FNS). The information collated as part of these

inspections and surveys feeds into the Authority's annual planned footway maintenance programme. Detailed information on the Borough's footway condition can be found in Appendix 1 to this report.

3.14 Preventative maintenance is reducing the number of footways in amber risk condition but there is still a gradual upward trend in red risk condition. The priority objectives over the next two years for our footways are to continue to:

- Manage the risk from trip hazards identified through a combination of Highway Safety Inspections and other reported defects,
- Develop a footway maintenance plan to inform future minimum and preferred funding requirements, enabling improved planning and prioritisation, based on existing data,
- Focus preventative maintenance on reducing the number of footways in amber risk condition,
- Seek additional capital funding to reverse the upward trend in footways in red risk condition.

Street Lighting

3.15 There are around 30,850 columns in the Borough with an average age of around 40 years, compared to a design life of between 25 and 40 years depending on the column type. The fundamental purpose of providing public lighting is to help create a better environment, promote healthier lives and make those that feel more vulnerable feel safer. As such, this supports many of the objectives outlined in the Corporate Plan. Street Lighting is subject to the following inspection regimes:

- electrical testing is carried out every 6 years,
- structural visual inspection every 6 years,
- structural testing of steel columns is undertaken every 5 years, unless identified as a higher risk.

3.16 Although street lighting columns are typically passing the required inspections, we would expect, based on age profile, a minimum of 2% of the streetlighting stock to require replacement every year. The results of the 2025/26 structural testing surveys supports this assessment.

3.17 The existing capital funding has permitted the acceleration in the modernisation of streetlighting lanterns, such that circa 95% of the Borough's street lighting lanterns are now be converted to LED. The priority objectives for our street lighting over the next two years are:

- Continue with the planned and reactive replacement of street lighting columns informed by our structural inspection regime,
- Approximately 3100 streetlights have historically been retrofitted with Harvard Gear Trays. This retrofit enabled upgrade to LED but did not facilitate fully control functionality. In 2026/27 the Council will develop proposals for replacement of these Harvard Gear trays to enable full control function.

Vehicle Restraint Systems

- 3.18 Surveys have identified vehicle restraint systems that are significantly deficient in comparison to the modern standards appropriate for current vehicle weights and speeds. Many of these “crash barriers” are located on dual carriageways built between 1970 and 1972. A 7-year programme to upgrade vehicle restraint systems to modern standards is recommended at a cost of £250,000 per year.

Bridges and Structures

- 3.19 Sandwell Council is responsible for 172 bridges as well as many retaining walls, culverts, subways and other structures. Although the Council is responsible for the majority of road and footbridges in the Borough, there are a significant number of bridges that are owned and maintained by other organisations, such as Network Rail and the Canal and River Trust (formerly British Waterways Board).
- 3.20 It is essential to ensure that all our bridges remain in good, safe condition and are accessible to all road users. We manage our bridges and structures through a programme of:
- Planned inspections,
 - Structural reviews,
 - Planned major maintenance schemes.
- 3.21 As for other asset types, SMBC is obligated to submit a valuation return which relates to highways assets, including highway structures, on an annual basis. Sandwell use the Structures Asset Management Planning Toolkit to support long term decision making in respect of bridges and structures. The application of the Structures Asset Management principles and the outcome from the programme of bridge inspections has resulted in a capital need of £1,200,000 in 2026/27 to maintain Borough’s bridge stock in good condition. Further commentary on the condition of the Borough’s bridge stock and a discussion on the bridges currently the maintenance responsibility of The Canal and River Trust can be found in Appendix 1 to this report. The priority objectives for bridges and structures over the next two years are to continue to -
- Manage the condition of the Councils bridges and structures through a combination of Inspections and other reported defects,
 - Focus preventative maintenance on reducing the number of bridges in structures in poor and fair (amber risk) condition,
 - Subject to funding, move into the detailed design stage for the Dudley Port Bridge, Tipton with a view to commencing construction in 2026/27.

Traffic Signals

- 3.22 As a responsible local Highway Authority, SMBC provides and maintains 247 traffic signal sites within the Borough. The priority objective is to provide and maintain all traffic signals and controlled pedestrian crossings to a high

standard to ensure the safety of all road users and to ensure the efficient operation of the highway network.

- 3.23 Annual inspection of traffic equipment is carried out by the asset contractor with defects managed through the TRAMMS system (a software tool to assist with monitoring and managing traffic signals and associated defects remotely). Highway Safety Inspectors provide an overview of condition as part of their routine safety inspections.
- 3.24 Allocated maintenance funding for traffic signals is minimal. The Council are reliant on securing additional maintenance funding through DfT and/or TfWM grants. In 2021/22 the Council were successful in securing £355,000 of funding for the replacement of life expired traffic signals on the Key Route Network (the busiest routes in the Borough, supported through a evidenced review and over which TfWM have shared responsibility for oversight. And in 2023/24 were successful in securing a further £500,000 as part of the DfT Traffic Signal Obsolescence Grant and Green Light Funds.
- 3.25 Sandwell are reliant on securing this level of funding each year to avoid the potential for us to build a significant future maintenance budget capital it is proposed that £500,000 is allocated for proactive traffic signal replacement in 2026/27. Sandwell is currently transitioning traffic signal illumination to LED lighting, with around 55% of traffic signals in Sandwell now LED.
- 3.26 A summary of the capital funding requirement for 2026/27 to stabilise red risk conditions, together with proposed funding sources is set out below.

Expenditure	Description	2024/25 (£)	2025/26 (£)	2026/27 (£)
Lifecycle Modelling: Total Annual funding needed to stabilise red risk condition	Carriageways	8,462,880	6,827,844	8,034,286
	Footways	3,310,000	3,344,952	3,242,099
	Street Lighting	150,000	1,120,000	1,120,000
	Vehicle Restraint Systems	250,000	250,000	250,000
	Bridges and Structures	1,289,000	1,489,000	1,200,000
	Traffic Signals	100,000	500,000	500,000
Subtotal		13,561,880	13,531,796	14,346,385
Inflation Assumption	N/A		Included within above as a result of procurement of multi-year contracts	2.95% Inflation assumption is included in the above figures
Total Expenditure Requirement		13,561,880	13,531,796	14,346,385
Existing Funding				
DfT Funding Secured (Grant Funding)	CRSTS Maintenance Block Funding	4,741,300	4,741,300	4,741,300
	Additional Funding for local roads	509,000	1,695,244	1,781,500

Expenditure	Description	2024/25 (£)	2025/26 (£)	2026/27 (£)
	LTP Reallocation		2,000,000*	0*
	Challenge Funding	596,000	0	0
Council Funding Secured	Street Lighting Capital Funding (Prudential Borrowing Annual Allocation)	275,000	275,000	275,000
	Street Lighting (Prudential Borrowing Allocation Brought Forward)	1,840,416	0	0
	Council Gap Funding (Prudential Borrowing, including Brought Forward Allocation)	5,002,941	0	0
	Highways Revenue Contribution to Capital Costs	2,700,000	2,700,000	2,700,000
	Additional Council Capital Funding Secured		2,500,000	
Total Existing Funding Available		15,664,657	13,911,544	9,497,800
(Surplus)/Deficit of Existing Funding Available		(2,102,777)	(379,748)	4,848,585
Carry forward and reprofiling of 2024/25 Capital Funding		2,102,777	2,482,525	(2,482,525)
Proposed reprofiling of future Capital expenditure				(866,060)
Additional Capital Funding Required (Additional Prudential Borrowing)		n/a	n/a	1,500,000

* Sandwell received a £2M reallocation from LTP in 25/26. This was a welcome one-year contribution to highway maintenance funding following a major review of the West Midlands CRSTS to avoid a wider programme underspend. There are currently no definitive plans for any further reallocation in 2026/27, although this may be subject to change.

3.27 Condition data on all asset types that comprise the wider highway network has been collected over many years to develop a sophisticated set of lifecycle modelling and deterioration tools. These tools enable different capital maintenance scenarios to be modelled to determine which provides the best long-term outcome that will deliver the objective of stabilising the proportion of assets in red risk condition.

- 3.28 Lifecycle modelling has been undertaken and has determined that a total capital requirement of £14,346,385 is needed for the year 2026/27 to arrest the gradual increase in assets in red risk condition.
- 3.29 Capital funding of £9,497,800 has been secured, which results in a significant funding gap of £4,848,585 needed to supplement existing Highway capital budgets for 2026/27.
- 3.30 During March 2025, Cabinet approved an additional capital budget allocation for 2025/26 of £2,500,000 and the Highway Investment Funding Paper outlined an additional need of £1,500,000 for 2026/27 reducing to £1,000,000 in each of the subsequent two years. This is consistent with Medium Term Financial Planning.
- 3.31 2026/27 is anticipated to represent a one-year funding shortfall. From 2027/28 Sandwell is expecting a new 'single settlement' approach for mayoral regions with significant additional funding for road maintenance. Consequently, the funding gap of £4,848,585 is planned to be accommodated through:
- An additional funding need of £1,500,000 from funding from prudential borrowing, as planned and set out in recommendation 2.1.
 - Some carry-forward and reprofiling of existing (2024/25) Capital Funding.
 - Reprofiling of future capital expenditure such that 5-year average expenditure will be achieved i.e. spend in 2026/27 will be slightly reduced but offset with additional expenditure in future years when the additional funding from the new 'single settlement' approach is received.

4. Alternative Options Considered

4.1 The following options have been considered –

- 4.1.1 **Option 1 – Additional capital investment as set out in the report.** The recommended capital investment mitigates the risks of failing to meet the statutory duties of the Council as Local Highway Authority and Local Traffic Authority because of the escalation of red risk condition. The recommended investment aims to secure the Council DfT green rating for the 'capital' element of the DfT road maintenance rankings. This option is recommended.
- 4.1.2 **Option 2 - Not provide capital to gap fund the replacement of high-risk life expired infrastructure.** This option is not recommended as extensive carriageway damage is more expensive to repair escalating the financial cost of addressing the capital maintenance backlog. Failure of crash barriers to restrain vehicles may result in additional road traffic casualties. In turn, failure of traffic signals may result in a breach of the Network Management Duty. Extensive footway damage may result in greater trip and fall risks as well as increasing repair costs escalating the cost of any backlog further. Bridge failures can result in prolonged road closures, diversion and risk of accidents, as seen for the Station Road Bridge failure. Failure to comply with the policies, strategies and plans set

down in the Cabinet approved HIAMP exposes the Council to increased levels of claims from third parties for injury and damage. Reputational damage associated with the above would follow, including the associated public complaints and failure to achieve corporate objectives.

5. Consultation

- 5.1 The Council has a statutory duty to maintain the highway in a condition that is fit for purpose as far as is reasonably practicable. The Council also has a duty of care to all road users and the wider community. These duties are not absolute but must be undertaken on reasonable grounds, with due care and with regard to the relevant considerations set out in best practice national guidance, such as the 'Well Managed Highway Infrastructure - A code of Practice'.
- 5.2 In June 2025 the Cabinet approved Sandwell MBC's (SMBC) updated Highway Infrastructure Asset Management Plan (HIAMP). This HIAMP defines the Council's Policies, Strategies and Plans for the maintenance of the highway network. The HIAMP has been developed in a way aligned and consistent with national best practice and the relevant supporting policies and strategies.
- 5.3 A key aspect of the current HIAMP is the development of lifecycle plans. The funding request recommended in this report is consistent with the risk based, long term planning approaches derived from using lifecycle plans for key strategic assets.
- 5.4 In March 2025 Cabinet approved an allocation of £2,500,000 additional capital budget in 2025/26 to supplement existing Highway Services capital budgets, to be funded through prudential borrowing. Within the same report an investment need was identified of £1,500,000 in 2026/27 reducing to £1,000,000 in each of 2027/28 and 2028/29. These allocations are consistent with the council's medium-term financial planning.
- 5.5 In January 2026 the Department for Transport (DfT) wrote to inform the Council of the outcome of a rating process which gauges how the Council maintains local roads. The overall rating the Council received was green. This overall green rating comprised a green rating for Sandwell Council's adoption of best practice, a green rating for the capital funding support the Council provides, in excess of DfT funding and the focus on preventative treatment, but an amber rating for road condition. This amber rating for road condition can be wholly attributed to the condition of the unclassified road network. The request for additional capital supports to arrest the deterioration in the unclassified roads will support both the continued green rating for 'capital' and target improving the condition of both unclassified roads and footways across the Borough, currently amber rated.

6. Financial Implications

- 6.1 Financial implications are set out in the recommendations and discussed throughout the report. Provision has been made within the Council's Medium Term Financial Strategy of February 2026 for both the £1.5m capital budget proposed and for the revenue costs associated with the prudential borrowing required.

7. Legal and Governance Implications

- 7.1 The principal statutory duty imposed on local highway authorities to maintain the highway at public expense is set out in s.41 of the Highways Act 1980.
- 7.2 The Traffic Management Act 2004 imposes a Network Management Duty on a council as the Local Traffic Authority to manage the authority's road network to facilitate as far as reasonably practicable the expeditious movement of traffic.
- 7.3 S.39 of the Road Traffic Act 1988 requires each Local Authority carry out studies into accidents arising out of the use of vehicles and, in the light of those studies, to take such measures as appear to the authority to be appropriate to prevent accidents; including the construction, improvement, maintenance or repair of roads for which they are responsible. The recommendations in this report support these statutory duties.

8. Risks

- 8.1 The recommended Council Capital investment mitigates the risks of failing to meet the statutory duties of the Council as Local Highway Authority and Local Traffic Authority as a consequence of the escalation of red risk condition. The alternative option in respect of a decision not to provide capital to gap fund the replacement of high-risk life expired infrastructure is not recommended for the following reasons:
- Extensive carriageway damage is more expensive to repair escalating the financial cost of addressing the capital maintenance backlog
 - Failure of crash barriers to restrain vehicles may result in additional road traffic casualties
 - Failure of traffic signals may result in a breach of the Network Management Duty
 - Extensive footway damage may result in greater trip and fall risks and insurance claims, as well as increasing repair costs escalating the cost of any backlog further.
 - Bridge failures can result in prolonged road closures, diversion and risk of accidents, as seen for the Station Road Bridge failure.
 - Increased likelihood of insurance claims for damage or injury.
 - Reputational damage associated with the above, the associated public complaints and failure to achieve corporate objectives.

9. Equality and Diversity Implications (including the public sector equality duty)

- 9.1 There are no specific equality issues regarding the proposals contained in this report. The requirements of the Equality Act 2010 are included in the Framework Agreement Documentation to draw attention to the detail of, and the need to comply with, the Act.

10. Other Relevant Implications

- 6.1 The Highway environment plays an important role in the life of the community, particularly the positive opportunities that they can bring from social inclusion and interaction. Good highway infrastructure discourages criminal and anti-social activity, reducing the fear of crime, supporting the increased use of public transport, delivery of carbon reduction savings and the associated benefits outlined in the Corporate Plan.
- 10.2 Highways are the arteries of our communities. They connect our residents to employment, education, local services and indeed the wider world. They enable economic growth, social mobility and are vital in ensuring good health outcomes. The recent Enventure survey was conducted to gain insight from residents to support Sandwell Council in the development of the budget proposals and future spending priorities. The survey found that "Maintaining Roads and Pavements" was selected as important by high proportions of respondents in both the representative survey (72%) and the online survey (79%). Recent NHT and mel resident satisfaction surveys affirm that Sandwell significantly outperform the LGA average with road maintenance outperforming the LGA average by 42% and pavement maintenance by 30%. The contracts that deliver this work maximise additional value to Sandwell communities through the inclusion of Social Value requirements.
- 10.3 Well maintained highways support climate change objectives through the supporting more active travel choices, delivery of carbon reduction savings and associated benefits outlined in the Corporate Plan.
- 10.4 Good, well maintained highway infrastructure promotes improved physical and mental health and the well-being of children and young people through more walking and cycling, improving road safety and promoting cleaner air quality.

11. Background Documents

- 11.1 List any if required.

12. How does this deliver the objectives of the Strategic Themes?

- 12.1 This report will support the delivery of the following Strategic Themes:-
- **Growing up in Sandwell:** Good, well maintained highway infrastructure will encourage more walking and cycling increasing personal wellbeing, improving road safety and promoting cleaner air quality.

- **Living in Sandwell:** The highway environment plays an important role in the life of Sandwell's communities, particularly the positive opportunities that they can bring through improving social inclusion and interaction.
- **Thriving Economy in Sandwell:** Well maintained highways bring increased economic and physical activity as well as mitigating against the likelihood of accidents and combatting wear and tear on our infrastructure.
- **One Council One Team Approach:** Highways are the arteries of Sandwell communities. They connect residents to employment, education, local services and indeed the wider world, enable economic growth, social mobility and are vital in ensuring good health outcomes.

Relevance Check

Service Area: Highway Services

Service Lead: Tammy Stokes

Date: 28th January 2026

In what ways does this change have an impact on an outward facing service? How will the service feel different to your customers or potential customers?

This additional funding will enable increased investment in unclassified roads and footways to arrest the deterioration these assets.

Sandwell highway network plays a vital role in connecting our customers to employment, education, local services and indeed the wider world and in so doing enabling economic growth, social mobility and ensuring good health outcomes.

If not, how does it impact on staff e.g. redundancies, pay grades, working conditions? Why are you confident that these staff changes will not affect the service that you provide?

There is no staffing impact from these proposals.

Is a Customer Impact Assessment needed? No