

From: Simon Jones, Corporate Director, Growth, Environment and Transport

To: Peter Osborne, Cabinet Member – Highways and Transport

Subject: **Local Highways Maintenance Support Contract (LHMSC) 2025**

Decision No: 25/00051

Classification: Unrestricted

Past Pathway of report: None

Electoral Division: All

Summary: Kent County Council (KCC) as upper tier Authority is the Highway Authority for highways maintainable at public expense and has such duty to maintain highways county wide in accordance with S.41 of the Highways Act 1980.

The majority of these services are delivered through the main Highways Term Maintenance Contract (HTMC) which is currently nearing the end of the commissioning process to award a new contract to ensure continuity of the highways service from 1st May 2026 when the current contract ends.

The Local Highways Maintenance Support Contract (LHMSC) is designed to augment the HTMC by engaging with providers to deliver local highway maintenance repairs delivered at a local level by the Highway Managers and their teams. Contracts of this nature have been implemented over many years and ensure resilience of delivery particularly in consideration of additional grant funding spend.

Recommendations(s):

The Cabinet Member for Highways and Transport is asked to:

- (i) APPROVE the procurement and contract award of zero value Local Highways Maintenance Support Contracts.
- (ii) DELEGATE authority to the Corporate Director of Growth Environment & Transport in consultation with the Cabinet Member for Highways and Transport, to take relevant actions, including but not limited to, awarding, finalising the terms of and entering into the relevant contracts or other legal agreements, as necessary, to implement the decision; and
- (iii) DELEGATE authority to the Corporate Director of Growth Environment and Transport, in consultation with the Cabinet Member for Highways and Transport, to award extensions of the contracts in accordance with the relevant clauses within the contracts as shown at Appendix A.

1. Introduction

- 1.1 Kent County Council (KCC) is the statutory Authority responsible for the delivery of highway services for the residents of Kent (excluding Medway). The Highway Term Maintenance Contract (HTMC) is utilised to deliver the majority of these

services by Highways and Transportation (H&T) as client. The Local Highways Maintenance Contracts are used to augment the HTMC contract and provide resilience of resources for delivery at a local level.

- 1.2 Under S.41 of the Highways Act 1980 the council has the legal duty to maintain its highways and all highway assets (e.g. bridges, tunnels, drainage etc). This duty includes responsibility for maintaining, managing and where necessary improving sections of the network and to keep the highways safe for the travelling public. These contractor services need to be commissioned externally to ensure the Council meets its statutory obligations and that service continuity is maintained.
- 1.3 The current contracts that are utilised to augment the HTMC for pothole and patching works are nearing the end of their term and cannot be extended further. To ensure continuity of delivery and spend of capital grant funding in the future new contracts need to be commissioned.

2. Background

- 2.1 There are around 5,445 miles of local roads in Kent (616 miles of A roads, 279 of B roads, 1172 of C roads and 3378 of unclassified roads), one of the largest and most heavily trafficked local authority networks in the country. It includes a high-speed road network of around 119 miles which has a bespoke annual maintenance programme.
- 2.2 Our local highway network is the most valuable asset we own in Kent, with a replacement value of around £24 billion. Our road assets make up around £10.2 billion of that and play a vital part in delivering council objectives set out in Framing Kent's Future by enabling safe and reliable journeys around and through the county.
- 2.3 Within Highways & Transportation there are a number of contracts commissioned to the external market. While a number of the contracts are asset specific (e.g. streetlighting, traffic signals, road asset renewal etc.) the Highways Term Maintenance Contract (HTMC) delivers in the main for the H&T maintenance services but also offers the availability of services across wider GET and KCC teams such as flood risk management and KCC infrastructure teams for construction, maintenance and engineering works.
- 2.4 The Local Highways Maintenance Support Contracts augment delivery of highway maintenance services directly at a local level for the residents and businesses of Kent. The works undertaken as part of these contracts are managed by the local Highway Managers and their teams ensuring the budgets are spent appropriately to repair and prevent potholes and improve highway condition at those locations.
- 2.5 The core services included in these contracts relates to pothole repairs, small to medium size patching repairs and small-scale resurfacing and associated works. It also supports resources that can be utilised during emergency and severe weather events should it be necessary.
- 2.6 The procurement is being conducted jointly by officers from Highways and the

Commercial and Procurement Division (CPD), in accordance with the Spending the Council's Money policy and the Public Contract Regulations 2015. The chosen route to market is a Competitive Procedure with Negotiation (CPN). This is a multi-stage process that assesses potential suppliers on their capability to deliver the contract, the quality of their proposals, and their financial submissions. The procurement process is currently underway, with contract award anticipated in Autumn 2025; though subject to change as the procurement exercise progresses.

3. Other options considered but discarded

- 3.1 Do nothing. These contracts have supported delivery of highways maintenance and repairs very successfully over many years and are required to ensure delivery and resilience in the service. They also ensure that any additional grant funding can be utilised to maximum benefit and within the spend requirements of the grant. The current arrangements are due to expire and therefore new contracts are required to be procured as there are no further options to extend.

4. Finance

- 4.1 This paper is seeking to inform committee members on our intended approach to commissioning and awarding the Local Highways Maintenance Support Contracts and is not seeking to make any specific policy decision.
- 4.2 There is limited financial risks to the Council from developing these zero-value contracts, as the Council is only required to pay for work after it has been delivered. There is also no guarantee of work under the proposed contracts.
- 4.3 In establishing the zero value contracts Kent County Council does not commit in any way to awarding any volume or value of works to the appointed contractors. This will allow flexibility where services required may be affected by KCC budgetary pressures and uncertainty around internal and external funding.
- 4.4 Throughput on these contracts will be in line with the available capital budget and Department for Transport grant funding but could range between £6m and £14m annually dependent on the budget available. Note that these limits are for indication purposes only based on historic spend they are not restrictive.
- 4.5 Whilst there is uncertainty around future government capital grants for maintenance, we would expect a similar level of annual spend going forward. As the contract will be a zero-value contract any changes to KCC base budgets or grant funding will impact financial throughput to revised budget levels.
- 4.6 Additionally base budgets do not take account of attending to weather events such as flooding, high winds (fallen trees), prolonged snow and ice conditions above budgeted levels. These are subject to specific bids to the severe weather reserves and will be above base budget spend levels thus increasing overall spend through the contract.

5. Legal and procurement

- 5.1 There are no specific legal implications. However, the delivery of highway maintenance works is a vital part of our carefully considered approach to highway

maintenance, as set out in KCC's Highways Asset Management Plan for 2021/22-2025/26, which helps us to demonstrate that we are a competent highway authority and are fulfilling our duty under the Highways Act 1980 to maintain a safe network.

- 5.2 The procurement of the contract will comply with the requirements of Public Contract Regulations 2025. The Commercial and Procurement Services division is responsible for administering this tender and ensuring compliance to the Public Contract Regulations 2015.

6. Equalities

- 6.1 An Equalities Impact Assessment has been undertaken. There are no equalities implications.

7. Conclusions

- 7.1 The current contracts for potholes and patching cannot be extended further in terms of contract duration or financial spend limits. New contracts are required to be in place September / October 2025 to augment and provide resilience for the delivery of highways maintenance functions and ensure spend of capital grant funding. These contracts enable KCC to undertake highway maintenance works to meet our statutory obligations contained within the Highway Act 1980 and fulfil our duty as Highway Authority.

8. Recommendations

- 8.1 The Cabinet Member for Highways and Transport is asked to:
- (i) APPROVE the procurement and contract award of zero value Local Highways Maintenance Support Contracts.
 - (ii) DELEGATE authority to the Corporate Director of Growth Environment & Transport in consultation with the Cabinet Member for Highways and Transport, to take relevant actions, including but not limited to, awarding, finalising the terms of and entering into the relevant contracts or other legal agreements, as necessary, to implement the decision; and
 - (iii) DELEGATE authority to the Corporate Director of Growth Environment and Transport, in consultation with the Cabinet Member for Highways and Transport, to award extensions of the contracts in accordance with the relevant clauses within the contracts as shown at Appendix A

9. Appendices and Background Document

- Appendix A Proposed Record of Decision
- Appendix B – Equality Impact Assessment

10. Contact Details

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