

<b>Agenda Item</b>	7
<b>Report No</b>	ECI/04/26

# The Highland Council

**Committee:** **Economy and Infrastructure**

**Date:** **13 February 2026**

**Report Title:** **Roads Capital Allocations**

**Report By:** **Assistant Chief Executive - Place**

## **1 Purpose/Executive Summary**

1.1 To provide Members with details of the distribution of the additional capital allocation for Roads.

## **2 Recommendations**

2.1 Members are asked to:-

- i. **Agree** the funding allocations in Table 2;
- ii. **Agree** the specific projects from the road's contingency allocation, as detailed in Table 3;
- iii. **Agree** that agreement on additional schemes proposed for funding from the contingency allocation will be delegated to the Assistant Chief Executive - Place, in consultation with the Committee Chair and Vice-Chair; and
- iv. **Note** the indicative allocations in Table 4 and agree they will be updated with any adjusted for any carry forwards and using the same methodology as last year, once the Scottish Road Maintenance Condition Survey results are available.

## **3 Implications**

3.1 **Resource** – No financial implications as the funding has already been allocated by the Council.

3.2 **Legal** – Notices will be required for works and will be entered on the Scottish Road Works Register.

3.3 **Risk** – There is always a risk that inclement weather will delay works programmes. Where this occurs, works will be rescheduled where possible. Contractor and material availability are also a factor, which Area staff will manage where possible.

3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – None arising from this report.

3.5 **Gaelic** - None arising from this report.

## 4 Impacts

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

### 4.3 Integrated Impact Assessment - Summary

4.3.1 An Integrated Impact Assessment screening was undertaken on 14 January 2026 as detailed in **Appendix 1**. The conclusions have been subject to the relevant Manager Review and Approval.

4.3.2 The Screening process has concluded that there is a negative impact within climate change, however due to the explanation provided in the summary no impact assessment was required.

4.3.3	<b>Impact Assessment Area</b>	<b>Conclusion of Screening Assessment</b>
	Equality	<i>No impact</i>
	Poverty and Socio-economic	<i>No impact</i>
	Human Rights	<i>No impact</i>
	Children's Rights and Well-being	<i>No impact</i>
	Island and Mainland Rural	<i>No impact</i>
	Climate Change	<i>Negative impact</i>
	Data Rights	<i>No impact</i>

## 5 Roads Capital Background

5.1 The roads capital budget as stated in the HC/05/24 'Place Based Approaches to Strategic Capital Planning and Asset Management' committee report (14 March 2024) is reproduced in **Table 1** below. Each year there is a small annual uplift:-

**Table 1: £21.55m Roads Capital Budget**

	<b>24/25 £m</b>	<b>25/26 £m</b>	<b>26/27 £m</b>	<b>3 Year Total</b>
Roads General Infrastructure Improvements – Approved September 2023	7.8	7.8	7.8	23.40
Additional proposed capital investment – Approved March 2024	12.90	13.35	13.75	40.00
<b>Total Roads Capital Investment</b>	<b>20.70</b>	<b>21.15</b>	<b>21.55</b>	<b>63.40</b>

5.2 For 2026/27, the capital budget for roads is therefore £21.55m. This has been split up as shown in **Table 2** below, with allocations for a ‘top up’ to the road’s base capital, a contingency and an amount for structures:-

**Table 2: £21.55m Roads Capital Budget Breakdown**

\*Note: figures have been rounded

Description	Budget	Comment
Roads Base Capital	£7,800,000*	Budget covers all assets such as carriageways, footways, structures, drainage, etc. This includes the Strategic Timber Transport Scheme (STTS) allocation.
Roads Base Capital ‘Top up’	£12,150,000	Distributed using same principles used for 2025/26.
Contingency Allocation	£1,000,000	To be retained as a contingency figure, for addressing emergencies/emerging issues where the capital has not been allocated from the area or central funds above.
Structures	£600,000	Additional Structures funding for replacement/ upgrade of smaller assets.
<b>Total</b>	<b>£21,550,000*</b>	

5.3 At the time of writing this report, the Roads Operational Areas were preparing their 2026/27 rolling programmes for Area Committees. Areas will be presented with a list of schemes for their indicative budget allocation.

5.4 The Roads Base Capital ‘Top up’ allocation shown in **Table 2** will provide additional funding for these schemes. However, as the Council’s Capital funding is limited, two projects which have significant requirements have also been identified. These are shown in **Table 3** below and will be allocated from the £1m contingency element:-

**Table 3: Contingency – Specific Projects**

Specific Projects	Allocation
Aird Crescent, Kirkhill	£ 150,000
Flood Protection Outfall Repair, Newtonmore	£ 100,000
<b>Total</b>	<b>£ 250,000</b>

- 5.5 For agreement on additional schemes proposed for funding from the contingency allocation will be delegated to the Assistant Chief Executive - Place, in consultation with the Committee Chair and Vice-Chair.
- 5.6 An additional Structures budget allocation of £600k was agreed by Members in June 2024 to facilitate the replacement of small span structures which may not otherwise be a high priority in the asset wide prioritisation process. Members are reminded that a separate report on structures is taken annually to the Economy and Infrastructure (E&I) Committee normally around November. Area Roads Teams require to replace or undertake significant repairs to minor structures such as culverts, or timber decked bridges, and this funding will assist with programming these. An allocation of either £50k or £100k has been made to an Area, linked to the number of structures they have. These amounts have been included in the indicative totals in **Table 4**.

## **6 Area Capital Allocations**

- 6.1 At the time of writing this report, the Scottish Road Maintenance Condition Survey (SRMCS) results which are used annually to distribute budgets to the Areas were expected imminently. Communal resources are required each year to support the STTS and other asset allocations and are funded from the total capital allocation. In 2025/26, this amounted to £2.523m.
- 6.2 Based on the projected requirements for 2026/27, together with an anticipated underspend in 2025/26, it is proposed that £1.523m will be the communal allocation and that the £1m contingency will be removed from the overall communal allocation budget. There is also the facility to over programme, if required. Over programming is an intentional and deliberate objective of programming spend beyond the intended budget level to recognise the scale of the investment and potential for slippage. However, if there was any element of overprogramming spent above the budgeted level in 2026/27 this would reduce future year budgets. This will leave £19.037m available for allocation across the Areas and ensure no reduction in Area budgets for the upcoming financial year.
- 6.3 For the 2026/27 allocation of £19.037m, indicative budgets have been calculated, based on the figures and methodology used for 2025/26. Members should note that budgets will also be adjusted for any carry forwards, and any overspend in 2025/26 will be carried forward and reduce the funds for 2026/27.

6.4 The table below summarises the total indicative allocation per Area from the £19.037m capital budget (part of the £21.55m capital for 2026/27), compared to the allocation in 2025/26.

**Table 4: Total Allocation 2025/26 and Indicative Allocations 2026/27**

\*Note: figures have been rounded

Area	2025/26 Allocation*	Total Indicative Capital Allocation 2026/27**	Annual increase	Percentage
Badenoch & Strathspey	£961,370	£993,153	£31,783	3.31%
Caithness	£3,291,922	£3,339,211	£47,289	1.44%
Inverness	£2,972,723	£3,044,959	£72,236	2.43%
Lochaber	£2,030,660	£2,081,641	£50,981	2.51%
Nairn	£661,616	£682,495	£20,879	3.16%
Ross & Cromarty	£3,257,558	£3,334,666	£77,108	2.37%
Skye & Raasay	£3,145,115	£3,187,975	£42,860	1.36%
Sutherland	£3,316,036	£2,372,900	£56,864	2.46%
<b>Total</b>	<b>£18,637,000</b>	<b>£ 19,037,000</b>	<b>£400,000</b>	<b>2.15%</b>

\*\* Figures have been rounded and the figures in the above table show the annual allocation of the capital budget but do not show the impact of any carried forward over or underspends. The indicative figure for 26/27 will be updated for any over or underspend in 2025/26 once the final figures are confirmed.

6.5 Members are requested to note that major works require 3-month notices which are entered into the Scottish Road Works Register. Due to tight timescales, the works may have already been noticed.

Designation:	Assistant Chief Executive - Place
Date:	14 January 2026
Author:	Elizabeth Maciver, Principal Engineer (Transport Planning/Road Asset Management and Policy)
Background Papers:	HC Place Based Approaches to Strategic Capital Planning and Asset Management <a href="#">Report</a>
Appendices:	Appendix 1 – Integrated Impact Assessment

## **Appendix 1 – Integrated Impact Assessment Screening Summary**

### **Proposal name: Area Roads Capital Programme**

**High level summary of the proposal:** The proposal relates to the delivery of infrastructure works by the Roads Service, funded through annual revenue and capital expenditure already approved by the Council as part of its agreed budget strategy. The proposal may affect road users, local residents, businesses and communities in areas where works are undertaken. It may also impact contractors, suppliers and Council staff involved in planning and delivery. Emergency services and public transport operators could be indirectly affected by any temporary changes to road access or traffic management. There is no specific group of people, such as those with disabilities or children, who are expected to be disproportionately affected by the proposal.

**Equalities, poverty and human rights;** The proposal involves delivering infrastructure works funded through previously approved budgets. It does not introduce any changes to service provision, access to services or policies that would affect individuals or groups differently. There are no elements that would disadvantage people based on protected characteristics, socio-economic status or human rights considerations. Therefore, no negative impact is anticipated in relation to equalities, poverty or human rights.

**Children's rights and wellbeing;** The proposal is focused on delivering infrastructure works and does not directly target services for children or young people. Any impact is expected to be indirect and generally positive, such as improved road safety and travel routes. No negative impacts are anticipated.

**Data protection Full IIA required;** No impact

**Island and mainland rural communities;** No impact

**Climate change;** Negative impact; as with all construction and maintenance activities, the extent of carbon and environmental impacts will vary depending on the nature and scale of the works. Construction and maintenance activities: Use of plant, machinery and site compounds generates direct fuel related emissions. Materials and embodied carbon: Procurement of aggregates, asphalt, concrete, steel and other products carries embodied emissions; haulage also contributes. Traffic management and diversions: temporary road closures, diversions and stop-go controls can increase vehicle idling and journey lengths during works. Energy use: Temporary site power, lighting and welfare units add to operational energy demand.

While the proposal will have some environmental implications, including potential impacts on greenhouse gas emissions, wildlife, biodiversity and resilience to extreme weather or a changing climate, these impacts are not quantifiable. The works are part of routine infrastructure delivery funded through existing budgets and no significant policy or operational changes are being introduced. As a result, a full Climate Change Impact Assessment is not considered proportionate, practical or necessary. Instead, impacts will be managed through compliance with relevant environmental legislation, best practice standards and mitigation measures during project delivery.