

Cabinet

16 December 2025

Name of Cabinet Member:

Cabinet Member for City Services – Councillor P Hetherton

Director approving submission of the report:

Interim Director of City Services

Ward(s) affected:

All

Title:

Highways Maintenance Contract - 2026

Is this a key decision?

Yes - the proposals involve financial implications in excess of £1m per annum and are likely to have a significant impact on residents or businesses two or more electoral wards in the City.

Executive summary:

Coventry City Council currently utilises the Highways Maintenance Contract 2016 (HMC16) collaborative contract between Warwickshire County Council (WCC), Solihull Metropolitan Borough Council (SMBC) and Coventry City Council (CCC) for specialist highways treatments and significant carriageway resurfacing projects. The HMC16 contract ends on 05 May 2026.

As a result, WCC have carried out a tender process for a future highways contract to meet all their highways needs. The Council can be a party to this for elements of its Highways work which provides a legally compliant procurement framework where delivery of works is to be undertaken outside the use of the Highways Direct Labour Organisation (DLO) team.

As the spend on specialist items of work via this contract would be more than £1million per annum, Cabinet is being asked to approve Coventry's use of this contract going forwards.

Recommendation:

Cabinet is recommended to:

- 1) Subject to Procurement Board approval, approve the Council's use of Warwickshire County Council's Highways Maintenance Contract 2026 for the contract period (7-year core term plus potential extensions up to a further 6 years) from 05 May 2026 for the works outlined in this report.
- 2) Delegate authority to the Interim Director of City Services, undertake all necessary due diligence to enter into the contract, including but not limited to:
 - Finalising the terms of Coventry City Council's participation in the Highways Maintenance Contract 2026; and
 - entry into the contract on behalf of the Council.

List of Appendices included:

None

Background papers:

None

Other useful documents

Further information on WCC – Highways Maintenance Contract Tender: <https://www.find-tender.service.gov.uk/Notice/037598-2025>

Has it or will it be considered by Scrutiny?

No

Has it or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title: Highways Maintenance Contract - 2026

1. Context (or background)

- 1.1. Coventry City Council has a highways maintenance budget of £11.8 million in the current year. Approximately £3.5million is delivered through HMC16 and up to £8.3million per year is delivered by the Council's DLO. The DLO is unable to carry out some of the specialist treatments which are used on the City's roads and since 2011 these specialist items have been purchased via the WCC Highways Maintenance Contract (HMC 2011 and HMC 2016). These treatments are road surface treatments and road recycling processes which tend to be carried out by national contractors. Surface treatments are an essential part of good maintenance practices and in future years it is likely capital grant funding allocations will be withdrawn from Local Authorities who do not undertake them.
- 1.2. In 2011 and 2016, the Council joined a collaborative procurement process with WCC. The Council entered into a contract (known as the Highways Maintenance Contract 2016 or HMC16) with Balfour Beatty in 2016 following a full competitive tender exercise. HMC16 had an initial term of 7 years, with an additional three annual extensions permitted under the contract terms. Balfour Beatty have been awarded all three extensions, taking the term to ten years and HMC16 is due to expire in May 2026.
- 1.3. In preparation for procurement of a replacement contract (HMC26), the specification has been reviewed, and this has identified a number of improvements to the existing arrangements which will be incorporated into the procurement exercise in order to better meet the Councils current and likely future needs.
- 1.4. The procurement exercise will be undertaken so as to preserve continuity of service until HMC26 commences and will allow the Council to select the contractor who can offer the most appropriate balance of quality and price. Should there be a change of provider the current contract terms and the timetable for the procurement will allow for mobilisation to new arrangements whilst maintaining service levels and build in processes for the management of such a change.
- 1.5. The procurement will follow the requirements of procurement legislation in force at commencement of the procurement exercise. Warwickshire County Council are re-procuring the Contract using a Competitive flexible procedure. This includes 4 stages:
 - Stage 1: Initial submissions
 - Stage 2: Bid Optimisation/Dialogue/Pre-tender Negotiation
 - Stage 3: Invitation to Submit Final Tenders (ITSFT)
 - Stage 4: Post Tender Negotiation/Preferred Supplier

Evaluation of tenders will take place in December, and award is planned in January 2026.

2. Options considered and recommended proposal

2.1. CCC use the Highways Maintenance Contract for the following treatments:

- Surface Dressing
- High Friction Surfacing
- Retread
- Asphalt rejuvenators and preservatives
- Micro Asphalt
- Slurry Seal

2.2. CCC has considered the option of delivering this work via its DLO, but this is not viable due to the specialist nature and the capital investment cost associated with the plant which would be required. Capital investment in the specialist equipment would run into the millions. This would not be recovered in the foreseeable future, as the nature of this work means that the equipment would stand idle for most of the year. As an example, Coventry's surface dressing programme typically last two weeks in each year.

2.3. CCC has also considered the option of tendering for these specialist areas of work as individual contracts. The value and quantities of the joint contract with WCC and SMBC offers economies of scale which would not be achievable on individual contracts for these specialist works.

2.4. Continuation of the use of the collaborative Highways Maintenance Contract is recommended. The proposed approach will enable the Council to seek value for money and innovative approaches to delivery and to balance the need for quality in service delivery with cost effectiveness.

2.5. It is recommended to approve the Councils use of Warwickshire County Council's Highways Maintenance Contract 2026 for the contract period (7-year core term plus potential extensions up to a further 6 years) from 05 May 2026 for the works outlined in this report.

3. Results of consultation undertaken

3.1. None

4. Timetable for implementing this decision

4.1. Contract award will take place in December 2025 / January 2026 based on finalised evaluation between CCC, WCC and SMBC.

4.2. Mobilisation for WCC and SMBC will take place upon contract award and CCC mobilisation will come on stream if the recommendations within this report are agreed.

4.3. Contract start will be 05 May 2026, following the end of the existing contract.

5. Comments from Director of Finance and Resources and Director of Law and Governance

5.1. Financial Implications

- 5.1.1. There is no commitment on annual or contract spend in HMC16 and HMC26 will operate on the same basis. All works undertaken will be covered by budgets set for the relevant year and works will be managed and monitored to ensure that they remain within the approved budget envelope and in line with government grant levels or the approved capital programme. The Council will be seeking social value commitments and added value from bidders for HMC26 with a clear commitment to value for money across the whole life of the contract.

5.2. Legal Implications

- 5.2.1. Highway authorities have a legal duty to maintain the highway under section 41 of the Highways Act 1980, as amended. Further, there are standards of repair that they must follow. For local highway authorities these are set out in Well-maintained Highways: Code of Practice for Highway Maintenance Management, published in 2016 by the UK Roads Liaison Group (UKRLG).

Whilst the parties are participating in a collaborative procurement exercise WCC is the 'lead authority' and the 'Contracting Authority' for the purposes of The Procurement Act 2023. WCC is responsible for ensuring the procurement exercise undertaken is compliant with the Act.

Coventry City Council Legal and Procurement Services will work with service area colleagues to ensure that the procurement exercise being undertaken by WCC provides a legally compliant contract which Coventry City Council can access for the delivery of works required to discharge its duty where such work cannot be undertaken by the Council's Direct Labour Organisation (DLO).

6. Other implications

6.1. How will this contribute to the One Coventry Plan?

(<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>)

The Highways Maintenance Contract 2026 directly supports delivery of the One Coventry Plan by improving infrastructure, promoting sustainability, and enabling partnership working across the region.

- **Increasing Economic Prosperity:** A well-maintained transport network underpins economic growth, inward investment, and job creation. The collaborative procurement with Warwickshire and Solihull delivers value for money, strengthens regional infrastructure, and embeds social value through apprenticeships, local supply chains, and carbon-reduction commitments.
- **Improving Outcomes and Tackling Inequalities:** Enhanced road surfaces, cycleways, and footpaths support safer, more accessible travel for all residents.

This encourages active travel, improves health and wellbeing, and helps reduce inequalities by connecting communities with jobs, education, and services.

- **Tackling Climate Change:** The contract includes clear requirements for sustainable materials, waste minimisation, and alignment with the Council's climate change ambitions. Innovative surface treatments and greener construction practices will help reduce emissions and improve air quality.
- **Financial Sustainability and Partnership Working:** Joint procurement maximises efficiency, avoids duplication, and ensures responsible use of public funds. The approach reflects the Council's commitment to collaboration, prudent financial management, and long-term sustainability.

6.2. How is risk being managed?

The Contract form for delivery of these works is under NEC4 which clearly sets out how contracts should be managed and how issues should be escalated. WCC is the Employer under this Contract with rights carved out for both Coventry City Council and Solihull Metropolitan Borough Council. There are 3 levels of Officer groups under this Contract with specific decision-making powers. The processes will be covered under an operational back-to-back agreement between CCC and WCC and SMBC, which have been agreed between the parties. KPI's will be monitored closely and are part of the basis for any extensions which may be offered under the Contract.

6.3. What is the impact on the organisation?

Joining HMC2026 will enable the Council to maintain continuity of essential highways services while achieving better value for money through joint procurement and economies of scale. The contract reduces administrative and financial pressures, ensures access to specialist treatments the Council's Direct Labour Organisation cannot deliver, and supports improved service quality through performance monitoring and innovation. It also aligns with the One Coventry Plan by promoting sustainable infrastructure, regional collaboration, and environmental responsibility.

6.4. Equalities / EIA?

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010, requires the Authority, when exercising its functions its functions to have "due regard" to:

- the need to eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- the need to advance equality of opportunity between persons who share protected characteristics and persons who do not; and
- Foster good relations between those who have protected characteristics and those who do not.

The Authority is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Authority is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socioeconomics and health determinants. The Council seeks to ensure equality, inclusion, and dignity for all in all situations. There are no equalities and social inclusion implications and risks associated with this decision.

6.5. Implications for (or impact on) climate change and the environment?

By its nature the work undertaken under HMC26 will have an environmental impact given the need for aggregates and other construction materials and the need for specialist machinery to deliver the programme and projects needed once procured and instructed. However, the Council will secure clear commitments from the successful bidder in respect of environmental mitigations and their commitment to Net Zero and sustainability, and any works under HMC26 will be required to comply with environmental legislation.

The Contract will include robust performance and contract management measures which will include measures around sustainability and reduction in any negative environmental impacts related to construction activities.

6.6. Implications for partner organisations?

Joint procurement maximises efficiency, avoids duplication, and ensures responsible use of public funds. The approach reflects the Council's commitment to collaboration, prudent financial management, and long-term sustainability.

The contract enables the Council to deliver innovation and collaboration initiatives with Transport for West Midlands (TfWM) and the West Midlands Combined Authority (WMCA). These organisations will benefit from improved reliability of transport corridors, supported integrated transport services and strategic planning, strengthened regional collaboration and alignment with sustainability and infrastructure objectives.

Collectively, HMC26 will support economic growth, connectivity, and the delivery of high-quality, sustainable infrastructure across the region.

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