

## NOTICE OF MOTION – HIGHWAYS

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### MOTION WORDING

The following Notice of Motion has been submitted by Councillor Taylor and seconded by Councillor Wright.

The quality of the ESCC footways and roads is deteriorating, not just because of the impact of climate change and the extreme weather, but also because of years of underinvestment in the roads and poor services by the highways contractor. Accountability for the quality of repairs and resurfacing is low, and preventative work, like drain repair and gully clearance, is insufficient, so roads are continuously being eroded. Residents suffer from flooded homes, blown tyres, dangerous driving and cycling as they avoid potholes and many more issues.

We believe that the roads would be better off, and the council could reinvest annual profits of around £1.24 million back into further highways improvements if the highways services was brought back into public hands.

### Motion:

#### This council notes:

1. That the national trend in local government is shifting towards insourcing, with upper-tier authorities like **Gloucestershire, Norfolk, and Liverpool** reclaiming control of key infrastructure services.
2. That the **Association for Public Service Excellence (APSE)** finds that insourcing can improve service quality by 75% while providing better value for money.
3. That long-term outsourcing often results in "Data Poverty," and loss of institutional memory eg in Highways services, where private firms own the vital information regarding our local road assets.

#### This Council Believes:

1. That public money should be spent on better service delivery for users of our services and fair wages for local workers, not diverted into private shareholder dividends.
2. That the **Highways Service** is a critical worked example where direct delivery allows for faster, more flexible responses to potholes and weather emergencies without the friction of contract variation.

#### This Council Resolves to:

**Request the Cabinet to bring the highways service back into council ownership and control by 2030.**

This will likely involve:

- Adopting an **"In-house by Default" and Intelligent Client Policy**, making direct delivery the baseline against which all future outsourcing proposals are measured.
- Mandating a formal **Insourcing and Council Ownership Feasibility Study** for the Highways Term Maintenance Contract (TMC) no later than 18 months before its expiry.
- Developing a **"Public Interest Test"** for all major contracts, assessing:
  - **Financial Transparency:** Removal of contractor profit margins.
  - **Social Value:** Ensuring the Real Living Wage and local apprenticeships.
  - **Agility:** The ability to redirect resources instantly without contractual penalty.

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### Background

Balfour Beatty is a UK corporation, working internationally, with a turnover of £10 billion. In 2024 they realised a profit of £289 million (around 3% of the turnover). Their main business is construction and large engineering projects. This includes roads, rail, airports, energy transition projects (wind, carbon capture etc.), nuclear power stations (e.g. Hinkley Point and Sizewell C), as well as defence and nuclear weapons related construction. The roads of East Sussex are clearly not going to be their priority and are a small part of their business (0.4% of their turnover annually).

The Balfour Beatty contract is due to end in May 2030, which gives time for ESCC (or the new Unitary) to explore the best model for council ownership and control. In financial year 2026/2027 Balfour Beatty have to put forward a business case for getting a 7 year contract extension (which would run to 2037), so this is really good timing for considering a new model of Highways management.

### Examples of different models of council owned services:

**Corserv in Cornwall** is a company owned by Cornwall Council. From their website: Their brands are [Cormac](#) (highways), [Cornwall Airport Newquay](#), [Corserv Care](#) and [Jobline](#). These are all brought together under the Corserv banner, where Corserv itself provides shared back office functions such as human resources, legal and finance. The group operates with [Cornwall Council](#) as their major shareholder. As a result, any profits made by the group are returned to the council as a dividend, which they can then reinvest in frontline services.

**Cormac**, part of Corserv, manages and maintains approximately 7500km of Cornwall's highways as well as delivering major construction, civil engineering and highway schemes. They provide a wide range of specialist civil engineering and highway services in Cornwall and beyond.

Other examples:

Authority	Service(s)	Impact / Savings Reported	Strategic Improvement
<b>Peterborough City Council</b>	Infrastructure & Back Office	<b>£1.8m saved</b> (2024/25)	Unified management; removed Serco overheads.
<b>Hackney Council</b>	Waste, IT, Parking	<b>£600k/yr saved</b> (Waste alone)	132 staff moved to Living Wage; increased reliability.
<b>Islington Council</b>	Repairs & Cleaning	<b>£14m+ cumulative savings</b>	Direct control over tenant satisfaction and quality.
<b>Gloucestershire CC</b>	<b>Highways (Strategic)</b>	Improved "First-Time" repair rates	Reclaimed the "brain" (inspections) from Amey.
<b>Norfolk County Council</b>	<b>Highways (Norse)</b>	<b>£2.97m in absorbed costs</b>	Collaborative model allowing more local schemes.

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<b>Liverpool City Council</b>	<b>Highways (Direct)</b>	Restored Financial Oversight	Ended "contract failure" risks identified in BV report.
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