



ORR's response to the SRN Initial Report consultation

February 2018

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Executive summary

This document sets out the Office of Rail and Road's response to the Department for Transport (DfT)'s consultation on Highways England's Strategic Road Network (SRN) Initial Report, published in December 2017.

The SRN Initial Report sets out Highways England's high level aspirations for the future and will inform the preparation of the draft second Road Investment Strategy (RIS2) covering the period 2020-21 to 2024-25. We welcome the quality of the report and the analysis that has gone into it. While the report does not consider specific schemes that will be progressed in RIS2, it does set out Highways England's proposed priorities for operations, maintenance, renewals and enhancements, in order to meet the licence requirements of a safe and serviceable network.

We recognise the increased focus that Highways England has placed on stakeholder engagement to date, and encourage further ongoing engagement and testing with stakeholders and road users as proposals develop.

We recognise Highways England's diagnosis of the needs of the network, its prioritisation of the maintenance and renewal of the existing network, using designated funds to continue to target specific areas of performance and delivery, and delivering a level of network performance that meets users' needs.

1. Introduction

Office of Rail and Road

- 1.1 The Office of Rail and Road (ORR) is the independent rail regulator and the monitor of Highways England's stewardship of the Strategic Road Network in England, comprising the motorways and main 'A' roads. As Highways Monitor, we ensure that Highways England, the government-owned company that develops and manages the SRN, delivers the Investment Plan and the Performance Specification set by government in the Road Investment Strategy (RIS) and complies with its licence.
- 1.2 We also have a role in the development of the second RIS from 2020 to 2025. The conditions in Highways England's licence envisage a role for ORR to advise the Secretary of State on the level of challenge and deliverability of the Draft RIS and the Draft Strategic Business Plan, including with regard to the level of efficiency proposed by Highways England.
- 1.3 The licence also requires Highways England to engage with ORR in certain areas related to RIS2; the production of the SRN Initial Report is one such area.
- 1.4 In December 2016, we published our RIS2 Approach Document.¹ In it we set out the ways in which we expected to engage and perform activities across the RIS2 programme. Important themes for us included engagement with stakeholders, particularly road users, and the robustness of evidence that would be presented to us to assess. A key part of gathering stakeholders' views and assembling robust evidence is the development, publication and consultation on the SRN Initial Report.

¹ http://orr.gov.uk/__data/assets/pdf_file/0003/23457/RIS2-approach-document.pdf

2. Overview of our response

- 2.1 The SRN Initial Report meets the licence requirement for Highways England to provide an assessment of the current state of the network and user needs from it, potential maintenance and enhancement priorities and future development needs and proposals. The company now needs to build on this and develop the quality of its investment plans and the detail of the performance metrics and targets that will form the basis of its performance framework for RIS2.
- 2.2 In producing the SRN Initial Report, the licence requires Highways England to take account of its Route Strategy evidence, and emphasises the importance of local and national stakeholder engagement, collaboration and effective integration with the rest of the transport system. The evidence-gathering phase associated with the production of the SRN Initial Report is vital in providing the rationale for, and appropriate stakeholder and user engagement with, the second RIS. We acknowledge the stakeholder engagement that has taken place to date, welcome our involvement in that process, and encourage further ongoing engagement and testing as proposals develop. Highways England and DfT will need to carry on speaking and listening to stakeholders and explain how they have addressed their consultation responses.
- 2.3 The analysis underpinning the SRN Initial Report's conclusions draws on wider modelling used by government, considers wider travel and transport demand patterns beyond the SRN, and has an application to regional housing development and economic growth. We welcome the emphasis on a consistent approach to decision making. RIS2 should learn the lessons of RIS1, and the SRN Initial Report is part of that process. RIS2 plans should prioritise the maintenance and renewal of existing assets to ensure that they remain safe and serviceable. These plans should be based on robust evidence of maintenance and renewals need. Enhancement schemes should be better specified, be clearer on the assumptions underpinning them, and be further developed to reduce uncertainty over cost estimates.
- 2.4 Highways England's proposals for the RIS2 performance framework are not considered in detail in the Initial Report. Research undertaken by ORR and Transport Focus on how road users believe performance of the SRN should be measured was published in March 2017.² The metrics developed for RIS2 should draw on this research, and as they become better defined, be shared and tested with the key stakeholder groups defined in the licence.

² http://orr.gov.uk/__data/assets/pdf_file/0017/24533/measuring-performance-of-englands-strategic-roads-what-users-want-march-2017.pdf

2.5 We support the continuing use of designated funds proposed in the Report as a way to target specific areas of performance and ensure Highways England's priorities are well balanced, recognising the needs of road users, business, the natural environment, and those who live and work near to the SRN.

3. Response to specific questions raised in the consultation

Question 1 Do you think Highways England's proposals will deliver what users of the SRN want? If not what could be done differently?

- 3.1 We welcome Highways England's work to understand what road users want through its work with Transport Focus, emerging sub-national transport bodies, and its own engagement with customers. The SRN Initial Report references priority areas identified by Transport Focus through road user research, including the imperative of road safety for all road user groups, and these should form the foundations for Highways England's future plans and priorities.
- 3.2 Having assembled a strong evidence base in the SRN Initial Report through Route Strategies and road user research undertaken by itself and Transport Focus, the company needs to test proposals with road users as they emerge.

Question 2 Do you think Highways England's proposals will deliver what businesses want? If not what could be done differently?

- 3.3 We welcome Highways England's work to understand what businesses want through its engagement with Local Enterprise Partnerships (LEPs) as part of the Route Strategy process and through the external engagement that supported the development of its Strategic Economic Growth Plan. Nearly all businesses rely on the SRN, and include HGV operators, van operators, users of cars for work purposes, and operators of ports, airports and rail terminals. Each have different requirements from the network, and these need to be understood through working with the sector and road user experts, including Transport Focus.
- 3.4 In addition, businesses are involved in the operation of the network such as vehicle recovery operators, and in providing services, such as information to road users. The SRN Initial Report does not directly reference the needs of these businesses and they should be considered as plans develop.

Question 3 Do you think Highways England's proposals meet the needs of people affected by the presence of the SRN? If not what could be done differently?

- 3.5 The SRN Initial Report places a strong emphasis on reflecting the views outlined in the Campaign for Better Transport's Rising to the Challenge³, local communities and those affected by noise and community severance, and the needs of pedestrians, cyclists and horse-riders. Its engagement with these stakeholders is welcome, and is reinforced in the SRN Initial Report by proposals to continue designated funds. We

³ <http://www.bettertransport.org.uk/sites/default/files/pdfs/Rising-to-the-Challenge-2017.pdf>

encourage continuing engagement with relevant stakeholders through the remaining development of RIS2 on the scope of the designated funds and the performance framework.

Question 4 Do you agree with the proposals in the Initial Report for:

Four categories of road and the development of Expressways

- 3.6 The definition of the four categories of road and their features needs to be undertaken in dialogue with road users and businesses. In relation to the design of expressways, the needs of wider users is not apparent in the SRN Initial Report, including provision for slow moving vehicles, staged bus operators and passengers, and vulnerable road users.

Operational priorities

- 3.7 We consider the operational priorities identified to be appropriate. We would like to see more regional understanding of these priorities.

Customer service ambitions

- 3.8 We recognise the progress that Highways England has made in understanding the needs of its customers through collaborative work with Transport Focus, the company's own stakeholder groups and panels, and its commitment to improving the experience of its customers set out in its Customer Strategy. We welcome Highways England's continued commitment to customer service in RIS2 and encourage the company to publish future plans for improvement and customer-facing standards which are discussed in the SRN Initial Report.

Better information

- 3.9 The value of better information to assist road users when planning journeys (such as scheduled roadworks) and during journeys (extent of delays ahead and their impact on journey times, and alternative routes) is consistently highlighted by the research undertaken by Transport Focus. We welcome Highways England's commitment in the SRN Initial Report to continue to improve the accessibility, timeliness, accuracy and relevance of the information it provides. In delivering improvements, an important factor for Highways England will be defining where the IT boundary lies between the company owning delivery of information to the end user, and this being provided by third parties with Highways England creating platforms through which such data could be accessed openly.

Better roadworks

- 3.10 As part of its role in benchmarking Highways England's performance, ORR commissioned work to review how Highways England and comparable organisations

manage their roadworks,⁴ drawing on best practice from other roads and broader infrastructure operators in the UK and internationally. We worked closely with Highways England in this research, and the company has developed an improvement plan in response to the report's findings and recommendations.

- 3.11 We encourage it to continue to identify best practice in roadworks management and build on its existing improvement plan in RIS2. The report summarised the approach taken, findings and recommendations. This should include coordinating roadworks with utilities (to avoid going back again) and local authorities (to ensure alternative routes are also not being worked on at the same time).

Infrastructure priorities

- 3.12 We welcome recognition in the SRN Initial Report that whole life costs should be considered in maintenance and renewals activity. This is an important principle contained within Highways England's licence.
- 3.13 The roll-out of Asset Delivery to remaining areas, as proposed in the report, needs to be supported by robust evidence of its benefits. Highways England's approach to asset management needs to recognise the different upgrade and obsolescence cycle of roadside telemetry such as variable messaging signs, as well as managing the physical condition of the asset.
- 3.14 The SRN Initial Report notes that there will be an increasing emphasis on improving the condition of the existing network in RIS2. This needs to be supported by evidence and framed by a smooth pipeline of maintenance and renewals work that provides sufficient visibility to the supply chain. It is also important that Highways England continues to improve its in-year scheduling of maintenance and renewals to give a more even level of activity throughout the year, and move away from the historical peak in activity in the final quarter of the financial year.

Enhancement priorities

- 3.15 The SRN Initial Report proposes changing the approach to delivering smart motorway enhancements from a scheme-based approach to an ongoing programme (akin to maintenance and renewals). This change in approach needs to be underpinned by robust evidence of the impact on efficient delivery of schemes and the effect this will have on road users' experience and the ability of customers to plan for disruption. It will also require Highways England to be clear about the baseline scope of work that will be delivered.

⁴ http://orr.gov.uk/__data/assets/pdf_file/0007/26287/highways-england-roadworks-management-report-2017-05-24.pdf

- 3.16 We welcome the recognition in the SRN Initial Report that there is a significant tail of schemes that will start towards the end of RP1 and will continue into RP2. The length of this tail has been increased through Highways England's updated capital baseline plan published in October 2017. Highways England should base its plans for RIS2 on the latest understanding of the RIS1 scheme portfolio.
- 3.17 The SRN Initial Report says little about new schemes for RIS2 beyond those already committed in RIS1. However, we support the multi-modal approach taken in the analytical platform, and the whole system view of the SRN when assessing the impact of different combinations of potential upgrades, investments and schemes. We will work with Highways England to ensure that the schemes are developed to a sufficient level of maturity as part of the RIS2 process.
- 3.18 We also support the desire for a steadier, smoother pipeline of work for RIS2. An important lesson from RIS1 is that the efficient delivery of the enhancement programme is underpinned by a smooth pipeline of schemes. In our ongoing discussions with the supply chain, and through our work on supply chain readiness, capability and capacity, contractors have consistently highlighted the need for the pipeline of work to be visible to the supply chain so that it can plan resources with confidence.

A local priorities fund

- 3.19 We recognise the value of a local priorities fund proposed in the SRN Initial Report. Spending priorities for this fund need to be shaped by ongoing, transparent engagement with LEPs and local authorities.

Future studies

- 3.20 Priorities for future studies need to be based on a robust understanding of what road users and businesses want. They should also be shaped by wider regional priorities identified by the emerging sub-national transport bodies.

Designated funds

- 3.21 We support the concept of designated funds and mechanisms to encourage Highways England to look beyond the operation, maintenance and enhancement of the SRN. Scheme identification and prioritisation need to be based on a robust understanding of what users and businesses want, and the needs of those directly affected by the presence of the SRN.

Performance measures and targets

- 3.22 The Performance Specification should:

- capture what matters to existing and future road users, stakeholders defined in the licence, and taxpayers.
- comprise a manageable number of outcomes and metrics.
- include a mix of metrics which have numerical targets over which Highways England has a degree of control, and indicators that are reported as background metrics by Highways England. A scorecard might be suitable for specific outcomes where multiple, underlying indicators work together to give an overall picture of health.
- continue to monitor financial performance and efficiency alongside operational performance.
- Be tailored and enable sufficient regional disaggregation to allow metrics to be responsive to significant events and Highways England's interventions. Targets that are evidence-based and forward-looking should be used appropriately.

3.23 We welcome Highways England's development of an integrated set of metric forecasting models to assist in the development of the targets. A lesson learnt from RIS1 was that the level of challenge for Highways England in achieving specific targets has been highly variable, and that the interrelationship between the metrics and Highways England's enhancement and maintenance and renewals programme was not well understood.

Question 5 Are there any proposals in the Initial Report that you do not agree with. If so, what could be done differently?

3.24 This is considered elsewhere in our response.

Question 6 Do you agree with Highways England's assessment of the future needs of the SRN?

3.25 We agree with Highways England's view that the key challenges it faces are an ageing network; new forms of technology on the horizon that will affect the way that vehicles interact with the Strategic Road Network and their requirements from it, and more multi-modal, and shared user types of mobility.

3.26 The challenges and opportunities that new technology present to Highways England are also captured in the National Infrastructure Commission's consultation on the National Infrastructure Strategy report.⁵ The NIC's National Infrastructure Strategy and the longer-term vision for the RIS need to align. Highways England may want to consider issues raised by the NIC in discussions with DfT – such as the need to

⁵ https://www.nic.org.uk/wp-content/uploads/Congestion-Capacity-Carbon_-_Priorities-for-national-infrastructure.pdf

support new charging systems for roads as existing revenues of taxation from Vehicle Excise Duty and fuel duty progressively decline.

Question 7 How far do the proposals in the Initial Report address the five key aims the Department has set for RIS2? Which aims could Highways England do more to meet and how?

3.27 We have no specific points to make, other than noting that the Department's five key aims for RIS2 are considered within the SRN Initial Report.

Question 8 Do you think there should be any change in the roads included in the SRN? If so, which roads would you propose are added to or removed from the SRN, and why?

3.28 We have no suggestions on specific roads to be added to the SRN or moved from the SRN to local roads.

3.29 The focus on considering last mile improvements to key economic destinations/gateways in RIS2 which are identified as potential areas of future study in RIS1 and the SRN Initial Report could be an area where attention is targeted.

3.30 Appropriate consideration should also be given to the coordination of the SRN and Major Road Network and ensuring that they represent a seamless road system for users, particularly at the interface between the two networks.

Question 9 Is there anything else we need to consider when making decisions about investment in the SRN? If so, what other factors do you want considered? Please provide links to any published information that you consider relevant.

3.31 We believe that the overarching factor in making decisions about the SRN is to get the right balance between enhancements, and managing and maintaining the existing asset based on robust evidence.

3.32 The level of ambition in the RIS is closely linked to the funding envelope set out in the Statement of Funding Available (SoFA). A lesson from RIS1 is that the scope of schemes planned for RIS2 needs to be better defined, or rather there is greater awareness of the relationship between cost certainty and scheme development maturity. For a given funding settlement, this will enable the cost estimates on which government's investment requirements are based to be more closely aligned to final outturn.

3.33 It is important that Highways England and Network Rail work together to make sure that investment in transport corridors is coordinated in when and how it is delivered to minimise disruption to transport users, and also coordinated in the economic and travel benefits it delivers, such as provision of park and ride.

Question 10 Does the analytical approach taken have the right balance between ambition, robustness, and proportionality? If not, what do you suggest we do differently?

3.34 We welcome the use of the regional models in the identification and assessment of schemes on the SRN, within a wider application of the models in assessing overall travel demand patterns, needs and priorities of local roads, and public transport. The alignment of Highways England's analytical approach to the licence requirements is supported, as is the role of external assurance in the process.



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