

House of Commons Transport Committee

Strategic road investment

Sixth Report of Session 2022–23

Report, together with formal minutes relating to the report

Ordered by the House of Commons to be printed 18 July 2023

Transport Committee

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Summary

In 2015 the Infrastructure Act created a new investment regime for the Strategic Road Network (SRN) to provide the people and businesses that rely on it with assurances about upkeep and efficiency. But since then, road building projects have been beset by delay and overspend, amidst legal challenges on environmental grounds. In the face of increasing costs, looming net zero commitments and an ageing network in need of maintenance, the Department needs to ensure that future Road Investment Strategy portfolios are deliverable. It is time for the Government to reconsider its portfolio of expensive, complex SRN enhancement projects.

Alignment with government policy goals

The Government has identified the SRN as a key driver of growth and productivity. However, the extent to which further investment in the Network would help to boost growth, in comparison to investment in other modes of transport and connectivity, is contested.

In June 2019, the UK Government committed to decarbonising all sectors of the UK economy by 2050, and its strategy for decarbonising transport is reliant on a rapid switch to zero emissions vehicles. But traffic on the Strategic Road Network is forecast to increase and there is a risk that uptake of cleaner vehicles will not be fast enough to mitigate it. The Government should model and report on future scenarios where demand for the SRN is managed and must also provide a credible strategy for meeting the power needs of the future vehicle fleet.

Meeting user priorities

The SRN is ageing and requires significant renewal work, with many of its users demanding improvements in its day-to-day maintenance and upkeep. Future investment should be focused on renewing older parts of the SRN and ensuring that resources are available to run the existing network efficiently. The Government must make sufficient provision for both revenue and capital maintenance funds, and could make more money available by cancelling complex, costly enhancement projects.

Portfolio planning and delivery

Throughout Road Investment Strategies 1 and 2, National Highways has overspent and underdelivered. The Department for Transport needs to ensure that future Road Investment Strategies are deliverable and reconsider the viability of its expensive enhancement projects. The Department should introduce more robust measures to assess deliverability when setting a Road Investment Strategy and must also produce a plan for how it will better anticipate and deal with risks to timely delivery, and to ensure projects remain on budget and good value for money.

Engagement with sub-national transport bodies

Sub-national transport bodies, were established following the publication of National Highways' licence and have no codified role in the Road Investment Strategy setting process. National Highways' licence should be updated to include a formalised engagement process with STBs. This would enable STBs to convey regional priorities more effectively, and help National Highways gain a better understanding of potential risks and mitigations for schemes proposed for the regions.

Reporting and transparency

Understanding and scrutinising the delivery progress of a Road Investment Strategy portfolio or project involves cross-referencing multiple reporting documents from National Highways and the Office of Rail and Road. This is not a convenient or accurate way of assessing progress, especially given the frequent changes that can be made to Road Investment Strategies. Reporting on the delivery of Road Investment Strategy portfolios must be simplified, and National Highways should introduce a "live" project dashboard which provides up-to-date information on each SRN project.

1 Introduction

The Strategic Road Network

1. The Strategic Road Network (SRN) is 4,300 miles of motorways and major 'trunk' A-roads in England which is managed by National Highways, a Government-owned company (formerly known as Highways England). Prior to 2015, the Highways Agency managed the SRN as an executive agency of the Department for Transport until the Infrastructure Act 2015 introduced strategic highways companies. At the time, the Department for Transport described the creation of strategic highways companies as a way to:

fundamentally transform the way our strategic roads are run. This change means better long-term planning, more efficient delivery, greater transparency, clearer accountability and ultimately a better service for the people and businesses that use and rely on the network on a daily basis.³

- 2. The Infrastructure Act also gives the Secretary of State power to set Road Investment Strategies (RIS) for National Highways to deliver. A RIS determines National Highways' programme of improvements and works to the SRN, and the budget available to deliver it. In practice, each RIS covers a five-year span known as a "road period". There have been two road periods so far:
 - RIS 1 ran from April 2015 to March 2020. Its overall budget was £15.2 billion, which included £9.4 billion for major improvements. Major schemes in the portfolio included the A303 Stonehenge Tunnel, and dualling the A1 from Morpeth to Ellingham in Northumberland.
 - RIS 2 began on 1 April 2020 and will run until 31 March 2025. Its initial budget was £27.4 billion, with £14.1 billion allocated to a portfolio of 69 road enhancement projects. From late 2021, significant changes were made to the RIS 2 Delivery Plan as it became clear that it could not be implemented as planned. In March 2023, Secretary of State Rt Hon Mark Harper MP announced further delays to RIS 2 schemes which would be deferred to RIS 3 and said that other schemes earmarked for RIS 3 would continue to be developed for consideration in RIS 4—in other words, beyond 2030.5

Road Investment Strategy 3

3. The Department and National Highways are in the early phases of planning for RIS 3, which will cover the period April 2025 to March 2030. In May 2023 the Department announced a consultation on shaping the future of England's strategic roads, which outlined National Highways' proposed priorities for RIS 3.6

- 1 Department for Transport, Highways England: Framework Document, April 2015
- 2 Infrastructure Act 2015, February 2015
- 3 Department for Transport, Highways England: Licence, April 2015
- 4 National Audit Office, Road enhancements: progress with the second road investment strategy, November 2022, page 18, Figure 5
- 5 HC Deb, 9 March 2023, HCW265
- 6 Department for Transport, Shaping the future of England's strategic roads, May 2023

Our inquiry

- 4. In 2022 the National Audit Office (NAO) assessed National Highways' progress in delivering RIS 2 and reported that, by 2025, National Highways will have completed less work on the RIS 2 programme, and at a higher cost than originally planned.⁷
- 5. With one full RIS completed, a second at the mid-point and a third in the initial planning stages, we launched an inquiry into strategic road investment on 20 December 2022. We intended to take stock of the Government's approach to road investment, explore how this aligned with other policy aims, and examine National Highways' management of RIS portfolios in the light of the NAO's findings.
- 6. We received more than 50 submissions of written evidence and held three oral evidence sessions, at which we took evidence from witnesses including the haulage and logistics industry, motoring consumer organisations and transport campaigners. We also heard from the Accounting Officers of both the Department for Transport and National Highways. We are grateful to all those who contributed to our inquiry, and for the assistance of the National Audit Office.

2 Alignment with government policy goals

7. RIS 2 states that "the principal purpose of the Strategic Road Network is to enable safe, reliable, predictable, efficient, often long distance, journeys of both people [...] and goods in England".⁸ In terms of its contribution to growth and productivity, the Department has identified the Strategic Road Network as "a significant economic asset for the UK on which we all rely. Most obviously it is essential for businesses and logistics firms moving goods around the country".⁹ However, there is a potential for tension between investment in roads as a way of achieving the Government's aims for growth and connectivity on one hand, and its net zero carbon ambitions on the other.

Economic growth

- 8. The Department for Transport bases the economic case for spending on strategic roads on journey time and cost savings, productivity increases, and investment and employment effects. As such, the Department's stated strategic aims for road investment align with a range of Government objectives including productivity, growth and levelling up. The both RIS 1 and RIS 2, the Department for Transport and National Highways published documents setting out the forecast economic benefits of the programmes; RIS 1 had a "strong economic case" and RIS 2 was expected to deliver "high value for money."
- 9. The Department for Transport argued that investment in the SRN "supports job creation and inward investment across the country" and that it "tackles congestion." Logistics UK and the Road Haulage Association agreed that support for RIS 2 is beneficial for connectivity and productivity. Logistics UK told us:

Spending for road infrastructure needs to continue to be well planned and stable over the long term. [...] Many of the enhancements planned in RIS 2 have also been identified as being of critical importance far beyond their local area by Logistics UK's members, including the A303, A66 Northern Trans-Pennine, M42 and the Lower Thames Crossing. Each of these routes, and many more besides, are either unreliable or frequently congested. This leads to unacceptable costs for hauliers, their customers and the broader economy.¹⁵

The Road Haulage Association told us that:

The UK road network, in particular the Strategic Road Network (SRN), is our members' workplace. Commercial vehicle operators need roads that are fit for purpose and allow for consistent, reliable and predictable

- 8 Department for Transport, Road Investment Strategy 2, 2020
- 9 Department for Transport, Planning ahead for the Strategic Road Network Developing the third Road Investment Strategy, December 2021
- 10 Department for Transport, Exploring the Economic Benefits of Strategic Roads, 2017
- 11 Department for Transport (SRI0039)
- 12 Department for Transport, Road Investment Strategy: Economic Analysis of the Investment Plan, 2015
- National Highways, Economic Analysis of the Second Road Period, 2020
- 14 Department for Transport (SRI0039)
- 15 Logistics UK (SRI0022)

journey times. Any cutting of budgeted projects risks under developing the infrastructure that our industry needs, which is vital to future economic growth.¹⁶

10. Evidence on the economic impact of strategic road building is mixed, however. The Local Government Technical Advisers Group (LGTAG) told us:

In general, any contribution [by national programmes of public investment including road building] to the sustainable rate of economic growth of a mature economy, with well-developed transport systems, is likely to be modest.¹⁷

The Chartered Institute of Highways and Transportation said:

Road enhancement and new road schemes will not automatically deliver economic growth for disadvantaged areas [...] achieving growth in the economy is dependent on many factors outside the transport sphere.¹⁸

Transport for Quality of Life said that analysis of National Highway's Post Opening Project Evaluations shows that the evidence that past road schemes have supported economic growth is "limited and weak", and that there is "little empirical evidence that road investment increases productivity." ¹⁹

11. The Strategic Road Network plays an important role in economic growth and productivity. However, the extent to which further investment in the Network would help to boost growth, in comparison to investment in other modes of transport and connectivity, is contested. We intend to look in more detail at how the outcomes of transport investment are prioritised and appraised in our forthcoming inquiry on the Government's strategic transport objectives.

Net zero transport

12. We heard throughout this inquiry that investment in strategic roads could also have an impact on the Government's ambitions for achieving net zero carbon emissions. In June 2019, the UK Government put a net zero emissions target by 2050 into legislation. It also published a Net Zero Strategy for decarbonising all sectors of the UK economy by 2050. The Net Zero Strategy identified transport as the largest polluting sector of the UK economy in terms of greenhouse gas emissions. The majority (55 per cent) of these emissions are from passenger cars, followed by heavy goods vehicles and light goods vehicles. The remaining greenhouse gas emissions from transport are made up of domestic shipping, rail, and domestic aviation.²⁰ Official statistics are not available for the summed totals of all air pollutants, that is, not just greenhouse gas emissions.²¹ In response, in 2021 the Department for Transport published its Decarbonising Transport strategy,²² and National Highways its Net Zero Highways plan.²³

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16 RHA (SRI0043)
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¹⁷ Local Government Technical Advisers Group (LGTAG) (SRI0018)

¹⁸ CIHT (SRI0020)

¹⁹ Transport for Quality of Life (SRI0012)

²⁰ HM Government, Net Zero Strategy: Build Back Greener, 2021

²¹ Department for Transport, Transport and Environment Statistics 2021 Annual Report, May 2021

²² Department for Transport, Decarbonising Transport, 2021

²³ National Highways, Net Zero Highways, 2021

Growth in traffic demand

- 13. A policy central to decarbonising the Strategic Road Network (SRN) is that the sale of new petrol and diesel cars and vans will be phased out by 2030 and the sale of non-zero emissions heavy goods vehicles will be phased out by 2035. The Department has forecast that, in all future scenarios, travel on the SRN will grow, as set out in the 2022 National Road Traffic Projections (NRTP)²⁴ and the phase out of these vehicles is designed to help counteract that. The Climate Change Committee's (CCC) Sixth Carbon Budget, however, suggests that reduced demand for car use throughout the UK will be required to reach net zero, unless battery technology and charging infrastructure rapidly develop and lead to a faster uptake of electric vehicles than anticipated.²⁵
- 14. We have heard evidence which suggests that accommodating traffic growth on the SRN and attempting to offset emissions by reducing tailpipe emissions poses a "risk" to achieving decarbonisation of transport by 2050. ²⁶ Professor Greg Marsden, Professor of Transport Governance at Leeds University, analysed the path to net zero as set out in the DfT's Decarbonising Transport document alongside the NRTP traffic forecast projections and told us that:

Whilst it is possible to draw technology adoption pathways [electrification of the vehicle fleet] which reduce emissions towards the Sixth Carbon Budget, these have no credibility. Norway, which has been transitioning rapidly to electric vehicles, in 2021 still only had 21 per cent of its cars as electric vehicles. The UK believes it will have matched this by 2025—but with nothing like the incentives in place in Norway.²⁷

- 15. Transport for Quality of Life (TfQL) argued that the planned RIS 2 portfolio is not consistent with UK carbon targets, and that "none of the scenarios in DfT's 2022 National Road Traffic Projections (NRTP) are consistent with [...] the DfT's own Transport Decarbonisation Strategy."²⁸ TfQL's analysis of the NRTP traffic forecast projections, compared to the figures set out in the Sixth Carbon Budget, suggested that while the Climate Change Committee's Sixth Carbon Budget would require a reduction of 47 per cent in carbon emissions from surface transport between 2018 and 2030, the maximum reduction predicted under any of the eight NRTP scenarios is 35 per cent.²⁹
- 16. Professor Glenn Lyons, Professor of Future Mobility at the University of West of England, characterised the Government's reliance on a cleaner vehicle fleet to decarbonise transport as a "gamble". ³⁰ Referring to recent analysis undertaken by the RAC Foundation ³¹ he said:

²⁴ Department for Transport, National Road Traffic Projections 2022, 2022

²⁵ Climate Change Committee, Policies for the Sixth Carbon Budget, 2020

²⁶ Oral evidence taken on 29 March 2023, HC 904, Q177

²⁷ Professor Greg Marsden (SRI0010)

²⁸ Transport for Quality of Life (SRI0012)

²⁹ Transport for Quality of Life (SRI0012)

³⁰ Oral evidence taken on 1 March 2023, HC 904, Q177

³¹ RAC Foundation,

You can bet on some possible combinations of factors that would allow us to continue to rely on using the road network much as we have, but there are many, many combinations of uncertain factors where we would be gambling and losing.³²

Managing traffic demand on the Strategic Road Network

17. The Scottish and Welsh Governments have introduced traffic reduction targets to achieve their own net zero aims. The Scottish Government's Climate Change Plan update in 2020 included a commitment to reduce car kilometres by 20 per cent by 2030 against a 2019 baseline.³³ Similarly, the Welsh Government has committed to reducing the number of car miles travelled per person by 10 per cent by 2030 (from 2019 levels).³⁴ Ralph Smyth of Transport Action Network was in favour of such demand management policies:

No matter how many road schemes we build, and there is less money and they are becoming more expensive, [...] we are not even going to make a dent in that increase in congestion. Maybe it is time to try some different solutions. Simply, it is because if you can only have a few road schemes here and there, they will move the congestion along rather than tackling it, but a system of demand management will actually address that congestion network-wide.³⁵

18. The UK Government, however, has no plans to adopt traffic demand management policies for the SRN. The Department for Transport stated that "roads will continue to be the predominant form of transport in a net zero world, reflecting their flexibility and convenience to users and businesses." Dame Bernadette Kelly, Permanent Secretary at the Department, told us that:

The focus of UK Government policy is on driving the transition to zero emission vehicles so that people can drive without contributing to carbon emissions. That is the focus, rather than targets for reduced road usage.³⁷

Richard Holden MP, Parliamentary Under Secretary of State for Roads at the Department for Transport, confirmed this policy:

When you talk about demand management, I think there are multiple different aspects to that. I don't think it is sensible for either the economy or the environment to throttle the major road network.³⁸

19. Transport remains the biggest greenhouse gas contributor in the UK and the Government's strategy for decarbonising transport by 2050 is reliant on a rapid switch to zero emissions vehicles. However, in all future scenarios modelled by the Department for Transport, traffic on the Strategic Road Network is forecast to increase, and there is a great risk that uptake of cleaner vehicles will not be fast enough to mitigate that

³² Oral evidence taken on 29 March 2023, HC 904, Q177

³³ Transport Scotland, A route map to achieve a 20 per cent reduction in car kilometres by 2030, January 2022

³⁴ Welsh Government, Net Zero Wales Carbon Budget 2 (2021–2025), October 2021

³⁵ Oral evidence taken on 1 March 2023, Q168

³⁶ Department for Transport (SRI0039)

³⁷ Oral evidence taken on 1 February 2023, HC 904, Q96

³⁸ Oral evidence taken on 29 March 2023, HC 904, Q272

increase. The Government's determination to accommodate demand for new roads through investment without also considering steps to manage that demand is a risky strategy.

- 20. In our recent report on Implementation of the National Bus Strategy we recommended that a debate needs to be had about whether the Department for Transport should introduce a target to reduce car usage in England by the end of the decade, such as those seen in Scotland and Wales. Understanding the impact of reducing or maintaining traffic on the SRN would inform this debate.
- 21. The Government should model and report on scenarios where traffic levels on the SRN are a) reduced and b) maintained at current levels, alongside the transition to a cleaner vehicle fleet, in order to assess the potential contribution of demand management to reaching net zero.

The transition to zero emission vehicles

- 22. A vital step in enabling the transition to a zero emissions vehicle fleet is to ensure that the right charging infrastructure is in place. We asked³⁹ the Department for Transport about the provision of electric vehicle charging infrastructure on the SRN and were pointed towards the Government's rapid charging fund, known as Project Rapid.⁴⁰ This is a £950 million fund which aims to provide 6,000 high-powered charge points across the SRN by 2035,⁴¹ including six at every motorway service station in England by the end of 2023.⁴² Where grid supply is not sufficient for rapid charging infrastructure, National Highways intends to invest in Energy Storage Systems through an £8 million fund.⁴³
- 23. As of June 2023, there were approximately 400 rapid and ultra-rapid chargers at motorway service areas. 44 Edmund King of the AA was sceptical about whether Project Rapid was adequate and whether the 2035 target would be achieved. He told us:

I would not be so optimistic. [...] at the moment, just two per cent of cars are electric. Often, when I am at a motorway service area fighting for a charger, I look around and say to myself, "Gosh, when 15 per cent of these cars are electric, I am going to need more than 12 chargers. I am going to need more than 20." [...] We have to start planning now. National Grid tries to reassure us that it can put it in with advance planning. The deadline of 2030 is only seven years away, so we need to ramp this up.⁴⁵

24. We asked Sharon Kindleysides of the Chartered Institute of Logistics and Transport whether the Government was doing enough to support the transition to zero emissions heavy goods vehicles in the logistics sector. She said, "we will probably need more charging [...] I am not sure how many petrol pumps there are on a single stretch of motorway, but I am inclined to think it might be more than 6,000."

³⁹ Oral evidence taken on 1 February, HC904, Q93

⁴⁰ Office for Zero Emissions Vehicles, Rapid Charging Fund, 2021

⁴¹ HM Government, Electric Vehicle Infrastructure Strategy

⁴² Department for Transport, Government vision for the rapid chargepoint network in England, 2020

⁴³ National Highways, Energy Storage Systems to support EV drivers rapidly charging on England's motorways, 2021

⁴⁴ House of Commons Library, Going the distance: Are motorways ready for more electric vehicles?, June 2023

⁴⁵ Oral evidence taken on 1 March 2023, HC 904, Q154

⁴⁶ Oral evidence taken on 1 March 2023, HC 904, Q156

- 25. We welcome Project Rapid's dedicated fund for enhancing electric vehicle charging provision on the Strategic Road Network, but a quicker and greater rollout of rapid charging points and supporting infrastructure will be required to support a future electric vehicle fleet, especially considering the target for all new freight vehicles to be zero emissions by 2040. This should include potential provision for other alternative fuelling technologies such as hydrogen.
- 26. The Government must provide a credible strategy which sets out how the SRN will meet the fuel needs of the future vehicle fleet, including for freight, and provide milestone targets for delivering infrastructure to do so.

3 Meeting user priorities

27. In RIS 2, the Government has embarked on an ambitious programme of enhancement projects for the Strategic Road Network. Although the Department has not defined 'enhancement' schemes, they are generally understood as projects within the RIS portfolio which go beyond maintenance and involve construction to create, for example, new roads, junction upgrades or additional lanes. We have heard that this approach will not necessarily meet the needs of road users or target investment where it is most needed.

What do users of the SRN want?

28. According to Transport Focus, the independent watchdog for transport users sponsored by the Department for Transport, 69 per cent of car and van drivers were "satisfied" with their overall use of the SRN in 2020–21.⁴⁷ 31 per cent were unsatisfied with road surfacing and over half were unsatisfied with the management of roadworks. Car and van drivers' top three priorities for the SRN were improved quality of road surfaces, safer design and upkeep of roads, and better management of breakdowns. Conversely, spending on major enhancement projects was not identified as a priority. Guy Dangerfield, Head of Strategy at Transport Focus, told us:

What we have found in the research that we have undertaken is that two thirds of strategic road users place greater importance on the maintenance and renewal of what we already have than on expanding the strategic road network.⁴⁸

Edmund King, President of the AA, added that AA members' "number one [priority] is the actual state of the roads. That is their number one: get rid of the potholes." 49 Mr King added that:

Looking back on this, 20 to 25 years ago there were lots of gaps in the network. I think that fundamentally we now have quite a good road network [...] I think the priority within that should be: where are the congestion hotspots and crash hotspots, and can't we just concentrate on that rather than major schemes that sometimes are the whim of Government.⁵⁰

- 29. Transport Focus' research also showed that in 2021 just 55 per cent of lorry and coach managers were satisfied that the Strategic Road Network was meeting their business needs. Transport Focus found that the top five priorities of haulage, freight and coach drivers tallied with those of car and van drivers: improved quality of road surfaces, safer design and upkeep of roads, and better management of unplanned delays such as accidents or breakdowns.
- 30. Enhancement of the SRN and increasing capacity are bigger priorities for the haulage and logistics industry than for car and van drivers, however. The Road Haulage Association said that "any cutting of budgeted projects risks under developing the infrastructure

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47 Transport Focus, 2022

48 Oral evidence taken on 1 March 2023, HC 904, Q115

49 Oral evidence taken on 1 March 2023, HC 904, Q119

50 Oral evidence taken on 1 March 2023, HC 904, Q126
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Oral evidence taken on 1 March 2023, HC 904, Q126

⁵¹ Transport Focus,

that our industry needs, which is vital to future economic growth."⁵² Jonathan Walker, Head of Cities and Infrastructure Policy at Logistics UK, emphasised that the haulage industry's support for the portfolio of RIS 2 enhancements projects was rooted in a need for consistent journeys across the SRN:

What the logistics industry wants more than anything is consistency and reliability on the road network, and predictability, so that your operations can be planned in advance and you get reliability of journey times, congestion and so on.⁵³

Sharon Kindleysides, Chief Executive of the Chartered Institute for Logistics and Transport, said that it was important to maintain the road network that already exists, and identify gaps that relate to the logistics network.⁵⁴ Guy Dangerfield argued that the greatest needs of the haulage and coach industries could be better met by ensuring that there are better roadside facilities for drivers⁵⁵—a topic on which we made recommendations in our 2022 report on the road freight supply chain.⁵⁶

Balancing maintenance and enhancements

- 31. The RIS 2 budget included a £12.8 billion fund dedicated to the maintenance and renewal of roads and the operations of National Highways, with this investment afforded a 'Very High' value for money rating.⁵⁷ This was compared to £14.1 billion that was allocated to enhancement projects, which was assessed as 'High' value for money. As outlined above, we have heard that the priorities of SRN users could be more effectively met by focusing on maintaining and renewing the existing SRN and improving the operations of National Highways; spending more on maintenance and renewal would improve surface quality and safety, while investing more in operations could help to improve the management of breakdowns and roadworks.
- 32. Nick Harris, Chief Executive of National Highways, explained that over 70 per cent of National Highways' assets will be over 45 years old at the start of RIS 3, and in increasing need of renewal.⁵⁸ Emma Ward, Director General for Roads, Places and Environment at the Department for Transport, referred to the SRN as "ageing".⁵⁹ Guy Dangerfield outlined his view of what RIS 3 funding should target to address this:

It is really important that RIS 3 contains the proper sum of capital renewal to keep pace with the inevitable deterioration that goes on from weather and wear and tear. The really important thing is that the renewals capital [for RIS 3] does not get squeezed to top up the enhancement portfolio and that the underlying quality of the existing network is not allowed to deteriorate because of delays in road period 2 [RIS 2].⁶⁰

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52 RHA (SRI0043)
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Oral evidence taken on 1 March 2023, HC 904, Q119

Oral evidence taken on 1 March 2023, HC 904, Q128

⁵⁵ Oral evidence taken on 1 March 2023, HC 904, Q134

⁵⁶ Transport Committee, First Report of Session 2022–23, Road freight supply chain, HC 162

⁵⁷ National Highways, Economic analysis of the second road period, 2020

⁵⁸ Oral evidence taken on 1 February 2023, HC 904, Q73

Oral evidence taken on 29 March 2023, HC 904, Q237

Oral evidence taken on 1 March 2023, HC 904, Q115

Potential RIS 3 portfolio

- 33. The Department and National Highways are in the early phases of planning for RIS 3, which will cover the period April 2025 to March 2030. In November 2022, the National Audit Office reported that in September 2020, National Highways said it expected to spend £5.5 billion in the third road strategy, but since then, this has increased to £11.5 billion, largely because of project delays occurring during the second road strategy period. The Minister told us that, given the "significant pressures" on the RIS 3 portfolio, the Department for Transport was currently "kicking the tyres" of enhancement projects slated for that road period. Emma Ward added that RIS 3 "may well see a shift towards more renewals and maintenance".
- 34. On 18 May 2023, National Highways published an initial consultation on RIS 3 outlining its proposed priorities and requesting views on the future needs of and priorities for the SRN.⁶⁴ The consultation suggests that renewal of existing assets "is likely to be a growing element of the roads programme" and recognises that users want "existing roads in good condition before building new ones". The consultation material also explains that RIS 3 will likely prioritise the completion of RIS 2 complex enhancement schemes which will still be in construction in the RIS 3 period, or which have been delayed until RIS 3. It is likely for RIS 3 that any "new" enhancement projects, that is, those not outstanding from the RIS 2 portfolio, will not be complex projects.
- 35. The existing Strategic Road Network is ageing and requires significant renewal work in places, while many users want to see better day-to-day maintenance and upkeep of the network. Future investment should be focused on renewing older parts of the SRN and ensuring that resources are available to run the network in a way which better meets the needs of the drivers and industries that rely on it. The portfolios for RIS 3, RIS 4 and beyond should prioritise investment in the maintenance, renewal and resilience of existing assets over brand new projects.
- 36. Providing the level of day-to-day running and upkeep that meets the needs of SRN users will require revenue funding alongside capital investment in more costly renewal and repair projects. The Government must, therefore, make sufficient provision for both revenue and capital maintenance funds. This funding could be gained by cancelling complex, costly enhancement projects. Increased user satisfaction should be reflected through Transport Focus' annual SRN user reports.

⁶¹ National Audit Office, Road enhancements: progress with the second road investment strategy, November 2022

⁶² Oral evidence taken on 29 March 2023, HC 904, Q236

Oral evidence taken on 29 March 2023, HC 904, Q238

⁶⁴ Department for Transport, Shaping the future of England's strategic roads, May 2023

4 Portfolio planning and delivery

37. The introduction of national highways companies (currently National Highways) and road periods was intended to introduce better long-term planning, clarity, and more efficient delivery to the Strategic Road Network. We have looked at the extent to which that has proved to be the case in practice.

Management of RIS 1 (2015–2020)

- 38. In 2017, the National Audit Office commented that RIS 1 represented "a significant improvement in the efficient management of the strategic road network". It also concluded, however, that the speed with which the Department for Transport designed RIS 1 "created risks to value for money and deliverability."
- 39. In 2019 the Office of Road and Rail (ORR) reported that "fewer schemes are being delivered than originally expected and outturn costs for schemes have increased." The ORR said in July 2020 that the scope of the RIS 1 project portfolio was "overly optimistic", as it had to be revised and downsized during the delivery period from 112 schemes due to have started construction to 73. By the end of the period, 37 of the original 112 projects had been rolled over to RIS 2 and, in total, 44 schemes were subject to pause, cancellation or change.

Management of RIS 2 (2020-2025)

- 40. RIS 2 began on 1 April 2020 and will run until 31 March 2025. Of its initial £27.4 billion budget, £12.8 billion was allocated to operations, maintenance and renewal of roads, and £0.5 billion to preparing RIS 3. The remaining £14.1 billion was allocated to a portfolio of 69 road enhancement projects. Of these 69 projects, 33 were deemed 'Nationally Significant Infrastructure Projects' requiring approval by the Secretary of State through a Development Consent Order. Nine of these projects were what the NAO described as 'Tier 1' projects that "either cost more than £500 million and/or are novel, contentious, involve complex engineering work or detailed consultation with stakeholders." The Department for Transport told us that this included "two of the most complex road projects in recent decades", the A303 Amesbury to Berwick Down (Stonehenge Tunnel) and the Lower Thames Crossing. 69
- 41. In 2019, the ORR published a RIS 2 Efficiency Review which flagged that the RIS 2 portfolio was "more complex" than that for RIS 1, that there was a greater number of larger, more complex schemes specified for RIS 2, and that spending on RIS 2 enhancements was planned to be over 40 per cent higher in real terms than on RIS 1.⁷⁰
- 42. In practice, the portfolio has turned out to be difficult to deliver. The Department for Transport and National Highways' joint evidence to us acknowledged that:

⁶⁵ National Audit Office, Progress with the Road Investment Strategy, March 2017

Office of Rail and Road, Annual assessment of Highways England's performance - 2018–19, July 2019

⁶⁷ Office of Road and Rail, Annual Assessment of Highways England End of Road Period 1, July 2020

⁶⁸ National Audit Office, Road enhancements: progress with the second road investment strategy, November 2022

Department for Transport (SRI0039)

⁷⁰ Office of Rail and Road, RIS 2 Efficiency Review, June 2019

There have [...] been challenges with the delivery of RIS 2, notably in three areas; securing planning consents, smart motorways and now inflationary impacts. These have had a significant impact on the overall delivery of RIS 2, both in terms of cost and schedule. This, with other specific project challenges, has resulted in the need to replan delivery of 22 projects.⁷¹

As a result of this re-planning, the total RIS 2 budget was reduced by £3.4 billion to £24 billion in the 2021 Spending Review, with the enhancements budget reduced to £10.5 billion. 72

- 43. In November 2022 the National Audit Office (NAO) published a report on progress in delivering RIS 2.⁷³ The NAO found that:
 - £1.19 billion of a contingency budget for enhancement projects had already been spent by July 2022—more than the initial £1.16 billion contingency budget set aside until 2025.
 - Inflation would result in an estimated additional £740 million additional cost pressure for road enhancements schemes to March 2025.
 - There had been an additional £6 billion increase since 2020 in the forecast cost of projects approved in 2020 and planned for delivery between April 2025 and March 2030. The forecast cost was now £11.5 billion, up from an initial estimate of £5.5 billion.⁷⁴

The NAO's analysis concluded that, by the end of RIS 2, National Highways would have completed less work on road enhancements and at a higher cost than originally planned.

44. The Department for Transport and National Highways identified three causes for the delays to RIS 2: setbacks in securing planning consents, changes to smart motorways plans, and the impact of inflation.⁷⁵ Nick Harris, Chief Executive of National Highways, made it clear to us in February 2023 that he did not believe that the COVID-19 pandemic had created any significant delays for National Highways in delivering the RIS 2 portfolio.⁷⁶

Delays in planning processes

45. At the start of the RIS 2 programme, National Highways set out to obtain development consent for the 33 Nationally Significant Infrastructure Projects in the portfolio. The NAO charted the subsequent delays in obtaining consent and said that:

During [RIS 1] it [National Highways] received consent for seven projects, none of which were subject to legal challenge. By May 2022 National Highways had experienced delays in receiving or applying for development consent on 12 projects.⁷⁷

- 71 Department for Transport (SRI0039)
- 72 HM Treasury, Autumn Budget and Spending Review 2021, October 2021
- 73 National Audit Office, Road enhancements: progress with the second road investment strategy, November 2022
- 74 National Audit Office, Road enhancements: progress with the second road investment strategy, November 2022, page 4
- 75 Department for Transport (SRI0039)
- 76 Oral evidence taken on 1 February 2023, HC 904, Q4
- 77 National Audit Office, Road enhancements: progress with the second road investment strategy, November 2022

The legal challenges faced by these projects were made primarily on climate grounds after the UK Government put into legislation in 2019 a net zero emissions target by 2050.⁷⁸

46. Dame Bernadette Kelly, the Department's Permanent Secretary, said that these delays were unexpected:

It is fair to say that we had not anticipated, in the planning for RIS 2, that we would see the challenges and the delays that we did [...] we saw a number of significant cases, legal challenges and other difficult planning decisions which had an impact on a significant number of those projects.⁷⁹

47. In response to the delays, the Department has undertaken a review of the National Networks National Policy Statement (NNNPS), the Government's statement of strategic planning policy for major schemes. At the time of writing, we are scrutinising the draft revised NNNPS. Officials from the Department also told us that, alongside National Highways, it had implemented a development consent action plan. They said this was "having an effect", with nine Development Consent Orders being approved since April 2022. The Department has also increased staffing capacity and capability, from 28 staff in the last year of RIS 1 to 55 in February 2023 and has identified 24 lessons learnt from RIS 1 for developing the nine "tier 1" projects. Page 1972.

Changes to the smart motorways programme

48. Changes of plan relating to smart motorway projects have also affected the RIS 2 portfolio. We first expressed concern about the rollout of all-lane running motorways in 2016 due to safety risks. ⁸³ In November 2021 we reiterated our concerns about safety risks, saying that these should have been addressed before all-lane running motorways were rolled out, and recommended that their rollout should be paused. ⁸⁴ In January 2022 the Government agreed, in response to our Report, to pause the rollout of all new all-lane running motorways and the planned conversions of Dynamic Hard Shoulder schemes to all-lane running. ⁸⁵ In total, four all-lane running schemes and seven conversions of Dynamic Hard Shoulder to all-lane running were paused. In April 2023 the Department announced that these 11 schemes—all in the RIS 2 portfolio—would be cancelled, along with three new smart motorway schemes that had been proposed for RIS 3. ⁸⁶

⁷⁸ Department for Business, Energy and Industrial Strategy, <u>UK becomes first major economy to pass net zero</u> emissions law, June 2019

⁷⁹ Oral evidence taken on 29 March 2023, HC 904, Q37

⁸⁰ Department for Transport, <u>Draft national networks national policy statement consultation document</u>, March 2023

⁸¹ Oral evidence taken on 1 February 2023, HC 904, Q40

⁸² Correspondence from the Permanent Secretary, Department for Transport, relating to strategic road investment, dated 21 February 2023

⁸³ Transport Committee, Second Report of Session 2016–17, All lane running, HC 63

⁸⁴ Transport Committee, Third Report of Session 2021–22, Rollout and safety of smart motorways, HC 26

Transport Committee, Sixth Special Report of Session 2021–22, Rollout and safety of smart motorways:

Government Response to the Committee's Third Report, HC 1020

⁸⁶ Written Statements, Volume 731, Smart Motorway Schemes: Cancellation, 17 April 2023

Confidence in delivery

49. In February 2023 Dame Bernadette Kelly told us that, although the RIS 2 portfolio "was always a very challenging, complex portfolio, with much more in the way of large projects than RIS 1",⁸⁷ nonetheless "we judged that the programme was deliverable".⁸⁸ She continued:

That was also the conclusion that the Office of Rail and Road drew, as did the Infrastructure and Projects Authority. [...] from an accounting officer perspective, I had assurance and was satisfied at that point that the programme that was being planned was a deliverable portfolio.⁸⁹

50. In terms of horizon-scanning for future risk, the Government's plans for decarbonisation and the highlighted safety risks of smart motorways had been well documented and should have factored more into risk planning. That these considerations were present but the final RIS 2 portfolio was so ambitious suggests an optimism bias, or overconfidence, regarding the capacity and capability of the Department and National Highways to deliver it.

RIS 3 and beyond (2025 onwards)

51. In March 2023, the Secretary of State for Transport announced further delays to RIS 2 schemes which would be deferred to RIS 3 and said that other schemes earmarked for RIS 3 would continue to be developed for consideration in RIS 4—in other words, beyond 2030.⁹⁰ This included pushing back the start of construction on the Lower Thames Crossing⁹¹ by two years until 2026, into RIS 3, so that it will require funding from the RIS 3 budget. The National Audit Office has reported that the expected cost of the Lower Thames Crossing project has increased by £1.5 billion, to a total of between £5.3 billion and £9 billion, with £800 million having already been spent on planning.⁹² In May 2023 the DfT announced a consultation on shaping the future of England's strategic roads, which outlined National Highways proposed priorities for RIS 3.⁹³ In its Initial Report for RIS 3, National Highways confirmed that projects from RIS 2, including expensive, complex projects such as the Lower Thames Crossing would be included in the portfolio:

There is still a significant number of schemes, committed in RIS 1 and RIS 2 that we agreed with government, which we will continue to consider in our decision making for RIS 3. We know that bottlenecks and varying standards of roads currently affect journeys, with inconsistent investment prior to RIS 1 leading to piecemeal development of our network and with traffic volumes set to grow, we need to tackle these problem areas.⁹⁴

⁸⁷ Oral evidence taken on 1 February 2023, HC 904, Q2

⁸⁸ Oral evidence taken on 1 February 2023, HC 904, Q10

⁸⁹ Oral evidence taken on 1 February 2023, HC 904, Q2

⁹⁰ HC Deb, 9 March 2023, HCW265

⁹¹ National Highways, Lower Thames Crossing, June 2023

⁹² National Audit Office, Road enhancements: progress with the second road investment strategy, November 2022

⁹³ Department for Transport, Shaping the future of England's strategic roads, May 2023

⁹⁴ National Highways, Strategic Road Network Initial Report 2025–2030, May 2023

- 52. Throughout RIS 1 and 2, there has been a consistent theme of overly ambitious portfolio planning, and National Highways has overspent and underdelivered. Despite delays in RIS 1, an even more ambitious portfolio was chosen for RIS 2. Schemes have been consistently pushed back into the following RIS portfolio, and some projects initially planned for RIS 3 (2025–30) have already been pushed back to RIS 4. Rather than the efficiency and certainty which road periods were meant to introduce, this has led to confusion and uncertainty. While current inflationary costs were unexpected, changes to the smart motorways programme and legal challenges to projects on environmental grounds could have been better anticipated given longstanding criticisms.
- 53. Given the history of consistent delays to complex projects, it seems that portfolios to date have been too ambitious and have suffered from 'optimism bias'. The Department needs to ensure that future RIS portfolios which include such projects are deliverable; it is time for the Government to reconsider its portfolio of expensive, complex SRN enhancement projects. There is a compelling case for each RIS portfolio to be smaller in scope to avoid continual deferral of projects from one road period to the next, or for the Government to dedicate more resource to ensuring that projects can be completed within a reasonable window.
- 54. The Government should implement more robust and transparent measures to assess deliverability when setting a RIS so that a wider range of stakeholders can flag risks to completing projects on time. We are scrutinising the draft revised National Networks National Policy Statement in a separate inquiry, but regardless of what framework is in place, the Department clearly needs to ensure its proposals are robust enough to stand up to scrutiny and challenge against that framework. The Department must also produce a plan for how it will better anticipate, assess and deal with risks to timely delivery, and ensure projects remain on budget and good value for money.

5 Engagement with sub-national transport bodies

- 55. There is a seven-step process for setting a Road Investment Strategy, as set out in the terms of National Highways' licence. This comprises an initial network assessment by National Highways, a consultation conducted by the Secretary of State on a draft RIS, and efficiency and deliverability reviews by the Highways Monitor. A Strategic Business Plan and a Delivery Plan are also agreed on over several iterations. Throughout this process National Highways and the Department for Transport undertake engagement with numerous external bodies to establish whether the potential RIS portfolio is deliverable.
- 56. English sub-national transport bodies (STBs) do not have a formal role in the development and publication of a RIS. STBs provide strategic transport governance at a much larger scale than existing local transport authorities by grouping authorities together. In practice, the membership of STBs is formed from a mix of local highways authorities, Local Enterprise Partnerships (LEPs), local airports, National Highways, Network Rail and the Department for Transport. There are currently seven STBs across England, six of which operate on a pre-statutory basis, meaning that they have no statutory duties but still act as a voice for their region's transport needs. The seventh, Transport for the North, has a statutory role.
- 57. Transport for the South East told us that it had provided advice on "the south east's priorities for investment in the SRN" and welcomed the "increased engagement and input" it had had with the Department and National Highways in planning for the next RIS. ⁹⁶ However, Transport for the South East also said that "this engagement has not been consistent and has not always been as open or collaborative as that for the strategic level of RIS 3 development." ⁹⁷
- 58. Midlands Connect also said that they had a positive relationship with National Highways but that there is room for improvement. This was a view supported by Darren Oldham, Rail and Roads Director at Transport for the North, who said that its relationship with National Highways "[feels like] a situation where we are effectively told what the decisions and outcomes are". His opinion was that an obligation for National Highways to formally include STBs in RIS engagement would lead to much more of a "two-way process".99
- 59. Because the licence for National Highways (the appointed strategic highways company) was published prior to the formation of STBs, in 2015, they have no formal role in the development and publication of a RIS. STBs suggested to us that National Highways' licence should be updated to reflect the establishment of STBs. Maria Machancoses, Chief Executive of Midlands Connect, told us that it would be helpful for the licence to acknowledge the importance of engaging with STBs and establish protocols for doing so. 100

⁹⁵ Department for Transport, Highways England: Licence, 2015

⁹⁶ Transport for the South East (SRI0037)

⁹⁷ Transport for the South East (SRI0037)

⁹⁸ Midlands Connect (SRI0040)

⁹⁹ Oral evidence taken on 29 March 2023, HC 904, Q199

¹⁰⁰ Oral evidence taken on 29 March 2023, HC 904 Q198

Naomi Green, Managing Director of England's Economic Heartland, said that a formal role for STBs would mean that proposed schemes could be designed and finessed to better meet regional needs and account for local knowledge, which could improve proposals.¹⁰¹

60. Better engagement could have benefits beyond decision-making: implementation, refinement of schemes and risk mitigation could also be improved. Transport for the North argued that:

earlier and more thorough engagement with key partners and stakeholders would have supported a more comprehensive approach to mitigating risks [in RIS 1 and RIS 2], particularly with respect to statutory planning processes where most delays and uncertainty with delivery occur.¹⁰²

- 61. We asked the Minister what power STBs have over the prioritisation of schemes within their region; he responded that STBs receive funding from the Department.¹⁰³ Emma Ward, Director General for Roads, added that National Highways already has a framework agreement in place with the sub-national transport bodies and that there is a joint engagement and action plan. Asked whether their role could be recognised in National Highways' licence, she said, "I am not sure there is anything that National Highways are not doing that they would do, or do differently, even if the licence was changed", and noted that "both sets of organisations are maturing". 105
- 62. Sub-national transport bodies were established following the publication of National Highways' licence, and therefore have no codified role in the RIS setting process. There are good examples of collaborative planning and working between STBs and National Highways, but this is inconsistent. An acknowledgement of STBs in National Highways' licence would enable STBs to convey regional priorities more effectively, and help National Highways gain a better understanding of potential risks and mitigations for schemes proposed for the regions. National Highways' licence should be updated to include a formalised engagement process with STBs, regardless of their statutory status.

¹⁰¹ Oral evidence taken on 29 March 2023, HC 904 Q199

¹⁰² Transport for the North (SRI0028)

¹⁰³ Oral evidence taken on 29 March 2023, HC 904 Q234

¹⁰⁴ Oral evidence taken on 29 March 2023, HC 904, Q234

¹⁰⁵ Oral evidence taken on 29 March 2023, HC 904, Q235

6 Reporting and transparency

- 63. Throughout our inquiry we have relied on a collection of documents from Government, Government-owned companies, regulatory bodies and auditors to understand the progress and status of RIS portfolios and projects. This is indicative of how challenging it can be to track the progress of strategic road projects, which can be exacerbated by a regularly changing portfolio.
- 64. Kate Cohen, Director for Roads and Projects Infrastructure at the Department for Transport, explained the various reporting resources to us:

Every year there are three annual publications of progress on the RIS. One is the delivery plan produced by National Highways. One is the ministerial statement that gets presented to Parliament each year. Then there is an annual assessment by the ORR [Office of Rail and Road]. In those three documents, which are published annually, together with the annual report and accounts for National Highways, there is a complete list of progress against all the KPIs and all the schemes, progress against their predicted start of works and opening dates for the key milestones. ¹⁰⁶

- 65. This explanation exemplifies the work required to track and understand the status of RIS spending and delivery; the documents do provide comprehensive reference points for the status of RIS projects, but need to be identified, located and cross-referenced. And as these documents are published annually, frequent changes to RIS portfolios, such as we have seen over RIS 2, can mean that these documents can become obsolete. This requires further work to track down statements and press releases outlining details of changes to the programme, many of which do not include details of scheme expenditure. Often, we found that information on the various legal challenges to RIS projects, their planning status, and their position in the Development Consent Order process was most easily found on the websites of the campaign groups who had mounted legal challenges.
- 66. On 29 March 2023 we asked Richard Holden MP, Parliamentary Under Secretary of State for Roads, for a definitive list of all projects in each of the RIS portfolios, along with their current status. ¹⁰⁷ We were grateful to receive a response, but noted that the information given in it on RIS 2 progress and a potential list of RIS 3 schemes was extracted from the National Highways Delivery Plan Update, ¹⁰⁸ published some eight months previously, in July 2022. ¹⁰⁹ Previously, on 9 March, the Secretary of State for Transport had announced that the A27 and A5036 RIS 2 projects would be deferred to RIS 3, something that the Minister referred to during questioning. ¹¹⁰ Even the Minister's correspondence, dated 5 April, did not reflect these all of these updates.
- 67. Understanding and scrutinising the delivery progress of a RIS portfolio, or given project is not simple. It involves cross-referencing several annual reporting documents from National Highways and the Office of Rail and Road which are not updated with changes made in the interim. This is not accessible or transparent, especially given the

¹⁰⁶ Oral evidence taken on 29 March 2023, HC 904, Q226

¹⁰⁷ Oral evidence taken on 29 March 2023, HC 904, Q225

¹⁰⁸ National Highways, Delivery Plan 2022–2023, July 2022

¹⁰⁹ Correspondence from the Parliamentary Under-Secretary for Roads, Department for Transport, relating to strategic road investment, dated 5 April 2023

¹¹⁰ Oral evidence taken on 29 March 2023, HC 904, Q236

frequent and significant changes that can be made to the RIS programme. That the Minister responsible for strategic road investment was not able to provide us with an up-to-date progress report on the RIS 2 portfolio exemplifies how challenging it can be to track RIS progress. Reporting on the delivery of RIS portfolios must be simplified and made more accessible.

68. The Government should work with National Highways to introduce a "live" project dashboard which provides up-to-date information on each project in the RIS 1, RIS 2 and subsequent RIS portfolios. The dashboard should provide information on original and current: costs; Start of Work date; Open for Traffic date; and planning status (if applicable).

Conclusions and recommendations

Alignment with government policy goals

- 1. The Strategic Road Network plays an important role in economic growth and productivity. However, the extent to which further investment in the Network would help to boost growth, in comparison to investment in other modes of transport and connectivity, is contested. We intend to look in more detail at how the outcomes of transport investment are prioritised and appraised in our forthcoming inquiry on the Government's strategic transport objectives. (Paragraph 11)
- 2. Transport remains the biggest greenhouse gas contributor in the UK and the Government's strategy for decarbonising transport by 2050 is reliant on a rapid switch to zero emissions vehicles. However, in all future scenarios modelled by the Department for Transport, traffic on the Strategic Road Network is forecast to increase, and there is a great risk that uptake of cleaner vehicles will not be fast enough to mitigate that increase. The Government's determination to accommodate demand for new roads through investment without also considering steps to manage that demand is a risky strategy. (Paragraph 19)
- 3. In our recent report on Implementation of the National Bus Strategy we recommended that a debate needs to be had about whether the Department for Transport should introduce a target to reduce car usage in England by the end of the decade, such as those seen in Scotland and Wales. Understanding the impact of reducing or maintaining traffic on the SRN would inform this debate. (Paragraph 20)
- 4. The Government should model and report on scenarios where traffic levels on the SRN are a) reduced and b) maintained at current levels, alongside the transition to a cleaner vehicle fleet, in order to assess the potential contribution of demand management to reaching net zero. (Paragraph 21)
- 5. We welcome Project Rapid's dedicated fund for enhancing electric vehicle charging provision on the Strategic Road Network, but a quicker and greater rollout of rapid charging points and supporting infrastructure will be required to support a future electric vehicle fleet, especially considering the target for all new freight vehicles to be zero emissions by 2040. This should include potential provision for other alternative fuelling technologies such as hydrogen. (Paragraph 25)
- 6. The Government must provide a credible strategy which sets out how the SRN will meet the fuel needs of the future vehicle fleet, including for freight, and provide milestone targets for delivering infrastructure to do so. (Paragraph 26)

Meeting user priorities

7. The existing Strategic Road Network is ageing and requires significant renewal work in places, while many users want to see better day-to-day maintenance and upkeep of the network. Future investment should be focused on renewing older parts of the SRN and ensuring that resources are available to run the network in a way which

- better meets the needs of the drivers and industries that rely on it. The portfolios for RIS 3, RIS 4 and beyond should prioritise investment in the maintenance, renewal and resilience of existing assets over brand new projects. (Paragraph 35)
- 8. Providing the level of day-to-day running and upkeep that meets the needs of SRN users will require revenue funding alongside capital investment in more costly renewal and repair projects. The Government must, therefore, make sufficient provision for both revenue and capital maintenance funds. This funding could be gained by cancelling complex, costly enhancement projects. Increased user satisfaction should be reflected through Transport Focus' annual SRN user reports. (Paragraph 36)

Portfolio planning and delivery

- 9. Throughout RIS 1 and 2, there has been a consistent theme of overly ambitious portfolio planning, and National Highways has overspent and underdelivered. Despite delays in RIS 1, an even more ambitious portfolio was chosen for RIS 2. Schemes have been consistently pushed back into the following RIS portfolio, and some projects initially planned for RIS 3 (2025–30) have already been pushed back to RIS 4. Rather than the efficiency and certainty which road periods were meant to introduce, this has led to confusion and uncertainty. While current inflationary costs were unexpected, changes to the smart motorways programme and legal challenges to projects on environmental grounds could have been better anticipated given longstanding criticisms. (Paragraph 52)
- 10. Given the history of consistent delays to complex projects, it seems that portfolios to date have been too ambitious and have suffered from 'optimism bias'. The Department needs to ensure that future RIS portfolios which include such projects are deliverable; it is time for the Government to reconsider its portfolio of expensive, complex SRN enhancement projects. There is a compelling case for each RIS portfolio to be smaller in scope to avoid continual deferral of projects from one road period to the next, or for the Government to dedicate more resource to ensuring that projects can be completed within a reasonable window. (Paragraph 53)
- 11. The Government should implement more robust and transparent measures to assess deliverability when setting a RIS so that a wider range of stakeholders can flag risks to completing projects on time. We are scrutinising the draft revised National Networks National Policy Statement in a separate inquiry, but regardless of what framework is in place, the Department clearly needs to ensure its proposals are robust enough to stand up to scrutiny and challenge against that framework. The Department must also produce a plan for how it will better anticipate, assess and deal with risks to timely delivery, and ensure projects remain on budget and good value for money. (Paragraph 54)

Engagement with sub-national transport bodies

12. Sub-national transport bodies were established following the publication of National Highways' licence, and therefore have no codified role in the RIS setting process. There are good examples of collaborative planning and working between STBs and National Highways, but this is inconsistent. An acknowledgement of STBs in National

Highways' licence would enable STBs to convey regional priorities more effectively, and help National Highways gain a better understanding of potential risks and mitigations for schemes proposed for the regions. National Highways' licence should be updated to include a formalised engagement process with STBs, regardless of their statutory status. (Paragraph 62)

Reporting and transparency

- 13. Understanding and scrutinising the delivery progress of a RIS portfolio, or given project is not simple. It involves cross-referencing several annual reporting documents from National Highways and the Office of Rail and Road which are not updated with changes made in the interim. This is not accessible or transparent, especially given the frequent and significant changes that can be made to the RIS programme. That the Minister responsible for strategic road investment was not able to provide us with an up-to-date progress report on the RIS 2 portfolio exemplifies how challenging it can be to track RIS progress. Reporting on the delivery of RIS portfolios must be simplified and made more accessible. (Paragraph 67)
- 14. The Government should work with National Highways to introduce a "live" project dashboard which provides up-to-date information on each project in the RIS 1, RIS 2 and subsequent RIS portfolios. The dashboard should provide information on original and current: costs; Start of Work date; Open for Traffic date; and planning status (if applicable). (Paragraph 68)

Formal minutes

Tuesday 18 July 2023

Members present:

Iain Stewart, in the Chair

Mike Amesbury

Jack Brereton

Sara Britcliffe

Ruth Cadbury

Karl McCartney

Gavin Newlands

Draft Report (*Strategic road investment*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 68 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Sixth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Adjourment

[Adjourned till tomorrow at 9.30 am

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the <u>inquiry publications</u> page of the Committee's website.

Wednesday 1 February 2023

Dame Bernadette Kelly DCB, Permanent Secretary, Department for Transport; Emma Ward CBE, Director General for Roads, Places and Environment Group, Department for Transport; Nick Harris, Chief Executive, National Highways

Q1-105

Wednesday 1 March 2023

Edmund King, President, The AA; **Sharon Kindleysides**, Chief Executive Officer, Chartered Institute of Logistics and Transport; **Jonathan Walker**, Head of Cities and Infrastructure Policy, Logistics UK; **Guy Dangerfield**, Head of Transport User Strategy, Transport Focus

Q106-161

Lisa Hopkinson, Associate, Transport for Quality of Life; **Ralph Smyth**, Advisor, Transport Action Network; **Professor Glenn Lyons**, Professor of Future Mobility, University of the West of England

Q162-189

Wednesday 29 March 2023

Naomi Green, Managing Director, England's Economic Heartland; Maria Machancoses, Chief Executive Officer, Midlands Connect; Darren Oldham, Director for Rail and Road, Transport for the North

Q190-220

Richard Holden MP, Parliamentary Under-Secretary of State for Roads and Local Transport, Department for Transport; **Emma Ward CBE**, Director General for Roads, Places and Environment, Department for Transport; **Kate Cohen**, Director for Roads and Projects Infrastructure, Department for Transport

Q221-272

Published written evidence

The following written evidence was received and can be viewed on the <u>inquiry publications</u> page of the Committee's website.

SRI numbers are generated by the evidence processing system and so may not be complete.

- 1 Action for Yorkshire Transport (SRI0004)
- 2 ADEPT Association of Directors of Environment, Economy, Planning & Transport (SRI0015)
- Anable, Professor Jillian (Professor of Transport and Energy, University of Leeds); and Professor Goodwin, Phil (Emeritus Professor of Transport Policy, University College London and the University of the West of England) (SRI0036)
- 4 Arundel Bypass Neighbourhood Committee (SRI0001)
- 5 CIHT (SRI0020)
- 6 CPRE Peak District and SOuth Yorkshire (SRI0035)
- 7 CPRE, the countryside charity (SRI0027)
- 8 Cambridgeshire and Peterborough Combined Authority (SRI0055)
- 9 Campaign for Better Transport (SRI0042)
- 10 CoMoUK (SRI0048)
- 11 Cuss, Edmund Camerer (SRI0003)
- 12 Cycling UK (SRI0051)
- 13 Department for Transport (SRI0039)
- 14 England's Economic Heartland (SRI0046)
- 15 Eyre, Mr Sam (Undergraduate Student, University of Sheffield) (SRI0008)
- 16 Gadsby, Mr Philip (SRI0006)
- 17 Gillham, Dr Christopher (SRI0047)
- 18 Gravesham Borough Council (SRI0034)
- 19 Green Alliance (SRI0021)
- 20 Hammond, Mr Peter (SRI0002)
- 21 ITS United Kingdom (SRI0058)
- 22 Institution of Civil Engineers (SRI0029)
- 23 Keene, Dr Suzanne (SRI0024)
- 24 Living Streets (SRI0038)
- 25 Local Government Technical Advisers Group (LGTAG) (SRI0018)
- 26 Logistics UK (SRI0022)
- 27 Lyons, Professor Glenn (Mott MacDonald Professor of Future Mobility, University of the West of England, Bristol) (SRI0014)
- 28 MTRU (SRI0054)
- 29 Marsden, Professor Greg (Professor of Transport Governance, Institute for Transport Studies, University of Leeds) (SRI0010)

- 30 Metz, Dr David (honorary professor, Centre for Transport Studies, University College London) (SRI0005)
- 31 Midlands Connect (SRI0040)
- 32 Mineral Products Association (SRI0041)
- 33 Office of Rail and Road (SRI0030)
- 34 Oxfordshire County Council (SRI0044)
- 35 RHA (SRI0043)
- 36 Ringway Infrastructure Services Limited (SRI0007)
- 37 Rogers, Bill (Chair, South Coast Alliance for Transport and the Environment, East Sussex) (SRI0023)
- 38 Sustrans (SRI0019)
- 39 Thames Crossing Action Group (SRI0049)
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- 43 Transport Futures East Sussex (SRI0053)
- 44 Transport North East (SRI0031)
- 45 Transport Planning Society (SRI0013)
- 46 Transport for Quality of Life (SRI0012)
- 47 Transport for West Midlands (SRI0033)
- 48 Transport for the North (SRI0028)
- 49 Transport for the South East (SRI0037)
- 50 Wagland, Kay (SRI0057)
- 51 Walberton Parish Council (SRI0045)
- 52 Wellby, Ian (SRI0052)
- 53 Wiltshire Climate Alliance, Transport Topic Group (SRI0026)
- 54 Woodland Trust (SRI0016)
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List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the <u>publications page</u> of the Committee's website.

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