



House of Commons  
Transport Committee

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**Strategic road  
investment:  
Government response  
to the Committee's  
sixth report**

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**Eighth Special Report of Session  
2022–23**

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## Transport Committee

The Transport Committee is appointed by the House of Commons to examine the expenditure of the Department for Transport and its associated public bodies.

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### Committee staff

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# Eighth Special Report

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The Transport Committee published its Sixth Report of Session 2022–23, [Strategic road investment](#) (HC 904) on 27 July 2023. The Government response was received on 27 September 2023 and is appended below.

## Appendix: Government Response

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### Introduction

The Government welcomes the Transport Select Committee's recommendations published on 27 July 2023, following its inquiry into strategic roads investment. We are grateful to the Committee and to all those who provided evidence for its work.

The strategic road network (SRN) in England comprises some 4,500 miles of motorways and major A-roads. These roads play a vital role in the functioning of this country, making up only 2% of the network but carrying a third of passenger miles and two thirds of heavy goods vehicle journeys. Despite a challenging delivery environment which includes significant inflationary pressures, the Government remains committed to maintaining, renewing and enhancing the SRN in a way which works for all and fully supports levelling up across the country.

Independent assessments by the Office of Rail and Road (ORR) and the Infrastructure and Projects Authority (IPA) concluded that National Highways has made a great deal of progress since 2015 in planning and delivering the Government's Road Investment Strategies (RIS) and has the right approaches in place. The National Audit Office's recent report<sup>1</sup> noted that many of the large enhancement schemes solve long standing safety and capacity problems at key parts of the network and acknowledged that the projects being delivered are both very complex and challenging. This was also confirmed at the start of RIS2 by the ORR in its efficiency review and the IPA in its deliverability review of the proposed portfolio (both in 2020).

Despite a challenging delivery programme, to date over Road Period 2 (2020–2025), National Highways has completed 20 major enhancement schemes, of which half were opened for traffic ahead of schedule. A further 17 schemes are in construction, with five of these beginning ahead of committed dates.

Today every £1 of investment in the SRN returns over £2.50 to the economy indicating high value for money. In the first full Road Period (2015–2020) this was £4:£1.

Having carefully considered the Committee's report, and the evidence provided, the Government's response to the Committee's recommendations is set out below.

### Recommendation 1:

***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)

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1 <https://www.nao.org.uk/reports/progress-with-the-second-road-investment-strategy/>

The Government notes this recommendation.

The Government's approach to decarbonisation is not to stop people travelling, it is about enabling people to do the same things differently and more sustainably while still realising transport's social and economic benefits. The current trajectory set out in the Carbon Budget Delivery Plan<sup>2</sup> (CBDP), published in March 2023, presents a credible pathway to net zero without restricting growth.

The CBDP is a dynamic long-term plan for a transition that will take place over the next 15 years, setting the country on course to reach net zero by 2050. The complexity of the net zero system means there is inherent uncertainty in any forecasts. Consumer behaviour, future trends and the future economic context all play a huge role in meeting carbon budgets. The exact mix of proposals and policies needed to get there is variable and will continue to be developed using analysis. As set out in the Transport Decarbonisation Plan<sup>3</sup>, the Government will continue to adapt and take further action if needed to decarbonise transport – including publishing our progress and reviewing our pathway at least every five years.

### **Recommendation 2:**

***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)

The Government partially agrees with this recommendation.

The Government has already set out a credible strategy for the rollout of electric vehicle charging infrastructure, including for the SRN, with the publication last year of the UK's Electric Vehicle (EV) Infrastructure Strategy<sup>4</sup>. Building on this, a zero emission Heavy Goods Vehicle (HGV) infrastructure strategy is planned for publication in 2024. More detail is set out below.

As noted by the Committee, the Government is already supporting motorway services area (MSA) operators and the private sector to deliver ultra-rapid, open access charge points at every MSA in England. Around 96% of MSA sites in England have charging available with 31% of sites having ultra-rapid charging.

The Government recognises the continued roll-out of charging infrastructure across the SRN will rely on the expansion of the electricity system. The Green Recovery Scheme, a £300m investment programme administered by Ofgem, is already upgrading electricity network infrastructure to support the further installation of ultra-rapid charging at MSAs.

In addition, the Government's Rapid Charging Fund (RCF) will fund a portion of the cost of upgrading the electricity grid at strategic locations where it is currently not commercially viable to do so, supporting stakeholders such as the MSA operators prepare for a zero-emission car and van fleet. The Government continues to review the inclusion of heavy goods vehicles within the scope of the RCF.

2 <https://www.gov.uk/government/publications/carbon-budget-delivery-plan>

3 <https://www.gov.uk/government/publications/transport-decarbonisation-plan>

4 <https://www.gov.uk/government/publications/uk-electric-vehicle-infrastructure-strategy>

The Government is developing a zero emission HGV infrastructure strategy which will set strategic direction and outline the respective roles and responsibilities of both the Government and industry to ensure the delivery of HGV refuelling and recharging infrastructure. This is expected to be published in 2024.

The Government continues to work collaboratively with National Highways to include provision for alternative fuelling technologies such as hydrogen. There are eight publicly accessible hydrogen refuelling stations in the UK, and the Government has recently announced that Tees Valley Hydrogen Transport Hub will fund four more stations.

**Recommendation 3:**

*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, and resilience of existing assets over brand new projects.* (Paragraph 35)

The Government agrees with this recommendation.

Between 2020 and 2025, almost half of the investment in strategic roads, though often described as roadbuilding, is in fact for renewing, maintaining and operating the existing network or for funds to retrofit the existing network to improve safety, enhance the natural environment, and tackle noise or pollution. In addition, many new projects support other objectives, such as improving safety, and include work to maintain, renew and improve the resilience of existing assets, often addressing enduring legacy issues of poor network performance.

With much of the SRN built in the 1960s and 1970s, many structures and road surfaces on the network are reaching the end of their serviceable life, and so maintenance and renewals to keep the network in a safe and serviceable condition and minimise the need for more structural, intrusive repairs, are likely to be a growing and essential element of the roads programme.

The Government recognises that failure to invest in a well-maintained road network will result in lost time, lower productivity, and higher costs for road users and those that rely on the network. It will also reduce the quality of life and increase intrusion for those neighbouring the network. Ensuring infrastructure remains fit for purpose and adapts to the country's changing needs remains vital for society and the economy to flourish, delivering the next generation of manufacturing, construction and logistics jobs for British workers in every corner of the country.

Decisions on the future balance of spending on the SRN are made as part of the statutory process to develop Road Investment Strategies (RISs). The Government is currently developing its investment priorities for RIS3 (2025–30). More details will be set out in the draft RIS3 later in 2023.

**Recommendation 4:**

***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)

The Government notes this recommendation.

In preparing for RIS2, the Government undertook a significant consultation process, which captured the views and priorities of individuals and businesses. The work of Transport Focus was also invaluable for developing the content of RIS2. An overarching theme was the need for the right level of funding for SRN maintenance and renewal, alongside investment in upgrades. Capital spending on maintenance and renewals increased by over 50 per cent between RIS1 and RIS2, with a commitment to long term, multi-road period plans for structures renewals, retiring concrete roads and safety barrier replacement.

As noted in the Government's response to Recommendation 3, in RIS2, almost half of the investment in strategic roads, though often described as roadbuilding, is in fact for renewing, maintaining and operating the existing network or for funds to retrofit the existing network to improve safety, enhance the natural environment, and tackle noise or pollution.

It remains important to strike the right balance between renewing and maintaining the SRN while also delivering enhancement projects that support other objectives, such as improving safety, and which include work to maintain, renew and improve the resilience of existing assets, often addressing enduring legacy issues of poor network performance.

In RIS2, National Highways already reports against a road user satisfaction key performance indicator (KPI), with a 73 per cent target agreed for 2023/24. Due to the nature of this data collection, monitoring National Highways' performance against this metric was suspended during the Covid 19 pandemic. However, new methodology has been developed and agreed with Transport Focus, and been reinstated for 2023/24.

Looking ahead to RIS3, Transport Focus is directly involved as an active participant in the strategy-setting process alongside the Department for Transport, National Highways and the ORR. Transport Focus's participation ensures the user voice is incorporated throughout the process. We continue to think through the investment priorities for RIS3. More details will be set out in the draft RIS3 later in 2023.

**Recommendation 5:**

***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)

The Government notes this recommendation.

Government assesses deliverability when setting a RIS, with independent scrutiny and assessment by the ORR. The ORR has an important role in the development of a RIS. The ORR provides independent advice to the Secretary of State during the RIS setting process and is responsible for undertaking an assessment of National Highways' plans. This advice is intended to ascertain whether the developing proposition is both challenging and deliverable, particularly in terms of efficiency.

Plans for RIS2 were reviewed externally by the ORR and the IPA undertook a delivery review. Neither the ORR nor the IPA suggested fundamental changes in the proposed approach and the balance of risk versus deliverability.

Over the past eight years, National Highways has developed a strong track record of delivering transport infrastructure enhancements. Where RIS2 schemes have not been smart motorways or subject to development consent order (DCO) decision deadline extensions or legal challenge, delivery has been positive with limited slippage. To date, in Road Period 2, 20 schemes have opened for traffic, of which 95 per cent have been ahead of, or on, schedule. A further 17 schemes are in construction, having started either ahead of, or on, schedule.

There have been challenges with the delivery of RIS2, notably in three areas; securing planning consents, changes associated with the Transport Select Committee's review of smart motorways and now inflationary impacts. These have had a significant impact on the overall delivery of RIS2, both in terms of cost and schedule, however, the Government and National Highways have robust plans in place to manage these challenges. In a portfolio which contains projects at different stages of development, it is highly likely some projects will experience delays. When setting the RIS there will be some inherent risks which will materialise, but it is not possible to predict at the start exactly when or if they will materialise. By taking a portfolio approach it allows flexibility and a level of overprogramming to manage a project, which assists with effective management of risk and more efficient delivery.

DCO delays have mainly been associated with legal challenges on environmental grounds. To address this, the Government and National Highways developed a joint DCO action plan to support schemes subject to the DCO process. The Secretary of State for Transport granted 10 scheme consents in 2022/23 and two re-determinations in the first half of 2023/24. Five of these consents were challenged (often on environmental grounds), with four so far successfully defended with National Highways now planning to proceed to construction at the earliest opportunity.

Considering the remainder of the major enhancement portfolio, many of the larger, complex schemes inevitably have longer delivery periods and therefore run across different road periods. It would be inefficient to only have projects which start and finish within a single five-year road period, as this would result in a skewed capital spending profile of low spend in the initial years and significantly higher at the end of the road period.

The Government has taken action to dedicate more resource to ensuring that projects can be completed within a reasonable window. As reported in the inquiry report, the Government increased staffing capacity and capability to manage RIS2, from 28 in the last year of RIS1 to 55 in February 2023, and identified 24 lessons learnt from RIS1 for delivering the nine Tier 1 projects.

We continue to think through the investment priorities for RIS3. More details will be set out in the draft RIS3 later in 2023.

#### **Recommendation 6:**

***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)

The Government partially agrees with this recommendation.

The existing range of experts involved in the development and setting of a RIS are considered adequate and appropriate. The ORR has a role as the Highways Monitor, defined within the Infrastructure Act 2015. The Highways Monitor is independent of the Department for Transport and reports to Parliament and the public<sup>5</sup>. A core activity of the Monitor includes providing advice to the Secretary of State to support the setting of a RIS, including advice to confirm that a developing proposition remains deliverable and challenging. This brings unprecedented transparency to the setting of a RIS and the performance of National Highways.

The IPA is the Government's centre of expertise for infrastructure and major projects, reporting to the Cabinet Office and HM Treasury. The IPA core teams include experts in all elements of project delivery, project finance and project profession capability who work with government departments and industry. The IPA undertook a delivery review of the plans for RIS2. We plan to engage the IPA in a similar delivery review for RIS3.

Neither the ORR nor the IPA suggested that any fundamental changes were needed to the RIS2 proposed approach or the balance of risk versus deliverability. Nonetheless, the overall governance of RIS2 has been strengthened both in planning and managing the portfolio since the first RIS. This includes enhanced change control mechanisms and risk management, with specific requirements for Tier 1 schemes, and independent assurance. National Highways also introduced a contingency budget (central risk reserve) in RIS2 to manage portfolio-level risks.

The Government and National Highways have developed strong governance arrangements between the Government (client) and the delivery body (National Highways) to monitor, manage and report portfolio-level risks to senior levels in both organisations.

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5 <https://www.gov.uk/government/publications/highways-monitor-memorandum-of-understanding>



The ORR independently monitors National Highways' performance and delivery. The current approach places significant emphasis on the delivery of enhancement scheme commitments.

In the delivery of RIS2, where unexpected changes have occurred, the Government and National Highways understand the reasons and have taken action to develop plans to mitigate remaining risks. For example, when DCO risks materialised as a portfolio issue in 2021, the Government and National Highways agreed and began implementing an action plan to fully understand and mitigate the risks to successful development consent orders. This action plan has proved to be beneficial when reviewed in 2023 and has been updated to respond to the latest DCO risks.

We accept the need to continue to manage portfolio and project risks to ensure project delivery and good value for money. The most significant risks to the delivery of the portfolio, for the remainder of RIS2, are the impact of legal challenges to DCOs and the impact of inflation on the affordability of the programme, which the Government and National Highways have robust plans in place to mitigate.

**Recommendation 7:**

*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)

The Government notes this recommendation.

In developing RIS2, the STBs were engaged as important partners, whose strategies and studies provided robust information on the priorities for each part of the country. The Government recognised the aspirations of these bodies as they progressed in maturity.

The National Highways licence already requires National Highways to engage with and take reasonable account of the views of local highway authorities and other relevant stakeholders with a significant stake in the long-term development of the network, of which STBs are part.

As shared during the inquiry, National Highways has joint engagement action plans (JEAPs) with each STB to understand their emerging strategies and priorities for the investment on the SRN. These close working relationships continue to evolve as seen through the open and collaborative discussions for the development of RIS3 to ensure the Government understands stakeholder priorities.

The Government is not currently planning to review or re-issue the licence, however, at such a time as we do, this is a specific clarification of the existing licence that could be considered.

**Recommendation 8:**

*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)

The Government agrees with this recommendation.

National Highways already maintains up to date project reporting through the National Highways ‘Our Roads’ web portal<sup>6</sup>. Project progress is regularly updated for each scheme including changes to baseline Start of Works, Open for Traffic, costs and planning status where applicable. There will be times when information on costs is commercially sensitive and needs to be withheld until the period of sensitivity has ended.

The delivery commitments (Start of Works, Open for Traffic) within the RIS portfolio at the end of the financial year are provided annually by the National Highways’ Delivery Plan Update, published in July each year. This includes any changes that have been agreed during the year and presents the delivery commitments for all the major enhancement schemes in one table for each region of the country, not unlike a dashboard. While a genuinely ‘live’ update system would not be practical, it is recognised that there is an appetite for more frequent updates for the enhancements portfolio in a single dashboard format.

The Government therefore agrees with the recommendation and will work closely with National Highways and the ORR, to explore the opportunity for more frequent public project reporting in one place.