



Department
for Transport



National Highways' Performance

Report to Parliament 2021/22

July 2022

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Presented to Parliament pursuant to section 14 of the
Infrastructure Act 2015

July 2022

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Foreword



I am pleased to lay before Parliament this annual report on the performance of National Highways, the company responsible for England's motorways and major trunk roads.

This report focuses on the performance of National Highways in 2021/22 as it delivers the second Road Investment Strategy (RIS2) (2020-2025), a £24 billion investment in England's strategic road network (SRN).

The past year provided a number of challenges for National Highways, but it has worked well with Government and key stakeholders to mitigate these as quickly as possible. This is vital as the strategic road network plays a key role in reconnecting our communities and supporting businesses as we look to rebuild our economy as the country transitions out of the coronavirus (COVID-19) pandemic.

Some of the factors impacting the RIS that National Highways has faced during the year include; the Department's response to the Transport Committee's November 2021 report into the safety and rollout of smart motorways, where we are taking forward all of the Committee's recommendations; the impact of Government's Spending Review 2021 as part of the Autumn Budget; and extended decision timescales for Development Consent Orders (DCO) that are impacting the delivery schedule of some major schemes.

In addition to the above, in autumn 2021 key parts of the SRN in the South-East were targeted by protestors from Insulate Britain, employing extremely disruptive and dangerous tactics to block traffic and cause significant chaos. In response, National Highways swiftly applied for, and was granted, interim injunctions and obtained an injunction that covered the entire SRN as the threat of protest increased. This swift approach enabled National Highways and authorities to target its response more effectively, resulting in several convictions and ultimately the cessation of protests.

Despite having to deal with these challenges, many of which were outside of its control, National Highways has continued to maintain a high level of operational performance, benefitting road users and the economy across the whole country. This includes starting work on four schemes and completing seven schemes in the last year.

A handwritten signature in black ink, appearing to read 'Grant Jones'.

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Executive summary

1. This is the annual Secretary of State report to Parliament on the performance of National Highways, pursuant to section 14 of the Infrastructure Act 2015, and covers the financial year from 1 April 2021 to 31 March 2022. It builds on advice from the Office of Rail and Road (ORR) in its role as Highways Monitor, Transport Focus in its role as road user watchdog and National Highways' own performance reporting.
2. The year 2021/22 marked the second year of the road period delivering the Road Investment Strategy 2 (RIS2) (2020-2025). The 2021 Autumn Budget committed £24 billion to be invested in England's strategic road network (SRN) as part of RIS2.
3. National Highways has performed well in its operational performance, meeting all in-year milestones for its Key Performance Indicators (KPIs) and, with the exception of its biodiversity KPI, is on track to meet its end of RIS targets.
4. There have been a number of factors which have affected the delivery for some of National Highways' major enhancements. The most significant being the extension of decision deadlines for Development Consent Orders (DCO) and undertaking additional consultations so that DCO submissions stand the best chance of success.
5. The Department has listened to concerns related to All Lane Running (ALR) smart motorway schemes and in January 2022 agreed to take forward all the Transport Committee's recommendations. This included immediately pausing the rollout of ALR smart motorway schemes yet to commence construction until five-years of safety data is for ALR smart motorways that were introduced before 2020 available and committing to £390 million over RIS2 to roll out additional emergency areas.
6. Despite the above challenges, National Highways started construction on four schemes and opened seven to traffic in 2021/22, a number of these ahead of committed timeframes. This means that out of the 69 RIS2 schemes, 23 are under construction and 10 have been completed and opened for traffic.

1. Introduction

Purpose of the Report

- 1.1 National Highways (formerly Highways England) was appointed as a Strategic Highways Company by the then Secretary of State for Transport, by way of an Order made under section 1 of the Infrastructure Act 2015. This report covers National Highways' performance for the year from 1 April 2021 to 31 March 2022, the second year of the Road Investment Strategy 2020-2025 (RIS2).
- 1.2 Both ORR's Annual Assessment of National Highways' Performance April 2021 to March 2022 and National Highways' Annual Report and Accounts 2022 have been laid before Parliament and published. National Highways has also published its Delivery Plan Update 2022-2023, focussing on what the company will deliver in the 2022/23 financial year.
- 1.3 This report draws on these documents and other advice to highlight key points of National Highways' performance over the past year.

Context

- 1.4 As a Strategic Highways Company, National Highways is charged with delivering the Government's second Road Investment Strategy, a £24 billion investment programme building upon the foundations made in RIS1, to create a road network that is safe, reliable and efficient for everyone, whilst reducing the impact of the network on the environment.
- 1.5 The Secretary of State issued no statutory directions or guidance during 2021/22.

Monitoring, Assurance and Oversight

- 1.6 In monitoring the performance of National Highways, the Secretary of State is advised by ORR and Transport Focus. ORR scrutinises and reports on the performance and efficiency of National Highways. Transport Focus, as the road user watchdog, gathers stakeholder views on the performance of, and their priorities for, the strategic road network.

- 1.7 National Highways also provides regular information to the Department and ORR to allow monitoring of performance and delivery including information on progress against individual projects, programmes and funds stated in the RIS.

2. Performance

Overview

- 2.1 Delivery of the major enhancement schemes continued to progress in 2021/22, with four schemes starting works, including the A1 Birtley to Coal House and the A303 Sparkford to Ilchester. Seven schemes also opened for traffic, including A19 Downhill Lane and A47 Guyhirn Junction which opened six and three months ahead of schedule respectively.
- 2.2 There were some challenges, with extended Development Consent Order (DCO) decision timescales meaning the start of works dates for five schemes due in 2021/22 have been delayed. However, three have now received decisions in the first quarter of 2022/23.
- 2.3 Protestor action in autumn 2021 targeted key parts of the SRN in the South-East. Quick action by National Highways in conjunction with authorities mitigated disruption. National Highways also worked with Local Authorities and the Kent Resilience Forum in Spring 2022 where Operation Brock helped to manage traffic in the area following the P&O disruption.
- 2.4 National Highways continued to make good progress against its Key Performance Indicators (KPIs), meeting its in-year milestones for 2021/22. It is on track to meet all its RIS2 KPI targets for the end of the road period, with the exception of biodiversity, which requires further work to ensure the no net loss target is met. National Highways is working on a plan to address how it can meet the target. Detailed analysis and evaluation of each KPI can be found in ORR's Annual Assessment of National Highways' Performance April 2021 to March 2022.

Safety

- 2.5 The safety of road users and its workers remains the first imperative for National Highways. RIS2 tasks National Highways to reduce the number Killed and Seriously Injured (KSIs) on the SRN to 50% of the 2005-2009 baseline, by the end of the 2025.
- 2.6 Data for 2020 showed a 54% reduction from the baseline, however it is likely that reduced traffic levels on the SRN due to COVID-19 related travel restrictions would have influenced this figure. Validated data for 2021 is not yet available and will be

published by the Department in autumn 2022, although it is likely the number of KSIs will have risen from 2020 due to the increase in road usage. It is therefore important National Highways continues taking measures that improve safety on the SRN, to sustain the downward trend in KSIs as traffic returns to pre-pandemic levels.

- 2.7 National Highways also met its commitment to publish its International Road Assessment Programme (iRAP) baseline and 2025 forecast. iRAP is an international standard 5-star rating protocol that assess 52 road features to produce an objective safety score measure between 1 (low) and 5 (high). Baselining work showed that 96% of travel on the SRN in 2020 was on roads rated 3-star or higher. iRAP is another tool that can be used by National Highways to improve the safety of its roads as it works towards its zero-harm ambition by 2040.

Smart Motorways

- 2.8 Smart motorways remain one of the most scrutinised parts of our road network and we have continued to invest in upgrading their safety. National Highways' Smart Motorway Stocktake Second Year Progress Report shows that overall, in terms of serious or fatal casualties, smart motorways are the safest roads on the SRN.
- 2.9 During 2021, the Transport Committee undertook an inquiry into the rollout and safety of smart motorways, taking evidence from a range of experts. The Committee published its report in November 2021, with the Government response published in January 2022. We welcomed the scrutiny of the Committee and agreed to take forward all recommendations in its report, including the recommendation to pause the rollout of future All Lane Running (ALR) smart motorway schemes until a full five years' worth of safety data is available for ALR smart motorways that were introduced before 2020. This will allow us to make an informed decision on next steps.
- 2.10 We are now investing heavily to further improve safety on ALR smart motorways, including £390 million for an emergency area retrofit programme. This will see over 150 additional emergency areas being added to ALR smart motorways in operation and construction by 2025, with works expected to start later this year, along with completing the rollout of Stopped Vehicle Detection (SVD) technology across existing ALR motorways.
- 2.11 Over the last year, National Highways has installed more than 330 additional signs, informing drivers of the distance to the next place to stop in an emergency; upgraded almost 100 enforcement cameras on Dynamic Hard Shoulder and ALR smart motorways enabling automatic detection of vehicles that do not comply with Red X lane closure signals; worked to put SVD technology in place on more than 100 miles of ALR smart motorways; and provided more information to drivers aimed at increasing awareness of how to drive and stay safe on motorways.

Capital Delivery

- 2.12 The Spending Review 2021 committed £24 billion for RIS2 in the Autumn Budget, representing a £3.5 billion reduction from the original settlement. The bulk of this being attributable to the movement of capital funding into the next road period, due to

delays to a small number of schemes. With the financial pressure on the public purse following COVID-19, committing this level of investment is a significant statement from Government on the importance of operating, maintaining, and investing in the SRN, and the benefits it brings to the country.

- 2.13 There have been extended timescales for decisions on Development Consent Orders (DCOs) and legal challenges to two DCO decisions. This is the statutory planning process that applies to Nationally Significant Infrastructure Projects and is run by the Planning Inspectorate (PINS) who receive DCO applications and make recommendations to relevant Secretaries of State to assist them in making a decision on whether to grant consent.
- 2.14 The current national policy statement (NPS) on national networks, the government's statement of strategic planning policy for major road and rail schemes, was written in 2014 – before the government's legal commitment to net zero carbon emissions. On 22 July 2021, the Transport Secretary provided a written statement to Parliament announcing that the NPS would be reviewed for net zero commitments. While the review is undertaken, the NPS remains relevant for government policy and has effect for the purposes of the Planning Act 2008.
- 2.15 Extended decision timescales for planning decisions² have impacted the start of works on five schemes that were due to commence in 2021/22. However, three of these schemes; M54 to M6 link road, M25 Junction 10 and M25 Junction 28 have received planning consent in the first quarter of 2022/23. The public commitment dates have been revised with the agreement of the Department and new dates are reflected in National Highways' Delivery Plan 2022-2023.
- 2.16 In line with the recommendations of the Transport Select Committee's report on the roll out and safety of smart motorways, National Highways has paused the roll out of new All Lane Running (ALR) smart motorway schemes, except those where construction was at least 50% complete, until five-years of safety data is available for ALR smart motorways that were introduced before 2020. There are 11 RIS2 schemes that have been impacted by the decision to pause the roll out of ALR smart motorways.
- 2.17 National Highways originally planned to start works on a total of 11 schemes in 2021/22. Four began construction on schedule, including the A1 Birtley to Coal House and the A303 Sparkford to Ilchester. Two were paused in response to the Transport Select Committee's smart motorway recommendations, and five were deferred to future years in the road period due to the extended planning timescales as previously mentioned.
- 2.18 National Highways also completed and opened seven schemes to traffic during this period, with two ahead of schedule. This included over £230 million invested in three major improvements to the A19 in the North-East and a £43 million upgrade to the M6 Junction 19 in the Midlands.

² Four of the five schemes related to Development Consent Orders and one was related to planning under the Highways Act 1980.

- 2.19 In total, as at the end of March 2022, of the 69 schemes originally announced in RIS2; 10 have been completed, 23 are currently under construction, 25 are in the development phase (including 23 at various stages of the planning process) and 11 have been paused following the Transport Select Committee's recommendations.
- 2.20 National Highways invested £123.8 million through its Designated Funds programme in 2021/22 against a revised post Spending Review budget of £150 million. These investments generally deliver projects that sit outside the major enhancements, routine operation, and maintenance of the SRN and are small, localised schemes that make a significant difference to the local community. Designated Fund Investments also contribute to National Highways' ability to meet its performance objectives, particularly its environmental targets.

Operational Performance

- 2.21 In autumn 2021 key parts of the SRN in the South East were targeted by protestors from Insulate Britain. The protestors employed extremely disruptive and dangerous tactics to block traffic and cause significant chaos which had a direct impact on road users. National Highways worked closely with the emergency services to clear the disruption but were hampered by the limited legal options available to deal with the situation.
- 2.22 National Highways swiftly applied for and was granted interim injunctions for the roads most affected including the M25, and, as the threat of protest increased, a further injunction that covered the entire SRN was obtained. Whilst the SRN wide injunction lapsed in Dec 2021 the remaining interim injunctions were kept in place and following the protests by the Just Stop Oil group, National Highways was able to successfully argue for a summary injunction. Both the summary and interim injunctions were put in place until May 2023 to cover the most affected roads. National Highways' swift approach enabled authorities to deal with the disruption more effectively, resulting in several convictions and ultimately the cessation of protests.
- 2.23 In response to expected or present disruption to travel across the English Channel, National Highways worked with local councils, emergency services and other organisations as part of the Kent Resilience Forum, to develop and implement Operation Brock. In March 2022, Operation Brock was activated as a response to the adverse weather and P&O disruption, providing an effective traffic management system to keep vehicles moving on the M20 and other roads in Kent.
- 2.24 Operationally, National Highways maintained its road surfaces to a good standard in 2021/22. It reported 95.3% of its road surface did not require further investigation for possible maintenance upon inspection, this is above its 95% KPI target and 0.1% higher than in 2020/21.
- 2.25 Other KPIs to provide fast and reliable journeys for road users were also achieved. The percentage of incidents on motorways that were cleared within one hour was 87.1%, above the 86% target. Average delay across the year was 8.8 seconds per vehicle per mile. Although this is lower than the 9.5 seconds at the end of road period 1, it has increased from 2020/21 as traffic levels return to normal.

- 2.26 Roadwork Network Impact is a new KPI launched in 2021/22 and replaces the previous Network Availability metric. It is designed to more accurately assess the impact roadworks have on traffic compared to the Network Availability metric. It provides an indicator of Traffic Management restrictions by length and duration and calculates a weighted average. In 2021/22 National Highways achieved a score of 42.7 million weighted lane metre days, meeting its in-year target to not exceed 43 million weighted lane metre days.
- 2.27 Routine maintenance keeps the SRN safe and serviceable; National Highways undertakes a programme of renewals and maintenance which includes work such as clearing vegetation, drains and graffiti and the renewal of assets such as road surfacing and bridges that make up the SRN. National Highways delivered all its committed major life-extension renewals, and most of its cyclical renewals in 2021/22. The company failed to meet four of its 14 cyclical renewals asset categories.
- 2.28 National Highways has continued to develop its asset management maturity, working to publish its asset management policy in May 2022 and implementing a governance framework. In the coming year, it plans to launch a new digital tool, which will support its continual development and build on its capability to provide evidence of that it is delivering the right asset at the right time and ensuring improved benefits for road users. We note the issues raised by ORR on National Highways' asset management capability and will work with the company to ensure that improvements continue in this area.

The Environment

- 2.29 Roads, vehicles, and construction have a big impact on the environment. That's why it's crucial National Highways continues to commit to being greener in its operations and delivery, to minimise the impact it has on the environment. In July 2021 it published its Net Zero Highways Plan. We welcome this ambitious programme that aims for net zero carbon emissions from National Highways' own operations by 2030, for maintenance and construction by 2040 and for net zero carbon travel on its network by 2050.
- 2.30 RIS2 sets National Highways four KPIs to monitor its environment performance. Overall, in 2021/22 good progress was made against most of these. It mitigated noise impacts on over 1,000 homes, bringing the total properties to receive mitigations to 3,178 in the first two years of RIS2 (43% of the five-year RIS2 target of 7,500 properties). It has also made good progress bringing identified links within Air Quality limits, where possible to do so.
- 2.31 2021/22 was the first year the company has been monitored for reduction in its own corporate carbon emissions, a key step in its Net Zero Highways Plan. The RIS2 target is a 75% reduction in these emissions by 2024/25, against a 2017/18 baseline. Data for 2021/22 is encouraging, showing it reduced emissions by 58% against the baseline.
- 2.32 Impact on the environment is considered during the planning and design stages for all new schemes, in fact many are designed to increase levels of on-site biodiversity

where possible. Delays to some schemes highlighted earlier means some of the biodiversity gains will not be realised during the 2020-2025 road period. This means it has become more challenging for National Highways to meet its no net loss biodiversity target by the end of 2024/25. ORR has challenged the company on its latest biodiversity delivery programme to ensure that it is accurate, deliverable and will achieve the target of not net loss by 2025. The Government is committed to improving biodiversity and working with National Highways, so we all continue to play our part.

Customer Service and Satisfaction

2.33 Meeting the needs of all users is a key priority for National Highways. COVID-19 restrictions meant the Strategic Road User Survey (SRUS) could not take place with face-to-face interviews as it had previously. Transport Focus, in partnership with National Highways, has developed a new push-to-web approach that sends mailouts to road users, inviting them to complete an online survey. This was trialled, and successfully launched in 2021/22. However, due to the new methodology, it was not possible to set a KPI target for 2021/22 or 2022/23 as there was not enough historic data to calculate a stable baseline. It is expected that data will have stabilised to enable a performance target to be set for 2023/24 onwards. The survey results and accompanying analysis are still collated and published on Transport Focus' website.

2.34 Despite the absence of a targeted KPI to measure customer satisfaction, ORR has used a range of other quantitative and qualitative sources that provide information and data measures to assess National Highways' performance in this area. ORR concluded that user satisfaction remains 'relatively high', that the company has delivered a significant majority of its customer service plan commitments and that it is working to meet a broader range of user needs.

2.35 It is important for road users, particularly the freight and logistics sectors, to be provided accurate information of any road closures so they can plan ahead of potential disruption. The Roadworks Information timeliness and accuracy KPI commits National Highways to improve the accuracy of roadwork closure information at least seven days in advance, with a target of 90% accuracy by the end RIS2. In 2021/22, National Highways accurately notified 68.1% of roadworks involving an overnight closure within seven days, this was an improvement on 2020/21 (54.5%). National Highways has made year-on-year improvements, which it will need to continue to meet the 2025 target.

Efficiency

2.36 One of the key objectives of the RIS is to realise efficiencies through mass investment and long-term commitment. National Highways was set a target to demonstrate efficiencies on operating and capital expenditure of at least £2.23 billion over RIS2. Following the Spending Review, which reduced funding from £27.5 billion to £24 billion, and the impact of implementing the Transport Committee's recommendations, the efficiencies target has been reduced to £2.1 billion to reflect the subsequent changes to the programme.

2.37 National Highways is making good progress in achieving this, reporting £502 million of efficiencies over the first two years of the road period, £31 million ahead of its internal milestone. These figures are still subject to audit confirmation and sign-off from ORR.

3. The Company

- 3.1 In September 2021 Highways England was rebranded as National Highways. The name accurately reflects the organisation as it focuses on delivery of the Government's plans to maintain and enhance our strategically important roads. It also helps provide a distinction between local roads, which are the responsibility of local authorities, and the motorways and major A roads that National Highways is responsible for.
- 3.2 Following an open recruitment campaign, Nick Harris was appointed as the new permanent Chief Executive of National Highways on the 1st September 2021. Nick had been acting Chief Executive since Jim O'Sullivan's departure on 31 January 2021.
- 3.3 The Secretary of State for Transport appointed a new Non-Executive Director, Lawrence Gosden, from 1 April 2021. Lawrence was brought in to fill an existing gap on the Board. The Board had a gender split of four women and five men during 2021/22 and remains committed to identifying opportunities to increase diversity in senior appointments.
- 3.4 National Highways continued to strongly support its staff through the COVID-19 pandemic, ensuring the transition back into the workplace as restrictions were lifted was gradual and considered, with equipment, training and guidance provided to reassure staff that their safety and wellbeing was the key priority and that flexibility was provided whilst people adapted to the new ways of working.
- 3.5 National Highways has made significant progress on its people capability strategy, which has been developed to support the business and delivery RIS2. It focuses on ensuring that National Highways attracts, develops, and rewards its people for the contribution they make. This includes the development of a National Highways Capability Model by in-house experts. This framework addresses current and future people capability needs for the company.

4. The Future

- 4.1 In 2021, the Department started work to develop the third Road Investment Strategy (RIS3), which will set National Highways' objectives and funding for the third road period from 1 April 2025 to 31 March 2030 and build on the progress made in the first and second road periods.
- 4.2 RIS3 decision making is underpinned by an evidence base that is continuously updated. In the past year, National Highways published its route strategies consultation and the Department for Transport published its Planning Ahead document. These steps, in addition to our regular engagement with Transport Focus, will ensure we understand customer and stakeholder priorities for the SRN over the RIS3 period and beyond, recognising that both road users and neighbours of the network, will have a wide variety of views depending on how they use or interact with it.
- 4.3 This year, National Highways will publish its Strategic Road Network Initial Report and the Department will publish its consultation. These will set out the programme's initial policy direction throughout the RIS3 setting process.
- 4.4 National Highways has a central role to play in this evidence-gathering process. In April 2022, the four partner organisations (Department for Transport, ORR, National Highways and Transport Focus) launched formal governance arrangements for the RIS3 programme. This sets the wheels in motion for the preparation of the draft RIS. National Highways supports this work by providing analytical input into the first version of the RIS3 business case and jointly developing the RIS3 financial position.
- 4.5 In addition, National Highways' work on the strategic studies commissioned by RIS2 (a study of the connections between the M4 and Dorset coast, and the role of the SRN in urban areas) will generate useful evidence about how the network can work better in key locations around the country in partnership with local transport networks. Similarly, National Highways' Oxford to Cambridge Arc connectivity road study will provide evidence to the government on where to prioritise road investment in this region. That study will report in summer 2022. Continuing work to develop the schemes listed in RIS2 as part of the RIS3 Pipeline will enable informed decision-making about which should be funded for construction as part of the RIS3 Investment Plan.

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