



**BRIEFING PAPER**

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# Highways England and the Road Investment Strategy (RIS)

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**Contents:**

1. Highways England (HE)
2. The highways monitor and the road user champion
3. Road Investment Strategy 1 (RIS 1)
4. Road Investment Strategy 2 (RIS 2)



## Contents

<b>Summary</b>	<b>3</b>
<b>1. Highways England (HE)</b>	<b>4</b>
1.1 Overview	4
1.2 Transition from the Highways Agency	4
1.3 Infrastructure Act 2015	6
<b>2. The highways monitor and the road user champion</b>	<b>8</b>
<b>3. Road Investment Strategy 1 (RIS 1)</b>	<b>10</b>
<b>4. Road Investment Strategy 2 (RIS 2)</b>	<b>13</b>
4.1 Planning and preparation	13
4.2 The RIS 2 programme	15
4.3 The roads fund	19
4.4 Legal challenge	20

## Summary

This paper explains about the Road Investment Strategy (RIS) – the five-yearly programme of major investments on the Strategic Road Network by Highways England. It outlines what the RIS is and how it is set, implemented, funded and monitored.

Highways England (HE) is a body corporate, established on 8 December 2014. On 1 April 2015 it was appointed as a strategic highways company by the Secretary of State for Transport by way of an Order in accordance with section 1 of the *Infrastructure Act 2015*. HE is the highway, street and traffic authority for the Strategic Road Network (SRN).

The SRN comprises approximately 4,300 miles of motorways and major ‘trunk’ A-roads in England. While the SRN represents only around two per cent of the total length of England’s road network, the Department for Transport estimates that it carries roughly one-third of the total motor vehicle traffic.

The establishment of HE included a multi-year funding settlement, called a Roads Investment Strategy (RIS). To date there have been two RISs:

- **RIS 1** ran from 1 April 2015 to 31 March 2020. It included a headline £15.2 billion investment figure. Major schemes announced as part of RIS 1 included the controversial Stonehenge Tunnel, completion of the M62 smart motorway, and dualling the A1 from London to Ellingham.
- **RIS 2** began operating on 1 April 2020 and will run until 31 March 2025. It is funded directly from motoring taxes – Vehicle Excise Duty – via a roads fund. The RIS 2 budget is £27.4 billion. RIS 2 was published alongside the 2020 Budget, which highlighted three schemes that are part of RIS 2: dualling the A66 Trans-Pennine route, upgrading the A46 Newark bypass, and building the Lower Thames Crossing. HE has also been asked to make £2.3 billion of additional savings on operating and capital expenditure during RIS 2.

The Office of Rail and Road (ORR) is the statutory ‘monitor’ of HE and its delivery of the RIS programme. Transport Focus is the statutory road user ‘champion’: it publishes an annual Strategic Roads User Survey and other work on issues such as the adequacy of information provided by HE to its users.

Campaigners are currently trying to raise funds to bring a judicial review against the Government over RIS 2 on grounds of climate change and air quality.

Background on the SRN and HE can be found in Commons Library briefing paper [Strategic Road Network \(SRN\), CBP 1448](#), August 2015. Papers on other road-related issues are available on the [Commons Library website](#).

**Please note that this paper is England-specific.** The management and funding of the major road networks in Scotland, Wales and Northern Ireland are devolved:

- Transport Scotland has a directorate dedicated to managing [Scotland’s trunk road network](#).
- The [Welsh trunk road network](#) is operated, maintained and improved by two public sector organisations: North and Mid Wales Trunk Road Agent (Gwynedd Council) and South Wales Trunk Road Agent (Neath Port Talbot CBC).
- [DfI Roads](#) is the sole road authority in Northern Ireland, responsible for public roads, footways, bridges, and street lights.

# 1. Highways England (HE)

## 1.1 Overview

Highways England (HE) is a body corporate, established on 8 December 2014 by incorporation under the *Companies Act 2006* as a company limited by shares. On 1 April 2015 it was appointed as a strategic highways company by the Secretary of State by way of an Order in accordance with [section 1](#) of the *Infrastructure Act 2015*.<sup>1</sup> HE is the highway, street and traffic authority for the Strategic Road Network (SRN).

The SRN comprises approximately 4,300 miles of motorways and major 'trunk' A-roads in England. While the SRN represents only around two per cent of the total length of England's road network, the Department for Transport [estimates](#) that it carries roughly one-third of the total motor vehicle traffic.

The SRN expands as new roads and capacity are added and contracts as other roads are 'de-trunked' (i.e. devolved to local highway authorities). On coming into office in 1997 the Labour Government thought that approximately [40 per cent of the trunk road network](#) could be devolved in this way and [by 2006](#) a little over 2,100 miles of the SRN had been de-trunked. A [list of de-trunking orders](#) made between 2004 and 2014 is available.

The [Office of Rail and Road \(ORR\)](#) is responsible for monitoring the performance of HE and [Transport Focus](#) champions the needs of road users on the SRN.

Further information on the SRN can be found in HC Library briefing paper [Strategic Road Network \(SRN\)](#), [CBP 1448](#), August 2015

## 1.2 Transition from the Highways Agency

The Highways Agency (HA) was an executive agency of the Department for Transport (DfT). It was created on 30 March 1994 and started operating the following month. It was initially announced by the then Secretary of State for Transport, John MacGregor, on 5 August 1993 as one of the Conservative Government's 'Next Steps' agencies.<sup>2</sup>

In the Autumn 2010 Spending Review the Coalition Government committed to a "full review to ensure that HA structure and governance give assurance of value for money".<sup>3</sup> In November 2011 Alan Cook, non-executive Chairman of the Highways Agency Board, published his independent review of the SRN.<sup>4</sup> His central recommendation was 'for a transformation in the management of the network', to include a new, independent Board that could make freer commercial decisions, and have greater financial certainty and control.<sup>5</sup> This would be backed by a 'more business-like' relationship between the Government and the Board.<sup>6</sup>

<sup>1</sup> *Infrastructure Act 2015 (Commencement No.1) Regulations 2015* ([SI 2015/481](#))

<sup>2</sup> More information on the genesis and history of the HA can be found in section 1 of Commons Library briefing paper [RP14-65](#)

<sup>3</sup> HMT, [Spending Review 2010](#), Cm 7942, October 2010, para 2.28

<sup>4</sup> DfT, [A fresh start for the Strategic Road Network](#), November 2011

<sup>5</sup> *Ibid.*, pp7-8

<sup>6</sup> *Ibid.*, p8

In her preliminary response to the report the then Secretary of State for Transport, Justine Greening, said that she recognised “the potential benefits that greater financial autonomy may bring” and the importance of putting road users’ needs “at the heart of considerations around specifying future performance requirements for the network”.<sup>7</sup>

In June 2013 the then Chief Secretary of the Treasury, Danny Alexander, announced the Government’s intention to transform the HA into a publicly-owned corporation: “... an organisation that will have the long-term funding certainty and flexibility to deliver the best possible road network for the UK’s motorists”.<sup>8</sup> Further details were published in the *Action for Roads* Command Paper in July 2013. This fleshed-out proposals to:

- turn the HA into a publicly-owned, strategic highways company with greater day-to-day independence and more commercial decision-making;
- provide funding certainty and a Roads Investment Strategy (RIS) to give contractors the certainty to start expanding capacity;
- provide certainty to the public and industry that the Government “will not walk away from its commitments”; and
- ensure accountability with a new ‘motorists’ champion’.<sup>9</sup>

In September 2013, further to the proposals in *Action for Roads*, the DfT and the HA agreed and published a new Framework Agreement.<sup>10</sup> This was followed, in October 2013, by public consultation on turning the HA into a Government-owned company. This included a new proposal to set up a road user watchdog and efficiency monitor to provide independent scrutiny of the company’s performance, advising Government and being a focal point for road users.<sup>11</sup> The Government envisioned Transport Focus and the Office of Rail and Road (ORR) respectively taking on these roles.<sup>12</sup>

In April 2014 the then Parliamentary Under-Secretary of State for Transport, Robert Goodwill, announced the Government’s intention to proceed with legislation on the basis set out in the consultation document.<sup>13</sup> The decision document stated that the new strategic highways company would be incorporated under the *Companies Act 2006*, and limited by shares where the sole shareholder would be the Secretary of State for Transport. A new governance framework for the company would comprise legislation, a licence document, a Framework Agreement, a Road Investment Strategy (RIS) and Articles of Association, supported by relevant guidance and standards.<sup>14</sup>

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<sup>7</sup> [HC Deb 24 November 2011, c34WS](#)

<sup>8</sup> [HC Deb 27 June 2013, c470](#)

<sup>9</sup> DfT, *Action for Roads*, Cm 8679, July 2013, p49

<sup>10</sup> DfT/HA, *Highways Agency framework document: outlining the relationship between the Highways Agency and DfT*, 10 September 2013

<sup>11</sup> DfT, *Consultation on transforming the Highways Agency into a government-owned company*, 29 October 2013

<sup>12</sup> *Ibid.*, pp5-6; then known as Passenger Focus and the Office of Rail Regulation – their names were changed as a result of these proposals (see below)

<sup>13</sup> [HC Deb 30 April 2014, cc56-8WS](#)

<sup>14</sup> DfT, *Government Response to consultation on transforming the Highways Agency into a government-owned company*, Cm 8855, 30 April 2014, pp6-7; supplementary information was published in June and October 2014, see: DfT, *Transforming our strategic roads: a summary*, 23 June 2014 [updated 10 December 2014]; [Case for](#)

### 1.3 Infrastructure Act 2015

The Queen’s Speech on 4 June 2014 included a proposal to “introduce a bill to bolster investment in infrastructure [...] and ... guarantee long-term investment in the road network”.<sup>15</sup> What is now the [Infrastructure Act 2015](#) was published on 5 June.<sup>16</sup> Part 1 of the Act includes the legislative changes that turned the HA into HE and provided for ‘stable, long term funding’ for strategic road investment.

There were questions and concerns raised about why the Government was making this change to the HA. For example, in its May 2014 report the Transport Select Committee said that it was “not convinced by the case for establishing the Highways Agency as a GoCo [government company]”:

Its remit will not be extended; it will not have new funding streams; and it will still be subject to changes in Government policy, while incurring ongoing oversight costs. We are not persuaded that increasing salaries will be a value-for-money way of increasing skills in the company. In that context, we note that the agency’s current chief executive has worked in both the private and public sectors. The proposed benefits, including the implementation of the five-year funding plans, seem achievable through better management of the existing Highways Agency.<sup>17</sup>

When the Bill was being debated the Labour Party also questioned why a “top-down reorganisation of the Highways Agency” was required to deliver efficiency savings and secure long-term funding. They also questioned whether the change in status might be a precursor to privatisation:

In the absence of any real evidence to prove that this is needed, is it any surprise that many people are worried that this could become—not now, but in the future—a way of creating an increasingly contracted out, carved out and removed from public control structure?<sup>18</sup>

Government Ministers repeatedly said that the creation of HE was not intended to be a ‘step towards privatisation’.<sup>19</sup> Labour generally accepted this but tended to ask on that back of that assurance why the changes were needed at all.

HE came into being on 1 April 2015.<sup>20</sup> At the same time, the Government published the relevant supporting documentation, including the first Road Investment Strategy (RIS), framework documents, the licence, guidance for

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[creation of a new public body in place of the Highways Agency](#), 6 June 2014; [Setting the Road Investment Strategy - Now and in the future](#), 23 June 2014; [Strategic Highways Company: Outline for the Framework Document](#), 23 June 2014; [Strategic Highways Company: Approach to the Articles of Association](#), 23 June 2014; [Strategic highways company: Draft Licence](#), 23 June 2014 [updated 28 October 2014]; and [Transparency for Roads: creating the watchdog and monitor](#), 28 October 2014

<sup>15</sup> [HC Deb 4 June 2014, c4](#)

<sup>16</sup> DfT et al. press notice, “[New legislation to boost infrastructure](#)”, 5 June 2014

<sup>17</sup> Transport Committee, [Better roads: Improving England’s Strategic Road Network](#) (fifteenth report of session 2013–14), HC 850, 7 May 2014, para 44

<sup>18</sup> [HC Deb 26 January 2015, c673](#)

<sup>19</sup> See, e.g. then Minister for Transport John Hayes: [HC Deb 26 January 2015, c686](#)

<sup>20</sup> Via the [Appointment of a Strategic Highways Company Order 2015](#) ([SI 2015/376](#))

the highways monitor (the Office of Rail and Road, or ORR), and a memorandum of understanding.<sup>21</sup>

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<sup>21</sup> *Strategic highways company: framework; Strategic highways company: licence; Roads reform watchdog: memorandum of understanding; Highways monitor: memorandum of understanding; and Roads reform monitor: statutory guidance*, all published 12-20 March 2015 and available from the [DfT archived site](#)

## 2. The highways monitor and the road user champion

The [ORR is the highways monitor](#), as specified in [sections 10 to 13](#) of the *Infrastructure Act 2015* (see [section 1.3](#), above). When it was appointed in 2015 it considered its role to have four main aspects:

- to monitor how well HE is delivering against the Performance Specification, Investment Plan and aspects of its licence, to publicly report its findings and to advise the Secretary of State;
- if there are problems with delivery, to require improvement and potentially levy a fine (together, ‘enforcement’);
- to advise the Secretary of State on the development of the Road Investment Strategy (RIS) including advice on deliverable efficiencies; and
- to advise the Secretary of State on any other relevant issues as requested.<sup>22</sup>

Part of the ORR’s monitoring role is to drive efficiency savings and other improvements in HE, agreed as part of the RIS process (see below). Every year it publishes an annual assessment of HE’s performance. The most recent report, for 2018-19 (published July 2019) found that of eleven KPIs and targets, HE was rated ‘green’ for five and ‘amber’ for six – there were no ‘red’. It rated ‘amber’ – indicating “some risk to delivery of target/plans not fully established” for the following (showing KPI: target (performance)):

- **Killed or seriously injured:** target 40% reduction by end of 2020 (10% reduction in 2017 on 2016);
- **Road user satisfaction:** target 90% by March 2017 (88.4% satisfaction);
- **Average delay** (secs per vehicle mile): no target set (9.4 seconds delay per vehicle mile, an increase of 0.2 secs from 2017-18);
- Number of **new and upgraded crossings:** no target set (29 new and 54 upgraded crossings delivered in 2018-19);
- **Capital expenditure savings:** target savings of at least £1.212 billion on capital expenditure by 2019-20 (£362 million of efficiencies reported in 2018-19; £848m in the RIS 1 period to date, 70% of the target); and
- **Progress of work** relative to delivery plan: no target set (work started on 4 schemes; 6 schemes opened to traffic; delivery plans significantly changed).<sup>23</sup>

More information on ORR’s monitoring of HE’s delivery of RIS 1 is given in [section 3](#), below.

It is worth emphasising that the ORR’s monitoring role is not regulatory. While it does have some enforcement powers, in the event that HE under-

HE’s KPIs for RIS 2, from 2020-2025, are set out in [section 4.2](#), below

<sup>22</sup> ORR, *Monitoring Highways England: First consultation document*, 26 March 2015, p5

<sup>23</sup> ORR, *Annual Assessment of Highways England’s Performance April 2018 – March 2019*, HC 2298, July 2019, p9

performs these are not, for example, as extensive as those it can use on Network Rail in the event of their under-performance. In 2017 the National Audit Office (NAO) published a report recommending that the Department for Transport re-evaluate its approach to the oversight of HE, including:

... how it gains assurance about the affordability, deliverability and overall value for money of the enhancement portfolio, including, for example, considering establishing a joint portfolio board like that which the Department now uses to monitor Network Rail's portfolio.<sup>24</sup>

In October 2019 the Chief Executive of HE, Jim O'Sullivan, told the Transport Select Committee that he sees ORR as a "critical friend" and called their most recent performance report "fairly tough" and "fair-minded".<sup>25</sup>

[Transport Focus](#) is the road user 'champion', as provided for in [section 9](#) of the 2015 Act. When it took over this role in 2015 it described its work as "focusing solely on what users experience and want, being useful to those that make the decisions about transport services, and basing its work on evidence".<sup>26</sup> It publishes an annual Strategic Roads User (SRU) Survey and other work on issues such as the adequacy of information provided by HE to its users.<sup>27</sup>

The most recent SRU Survey, for 2018-19, found an overall satisfaction level of 82%. The greatest dissatisfaction was with how HE manages roadworks – with a third of responders dissatisfied.<sup>28</sup>

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<sup>24</sup> NAO, [Progress with the Road Investment Strategy](#), HC 1056, 22 March 2017, p11

<sup>25</sup> Transport Committee, [Oral evidence: The work of Highways England](#), HC 60, 23 October 2019, Q29

<sup>26</sup> Transport Focus press notice, "[Transport Focus – the road ahead](#)", 1 April 2015

<sup>27</sup> See, e.g. Transport Focus press notice, "[Road information: the user perspective](#)", 19 June 2019

<sup>28</sup> Transport Focus, [Strategic Roads User Survey – 2018-19 summary report](#), 4 July 2019

### 3. Road Investment Strategy 1 (RIS 1)

The establishment of Highways England (HE) from 1 April 2015 (see [section 1](#), above) included a multi-year funding settlement, called a Roads Investment Strategy (RIS). On 1 December 2014 the Coalition Government published an overview of the first RIS. The appendices to the document set out the specific schemes to be delivered in every English region as part of the 2015-20 RIS.<sup>29</sup>

It included a headline £15.2 billion investment figure for the RIS 1 period.<sup>30</sup> The £15.2 billion was capital spending committed to 2020, which included £9.4 billion spending on major improvements (£6 billion of pre-December 2014 commitments, and a further £3.4 billion committed in the RIS).<sup>31</sup> Major schemes announced as part of RIS 1 included the controversial Stonehenge Tunnel, completion of the M62 smart motorway, and dualling the A1 from London to Ellingham.<sup>32</sup>

The announcement of RIS 1 received a mixed response – varying between those who welcomed specific local schemes and a commitment to invest for the long term in new and upgraded roads and those who opposed the programme on environmental grounds and lamented what they saw as a return to the days of ‘predict and provide’, inducing more travel by polluting private motor vehicles.<sup>33</sup>

RIS 1 concluded on 31 March 2020: it has not delivered all the programmes promised in 2014/15. There are several reasons for this, including inadequate preparation and planning. For example, the announcement of RIS 1 came only 17 months after the publication of *Action for Roads* and the July 2013 spending review settlement. The NAO criticised this compressed timetable, saying that it:

... meant that the Department and the Highways Agency could not carry out sufficient analysis and planning to ensure that the Road Investment Strategy was affordable and deliverable, and that the projects would produce high benefits relative to costs. In particular, the need to develop so many new projects more or less from scratch meant that the portfolio of enhancement projects contained a high level of uncertainty from the outset.<sup>34</sup>

Overall, the NAO concluded in 2017 that RIS 1 represented “a significant improvement in the efficient management of the strategic road network” but that the speed with which the DfT designed RIS1 “created risks to value for money and deliverability”.<sup>35</sup> It criticised the scheduled late start date for

Information on HE’s major road schemes can be found here: <https://highwaysengland.co.uk/roads/>

<sup>29</sup> DfT, [Road Investment Strategy: Overview](#), 1 December 2014, pp28-41

<sup>30</sup> *Ibid.*, p5

<sup>31</sup> DfT, [Road Investment Strategy – Key Facts and Figures](#), 1 December 2014; further details in: DfT, [Road investment strategy: investment plan](#), 1 December 2014; other [RIS documents](#) available on the Gov.uk website

<sup>32</sup> DfT press notice, [“Biggest upgrade to roads in a generation”](#), 1 December 2014

<sup>33</sup> E.g. [“Roads funding: £15bn to be spent on schemes for England”](#), *BBC News*, 1 December 2014, [“£15bn investment in better roads including Stonehenge tunnel”](#), *The Guardian*, 1 December 2014 and [“More roads mean more traffic – an inconvenient truth the government has ignored”](#), *New Civil Engineer*, 4 December 2014

<sup>34</sup> *Op cit.*, [Progress with the Road Investment Strategy](#), para 2.8

<sup>35</sup> *Ibid.*, pp6-7

almost half the projects and a lack of clarity as to projects being subject to change or cancellation. It also criticised overspending and financial management.<sup>36</sup>

By April 2019 HE was admitting that many schemes would be delayed to RIS

2. *The Times* reported:

Jim O’Sullivan, chief executive of Highways England, said that of the original 112 schemes 29 had been finished, 15 were under way and 18 would start this year ... he said that 37 would start in the next five-year cycle, including the A303 upgrade and a scheme to remodel junction 10 of the M25. He added: “We revisited 11 and the return on investment just wasn’t good enough. We have paused those, perhaps for a time when the traffic demand will make them more viable.”

Highways England declined to name the 11 schemes. It said: “We’re on track to deliver the programme . . . we regularly review our plans to ensure they are achieving value for money for the taxpayer.” It is thought that two schemes have been incorporated into others.<sup>37</sup>

In its July 2019 annual performance assessment of HE, the ORR said that the RIS 1 programme “was set at a time when there was not a full understanding of scheme scope. Fewer schemes are being delivered than originally expected [during RIS 1] and outturn costs for schemes have increased”.<sup>38</sup> ORR reported that in the first four years of RIS 1, HE had started work on 28 schemes, and opened 29 schemes to traffic – about half of the schemes promised as part of RIS 1.<sup>39</sup> ORR further remarked:

... some major improvement schemes are now programmed for delivery in future road periods, while other schemes have been brought forward within road period 1. Further changes were introduced for other reasons. The following two schemes have been stopped:

- A27 Chichester – due to no clear consensus on the preferred options.
- A628 Climbing Lanes – due to the detrimental environmental impacts of the proposed scheme within the Peak District National Park.

Highways England has also identified four schemes that, due to delays with the statutory planning process, will miss the RIS1 commitments to start construction during this road period.

The company has agreed the changes to its commitments in the RIS and delivery plan with government and has taken these through the Department for Transport’s formal change control process.<sup>40</sup>

There were 44 schemes that were subject to cancellation, pause or change – as set out on the following page. Note that the six schemes that the DfT agreed to pause, the two it agreed to cancel, and two that were combined

The ORR’s forthcoming summer 2020 performance report on HE will give an overview of the delivery of the full RIS 1 programme

<sup>36</sup> Ibid., p8

<sup>37</sup> “Road upgrades are quietly scrapped as money runs out”, *The Times*, 24 April 2019

<sup>38</sup> Op cit., [Annual Assessment of Highways England’s Performance April 2018 – March 2019](#), p30

<sup>39</sup> Ibid., p48

<sup>40</sup> Ibid., p58

## 12 Highways England and the Road Investment Strategy (RIS)

into a single scheme, resulted in the RIS 1 major schemes programme being reduced from 112 to 103 projects:<sup>41</sup>

Schedule impact	Number of schemes	Remarks
Schemes paused that do not currently demonstrate value for money (formally agreed)	6	A1 & A19 Technology enhancements M62/M606 Chain Bar M53 Junctions 5-11: smart motorway M11 Junctions 8 to 14 - technology upgrade A12 whole-route technology upgrade A14 Junction 10a
Stopped (formally agreed) due to lack of stakeholder support	2	A27 Chichester A628 Climbing Lanes
Under review and we consider them unlikely to go ahead in their current form (but not yet formally changed)	4	A27 Worthing and Lancing improvement A47 and A12 junction enhancements M56 new junction 11a M6 junction 22 upgrade
Start of works deferred from road period 1 to road period 2 to minimise road user disruption	16	15 road corridor schemes M6 junctions 21A-26
Start of works deferred from road period 1 to road period 2 due to other factors, for example an outcome of public consultations and schemes' options appraisals	9	M54 to M6 / M6 Toll, A38 Derby junctions A303 Amesbury to Berwick Down A428 Black Cat to Caxton Gibbet M5 Bridgwater junctions A5036 Princess Way - access to Port of Liverpool A19 Down Hill Lane junction improvement A358 Taunton to Southfields M27 Southampton junctions
Missed commitments – schemes that will miss the RIS1 commitments to start construction during RP1 and have been deferred to the next road period	4	A1 Morpeth to Ellingham Mottram Moor link road A57(T) to A57 link road A27 Arundel bypass
Schemes re-scoped and combined	1	A34 Oxford improvements (previously A34 Oxford junctions and A34 technology enhancements)

In terms of costs, ORR found that HE's expenditure against its budget for major schemes in 2018-19 showed:

- an **underspend** of £48.7 million for schemes under construction (mostly due to planned deferral and delay on several schemes, and cost savings on the A14 Cambridge to Huntingdon scheme); and
- an **overspend** of £38.3 million against schemes which opened for traffic during the year (largely due to additional costs associated with achieving the planned opening date for a number of schemes).<sup>42</sup>

<sup>41</sup> Ibid., p60

<sup>42</sup> Ibid., p57

## 4. Road Investment Strategy 2 (RIS 2)

In his July 2015 Summer Budget the then Chancellor, George Osborne, announced that the Government would produce a second RIS (RIS 2) for the period 2020-25, based on funding from the new roads fund also announced in the Budget (see [section 4.3](#), below).<sup>43</sup>

### 4.1 Planning and preparation

Unlike RIS 1, planning for RIS 2 started early and went through a three-stage process: research, decision and mobilisation:<sup>44</sup>



The research and decisions phases created several reports, which influenced the final output. This includes six 'strategic studies on:

- Northern Trans-Pennine (the A66 and A69 corridors);
- Trans-Pennine tunnel linking Manchester to Sheffield;
- Manchester north-west quadrant (the M60 from junctions 8 to 18);
- A1 east of England from the M25 to Peterborough;
- Oxford to Cambridge expressway; and

<sup>43</sup> HMT, [Summer Budget 2015](#), HC 264, 8 July 2015, p97, para 2.188

<sup>44</sup> DfT, [Road Investment Strategy post 2020: planning ahead](#), 16 March 2016, p9

## 14 Highways England and the Road Investment Strategy (RIS)

- M25 south-west quadrant.<sup>45</sup>

Planning for RIS 2 progressed in December 2017 with the publication of a public consultation on the state of the SRN and priorities for its maintenance and improvements over the 2020-25 period.<sup>46</sup> The outcome to the consultation was published in October 2018, alongside the Government's draft RIS 2 strategy, setting out its objectives, the resources available and the timetable by which participants must provide Government with more information.<sup>47</sup>

The DfT received over 3,000 responses to the consultation, the vast majority of which were standardised responses sent as a result of a [campaign by the Campaign for Better Transport \(CBT\)](#), calling for a focus on maintenance and not spending money on new roads. Of all those who replied, about half agreed with the Government's proposed approach to RIS 2 while a third opposed it – these split between those who thought there should be more projects in the programme and those like CBT who wanted to see less.<sup>48</sup>

In 2017 the NAO commended HE and DfT for “putting together the second Road Investment Strategy ... in a more robust and systematic way than the first”.<sup>49</sup> NAO offered recommendations to HE and the DfT as to how to better plan for and deliver RIS 2, based on experiences of RIS 1 (see [section 3](#), above). The NAO remarked that the DfT and HE “already have a reasonably clear picture of the enhancement work that the latter intends to carry out in the first years” of RIS 2 due to the schemes from RIS 1 subject to delay and carry-over.<sup>50</sup> In addition, NAO said that:

The Department and Highways England are applying lessons learned from the development of the first Road Investment Strategy to the second [...] In preparation for the second Road Investment Strategy, the Department and Highways England plan to:

- use richer information about potential benefits of road investment, including wider economic benefits for larger, more complex and transformational projects, and consider the value for money of interventions on whole sections of the network rather than individual projects;
- give more consideration to solving issues on the network with improved maintenance and operations as well as major capital projects;
- deliver more efficiently by planning maintenance, renewals and enhancements work in a more integrated, portfolio-based way; and
- integrate planning with existing modes of transport and forthcoming rail projects, as well as planned housing and

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<sup>45</sup> DfT, [Road investment strategy: post-2020](#) [accessed 27 April 2020]

<sup>46</sup> DfT, [Shaping the Future of England's Strategic Roads: Consultation on Highways England's Initial Report](#), 17 December 2017

<sup>47</sup> DfT, [Draft Road Investment Strategy 2: Government objectives](#), 29 October 2018

<sup>48</sup> DfT, [Shaping the Future of England's Strategic Roads Summary of consultation responses](#), 29 October 2018, pp4-5

<sup>49</sup> Op cit., [Progress with the Road Investment Strategy](#), p9

<sup>50</sup> Ibid., para 3.9

commercial developments to increase efficiency and drive economic growth.<sup>51</sup>

In evidence to the Transport Select Committee in October 2019 the Chief Executive of HE, Jim O’Sullivan, explained the key lessons he and HE had learned from RIS 1 and how these made them better prepared to deliver RIS 2:

We inherited RIS1 from a standing start. As we go into RIS2 ... you are looking at a much more experienced organisation than the one that put RIS1 together [...]

We are now scoping ... projects as a once-in-a-lifetime fix and making sure we get them right, as opposed to, “Here’s the budget. What can you do about that road?”

We have fundamentally shifted the scope of a number of projects [...] Learning to scope the project properly and being able to play that back to DfT is another lesson.

It is about site visits and better planning [...] I think we are now better listeners. I would like to think that we do not end up going back to consultation a second time in RIS2. There are any number of learnings.

We have learned to live within our budget and funding each year, which is not necessarily common. The first year we were heading for a £400 million overspend. We brought that under control and delivered to our numbers at the end of the first year, and we have delivered our numbers every year since.

There is one document I would point to. Each year we have done a delivery plan update that represents what we are truly going to produce in the next 12 months. In each year, external factors notwithstanding, we have hit the targets we set in that delivery plan for schemes to be delivered, consulted on or whatever. There has been quite a bit of learning.<sup>52</sup>

## 4.2 The RIS 2 programme

The October 2018 draft RIS 2 strategy document said that the Government expected RIS 2 to be published before the end of 2019, following HE’s draft strategic business plan (expected January 2019) and the ORR’s efficiency review (expected June 2019).<sup>53</sup>

In the event, RIS 2 was not published until 11 March 2020, alongside the Budget – three weeks before it was due to begin. The Budget highlighted three schemes that are part of RIS 2: dualling the A66 Trans-Pennine route, upgrading the A46 Newark bypass, and building the Lower Thames Crossing. It said that RIS 2 “will be delivered alongside the government’s plans for decarbonising the transport sector”.<sup>54</sup> HE has been asked to make £2.304 billion of additional savings on operating and capital expenditure during RIS 2.<sup>55</sup>

An interactive map of all the RIS 2 schemes is available on the [Gov.uk website](#)

<sup>51</sup> Ibid., para 3.11

<sup>52</sup> Op cit., [Oral evidence: The work of Highways England](#), Qq98-99

<sup>53</sup> Op cit., [Draft Road Investment Strategy 2: Government objectives](#), p18

<sup>54</sup> HMT, [Budget 2020](#), HC 121, 11 March 2020, para 1.127

<sup>55</sup> DfT, [Road Investment Strategy 2: 2020–2025](#), 11 March 2020, p67

The delivery of RIS 2 should be seen in the context of the Government's 'strategic vision' for the SRN to 2050. This includes the following elements:

- A network that supports the economy;
- A greener network (including the majority of all vehicles using the SRN being zero emission at the tailpipe);
- A safer and more reliable network;
- A more integrated network; and
- A smarter network (including use of connected and autonomous vehicles and AI).<sup>56</sup>

RIS 2 includes road users' priorities, as set out by Transport Focus in a piece of work published in 2017. These are focused on improving reliability and safety and ensuring that the needs of non-car drivers are considered.<sup>57</sup>

Of particular interest, given the potential legal challenge (see [section 4.4](#), below) is how the Government intends RIS 2 to contribute to a 'greener' road network. There are essentially two types of intervention:

- Tackling emissions by decarbonising the vehicle fleet; and
- A £345 million Environment and Wellbeing ring-fenced fund for HE to invest in measures to improve environmental outcomes, including on air quality, biodiversity, flood risk, and retrofitting existing roads with modern environmental standards and green infrastructure solutions.<sup>58</sup>

It also includes a commitment to maintain safe, high quality walking and cycling routes and facilities along the SRN and to make targeted interventions where required.<sup>59</sup>

RIS 2 sets out the key performance indicators (KPIs) that HE will have to deliver between 2020 and 2025. Each KPI is made up of several supplementary performance indicators (PIs) and 'commitments'. The headline KPIs are set out in the table on the following pages.<sup>60</sup>

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<sup>56</sup> Ibid., part 1

<sup>57</sup> Transport Focus, [Road users' priorities for the Road Investment Strategy, 2020-25](#), 28 June 2017

<sup>58</sup> Op cit., [Road Investment Strategy 2: 2020-2025](#), pp25-30

<sup>59</sup> Ibid., p41

<sup>60</sup> Ibid., pp42-68

**HE KPIs for RIS 2**

<i>KPI</i>	<i>Target</i>
The number of people killed or seriously injured on the SRN	Ongoing reduction in the number of people killed or seriously injured on the SRN to support a decrease of at least 50% by the end of 2025 against the 2005-09 average baseline.
Average delay (difference between the observed travel time and the speed limit travel time in seconds per vehicle per mile)	No target. 'Ambition' that performance to be no worse at the end of RIS 2 than it is at the end of RIS 1. HE will be required to demonstrate how it has acted to reduce delays in support of this ambition.
Network availability (percentage of the network free from traffic restrictions owing to roadworks)	Achieve 97.5% lane availability in 2020-21 (existing metric to be replaced by a new expanded metric with target based on baselining work undertaken during 2020-21)
Incident clearance rate (percentage of incidents cleared within one hour, based on 24-hour coverage)	86% of motorway incidents cleared within one hour
Pavement condition	Achieve 95% of road surface that does not require further investigation for possible maintenance for years 1 and 2 of RIS 2, based on the continuation of the current pavement metric. Target for years 3 onwards will be based on the concept of road surface in good condition and determined through parallel running using a new metric trialled in RIS 1

**HE KPIs for RIS 2 (continued)**

<i>KPI</i>	<i>Target</i>
Noise	7,500 households in Noise Important Areas mitigated using funding from the Environment and Wellbeing designated fund during RIS 2
Biodiversity	Achieve No Net Loss of biodiversity over the whole HE soft estate by the end of RIS 2
Air quality	Bring links agreed with the Department and based on the Pollution Control Mapping model into compliance with legal NO2 limits in the shortest possible time.
Highways England carbon emissions	Reduce HE's carbon emissions as a result of electricity consumption, fuel use and other day-to-day operational activities during RIS 2, to levels defined by baselining and target setting activities in 2020-21
Road user satisfaction	Achieve an 82% road user satisfaction score in 2020-21 and 2021-22, with year on year increases in following years.
Roadworks information timeliness and accuracy	Achieve 90% accuracy of roadworks information seven days in advance of works by 2024-25, with an increasing trajectory of improvement through RIS 2 from the level of performance achieved by the end of RIS 1
Total efficiency	Evidence the efficiency target of £2.304 billion capital and operational expenditure is demonstrated by the end of RIS2

### 4.3 The roads fund

It has long been a complaint of many drivers that the money they pay to the Treasury in the form of vehicle taxes does not go directly to maintaining the roads that they drive on. This used to be the case in the early part of the twentieth century – when income from vehicle excise duty (VED or car tax) was hypothecated through a ‘road fund’ for roads-related spending. This link was abolished in the 1930s and ever since there have been calls for its reinstatement.

That has now happened – as least as far as the Strategic Road Network (SRN) is concerned.

In the 2015 Summer Budget, the then Chancellor, George Osborne, announced the Government’s intention to restore the link between vehicle taxation and spending on the road network. The Red Book said that: “From 2020-21 the government guarantees that all revenue raised from VED in England will be allocated to a new Roads Fund and invested directly back into the strategic road network”.<sup>61</sup>

RIS 2 states clearly the link between road taxes and funding for the SRN:

Funding for this plan is directly linked to the money road users pay. For the first time since 1926, a new National Roads Fund (NRF) will dedicate a sum equal to all receipts from Vehicle Excise Duty for use on our most strategically important roads. Not only does this provide the security of a long-term funding stream, the link reinforces our ambition for greater customer service and responsiveness to users.<sup>62</sup>

In Budget 2020 the Treasury forecast that over the RIS 2 period of 2020-25 it would receive VED receipts of £36.3 billion.<sup>63</sup> However, the RIS 2 budget is £27.4 billion – greater than the expectation of £25.3 billion set out in the Draft RIS in October 2018 but less than the £36.3 billion projected VED income over the equivalent period.<sup>64</sup>

It is unclear what the remaining forecast VED income will be spent on if that level of income does materialise over the RIS 2 period. Conversely, if VED receipts fell well below expected levels (e.g. due to earlier and more extensive take up of electric vehicles, which pay little or no VED) it is unclear whether HE will be expected to make cuts to the RIS 2 programme or the Treasury would fill the funding gap.

Information on the creation and abolition of the roads fund in the early 20<sup>th</sup> century can be found in [Commons Library paper CBP 1482](#), November 2017

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<sup>61</sup> HM Treasury, [Summer Budget 2015](#), HC 264, July 2015, para 1.251

<sup>62</sup> Op cit., [Road Investment Strategy 2: 2020–2025](#), p3

<sup>63</sup> Op cit., [Budget 2020](#), Table C.5, p114

<sup>64</sup> Op cit., [Road Investment Strategy 2: 2020–2025](#), p119; some of the roads fund will also be spent on the Major Roads Network of strategic local roads (expected to be about £3.5 billion), see: DfT, [Proposals for the Creation of a Major Road Network](#), December 2017 and HMT, [Budget 2018](#), HC 1629, October 2018, p55

## 4.4 Legal challenge

There have always been concerns from environmental groups and campaigners about Government road building programmes.<sup>65</sup> A recent legal decision relating to aviation has encouraged campaigners to seek a legal challenge to RIS 2.

On 27 February 2020 the [Court of Appeal reached a judgement](#) in relation to the designation of the Government's Airports National Policy Statement (ANPS) on Heathrow. There were multiple grounds of appeal that the court considered and found in favour on [one particular count](#) related to climate change. The court concluded that the ANSP was not produced as the law requires, and as Parliament expressly provided. It further stated that the [Paris Agreement](#), non-CO<sub>2</sub> emissions and emissions post 2050 ought to have been taken into account by the Secretary of State in the preparation of the NPS and an explanation given as to how it was taken into account, but it was not (paragraph 283).

There followed a wide-ranging debate about how the decision might impact other transport schemes, particular RIS 2. On the heels of the ANPS decision there were reports that RIS 2 would be delayed: that DfT had “pulled the document subject to a reappraisal in light of the Heathrow judgment. It is now unlikely to be published for several months and could lead to some road schemes being scrapped altogether”.<sup>66</sup> In the event this did not happen and RIS 2 was published as planned on 11 March.

In early April 2020, lawyers acting for [Transport Action Network](#) wrote to the DfT to give notice of an intention to bring a judicial review against RIS 2 on grounds of climate change and air quality.<sup>67</sup> TAN is [crowdfunding](#) to raise money to bring the judicial review.

### **The letter from TAN sets out the legal grounds for bringing an action.**

More generally, as set out in [section 1.3](#) above, the relevant legislation in this case is the *Infrastructure Act 2015*, specifically [section 3\(5\)\(a\)](#), which states: “In setting or varying a Road Investment Strategy, the Secretary of State must have regard, in particular, to the effect of the Strategy on ... the environment”. Further, under the 2015 Act HE holds a licence from the Government. Condition 5.23.f of the licence refers specifically to climate change:

In complying with 4.2(g) and its general duty under section 5(2) of the Infrastructure Act 2015 to have regard to the environment, the Licence holder should: [...] Adapt its network to operate in a changing climate, including assessing, managing and mitigating the potential risks posed by climate change to the operation, maintenance and improvement of the network<sup>68</sup>

<sup>65</sup> “[Did the Newbury bypass tree-huggers change anything?](#)”, *BBC News*, 9 January 2016

<sup>66</sup> “[Climate fears halt smart motorway plans](#)”, *The Times*, 9 March 2020

<sup>67</sup> [Letter to the Secretary of State for Transport from Leigh Day on behalf of Transport Action Network](#), 9 April 2020

<sup>68</sup> DfT, [Highways England: Licence](#), April 2015, p14

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