



ORR Road Expert Panel meeting

15 February 2021, 1300 to 1615

Microsoft Teams Meeting

Agenda

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| 1300 to 1310 | Welcome, setup and declarations of interest |
| 1310 to 1320 | Update from the Highways Team |
| 1320 to 1340 | Topic 1 – Update from September |
| 1340 to 1430 | Topic 2 – RIS3 Objectives |
| 1430 to 1440 | Break |
| 1440 to 1530 | Topic 3 – RIS3 Efficiency Review |
| 1530 to 1535 | Break |
| 1535 to 1625 | Topic 4 – Asset Management Capability and Delivery |
| 1625 to 1630 | AOB |

Welcome and declarations of interest

All Panel members were present. Feras Alshaker, Deputy Director of Highways welcomed everyone to the panel and explained best practise for using Microsoft Teams.

Declarations of interests reported before the meeting include:

Phill Wheat – leading a project as part of the TIES living lab, of which Highways England is a participant.

Carolyn Dwyer – appointed as a Commissioner on the National Preparedness Commission.

Sue Percy – sits on the Highways Sector Council, of which Highways England is a member and DfT is the sponsor.

Update from the highways team

Feras started with an update from the ORR Highways team. ORR has jointly, with Highways England, commissioned a review of the company's organisational capability and capacity to deliver the RIS2 capital enhancement portfolio. The team is developing its approach to reviewing Tier 1 projects, published its annual benchmarking report (covering all of road period 1) and has begun preparing for the Annual Assessment of Highways England, to be published in July.

Update from September's panel meeting

A member of the Highways team updated on items discussed at the previous meeting. Discussion focused on non-users of the network and environmental aspects of Highways England's performance, which the panel was keen to re-visit at a future meeting.

RIS3 Objectives

A member of the Highways team presented a draft set of objectives and ways of working for ORR's role in the development of RIS3.

The panel expressed a range of views on the draft objectives. Some members felt they were largely appropriate for ORR's role and others commented that they were not SMART and needed more detail on how they would be measured etc. There was closer

to consensus on the need for terms such as “efficient” and “value for money” to be unpacked and clearly explained or defined.

There was also a wide-ranging discussion on what should be the strategic objectives for RIS3 as a whole. This centred mainly on safety and environmental issues, and what action would be needed in road period 3 to meet longer term goals such as Vision Zero for safety, net zero carbon and net gains in biodiversity. The discussion also touched on the economy and long term management of the network, and the extent to which ORR’s objectives should reflect strategic policy objectives that are set by government.

RIS3 Efficiency Review

A member of the Highways team presented a range of options that ORR were considering for how the approach to the RIS3 Efficiency Review could evolve.

The panel recognised the importance of benchmarks, while also acknowledging the limitations of current data. The panel particularly emphasised the importance of international benchmarks, for example through international organisations like PIARC, and that the strategic networks in Scotland and Wales would likely provide good comparators, at least in some areas. One panel member recommended that there should be more emphasis on top-down benchmarking, with those techniques used to identify gaps that bottom-up approaches could explore further.

Similar to the item on RIS3 objectives, there was a discussion of how efficiency is defined. There was concern from some panel members that a narrow definition of efficiency could lead to sub optimal outcomes. For example, if it is narrowly focused on its own financial costs, Highways England might not consider costs imposed on its users, or on the wider road network.

The panel also noted the important role of the supply chain in delivering efficiencies. Efficiency savings in the Cook Report were based around greater certainty allowing the supply chain to invest and become more efficient. Therefore understanding to what extent this has occurred, and what potential is left within the supply chain, is crucial to understanding future efficiency potential.

Asset management capability and delivery

A member of the Highways team presented how ORR currently monitors Highways England’s asset management and plans to develop that approach.

The panel recognised the value in having a monitoring regime that looks beyond the output numbers to ensure the right interventions are being made at the right time.

Within that, and along similar lines to the earlier items, the panel noted the importance of Highways England's asset management approach reflecting the wider impacts or benefits of its interventions. For example, the importance of undertaking preventative action to avoid asset failures that might not just cost more to repair, but would also cause significantly more user disruption. As such, monitoring levels of unplanned maintenance (and/or levels of disruption from unplanned activities) was suggested as part of the approach.

The panel also stressed the need for flexibility and for ORR to recognise that there will be change from time-to-time. It also questioned the basis for a sample-based approach, when monitoring could, presumably, be of the whole programme.

The panel agreed that in the longer-term a composite measure would be useful. Asset value-based metrics were recognised as a useful part of this, especially as local highway authorities have a standardised approach to asset valuation. To avoid short termism, one panel member suggested there should be a focus on improving asset information, with a "stocktake" and assessment of the net effect (on asset value) at the start and end of road periods. Highways England would have to improve its asset data, and how asset valuation is disaggregated, to support this.

The panel also observed that asset management should be aligned to wider strategic objectives. There is no explicit recognition of safety or environmental impacts in what is proposed. And Highways England's approach – and our monitoring – should reflect longer-term trends such as climate change resilience, new technologies and increasing EV (and, in the longer-term, CAV) uptake. The gas industry was identified as a possible example of best practice in asset management, in a sector facing significant change (eg hydrogen replacement).

AOB

There was further discussion about topics the panel could discuss in the future.

Next Meeting: June 2021