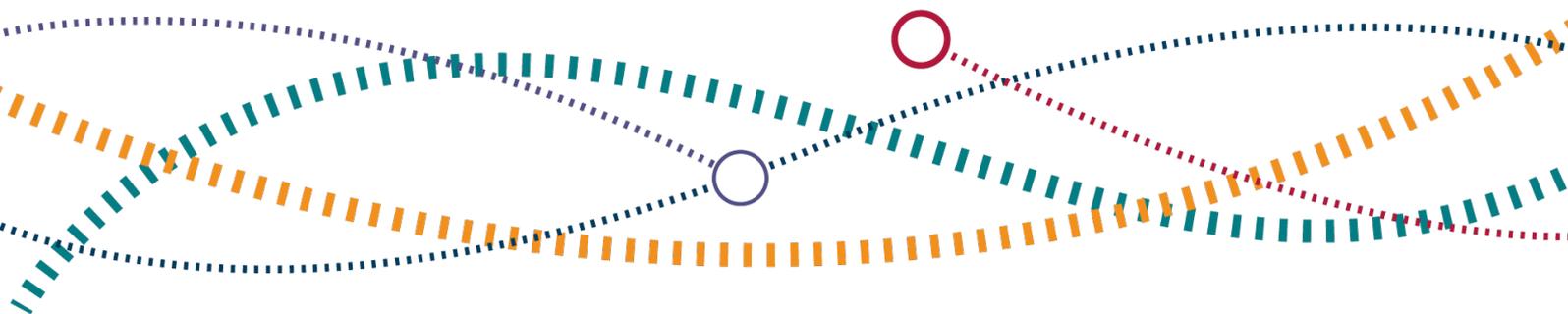




# Road Investment Strategy 3

## Our Role and Approach

May 2022



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# Executive Summary

The road investment strategy (RIS) is the government's long-term strategy for the management and improvement of the strategic road network (SRN) – the motorways and major 'A' roads in England.

As National Highways' independent monitor, we – the Office of Rail and Road (ORR) - play a central role in the process of developing each new RIS.

Our role is not to set roads policy or determine investment priorities – these are matters for the government. We advise government on the extent to which plans for the next road period achieve the right balance of being challenging and deliverable. We check and challenge the plans developed by National Highways (formerly Highways England) to ensure they will deliver the government's requirements and will do so in a way that represents effective and efficient use of public money. Ultimately, the oversight and scrutiny we provide leads to better outcomes for all those who use or are affected by the SRN and drives better value for taxpayers.

The third road investment strategy (RIS3) will cover the third road period (RP3), from April 2025 to March 2030. We expect the quality of National Highways' plans to reflect its maturity as an arms-length company entering its third road period. It must provide sufficient detail to enable us to assure government that the company can deliver RIS3 in an efficient manner. It must also provide a robust basis against which we can monitor National Highways' performance and efficiency during the RP3.

The knowledge we have gained from monitoring National Highways since 2015 makes us well placed to assess its plans for the next road period. In developing our approach to the RIS3 development process we have sought to build on the successes of the RIS2 process and to identify ways in which we can be more effective.

For RIS3, we will pay particular attention to ensuring that the efficiencies National Highways achieved in the first two road periods are reflected in its cost estimates. In respect of plans for maintaining and renewing the network, we will focus on the quality of National Highways' approach, its understanding of asset needs, and the way in which it plans to meet the challenge of an ageing asset base. On enhancement projects, we intend to strengthen our approach to understanding risks to delivery and expect National Highways to demonstrate that it has learnt positive lessons from its recent experience of developing major projects.

In performing our RIS development duties we are able to draw on the knowledge and expertise gained from performing similar roles in the rail industry over many years. In our

experience, road industry stakeholders are often less familiar with the RIS process than rail industry stakeholders are with the periodic review process. Through this document, and in our approach more generally, we want to shed more light on the process and, where possible, involve stakeholders to a greater extent.

The remainder of this document sets out our aims for our role in the RIS3 development process, the way in which we will work with other parties (as well as our expectations of others), the scope of our role and how we will approach our assessments of the Government's and National Highways' plans.

In summary, the key themes of this document are:

- (a) the need for a transparent and collaborative process with meaningful engagement between the key parties;
- (b) our expectation that National Highways' plans, the level of detail provided, and the linkages between investment and outcomes, should reflect its maturity as an arm's length body entering its third road period;
- (c) our focus on the long-term implications of plans for maintaining and renewing the network in the context of an ageing asset infrastructure and competing priorities for funding;
- (d) a targeted and systematic approach to cost and efficiency with particular emphasis on ensuring that cost estimates build in the efficiency gains achieved by National Highways in past road periods, as well as the opportunity for further gains in the remainder of road period 2 and in road period 3; and
- (e) ensuring that the RIS3 process provides a robust and stable baseline against which we can monitor National Highways' performance in road period 3.

The remainder of this document is structured as follows:

- Section 1 introduces the RIS development process and our duties.
- Section 2 sets out our guiding principles.
- Section 3 describes our intended approach to fulfilling each of our duties.

# 1. The RIS3 development process and our role

## Road Investment Strategy 3

- 1.1 The third road investment strategy covers the period April 2025 to March 2030 (road period 3). RIS3 will set out the investment and performance requirements that National Highways (formerly Highways England) must deliver during the next road period and the Statement of Funds Available (SoFA) to achieve this. In turn, National Highways is required to develop detailed plans that demonstrate how it will meet the government's requirements. ORR has an important role in the development of RIS3. We will provide advice to government at key stages during the process and we are responsible for undertaking an assessment of National Highways' plans.
- 1.2 This document describes our approach to executing our duties in the RIS3 development process. It sets out how we will conduct our activities and the methods and evidence we intend to use to undertake our assessments. We also set out our expectations of the process more generally. In formulating our approach, we have considered aspects of the process that worked well, and less well, during the development of RIS2.
- 1.3 During the winter of 2021-22 we undertook a consultation on a draft version of this document. We carefully considered all the views expressed to us before finalising our approach.

## Our role

- 1.4 Since 2015, the ORR has been responsible for independently monitoring National Highways' management of the strategic road network – the motorways and major A-roads in England. We hold National Highways to account for its management of the SRN – including delivery of performance and efficiency. Further details of our role as the Highways Monitor are provided in Annexe 1.
- 1.5 With respect to the RIS development process our responsibilities cover two main areas:
  - (a) We support the setting of the RIS, by providing advice on what the Secretary of State can expect to achieve with the funds identified

This advice is intended to ascertain whether the developing proposition is both challenging and deliverable, particularly in terms of efficiency; and

**(b)** We ensure that National Highways meets the obligations in its licence that relate to the setting of the RIS.

- 1.6 As the Highways Monitor, the scope of our role and responsibilities is set out in statute (the Infrastructure Act 2015) and covers monitoring how the strategic highways company exercises its functions. Accordingly, we do not have a role or powers to set roads policy or determine investment priorities.
- 1.7 In accordance with the process set out in National Highways' Licence (and described in Figure 1.2), in its draft RIS, the government will identify the outcomes it wishes to achieve on matters such as safety, users' priorities, network performance and environmental objectives. It is also for the government to identify the enhancement projects it wishes to deliver and to form judgements on matters such as the need for greater highway capacity and improved connectivity, and whether this should be provided through conventional road building, all-lane running, or some other means.
- 1.8 Our role includes advising the government on whether its requirements are challenging and deliverable, to scrutinise National Highways' plans for the next road period, to advise on whether they will deliver the policy and investment priorities set out by the government in its draft RIS, and to monitor licence compliance.
- 1.9 The requirements set out in the RIS, and the plans set out by National Highways in its Strategic Business Plan (SBP) and Delivery Plan, will provide the basis on which we will monitor National Highways' delivery and performance during RP3.
- 1.10 Crucially, the RIS puts in place a stable, long-term plan for the SRN. This provides National Highways and its supply chain with the certainty they need to plan ahead and to achieve improvements in performance and efficiency. During a road period, small scale changes to the RIS that do not materially affect the integrity of the RIS are handled through a formal change control process. It is our role to advise the Secretary of State on any such changes and their implications for funding.
- 1.11 The RIS process is the equivalent of a periodic review in rail. Both processes set the outputs that the respective licence holders (National Highways and Network Rail) will need to deliver, and the funding they will receive, over the subsequent five-year period. As such, we have a long track record in undertaking these types

of assessment. Nevertheless, there are important differences between the two processes. Our role in the RIS process is to provide advice to the Secretary of State who ultimately sets out what National Highways is required to deliver. This differs from the periodic review process in which we determine what Network Rail should deliver.

## The value of our work

1.12 We play a constructive role in the development of each RIS and we give advice to government that ultimately results in better outcomes. The value of our work is illustrated in Figure 1.1:

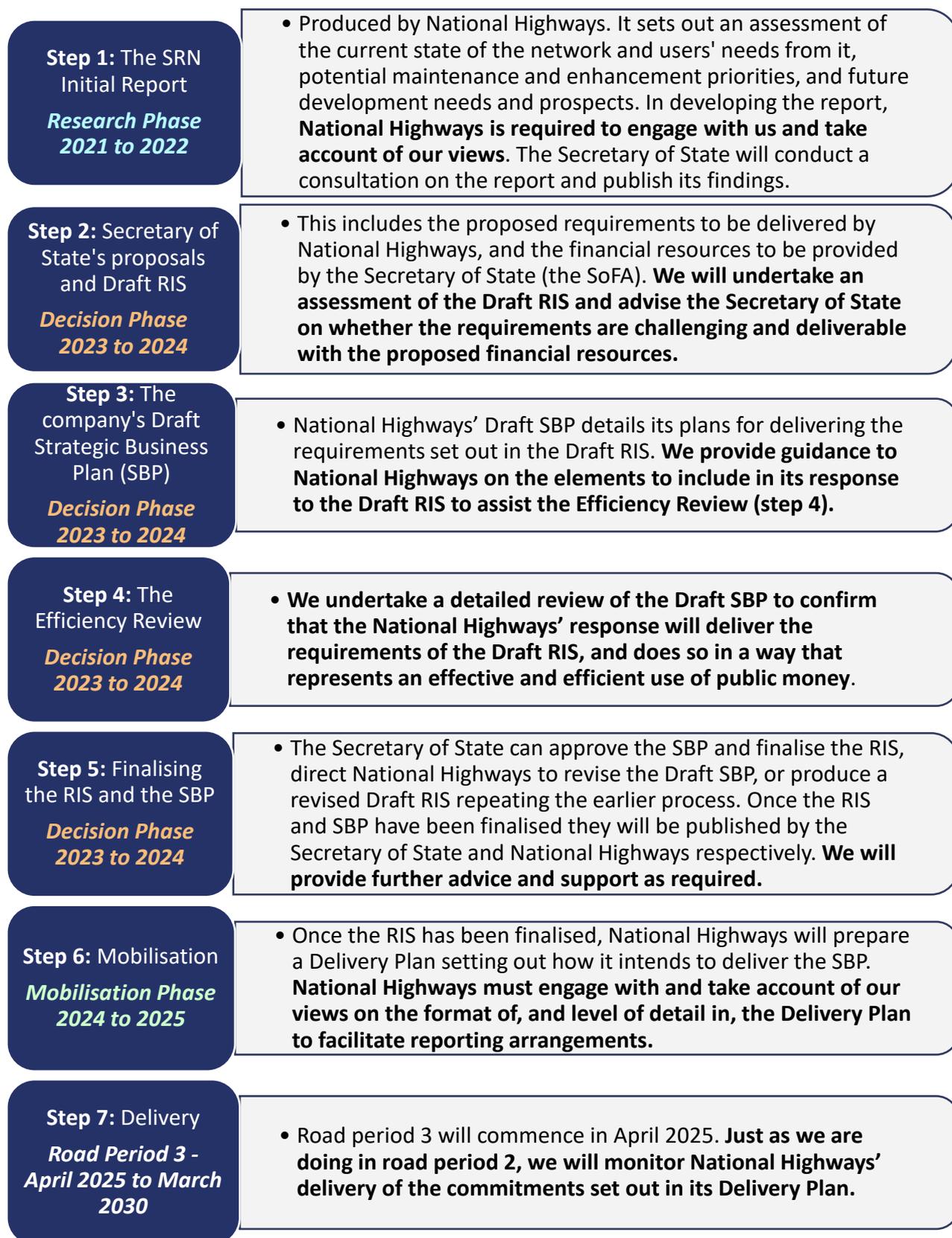
**Figure 1.1 The value of our work**



## Steps in the RIS development process

- 1.13 The process of developing and setting a RIS is set out in Part 1 of, and Schedule 2 to, the Infrastructure Act 2015 and Part 6 of National Highways' licence. Our role is further defined in a Memorandum of Understanding between the Department for Transport (DfT) and ORR.
- 1.14 The RIS process follows seven clearly defined steps. Our responsibilities in each step in the process are illustrated in Figure 1.2. The main deliverables are our review of the government's Draft RIS and our review of National Highways' Draft SBP (the Efficiency Review).
- 1.15 This document primarily concerns our approach to the first six steps of the programme. However, there are clear linkages between the plans laid out during the RIS development process and the way in which we monitor National Highways during the road period (step 7). Our approach reflects the need for the RIS development process to provide a clear and sufficiently detailed baseline against which we can monitor National Highways' performance and efficiency.
- 1.16 Although not shown as one of the seven steps in the RIS process, National Highways is required, as a condition of its operating licence, to periodically prepare and publish route strategies covering its whole network. The route strategies provide an evidence base on the state and performance of the SRN, the future challenges it faces and an outline of operational and investment priorities. National Highways has commenced work on the next generation of route strategies that will inform the government's plans and priorities for RIS3. Further information on the development of route strategies can be found here: [Our route strategies - National Highways](#).

**Figure 1.2 RIS development process and our role**



## Programme

- 1.17 In December 2021, the government published '[Planning ahead for the Strategic Road Network: Developing the third Road Investment Strategy](#)'. This set out the government's approach to the RIS3 development process. In the document the government identifies three phases of activity – a **research phase (2021 to 2022)** that culminates in the publication of the SRN Initial Report (i.e. step 1 in the process, shown in Figure 1.2), a **decision phase (2023 to 2024)** that comprises steps 2 to 5, and a **mobilisation phase (2024 to 2025)**, step 6.
- 1.18 The detail of the programme is for the government to define. Working to a logical and clearly defined programme is important. During RIS2 there were delays to the programme, and these truncated aspects of the process. This meant that the SBP and Delivery Plan were not published until shortly after the commencement of the new road period.
- 1.19 Our key priorities for the development of RIS3 are two-fold. Firstly, that National Highways has sufficient time in the decision phase (steps 2 to 5) to consider and reflect our advice as it develops its plans. Secondly, the mobilisation phase must be sufficient for National Highways to plan for its delivery in road period 3, including a clear baseline for us to monitor against.
- 1.20 Moreover, we would emphasise the importance of continued engagement between the key parties throughout the process. Information sharing should not be restricted by programme milestones. We will engage with National Highways as it develops its plans prior to the Efficiency Review. This is a key theme of our preparation activities, already underway (see Section 3).

# 2. Guiding principles

## Introduction

- 2.1 RIS3 will be the second time that the RIS development process has been delivered in full. The process and the roles and responsibilities of the key parties involved in it are now better understood than was the case for RIS2. The RIS3 development process offers the opportunity to build on the successes of and learn lessons from the development of RIS2.
- 2.2 As noted, the government will set out the objectives it wants to achieve during road period 3. This section sets out our aims for our role in the process of developing the RIS.
- 2.3 We have drawn on our experience in the RIS2 development process to produce a set of overarching priorities that will guide our approach to RIS3. We have also put in place new ‘ways of working’ that describe how we will conduct our assessments and how we intend to engage with other organisations.

## Our aims and ways of working

- 2.4 Our aims (subject to the overall strategic intent of the government’s investment strategy) are to:

- (a) **Deliver high quality advice that has a positive impact on outcomes for users, communities, the economy, and the environment.**

It is for government to decide what outcomes it wants to achieve from its investment in the SRN. Nevertheless, as outlined in Section 1, our advice is intended to have a positive impact on outcomes, and it is our primary focus to make that happen. In practice this means taking a pragmatic approach to our assessments and focusing our resources on issues where our advice can have the greatest impact. It also means taking an approach to efficiency that takes account of the balance of financial and non-financial considerations (such as environmental impacts and the need to manage disruption to traffic).

- (b) **Ensure National Highways follows the process set out in its licence and engages with stakeholders in a positive and transparent way.**

One of our duties is to monitor National Highways' compliance with its licence. Licence requirements in relation to both road investment strategies (part 6 of the licence) and route strategies (paragraph 5.13 and following of the licence) are relevant. A key element of this is to see that National Highways engages with and takes account of the views of relevant local and national stakeholders in developing route strategies and the SRN Initial Report.

**(c) Scrutinise plans for road period 3 and advise government whether they are both challenging and deliverable.**

The requirements set out in the RIS need to be appropriately challenging if the government is to secure value for public money. Equally, government and stakeholders need to have a high level of confidence that the programme is deliverable. Our experience of monitoring National Highways during the first two road periods means that we are well placed to help government achieve the right balance between challenge and deliverability. Our assessment of challenge and deliverability applies not only to the programme of investment, but also the framework of performance targets set out in the Performance Specification that forms part of the RIS.

**(d) Drive efficient behaviours to secure better value for money for road investment.**

In step 4 – the Efficiency Review – we will provide advice to the Secretary of State on the level of efficiency proposed in National Highways' Draft SBP. For RIS3, our priorities are to provide government with assurance that cost estimates are robust and include an appropriately challenging level of efficiency. Where appropriate, we will advise government on making appropriate adjustments – either to the funding it plans to give National Highways, or to the level of activity it requires the company to deliver.

**(e) Foster a mature approach to asset management that reduces costs in the long term.**

The RIS development process sets the agenda for the five years of the relevant road period and beyond. We advise government on the long-term implications of its investment decisions and National Highways' approach to maintaining and renewing the SRN. This is of

particular importance given that a significant proportion of the network is reaching the end of its design life. We welcome 'Managing and planning the SRN for the future' as one of the objectives, provisionally identified by the government, for RIS3. One of the key areas we will focus on is National Highways' approach to renewals planning. We want to ensure that National Highways' approach avoids storing up costs for the future, but we also recognise that it will be challenging to balance this against short-term affordability pressures, the need to plan renewals within a wider portfolio and the requirement to manage disruption. We will therefore take a pragmatic approach.

2.5 To achieve these aims we intend to adopt the 'ways of working' set out in Figure 2.1.

**Figure 2.1 Ways of working**



# 3. Our approach

## Context

- 3.1 In developing our approach, we have sought to build on the successes of the RIS2 development process. As such, there is a large degree of consistency between the approach set out here and our approach to RIS2. Nevertheless, we have sought to evolve our approach to reflect changing circumstances and to identify ways in which we can be more effective.
- 3.2 Similarly, we expect National Highways to evolve and improve its approach to planning for the next road period. Our ability to perform our assessment is dictated by the quality of evidence provided to us. We expect the quality of evidence underpinning National Highways' plans to reflect its increasing maturity as an arm's length body midway through its second road period.
- 3.3 During the RIS3 development process we need to be able to respond flexibly to changing circumstances and government priorities. In many respects, RIS3 will be developed in a more uncertain policy context than was the case for RIS1 and RIS2. Most notably, the pandemic continues to affect travel demand and public finances. It is unclear how long this uncertainty will persist. Furthermore, we note that the government has announced its intention to review the National Policy Statement for National Networks over the next two years ([Review of National policy statement for national networks](#)). It is possible that this could affect the basis on which nationally significant road projects are decided and as such creates a risk of the government's RIS3 investment plan changing later on in the process.
- 3.4 Our approach will reflect the broader context within which the RIS resides. In our view, the demands on the network and on National Highways are likely to increase. We have identified four key policy issues for RIS3 where this is likely to be the case:
- (a) **Environmental impact and the net zero challenge** – RIS3 will be prepared in the context of the government's Transport Decarbonisation Plan ([Decarbonising Transport – A Better, Greener Britain](#)) and National Highways' [Net Zero Highways](#). More generally, there is increasing focus on how the impacts of the SRN on the environment, health and communities can be improved.

As for other aspects of the RIS, it is for the government to determine the environmental outcomes it wishes to achieve. It is our role to determine whether the government's requirements are challenging and deliverable within the funding available. The RIS2 Performance Specification includes a target relating to National Highways' own carbon emissions, in addition to targets for noise, biodiversity and air quality. During the RIS3 process, it will be our role to advise government on future environmental performance requirements and targets. We are also mindful that the achievement of environmental objectives may have short term cost implications that will impact RIS3. For example, the use of low carbon materials will impact on construction costs.

To provide this assurance, we will require National Highways to provide robust plans for how it intends to achieve the requirements and targets that have been proposed. This will be a key aspect of our evidence gathering activities such that we can provide evidence-based advice to government on the plans put forward by National Highways.

- (b) Road safety** – During road period 3, we expect for there to be a continued focus on road casualty reduction. RIS3 will be prepared in the context of National Highways' ambition for the number of people killed or seriously injured on the SRN to be at a level approaching zero by 2040, as well as the government's upcoming Road Safety Strategic Framework.

Road safety is a complex area, not least because many of the potential levers to achieve casualty reductions (for example, vehicle technology) are outside National Highways' control. Our role will be to advise government on whether the proposed safety performance targets are challenging and deliverable. Clearly laid out and costed plans for the achievement of casualty reductions will be key to our being able to provide this assurance.

- (c) Digital technology and customer** – During the RIS3 process, we expect National Highways to consider the extent to which it will need to invest in new technology to manage traffic flows and improve the information provided to users and the implications of these on the costs of maintaining and improving the network.

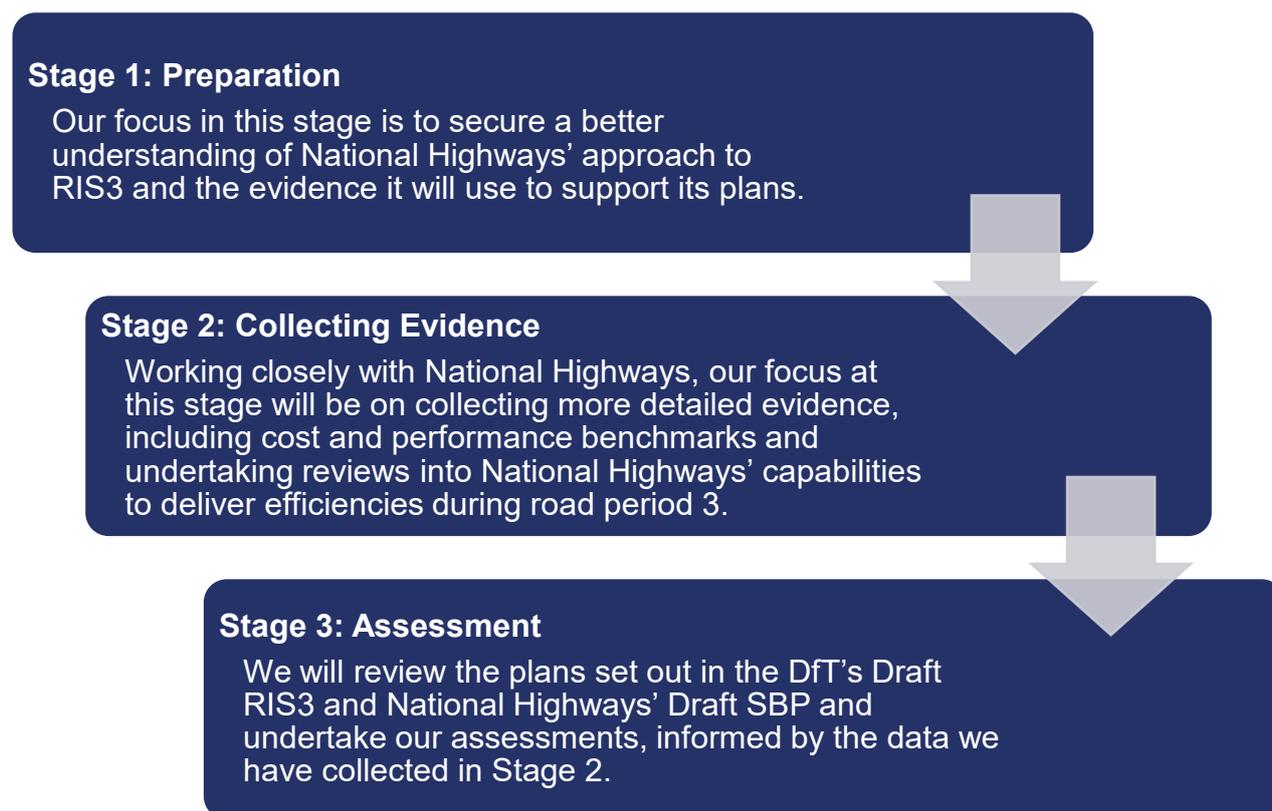
**(d) Managing the asset for the long term** – As reflected in our aims, a further key issue for RIS3 will be how National Highways responds to the challenge of dealing with assets that were constructed in the 1960s and 1970s and are therefore coming to the end of their design life. This was identified in RIS2 as an issue which would require determined effort over multiple road periods. In this context, the quality of data on the condition of the network and the sophistication of National Highways’ approach to planning renewals interventions will come into focus. This is a key theme of our approach to RIS3.

3.5 We intend to adjust our approach based on the priorities set out in the Draft RIS and the funding attached to them. For example, the extent to which the government focuses on maintenance and renewal of the existing network versus new enhancement projects will influence the way in which we likewise focus our resources.

## Stages of activity

Our preparations for RIS3 are already underway. Our role in the RIS development process can be seen as comprising three overlapping stages of activity shown in Figure 3.1. In broad terms, these stages align with the financial years 2021-22, 2022-23 and 2023-24.

**Figure 3.1 Stages of activity**



## Setting out our approach

3.6 As described in Section 1, our primary deliverables are two-fold, a review of the:

- (a) government's Draft RIS and provision of advice to the Secretary of State as to whether the proposed requirements are challenging and deliverable within the proposed financial resources; and
- (b) Draft SBP – termed the 'Efficiency Review' – to determine whether National Highways' plans meet the requirements of RIS3 and do so in a way that represents an effective and efficient use of public money.

3.7 Throughout the process, we have a duty to monitor that National Highways fulfils the requirements set out in its licence.

3.8 The remainder of this section describes the approach we will take to fulfilling our duties. Rather than describe our approach in a chronological manner (dealing with each step of the process in turn) we have chosen to set it out under a set of

themes that relate to the different aspects of our role. The themes (discussed in detail from paragraphs 3.13 onwards) are as follows.

- (a) Cost and efficiency.
- (b) Challenge and deliverability: investment plan.
- (c) Challenge and deliverability: performance requirements.
- (d) Statutory duties and licence compliance.
- (e) Mobilisation and future monitoring.

- 3.9 Setting out our approach in this way reflects that some aspects of our role span multiple steps in the process. The most obvious example of this is where we will assess the degree to which the plans set out in both the Draft RIS and the Draft SBP are ‘challenging and deliverable’. As such, the advice we provide at steps two and four in the RIS development process will rely on similar evidence.
- 3.10 We will adjust our approach according to the level of detail included in the plans provided to us at each stage. During the RIS2 development process, the Draft RIS2 set out the government’s plans at a high level. As a result, the advice we were able to provide on the Draft RIS was similarly high level and our detailed assessments were focused primarily on the Draft SBP.
- 3.11 The process as set out in National Highways’ licence allows for an iterative approach whereby the government could update the Draft RIS, or to provide further guidance to National Highways based on our advice. Should this approach not be possible we could undertake a shorter and more focused review of the Draft RIS, working with the government to identify key areas where we should concentrate our efforts.

## Cost and efficiency

### Requirement

- 3.12 One of our core duties in the RIS development process is to provide advice to the Secretary of State on cost and efficiency. This aspect of our role is most directly aligned to step four in the process – the Efficiency Review. This involves us reviewing National Highways’ Draft SBP and advising the Secretary of State on the levels of efficiency National Highways proposes to achieve.

## Approach

### Overview

- 3.13 In our view, the efficiency challenge should not be limited by National Highways' current capabilities but should take account of the efficiencies expected to result from improvements the company is making to the way it operates, and any opportunities afforded by new technologies and processes. This is the same approach that we took during RIS2. Nevertheless, we also recognise that our approach needs to be balanced and realistic. Setting overly ambitious targets is likely to be self-defeating and would not provide National Highways with the appropriate challenge and incentives.
- 3.14 Our current expectation is that the potential for National Highways to achieve further efficiencies during road period 3 will be significant. This view is based primarily on the fact that many of the key measures that the company has put in place to improve efficiency, such as the Asset Delivery approach to maintenance and renewals, are only just starting to 'bed-in' during road period 2 and a significant part of the benefits will be delivered in road period 3. Whether this ultimately translates into lower costs will depend on the requirements that National Highways is asked to deliver as well as external factors that affect the cost of delivery.
- 3.15 Any efficiency challenge is only as good as the baseline or 'pre-efficient' cost to which it is applied. In RIS2, in some areas, the evidential basis for pre-efficient cost estimates and the cost challenge process undertaken by National Highways lacked sufficient transparency in the initially submitted information. By comparison, the build-up of the efficient costs provided by Network Rail Routes during the PR18 process provided a clearer link to the costs incurred in the current period and allowed for a more explicit consideration of headwinds (factors that are likely to increase costs) and tailwinds (factors that may reduce costs).
- 3.16 As part of the RIS3 Efficiency Review, we intend to focus more attention on pre-efficient costs. This is intended to help ensure that National Highways becomes progressively more efficient over time. We expect National Highways to demonstrate that its costs are benchmarked against past delivery (and, in more areas, appropriate external benchmarks), and that headwinds and tailwinds are properly documented so they can be assessed. We recognise that this is a complex and challenging area but National Highways is now better placed to provide this evidence during the RIS3 development process given that it can compare against delivery across two road periods.

- 3.17 In respect of National Highways' asset maintenance, we intend to place greater emphasis on assessing the quality of, and evidential basis for, its plans, not just the costs included in them. We want to see evidence that National Highways' plans are sufficiently detailed, robust, and linked to asset need. In line with our objectives, and the vision for the SRN set out in RIS2, we will pay particular attention to ensuring National Highways fulfils its licence condition (paragraph 5.12(a) of the licence) to take a whole-life cost approach to managing its assets. In striving for a whole-life cost approach, we recognise that National Highways must balance a range of competing demands and develop a plan that is realistic based on available funding.
- 3.18 In view of the priorities set out above, we intend to take a systematic approach to assessing the costs of National Highways' plans. We will aim to answer the following questions in turn:
- (a) **Planned activities:** Has National Highways set out clear and well-evidenced plans for what it intends to deliver during road period 3? Do they meet the requirements of the Draft RIS and has National Highways made best endeavours to adopt a whole-life cost approach to managing its assets?
  - (b) **Pre-efficient costs:** Has National Highways made reasonable efforts to benchmark costs against past delivery, and compare its costs against external benchmarks where available? Can the source and basis of the cost rates be demonstrated? Is the national picture built up from a good understanding of asset need in National Highways' operational areas? Has National Highways applied an appropriate level of cost challenge, reflecting headwinds and tailwinds, in a fair and balanced manner?
  - (c) **Efficiency challenge:** Are the efficiencies National Highways proposes to deliver both challenging and deliverable given its capabilities and the improvements it plans to implement to the way it delivers?

### Setting the efficiency challenge

- 3.19 Determining what is an appropriately challenging and deliverable level of efficiency is difficult, and we should avoid any attempt to be overly prescriptive in this respect. We intend to take a holistic approach and use all the evidence available to us to inform our assessment.

- 3.20 The RIS2 Efficiency Review was built on a series of capability reviews, supported by benchmarking against other regulated utilities, and a focused review of a sample of selected expenditure lines.
- 3.21 Capability reviews are an attempt to establish the efficiencies National Highways should be capable of delivering in the next road period through improvements in the company's key business processes. They use case study evidence on the impact that such improvements have had in other organisations and industries.
- 3.22 This approach has previously worked well during the RIS2 development process. The reviews also provided a shared understanding of National Highways' efficiency potential and helped the company to understand the range of efficiency savings that were likely to be acceptable.
- 3.23 We consider that this approach continues to be appropriate for RIS3. We intend to undertake a new set of capability reviews for RIS3 and have agreed with National Highways that these will be jointly commissioned.
- 3.24 The RIS2 capability reviews covered the following three topics:
- asset management;
  - procurement and contract management; and
  - portfolio and project management.
- 3.25 A key challenge we faced during the RIS2 process was how to interpret the efficiency ranges from the three cross-cutting (and to an extent overlapping) capability reviews and apply them to expenditure lines in National Highways' Draft SBP. Given this experience, for RIS3, we considered whether it would be more appropriate to align the capability reviews to the key pillars of the Draft SBP – enhancements, renewals and operations and maintenance.
- 3.26 National Highways expressed its concern that such an approach would risk us failing to identify where efforts to improve performance cut across different areas of delivery. It also suggested that the proposed approach would be overly focused on capital delivery and would miss looking at how performance can be delivered through other means.
- 3.27 It is not our intention to narrow the focus on the capability reviews and therefore we are content to proceed with an approach based on cross-cutting themes. However, it is also an important principle that the capability reviews provide

evidence that can be used to benchmark National Highways' efficiency proposals, which will ultimately be organised around the key pillars set out above.

3.28 Following discussions with National Highways, we intend to undertake capability reviews aligned to the themes of National Highway' approach to managing its assets, and National Highways' approach to procurement and project management.

3.29 Under each theme, we expect to be able to demonstrate a degree of progression from the RIS2 capability reviews.

3.30 The remainder of this section describes our approach to assessing specific aspects of National Highways' plans.

### **Enhancements**

3.31 As noted in Section 1, investment priorities are a matter for government. It is not within our remit to comment on the government's proposed scheme selection. We will continue to focus on challenge and deliverability within the available funding.

3.32 The exact scope of our assessment of the RIS3 enhancements portfolio will depend on the number, scale and complexity of projects, and the maturity (level of design development) of the portfolio.

3.33 Projects that are already under construction at the start of RIS3, or for which a target cost has already been agreed with a contractor, will already have efficiencies built in. Therefore, there may be less scope to identify new efficiencies for these projects. For such projects our focus will be on ensuring that previously identified efficiencies are properly accounted for in National Highways' proposed target. For projects at an earlier stage of development, there is greater scope to challenge costs and identify new efficiencies.

3.34 The strength of the conclusions we can draw in respect to both the costs and deliverability of the portfolio will depend on the maturity of the projects within it. If projects are at an early stage of development then the level of certainty concerning cost and deliverability will be much less, and therefore a lower level of confidence will be attached to our assessment.

3.35 In line with our overall approach to the RIS3 Efficiency Review, we will pay particular attention to whether National Highways has derived its pre-efficient cost estimates in a sufficiently robust way. There are two strands to this:

- (a) we want to see evidence that National Highways' approach to cost estimation is robust and that the assumptions that underpin its cost estimates reflect the efficiencies that have been delivered during road period 1 and road period 2. As part of the preparation phase, we are undertaking a study to improve our understanding of National Highways' approach to cost estimation and the evidence that will underpin its cost estimates for RIS3 projects; and
- (b) as we did for RIS2, we will undertake project-level assessments for a sample of enhancement projects to provide us with assurance that the cost estimates for those schemes are robust, and that National Highways has followed its internal processes consistently. We will select projects based on an assessment of the level of financial risk attached to them. The degree to which we challenge the detailed assumptions underlying the cost estimates for individual projects will depend on the level of confidence we have in National Highways' cost estimation approach (as informed by the preparation phase review described in (a), above). If we have a high level of confidence in National Highways' methods, the emphasis of our reviews will be on ensuring compliance with internal processes.

3.36 Capability reviews will continue to play an important role in helping us to establish the extent of the efficiency challenge. We will undertake a review specifically focused on enhancements. We will engage National Highways on the likely efficiency levers that the review should focus on, although we expect that the evolution of National Highways' approach to procurement and contract management will continue to be a key driver of efficiencies. We will build on the work undertaken during the RIS2 development process as well as a more recent assessment of National Highways' capability ([Review of Highways England's capability to plan and deliver its RIS2 enhancement capital programme](#), published 15 July 2021) that we commissioned as part of our monitoring activities.

## Renewals

3.37 In regards to renewals, our assessment will place significant emphasis on the quality of National Highways' plans and the maturity of its approach to asset management. As part of our Stage 1 activities, we have commissioned a study to improve our understanding of National Highways' approach to renewals investment planning and the evidence that will underpin the company's plans for RIS3. This will provide a reference point for the assessment we undertake during the Efficiency Review.

- 3.38 In the RIS3 Draft SBP we expect to see a much stronger link between the pre-efficient costs for maintenance and renewals and the costs incurred in road period 1 and road period 2. In the RIS2 development process we were unable to make like-for-like comparisons across road periods (for example of renewals unit costs or volumes) because of how National Highways had recorded its data. Over time, we expect National Highways to address these issues of comparability and consistency. We expect unit cost analysis to feature more heavily in both National Highways' plans and our assessment. Whilst we accept that the presence of headwinds and tailwinds over time can make such analysis more difficult, it is crucial if we are to have confidence that National Highways is becoming progressively more efficient over time. We have been encouraged by the work National Highways is undertaking to develop 'activity metrics' – which provide a measure of unit costs that is adjusted to take account of differences in scheme characteristics and the quantity of different activities required to deliver a scheme – and intend to work closely with the company to refine and broaden the scope of this work in the run up to the development of RIS3.
- 3.39 The roll-out and bedding down of National Highways' Asset Delivery approach is a key driver of efficiencies in this area in road period 2. We expect this to continue to be an important efficiency lever in road period 3 and they will therefore be a key focus of our renewals capability review.

### **Operations, Maintenance and Business Costs**

- 3.40 For its operations, maintenance and business costs, National Highways' approach to efficiency during RIS2 was based around rolling forward road period 1 funding levels, adjusting for headwinds and tailwinds, and applying high-level inflation and efficiency assumptions. In the corporate support area, this was reinforced by a benchmarking exercise that provided additional assurance around costs. During road period 2, we expect National Highways to develop similar benchmarks for maintenance and operations costs to inform planning for road period 3.
- 3.41 Analysing differences in maintenance activities and costs by region or area can give important insights into National Highways' efficiency. Econometric approaches to cost benchmarking can be used to compare the efficiency of different operating units or areas by controlling for a range of observable cost drivers such as network composition, road condition and traffic levels. By identifying the extent to which these variations exist, we can build an understanding of the potential of the company to achieve improvements in efficiency.

3.42 Attempts to undertake analysis of this sort have been hampered by a lack of consistent time series data. Nevertheless, for more stable or predictable elements of National Highways' maintenance activities, we think there is scope to employ regional or area level benchmarking to inform the RIS3 efficiency challenge. In the near-term, with National Highways' help, we want to put the building blocks in place. We will do this by collating more consistent and disaggregated time series data, for National Highways' regions and areas, with respect to maintenance and renewals spending and outputs.

### **Other areas of investment**

3.43 For other areas of National Highways' business plan, we will follow a risk-based approach to our assessment to focus our efforts on the areas associated with the greatest cost, scope for efficiencies, or strategic importance to the business. Where National Highways is making new investments, undertaking new activities, or responding to changes in the demands on the network we recognise that the sort of cost analysis we have described elsewhere is more difficult. Nonetheless we would expect National Highways to demonstrate that the plans it has put in place will deliver the outcomes that the government has identified in the Draft RIS and that the costs included are commensurate with the scope of the activity or investment that National Highways is being asked to deliver.

### **Inflation and risk**

3.44 Efficiency, inflation and risk are closely related. It will be important for us to have a good understanding of how National Highways treats inflation and risk in its cost estimates. The company is funded in nominal terms. Therefore, once the RIS has been set, National Highways is at risk of inflation. The inflation assumption in National Highways' cost estimates could therefore be considered part of its wider risk allowances. As part of the Efficiency Review, we will review National Highways' inflation assumptions, including analysis of real price effects, and the evidence upon which these are based. We will compare their estimates against industry benchmarks to provide us with confidence that inflation allowances represent a practicable 'most likely' scenario.

3.45 It is vital to our assessment that risk allowances – both those within project budgets or expenditure lines, and those held centrally (within the company's Central Risk Reserve (CRR)) – are presented in a transparent manner and that the confidence levels attached to risk allowances are clearly specified and evidenced and there is no double-counting.

3.46 The government is free to determine the confidence level at which it chooses to set National Highways' funding. If funding is set at a high level of confidence – substantially in excess of P(50)<sup>1</sup> – then, by definition, delivering the RIS3 investment plan within the available funding will be less challenging. If funding is set at a low level of confidence – substantially less than P(50) – then delivering the RIS3 investment plan will be more challenging and the government will be exposed to a greater degree of risk. In either case it will be important to ensure that access to risk allowances is appropriately and transparently governed..

## Challenge and deliverability: investment plan

### Requirement

3.47 Our role is to assess whether the Draft RIS, and subsequently the Draft SBP, are challenging and deliverable with the proposed financial resources. This section relates to the challenge and deliverability of the RIS investment plan and is focused on enhancements and renewals. Our assessment of challenge and deliverability with respect to RIS3 performance requirements is dealt with in paragraphs 3.53 onwards.

### Approach

#### Enhancements

3.48 In our Annual Assessment of National Highways' Performance April 2020 to March 2021 ([Highways Monitor - Annual assessment of Highways England's performance](#)) we set out how a number of RIS2 enhancement schemes have already experienced delays in the first year of the second road period. We are also mindful that it is possible that enhancements are becoming inherently more challenging to deliver. This may, in part, be because the projects National Highways is being asked to deliver are more complex than those it inherited in 2015.

3.49 Given this context, during the RIS3 development process we will focus on risks to the delivery of the enhancement programme. In 2021-22, we undertook a review of schemes developed and delivered by National Highways since 2015 to better understand the factors that determine project timescales and the primary risks to

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<sup>1</sup> P(50) is the middle or most likely estimate for what a project or programme of activity will cost. At a probability level of P(50) it is considered that there is a 50% chance (or level of confidence) of the actual cost exceeding the estimate and a 50% chance of the actual cost being less than the estimate.

projects not being delivered on schedule. This understanding will inform our assessment of risks to the RIS3 enhancement programme.

- 3.50 Several stakeholders have raised concerns that road enhancement projects – either individually or collectively – are not compatible with broader government policy on climate change and the environment. As described elsewhere in this document, our focus in this regard will be on risks to delivery, not to challenge government on how it meets its wider environmental or other objectives. We are mindful that environmental impacts and objections on environmental grounds are a key risk to the achievement of planning consents for road schemes. We will be seeking assurance that National Highways has addressed these risks (so far as is possible given the stage of development of the project in question) and accounted for them in its scheduling of projects. Moreover, if we considered that National Highways’ plans do not meet its legal obligations or its licence requirements, we will challenge this during the RIS development process.
- 3.51 During the RIS2 process, we focused much of our attention on the way National Highways intended to manage risks across the portfolio of schemes. For RIS3 we intend to place greater emphasis on project level reviews and the risks attached to specific projects. This is intended to strengthen our approach to assessing the risks to the delivery of the programme.
- 3.52 The assessments we will undertake at a portfolio and project level are further described below.

#### *Portfolio level assessment*

- 3.53 We will review the profile of the portfolio of schemes and how this has been brought together into a single programme. We would expect National Highways to produce a clearly defined programme of works that sets out what it intends to deliver and the dates on which it expects to achieve key milestones (e.g. planning consent, start of works and open for traffic). We will also review the schedule risk analysis undertaken by National Highways on its portfolio of schemes and planned mitigations. This will inform our assessment of whether the overall portfolio is deliverable or not.
- 3.54 At a portfolio level, our assessment will consider:
- (a) **The size and profile of the enhancement programme** – We will pay attention to the size of the enhancement programme and the number of large and more complex schemes. We will also look at the profile of works over time and take a view on whether the proposed

plan can be delivered to that timetable with the financial resources available. In this respect, the experience of road period 1 and road period 2 provides us with useful benchmarks. We will seek assurance that National Highways has paid sufficient attention to the capacity of the supply chain to deliver the portfolio alongside other, competing demands.

- (b) Maturity and cost/programme certainty** – The level of development of the schemes will be a key determinant of the risk attached to the enhancement portfolio overall. We will pay particular attention to the stage of development – and progression through the Project Control Framework (PCF) process – of the schemes. We will draw on analysis of the historical factors that have led to project delays as they progress through the PCF process.
- (c) Impact on road users** – Depending on the number of schemes and how these are phased, road space and traffic disruption are potentially significant risks to the enhancement portfolio. We expect National Highways to demonstrate how its programme will manage and mitigate potential disruption. We are aware that National Highways factors these issues into its short- and medium-term planning, but we consider that it should also be part of longer-term planning. Any such analysis should take account of the co-ordination and cumulative impact of both enhancements and maintenance projects, as well as major projects delivered by others (such as High Speed 2). We will also be looking for evidence of how National Highways plans to integrate its maintenance and renewal priorities with its plans for network improvements.

3.55 During RIS2, we advised that National Highways should consider quantified assessments of risks to project timescales. For RIS3 we expect to see more detail of the company's assessment of scheduling risks.

### *Project Level Assessment*

3.56 In contrast, project level assessment is aimed at understanding the level of risk attached to the individual projects that make up the portfolio. We intend to undertake a more in-depth review of a sample of major projects with a particular focus on cost risk and programme overrun risk. Rather than take a representative sample of projects, we intend to focus our attention on larger projects and those projects that are likely to pose the greatest risk of cost escalation, schedule risk or non-delivery. We will conduct a high-level review of the risks for the projects that

make up the portfolio. This will help us to identify a smaller sample of projects to review in more detail. To avoid duplication, where possible, we will build on the intelligence gained from our own monitoring, as well as reviewing the findings of others such as any reviews undertaken by the Infrastructure and Projects Authority (IPA).

- 3.57 We have recently seen the importance of early-stage programme and cost risks to projects, particularly linked to the planning process. We will pay particular attention to early-stage projects and projects requiring Development Consent Orders (DCOs). DCOs are a form of planning application for nationally significant infrastructure projects, as defined in the Planning Act 2008. In its planning for road period 3, we want to see how National Highways is assessing projects risks based on its recent experience with DCOs and how it intends to apply lessons learned.

### **Maintenance and Renewals**

- 3.58 In respect of challenge and deliverability, for maintenance and renewals, our focus will be less on the volume of activity proposed and more on the quality of National Highways' plans. For larger and more complex renewals, we will want to see evidence of the level of design development that the company has undertaken, that plans are linked back to asset need and that consideration has been given to alternative options.
- 3.59 We have considered whether, in order to provide us with this assurance, we will undertake reviews of a sample of major renewals schemes. National Highways expressed its view that, for operations, maintenance and renewals, investment planning is primarily carried out at a portfolio level presenting fewer opportunities to assess sample schemes as is the case for enhancements.
- 3.60 We agree with National Highways that scheme-level analysis is less relevant for maintenance and renewals than for enhancements. Nevertheless, it is our view that sampling projects is an important means through which we can provide assurance that National Highways is following good practice across its renewal's activities more generally. In our experience, a good way to test and understand the provenance and validity of the planning assumptions used at a portfolio level is to obtain a bottom-up view as well. We will determine the precise scope of this activity later in the process once we have sight of the make-up of renewals plans.
- 3.61 As for enhancements, we expect National Highways to consider network access issues when developing its renewals plans. These should demonstrate consideration of enhancements and renewals in combination and identify actions

National Highways is taking to phase activity in a way that will minimise disruption to users.

## Challenge and deliverability: performance requirements

### Requirements

- 3.62 An important part of our activities during the RIS3 process will be to provide advice to government on the performance indicators and targets that will form part of the Performance Specification and against which we will monitor National Highways' performance during RP3.
- 3.63 It is for the government to determine National Highways' performance requirements and ultimately to set the targets that it wants the company to achieve. We will provide advice based on our wider experience and the knowledge we have gained from monitoring National Highways against those requirements and measures during road periods 1 and 2.
- 3.64 Moreover, we are responsible for providing government with assurance that the plans National Highways puts in place will meet the requirements of the RIS; this extends beyond the Performance Specification. We will be guided by the government as to whether there are additional commitments that it wishes us to investigate in more detail. The value we can add in this respect depends on the requirements being sufficiently specific and measurable.

### Approach

- 3.65 In advising government on a stretching but realistic set of targets, we will use the knowledge and data that we have built up over the first two road periods. We will also pay particular attention to the relationship between the investment plan and the Performance Specification. For RIS3, we expect to see evidence from National Highways linking its costs to different performance levels.
- 3.66 The Performance Specification has undergone incremental changes and improvements since 2015, and work on improving the metrics and target setting will continue in road period 2. As such, we expect there to be a high degree of consistency across the road period 2 and road period 3 Performance Specifications. Nevertheless, we expect the Performance Specification to continue to evolve and be improved upon.
- 3.67 Several stakeholders have identified ways in which the Performance Specification might be improved, including aspects of performance that they feel are not well represented. As noted, it is for the government to determine what measures are

included in the Performance Specification. Nevertheless, we will provide advice on the measures that are included and we will take account of stakeholder views as we do so.

- 3.68 More broadly, we want to ensure that the way in which National Highways' performance is measured and monitored provides the company with the right incentives. For example, as part of our early preparation for RIS3, we have commissioned a review to better understand the degree to which the current performance and efficiency monitoring approach supports or conflicts with whole-life cost approach to maintaining the SRN.

## Statutory duties and licence compliance

### Requirement

- 3.69 Our function is to monitor whether, and how, National Highways is carrying out its own functions. Our activities include investigating how National Highways is carrying out its statutory duties and complying with its licence conditions, and how it is having regard to relevant guidance. This means ensuring that the company is following the relevant processes correctly.

### Approach

- 3.70 This aspect of our role requires us to engage with National Highways in the early stages of the RIS process, as it prepares the route strategies and the SRN Initial Report. These documents form a significant part of the evidence base that supports the setting of the RIS.
- 3.71 Aligned to the requirements set out in the licence our main priorities are that National Highways:
- (a) follows the process agreed with the Secretary of State and delivers this process within the specified timescales;
  - (b) uses appropriate evidence that meets the requirements set out in the licence; and
  - (c) follows an effective and inclusive process of stakeholder engagement.
- 3.72 We will monitor how National Highways carries out the requirements contained in Part 5 of its licence related to route strategies. This will include reviewing how National Highways has taken account of relevant local plans and priorities and has

considered the need for effective integration between the SRN and the rest of the transport system. We have reviewed National Highways' engagement plans for the route strategies and how it proposes to fulfil this requirement. We will monitor progress against key milestones and review National Highways' key deliverables. We will monitor the extent and quality of the stakeholder engagement process, attend a sample of stakeholder events and look for evidence of how National Highways has taken account of stakeholder's views.

- 3.73 With regard to the development of the SRN Initial Report, we will monitor how National Highways carries out the requirements contained in Part 6 of its licence. This will include reviewing and, if required, challenging National Highways' proposals for its engagement strategy. Then we will review progress against milestones and key deliverables.
- 3.74 In respect of both the route strategies and National Highways' engagement more generally, we will review their approach in the context of paragraph 5.19 of its licence which sets out that National Highways should exercise its duties in a manner that is 'open and transparent', 'positive and responsive', and 'collaborative'.

## Mobilisation and future monitoring

### Requirement

- 3.75 National Highways is required to produce a Delivery Plan that will provide a detailed description of how the company intends to deliver its plans. In preparing the document, National Highways is required to engage with us and take account of our views on the format of its plans and the level of detail provided.

### Approach

- 3.76 The RIS process should provide a clear and agreed baseline against which we can monitor National Highways' performance and delivery during road period 3. During RIS2 process, plans were adjusted during the mobilisation phase. We understand the need to retain flexibility. However, it has proved difficult to trace the updated plans back to the originally submitted Draft SBP. A degree of change is inevitable, but when changes are made these need to be transparent so that there is an agreed updated baseline. We want to ensure that National Highways' Delivery Plan provides sufficient detail, including updated cost and efficiency assumptions, that provides an unambiguous reference point for road period 3 monitoring.

- 3.77 The current approach to monitoring places significant emphasis on the delivery of enhancement scheme commitments and the volume of asset renewal outputs. In road period 2, for projects and programmes with a defined programme of work, National Highways adopted an embedded efficiency approach whereby the efficiency challenge is assumed to be ‘priced in’ to National Highways’ business plan. As such, successful delivery of the required outputs and outcomes forms the primary evidence to demonstrate that efficiencies have been delivered.
- 3.78 Our early observation of this approach is that ‘secondary evidence’, including quantitative measures such as activity metrics, should continue to play an important role. A range of evidence is vital to provide us with a depth of confidence that National Highways has achieved the required efficiencies.
- 3.79 Our priority is not just to measure National Highways’ high-level outputs, but also to ensure that it delivers the right things at the right time, in line with its plans for each road period, and in accordance with its asset management governance. For example, in respect of asset renewals, we expect National Highways to provide more details of its plans. For major asset renewals schemes this may include monitoring the delivery of specific named projects. We do not expect the programme to be fixed and we understand there will be a need to flex plans in response to improved asset knowledge or unforeseen risks. Nevertheless, we want to have sufficient visibility of National Highways’ plans so that we can identify when it deviates from those plans and understand the reasons why.

## Summary

- 3.80 To summarise, key themes for our approach to the assessments we will undertake during the RIS3 development process are as follows:
- (a) a systematic approach to the Efficiency Review with a focus on ensuring cost estimates are robustly derived;
  - (b) a focus on the quality of National Highways’ plans in respect of maintenance and renewals;
  - (c) using the knowledge gained from the past two road periods to bolster the evidence base for RIS3;
  - (d) a stretching but realistic efficiency challenge rooted in National Highways’ capabilities;
  - (e) an in-depth approach to assessing risks to delivery; and

- (f) ensuring the plans and performance requirements provide a clear and agreed baseline for future monitoring.

# Annex 1 – The Highways Monitor

As part of its roads reform package, the government set up a new company to maintain, renew, operate and improve the motorways and main 'A' roads in England – this is National Highways (formerly Highways England).

Our role as the Highways Monitor is to hold the company to account and where necessary advise the Secretary of State. Roads reform also set up a Watchdog –Transport Focus – to champion the needs of road users.

At a high level there are four main aspects to our role:

- to monitor how well National Highways is delivering against the Performance Specification, Investment Plan and aspects of its Licence, to publicly report our findings and to advise the Secretary of State;
- where we have concerns about the company's ability to deliver against its requirements, to seek improvements and potentially levy a fine (together known as 'enforcement');
- to advise the Secretary of State on the development of the next RIS, including advice on setting challenging and deliverable efficiencies; and
- to advise the Secretary of State on any other relevant issues.

The monitoring framework requires National Highways to publish extensive information on its plans and performance, and we make public our assessment of its operational and financial performance each year in our [Annual Assessment](#).

Further information as to the scope of our role is set out in a [Memorandum of Understanding](#) between the DfT and ORR and [statutory guidance](#).

# Glossary and acronyms

Term	Definition
<b>Central Risk Reserve</b>	A contingency fund for unexpected risks.
<b>Development Consent Order</b>	Means of obtaining permission to construct nationally significant infrastructure projects, as defined in the Planning Act 2008.
<b>Enhancement</b>	Deliverable that improves the capacity, capability or amenity of the SRN. Enhancements are classed as capital expenditure
<b>Headwinds</b>	A term used to describe the factors outside the control of National Highways which could lead to an increase in the company's costs.
<b>Highways Monitor</b>	Monitoring and enforcement role, set out in the Infrastructure Act 2015, relating to the performance and efficiency of National Highways. Undertaken by the Office of Rail and Road.
<b>Infrastructure and Projects Authority</b>	Government's centre of expertise for infrastructure and major projects, reporting to the Cabinet Office and HM Treasury.
<b>Memorandum of Understanding</b>	Sets out the relationship between the Secretary of State (represented by the DfT) and the ORR, concerning the responsibilities of the Highways Monitor function.
<b>National Highways</b>	National Highways (formerly known as Highways England). Government-owned company, set up in 2015, that operates and manages the strategic road network.
<b>Office of Rail and Road</b>	Non-ministerial body responsible for monitoring and enforcing the performance and efficiency of

	National Highways.
<b>P50</b>	P(50) is the middle or most likely estimate for what a project or programme of activity will cost. At a probability level of P(50) it is considered that there is a 50% chance (or level of confidence) of the actual cost exceeding the estimate and a 50% chance of the actual cost being less than the estimate
<b>Renewal</b>	The replacement of an asset that has deteriorated to the extent that it can no longer be economically maintained, but where the replacement does not result in an enhancement.
<b>Road Investment Strategy</b>	The government's statement of its long-term vision for strategic roads. Contains the investment and performance requirements, set by the government, that National Highways is expected to deliver during the five-year road period.
<b>Road period</b>	The period of time to which a Road Investment Strategy applies. Road period 1 was financial years 2015/16 to 2019/20 inclusive; road period 2 is 2020/21 to 2024/25; and road period 3 will commence with 2025/26.
<b>Route strategies</b>	Produced by Highways England, outlining the current performance, function, constraints and opportunities for each route, driving the strategic planning of the strategic road network, to be utilised for future road periods and operational priorities.
<b>Statement of Funds Available</b>	The Secretary of State for Transport's statement setting out the public funds that are, or are expected to be, available to support the achievement of a set of requirements.

<b>Strategic Business Plan</b>	Contains National Highways' response to the government's Road Investment Strategy.
<b>Strategic road network</b>	In England, the strategic road network is made up of motorways and trunk roads (the most significant 'A' roads). They are administered by National Highways, a government-owned company.
<b>Tailwind</b>	A term used to describe the factors outside the control of National Highways which could lead to a decrease in the company's costs.
<b>Transport Focus</b>	Independent watchdog for transport users.

<b>Acronym</b>	<b>Definition</b>
<b>CRR</b>	Central Risk Reserve
<b>DCO</b>	Development Consent Orders
<b>DfT</b>	Department for Transport
<b>IPA</b>	Infrastructure and Projects Authority
<b>MOU</b>	Memorandum of Understanding
<b>NH</b>	National Highways
<b>RIS</b>	Road Investment Strategy
<b>RIS2</b>	2 <sup>nd</sup> Road Investment Strategy
<b>RIS3</b>	3 <sup>rd</sup> Road Investment Strategy
<b>SBP</b>	Strategic Business Plan
<b>SoFA</b>	Statement of Funds Available
<b>SRN</b>	strategic road network



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