Annual Assessment of National Highways' performance

April 2023 to March 2024

29 July 2024

Office of Rail and Road

Annual Assessment of National Highways’ performance

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1. Executive summary

Introduction

National Highways was set up as a government-owned company in 2015, tasked with managing the strategic road network (SRN) – the motorways and major A-roads in England. In its second road investment strategy (RIS2) the government specified a set of outcomes and investments that it requires National Highways to deliver over the second road period (RP2), from 1 April 2020 to 31 March 2025.

The Office of Rail and Road (ORR) holds National Highways to account to deliver RIS2, its broader licence commitments and how it achieves its targets. This report sets out our assessment of National Highways' performance and delivery between 1 April 2023 and 31 March 2024, the fourth and penultimate year of RP2. It is referred to as 'Year 4' throughout this document.

At the end of Year 4, there were a number of decisions relating to National Highways' funding and deliverables for the final year of RP2 progressing through the formal change control process. This process has operated successfully since 2015 and allows the Department for Transport (DfT) and the company to transparently agree changes to the RIS as circumstances change. The timing of the General Election on 4 July 2024 meant that government was unable to complete the process before this report was published. In line with established practice, we are reporting against the company's approved public obligations. Should changes be made to the company's obligations we will consider how best to ensure that these are sufficiently transparent.

Summary of performance

National Highways is at risk of not being able to fully deliver the expected benefits of RIS2 for road users and taxpayers. This is due to a combination of factors within and outside of the company's control.

National Highways has met three of its four in-year targets for Year 4. However, through the year we have observed a number of areas where the company's performance has declined against the key performance indicators (KPIs) set in RIS2 for Year 4. It is at risk of missing four of its 12 KPIs at the end of RP2.

In Year 4 of RP2, National Highways successfully opened for traffic four enhancements schemes and started work on one. However, the number of missed enhancements commitments has increased by four: three in Year 4 and one from Year 5, taking the total to 11 for RP2.

National Highways has continued to deliver its renewals and maintenance programme. There continue to be large variances between the company’s planned and actual renewals programme delivered in-year without a clear explanation as to the cause. This, in combination with an increase in urgent and non-urgent defects not being rectified to expected timelines, resulted in us engaging with the company to understand its ability to apply effectively its asset management strategy and policy.

While National Highways has met a number of its performance targets, we raised wider concerns through the year about the company’s capability underpinning its performance and delivery. In February 2024 we launched an investigation to understand the cause of the dip in performance and what could reasonably be achieved in the remaining months of the road period.

We found that National Highways was non-compliant with its licence in respect of the provision of data and information to allow us to perform our statutory duties, protect the interests of road users and ensure the efficient spend of public money (condition 7.3(e)). It is imperative that we have access to the necessary data and information to enable us to fulfil our statutory duties so that we can appropriately hold National Highways to account to drive performance and efficiency. The company has already identified improvements it will make, and we will continue to engage with the company on how it should improve and come back into compliance. The investigation documents can be found on our website.

National Highways has had to manage uncertainty in its enhancements portfolio and available funding in RP2. This is primarily a result of delays emanating from legal challenges to planning decisions, the impact of high inflation and delays to government decisions required to alleviate potential affordability constraints in future road periods.

The consequence is that National Highways has needed to take account of a gap of £919 million between its Statement of Funds Available (SoFA) for RIS2 and the funding available within DfT business plans for Year 4 and Year 5 of RP2. It has managed its spending and activities in Year 4 to accommodate a reduced budget across the final two years of the road period.

There continues to be uncertainty on the funding available to National Highways and the commitments and targets that it is required to achieve in the final year of RIS2. Decisions on changes to funding and its portfolio need to be confirmed by government so the company can adjust its programme and resources accordingly.

Delivery of targets, commitments and capital programme

In our annual assessment of National Highways' performance in Year 3 of RP2, we highlighted a number of risks to the company's delivery of its RIS2 commitments. While the company has delivered in some areas and met a number of its annual targets, we have observed that performance across other areas has dipped and risks previously identified have crystallised.

National Highways has achieved three of its four in-year KPI targets, on pavement condition, incident clearance and roadworks network impact. It is forecasting that it will achieve its efficiency target and it also has good plans in place to deliver its biodiversity and noise targets by the end of the road period. Particularly on biodiversity, this success is in part due to the robust approach we took in previous years challenging the company to produce a credible plan.

Current trajectories indicate that National Highways is at risk of not meeting some of its other performance commitments for the end of RP2. At the end of Year 4 the company was below target or off track against four of its 12 KPIs. These are:

(a) the number of people killed or seriously injured on the SRN;

(b) average delay;

(c) National Highways’ carbon emissions; and

(d) roadworks information, timeliness and accuracy.

We also believe that it will be challenging for National Highways to maintain current levels of road user satisfaction in the final year of RP2.

National Highways is seeking to change the target for three KPIs (roadworks network impact; roadworks information, timeliness and accuracy; and efficiency) and set a target for one other (road user satisfaction) to ensure its performance specification remains challenging and deliverable in the final year of the road period. Any changes to KPIs are subject to decision and approval by government. Even if the changes proposed by the company are agreed, it will need to make a concerted effort to achieve these targets by the end of the road period.

National Highways delivered five of its ten enhancements commitments for Year 4. However, the company missed three of its enhancements commitments for Year 4 for reasons that are deemed to have been within its control. It has also declared that it will miss a commitment that was due in Year 5. This brings its total missed commitments for RP2 to 11.

Following our last annual assessment, we continued to have concerns about National Highways’ ability to evidence the application of its asset management strategy and policy. This has manifested in significant variances, in under and over delivery, between the asset renewal work that the company planned and what it ultimately delivered this year. The absence of clear evidence to demonstrate the cause(s) of these deviations suggests that the company's planning needs to further mature to ensure that it is efficiently implementing its asset management strategy and policy. The company's performance rectifying urgent defects within its own permissible time limits has worsened to 87.4% against its delivery plan target of 90%.

Technology availability on the SRN as a whole has reduced to 91.4% in Year 4 compared to 95.3% in Year 3. Technology availability on smart motorways is reported separately in our annual assessment of safety performance on the SRN, which we published in December 2023. We reported that, as at September 2023, the average availability of four key technology assets on smart motorways was 95.6%; stopped vehicle detection (SVD) availability was 99%.

In our second annual assessment of safety performance on the SRN we reported that, in 2022, National Highways had achieved a 38% reduction in the number of people killed or seriously injured (KSIs) compared to a 2005 to 2009 average baseline. We identified that, despite the longer-term downward trend in KSIs, the company was not on course to achieve the RIS2 safety target of a 50% reduction in KSIs across the whole of the SRN by the end of December 2025, and that increasing traffic levels would make this harder to achieve. We therefore required the company to produce a robust plan by the end of March 2024, which it has done, setting out how it will achieve its target.

It appears that National Highways is doing everything it can in the final year of RP2 to try to meet the target. However, our assessment is that it is improbable that these actions will deliver a sufficient reduction in KSIs to achieve the RIS2 target set by government.

ORR’s investigation of National Highways

Over the past nine years, National Highways has been generally successful in achieving its aims and delivering for road users, taxpayers and communities.

However, over Year 4 we observed a number of areas where performance had dipped and some of the risks that we identified in our last annual assessment had crystalised. Individual items of concern in relation to the company’s performance are often manageable on a case-by-case basis, as we have successfully shown through our holding to account work over the past nine years. However, because of the number and breadth of our concerns in Year 4 and the proximity to the end of the road period we decided that a more formal approach to assessing the company’s performance was necessary.

In February 2024, ORR launched an investigation into National Highways’ performance, delivery and capability. Our investigation was aimed at understanding the root causes of the company’s dip in performance, and whether it was and is taking every action that could reasonably be expected of it to achieve its targets by the end of RP2 in March 2025.

National Highways positively engaged with the investigation and provision of information. After an extensive process, based on the evidence submitted by the company and representations it made, we found that the company was non-compliant with its licence in respect to the provision of data and information to allow us to perform our statutory duty (condition 7.3(e) of its licence).

ORR has a role to drive improvements in performance by National Highways for the benefit of road users, communities and the taxpayer. Therefore, it is imperative that we have access to the necessary data and information to enable us to fulfil our statutory duties. This allows us to provide timely and well evidenced advice to the Secretary of State, and transparency to the public, about the performance and efficiency of the company.

National Highways has already identified some improvements it will implement in response to our findings. We will engage with the company as it finalises its improvement plan to demonstrate it is coming back into compliance. We expect that these improvements will support better understanding of the risks and mitigating actions the company is implementing to enable it to meet its RIS2 commitments and delivery of its licence obligations.

Uncertainty and financial pressures

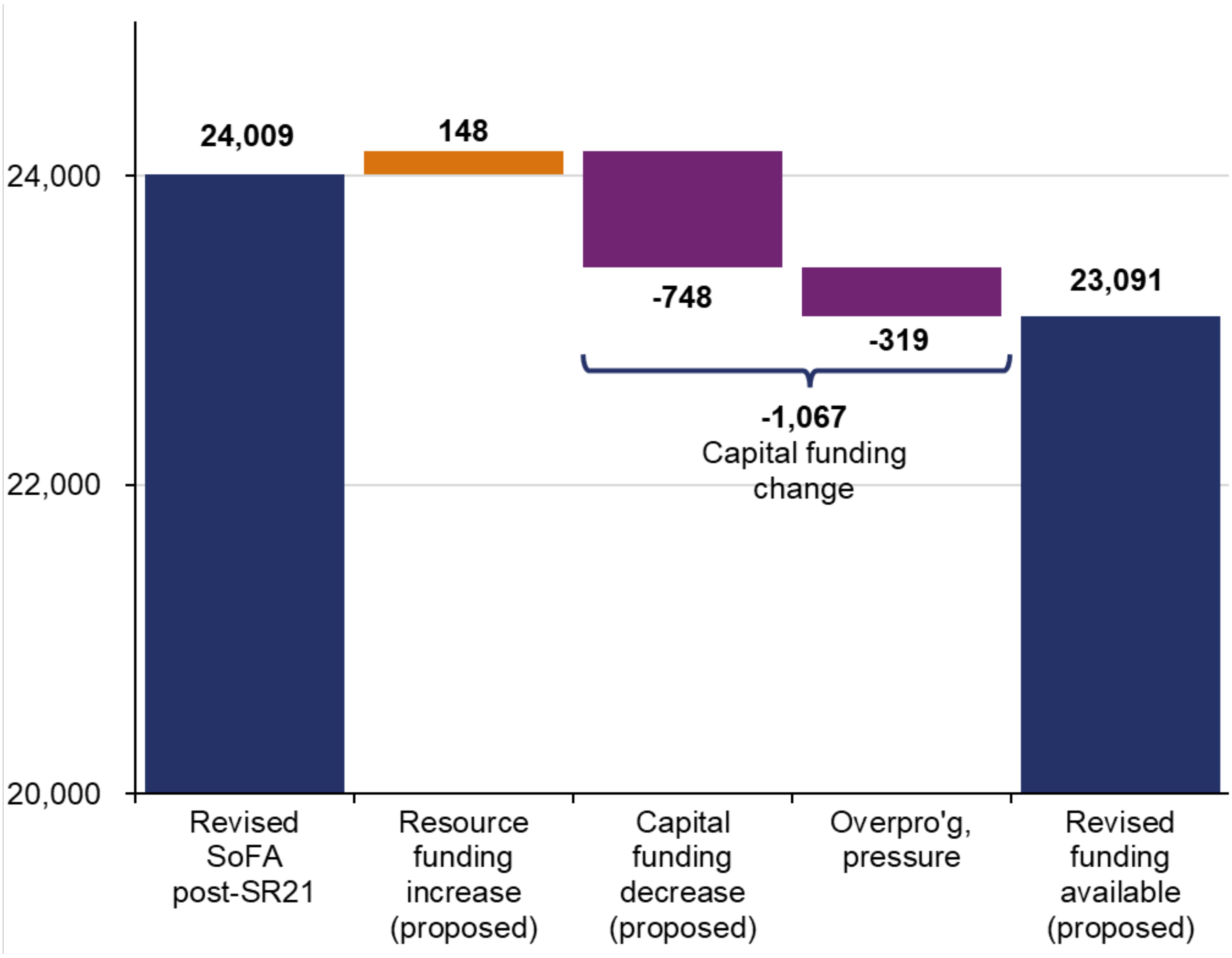
National Highways has been required to manage significant uncertainty and financial pressure due to delays in planning decisions – including legal challenges, high inflation, reduction of available funding in RP2, potential future affordability constraints and delays to government decisions.

The company has been required to manage its budget in Year 4 of RP2 to account for an expected £919 million gap between the SoFA and the funding available within DfT business plans for Year 4 and Year 5. It has done this through managing its spending and activities in Year 4 to meet the expected reduced budget for Year 5 (the final year of the road period).

These matters are not within the company’s control and have arisen from wider financial pressure and affordability challenges. However, the company has not been able to clearly evidence the consequences for or impacts on the outcomes for road users.

Funding for Year 5 of RP2 has not yet been confirmed and is pending approval by government. National Highways has developed a proposal for how it could manage its budget in the final year. Within the expected £919 million overall reduction in the available funding, resource funding increases by £148 million to manage inflationary pressures and there is a net reduction of £1,067 million to capital funding. The company is proposing to achieve this, subject to approval, through reduced funding across its capital portfolio. Figure 1.1 shows the proposed net effect of these changes.

Figure 1.1 Change in RP2 funding proposed during Year 4 of RP2 subject to government approval (£ million), March 2024



National Highways is still expected to have to manage £319 million of underfunding (that it is calling “pressure”) in the final year of RP2. The company will need to carefully manage the impact of this pressure on RIS2 outcomes through the final year of RP2 and communicate the consequence to users and stakeholders.

The portfolio that National Highways is currently required to deliver in the final year of RP2 appears to be undeliverable if these budget constraints are not resolved. The company needs government to make decisions to provide certainty on the portfolio and allow it to prepare for the next road period.

Looking towards the final year of RP2

National Highways is facing a very challenging final year of RP2. If performance continues on its current trajectory the expected benefits of RIS2 for road users and taxpayers are at risk. This is the result of a combination of factors within and outside of the company’s control.

National Highways needs certainty as to the commitments it is required to deliver in its final year and the available funding to do so. Decisions need to be finalised so that the company can adjust its programme and resources accordingly if it is to deliver successfully for road users and taxpayers.

However, it is important that National Highways improves its evidence to demonstrate how it is effectively managing risks to its performance and delivery and that it is making the best use of public funds as it prioritises its activities.

We have welcomed National Highways’ positive response to our investigation and its commitment to produce a plan to improve its collection, recording and provision of data and information. These improvements are important to enable the company to more effectively evidence its decision-making, transformation, and challenges it needs to manage through this road period and into the next.

Ultimately, it will better enable the company to deliver positive outcomes and benefits for road users and taxpayers. In addition, it will allow us to effectively hold the company to account, providing transparency, through proportionate and targeted scrutiny and challenge on behalf of the public.

2. Performance specification

ORR’s role is to hold National Highways to account to deliver the road investment strategy (RIS). The Performance Specification forms part of the RIS. It is published by the Department for Transport (DfT) and sets out what it expects National Highways to deliver in the road period. For the second road investment strategy (RIS2) it includes 12 key performance indicator (KPI) targets covering the outcome areas of:

- improving safety for all;
- providing fast and reliable journeys;
- a well maintained and resilient network;
- being environmentally responsible;
- meeting the needs of all users; and
- achieving efficient delivery.

These are supported by a suite of performance indicators (PIs), detailed in the Operational Metrics Manual. This chapter sets out National Highways’ performance against all of its KPIs, and selected PIs where stakeholder interest is greatest. Data for all KPIs and PIs, are published on our website.

Performance overview

In the reporting year, 1 April 2023 to 31 March 2024, National Highways met three of its four in-year KPI targets, on pavement condition, incident clearance and roadworks network impact, but missed its in-year target for road user satisfaction.

Currently National Highways is at risk of not meeting some of its performance commitments for the end of the second road period (RP2). We foresee the company to be below target or off-track for four of its 12 KPIs. These are:

- the number of people killed or seriously injured on the strategic road network (SRN);
- average delay;
- National Highways’ carbon emissions; and

- roadworks information, timeliness and accuracy.

We also believe that it will be challenging for National Highways to maintain current levels of road user satisfaction in the final year of RP2.

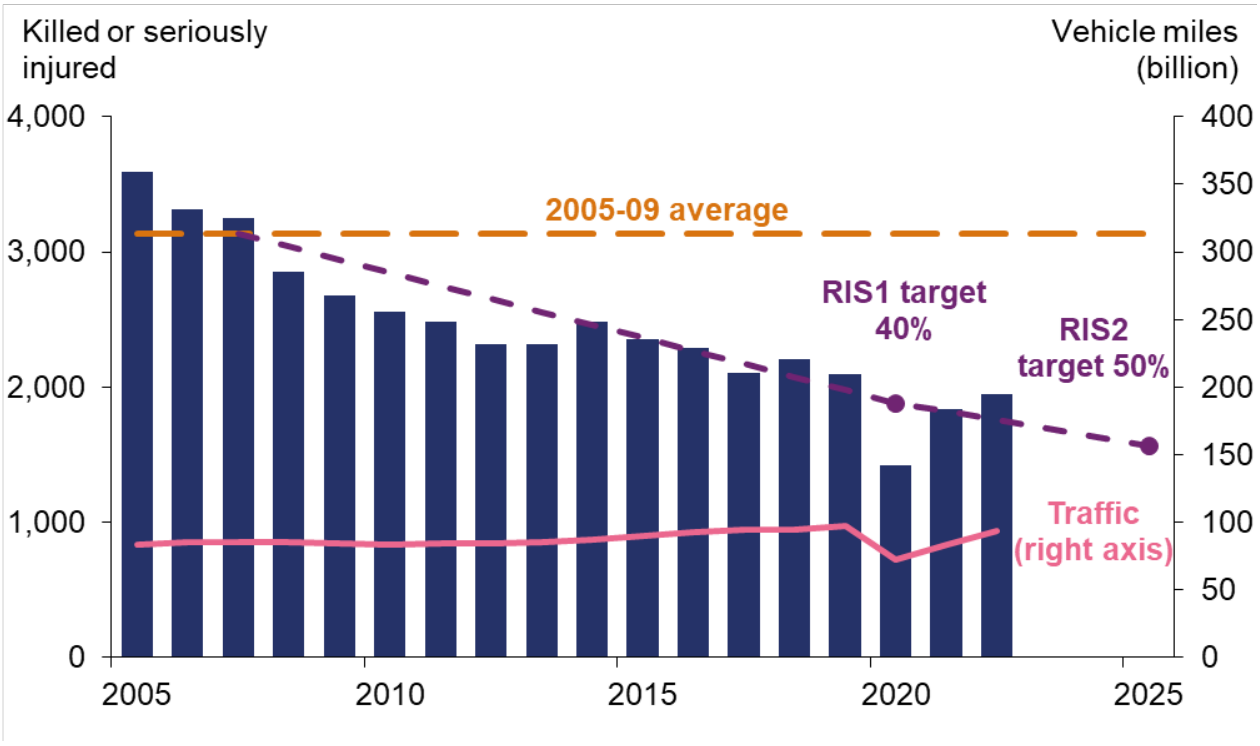
The company is seeking to change the targets for three KPIs (roadworks network impact; roadworks information timeliness and accuracy; and efficiency) and set a target for one other (road user satisfaction) to ensure its performance specification remains challenging and deliverable in the final year of the road period. Any changes to KPIs are subject to decision and approval by government. Even if the changes proposed by the company are agreed, it will need to make a concerted effort to achieve these targets by the end of the road period.

Improving safety for all

KPI: number of people killed or seriously injured on the SRN

In December 2023, we published our second annual assessment of safety performance on the SRN. We reported that National Highways has achieved a 38% reduction in the number of people killed or seriously injured (KSIs) on the SRN compared to a 2005 to 2009 average baseline, as shown in Figure 2.1. We highlighted that, despite the longer-term downward trend in KSIs, the company was not on course to achieve the safety KPI target by the end of December 2025. As a result, we required it to produce a robust plan by the end of March 2024 setting out how it aims to meet the target.

Figure 2.1 Killed or seriously injured (adjusted) and traffic on the SRN, annual data, 2005 to 2022



Source: ORR's second annual assessment of safety performance on the SRN

National Highways provided us with an enhanced safety plan in March 2024, setting out the additional actions it will take that go beyond its previously planned activities. This includes 43 targeted actions, covering road safety schemes, communication campaigns, and working with other road safety stakeholders with the aim of supporting delivery of its 2025 target.

While we consider that National Highways is doing everything it can in the final year of RP2 to achieve the safety target it is our assessment that it is improbable that these actions will deliver a sufficient reduction in KSIs to achieve the RIS2 target.

In our previous assessments of National Highways' performance, we consistently raised the issue that there was a risk to achieving this target as traffic levels increased following the coronavirus pandemic. While we recognise that not all the actions to reduce KSIs on the SRN are fully within the company's control we believe that if National Highways had been more proactive in recognising the risks earlier in the road period and developed more robust safety plans sooner this would have increased the likelihood of meeting the target.

Road casualty statistics for 2023 are due to be published by DfT in September 2024. These will inform our assessment of National Highways' progress against the safety KPI in our next annual safety report, to be published before the end of March 2025. This will also include an update on our work in relation to recommendations 4 and 6 from the Transport Select Committee's inquiry into the rollout and safety of smart motorways. Through this work we continue to scrutinise the company's progress in optimising the performance of technology on smart motorways, including how it can better understand and address the reasons for issues that affect availability of the technology, such as power outages.

Providing fast and reliable journeys

KPI: Average delay

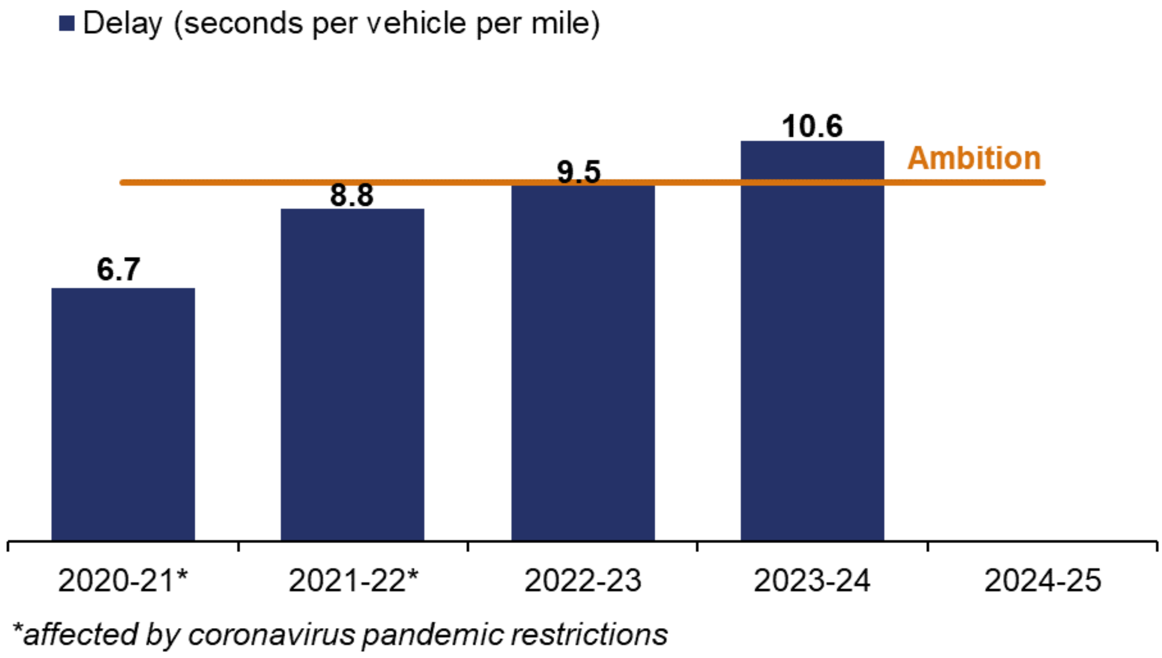
Transport Focus' research has shown that journey time is the most important influence on satisfaction among drivers. It is often even more important to logistics and bus and coach businesses. Whilst journey time can be influenced by factors outside of National Highways control, such as traffic growth, it can and should work to tackle factors within its control such as: roadwork management and how it deals with incidents, minimising delay to road users.

In the reporting year, average delay on the SRN was 10.6 seconds per vehicle per mile (spvpm). National Highways’ ambition for delay is that it should be no worse at the end of RP2 than at the end of RP1. However, as shown in Figure 2.2, average delay at the end of March 2024 is 1.1 spvpm worse than in February 2020, immediately before the coronavirus pandemic.

ORR has challenged National Highways to explain why average delay has increased over this period despite traffic levels being similar. The company continues to investigate this but has been unable to determine the causes of the increase.

National Highways continues to deliver its delay action plan, with initiatives to reduce incident clearance times, the impact of roadworks and address congestion. The company expects delay to increase further in the final year of RP2 due to the impact of the National Emergency Area Retrofit (NEAR) programme on smart motorways but is unable to quantify the impact on users. It is important that National Highways increases its understanding of delay data so it can better understand the scale of impact of its interventions and can more effectively prioritise the actions it takes to reduce delays on the SRN in the final year of the road period.

Figure 2.2 Average delay KPI, annual data, April 2020 to March 2024



KPI: Roadworks network impact

This KPI incentivises National Highways to mitigate the impact of roadworks for road users by keeping lanes open, or using higher speed limits where it is safe to do so. It measures the impact of roadworks on the SRN based on: the length of roadworks, the amount of time they are in place, the number of lanes affected and any width or speed restrictions applied.

In the reporting year, roadworks network impact averaged 43.1 million lane metre days, against National Highways’ in-year target to keep below 48 million lane metre days. Originally it was agreed with government that the target would increase in the final years of RP2 due to more enhancement schemes expected to be in construction. However, there are now fewer enhancements in construction than originally planned. Therefore, in Year 3, ORR advised the company and DfT to recalculate the target to ensure it was appropriately stretching in the final two years of the road period. In Year 4, DfT instructed National Highways to recalculate the target for Year 5.

National Highways expects the impact of roadworks on the network to increase in the final year of the road period. While there will be fewer enhancements in construction than originally planned, the company expects performance to decrease due to the National Emergency Area Retrofit (NEAR) programme, but it is unable to quantify the impact on the KPI. As a result, National Highways has proposed increasing the target in the final year of RP2. This change is subject to government decision. Changes to target levels should ensure they incentivise National Highways to reduce the adverse impact of roadworks on users.

KPI: Incident clearance rate

National Highways' RIS2 outcome of providing fast and reliable journeys on the SRN is supported by a target to clear incidents on motorways in a timely manner. This KPI reports the proportion of motorway incidents affecting traffic flow cleared in under an hour. The company has consistently performed better than target over the road period. In Year 4 it cleared 87.8% of incidents affecting traffic flow on its motorways within one hour. This is better than its target of 86% and an improvement on the rate in the previous year (87.2%).

This has been achieved while the volume of incidents on the network increased by 10% in the latest year, to 93,796 incidents in Year 4 of RP2 compared to 84,231 incidents in Year 3. This shows an improved ability by the company to handle more incidents on the network whilst clearing a greater proportion within one hour.

National Highways has consistently exceeded the target throughout the year, with no single month dropping below 86%. The company attributes this improved performance to optimised patrol strategies and the introduction of a ‘single view of the network’ that enables traffic officers and staff in control centres to access key network information through a single platform. National Highways should continue to actively review its performance to ensure it can continue to optimise its patrol strategies and operational processes to maintain performance.

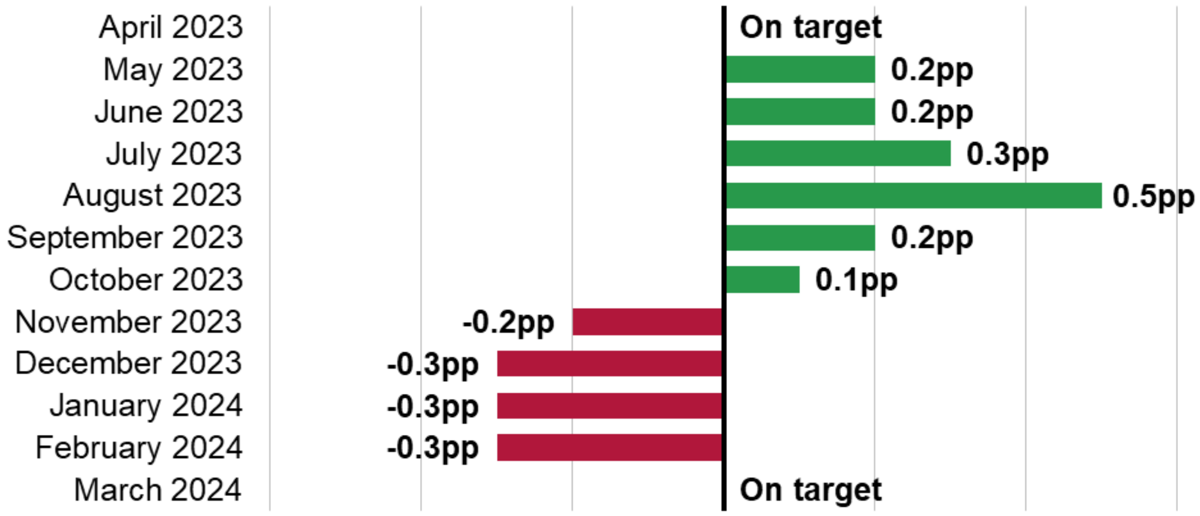
A well maintained and resilient network

KPI: Pavement condition

Maintaining the SRN is a key component of meeting customer expectations. Efficient maintenance and renewals delivery minimises disruption for road users.

National Highways met its in-year target of 96.2% of pavement (road surface) in good condition with 96.2% of the pavement meeting the requirements by the end of March 2024. Figure 2.3 shows the performance in the reporting year.

Figure 2.3 Pavement condition KPI, percentage points (pp) above or below target, monthly data, April 2023 to March 2024



In November 2023, National Highways reported that performance had dropped below 96.2% and continued to forecast each following month that the target would not be met by year-end. From November 2023 onwards, we worked closely with the company to understand the root causes of the issue and the company's plans to improve its performance. The company chose to adopt a strategy to try and meet the target by the end of RP2 and stated it would continue to seek opportunities to deliver KPI impactful renewals in Year 4.

It is good that National Highways ultimately met its in-year target. However, the company was uncertain during the reporting year if it would succeed, which mirrors the situation we encountered in the previous year. We will continue to work closely with the company to understand how it met its in-year target, in particular in balancing its competing priorities, and what improvements it can make to its future predictions to provide better assurance of its ability to achieve its committed target.

PI: Technology availability

The availability of technology, such as variable message signs and signals, on the SRN is a high priority for road users. This performance indicator (PI) measures the percentage of time that roadside technology services are available and functioning.

Technology availability on the SRN as a whole has reduced to 91.4% in Year 4 compared to 95.3% in Year 3. This is the worst performance in RP2 so far. National Highways’ progress in relation to technology availability on the SRN and our next steps are described in more detail in the Operations, maintenance and renewals chapter. It should be noted that the availability of technology on smart motorways is reported separately in our annual assessment of safety performance on the SRN.

Being environmentally responsible

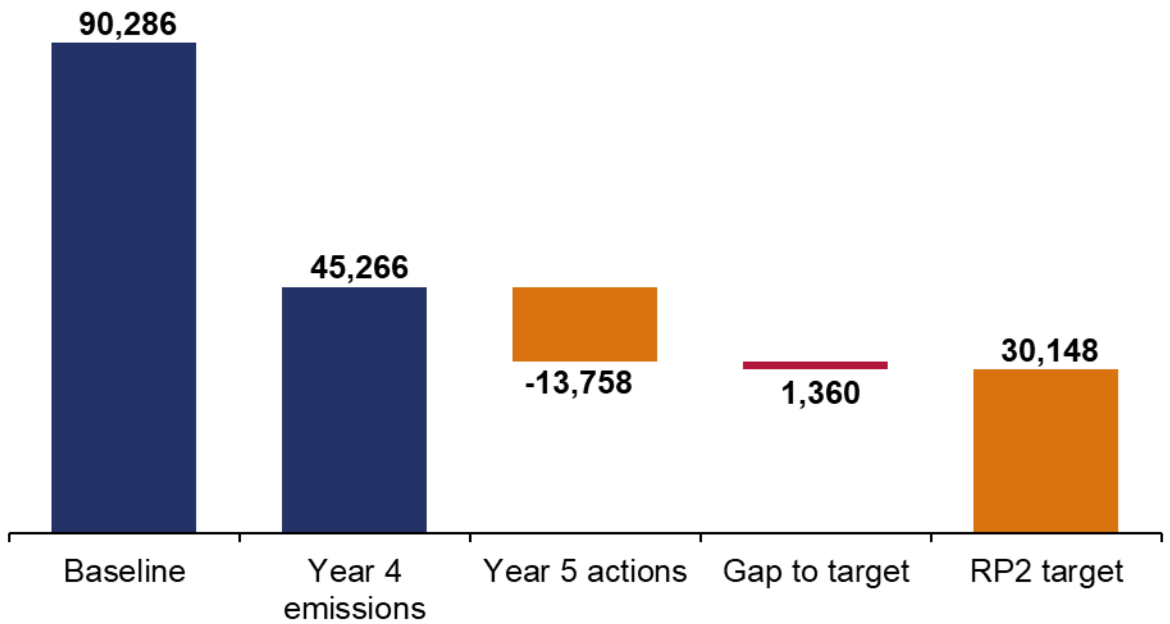
KPI: Corporate carbon emissions

National Highways is required to support the Greening Government Commitments, a set of actions UK government departments and their agencies will take to reduce their environmental impact. As part of this, the company has a KPI target to reduce its corporate carbon emissions by 67% by the end of RP2, compared to an April 2017 to March 2018 baseline.

At the end of March 2024, National Highways is off-track to meet its target to reduce its corporate carbon emissions by the end of RP2. The company is forecasting it will achieve a 65% reduction by the end of RP2. The gap between its forecast position and target is equal to 1,360 tonnes of CO2, or 15,173 petrol car journeys from London to Glasgow.

Figure 2.4 shows that National Highways emitted 45,266 tonnes of carbon dioxide equivalent (CO2e) in Year 4 of RP2. This is a 50% reduction compared to the April 2017 to March 2018 baseline, but 457 tonnes worse than in Year 3. The company reported higher electricity usage, business travel and traffic officer mileage led to worse performance than it had forecast this year.

Figure 2.4 National Highways' carbon emissions forecast (tonnes of CO2 equivalent), March 2024



Electricity usage is the biggest contributor to National Highways’ carbon emissions. At the end of March 2024, the company reduced its electricity use by 17% compared to its April 2017 to March 2018 baseline, behind its forecast for a 18% reduction by March 2024.

In January 2024, we required National Highways to set out a plan for how it intended to address the gap to its committed target, including additional actions or accelerating existing actions to reduce carbon emissions. The company identified some additional actions, but their impact is not expected to be sufficient to close the gap.

The single biggest action National Highways is taking to reduce its carbon emissions is its programme to install more LED lighting on the network. We challenged the company to accelerate its LED programme to achieve its carbon KPI target. National Highways claimed this would require additional renewals funding and lane closures that would have a detrimental impact on road users. We requested evidence to support the company’s decision to not accelerate the rollout of LED lighting, which it has yet been unable to provide.

We continue to challenge the company to provide more robust evidence to support the decisions it has made, and blockers to achieving the target. This is particularly important as this commitment is likely to become more challenging in the next road period if it is to achieve its Net Zero plan.

KPI: Air quality

Government identified 128 sections of the SRN that may exceed legal limits for nitrogen dioxide, a pollutant common in vehicle exhaust emissions. In RP2 National Highways must bring nitrogen dioxide levels on these sections into legal compliance in the shortest time possible.

Following publication of National Highways’ latest air quality report in January 2024, the company has 30 sections which exceed the legal limit for nitrogen dioxide. This is a reduction from 43 sections reported in our last annual assessment. Of the 43 sections, 25 sections remain above the limit value and 18 sections are now compliant. Monitoring data in 2022 has highlighted five additional sections are exceeding legal limits.

For nine of the 30 sections that exceed legal limits, National Highways has considered all potential measures to improve air quality, such as emission controls on buses, speed limits, traffic management measures and pollution barriers. DfT wrote to the company in September 2021 to accept that these sections have no viable additional mitigation that the company can implement. The letter set out a monitoring regime that the company must follow for each of these sections.

National Highways is designing and implementing air quality improvement measures for the remaining 21 sections, including working with local authorities on joint measures. The company has air quality improvement measures on five sections already, and it is working to identify appropriate measures for the remaining 16 sections. The company appears to have made reasonable progress to date in delivering its obligation on air quality.

KPI: Biodiversity

Biodiversity is the variety of animal and plant life, with a vital role in sustaining our natural environment.

A biodiversity unit is linked to the size, condition and location of a habitat or piece of land. In 2020, National Highways calculated that across its estate it has 130,848 biodiversity units. This covers all the company's land, including verges either side of the carriageway.

National Highways has robust plans in place to meet its KPI target to deliver no net loss in biodiversity by the end of RP2. At the end of March 2024, the company forecast a net gain of 2,814 biodiversity units for the end of the road period. This only includes funded projects with a high confidence of delivery in the final year of RP2. National Highways responded well to our challenge earlier in the road period, when it was forecasting to miss its target, by developing and delivering a substantial pipeline of biodiversity schemes.

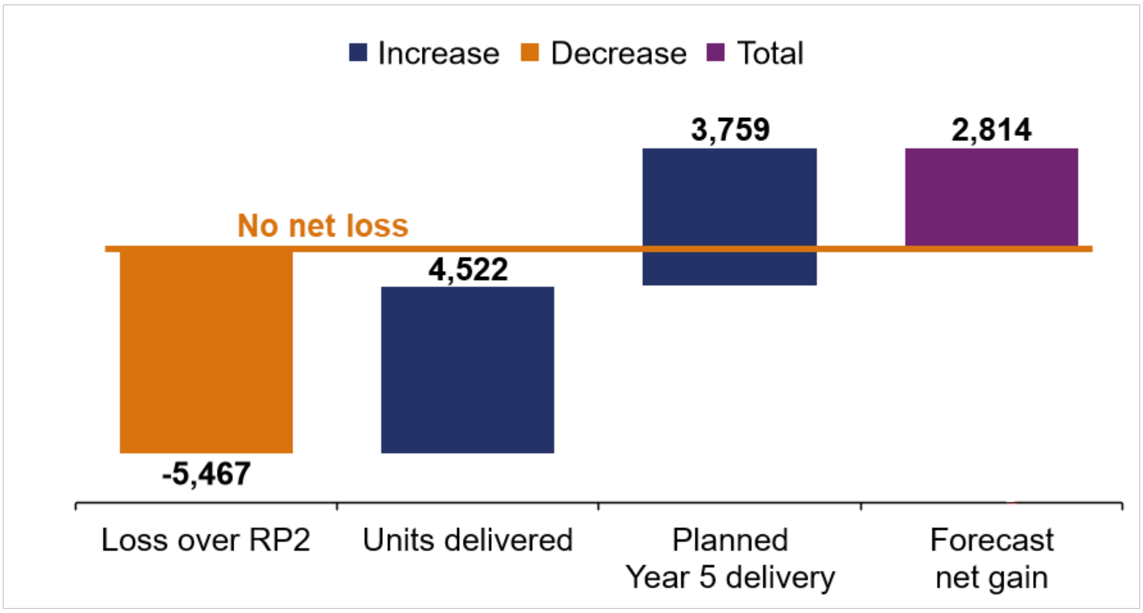
To determine the number of units the company needs to deliver to achieve no net loss, it estimated the biodiversity loss from all enhancement schemes planned to start work in RP2, alongside an assumed 1% deterioration each year across its estate. This deterioration accounts for loss from day-to-day renewals, maintenance activities and the operation of the network, such as noise and air pollution.

As shown in Figure 2.5, National Highways estimated that without any additional biodiversity mitigation there would be a loss of 5,467 biodiversity units over RP2. In the reporting year, National Highways delivered 2,400 biodiversity units. This takes the total biodiversity units delivered by the company, since April 2020, to 4,522 units. Therefore, the company is required to deliver 945 biodiversity units in the final year.

The company has funded projects expected to deliver up to 3,759 biodiversity units in the final year of RP2.

This follows challenge from ORR to develop a pipeline of projects to achieve the RIS2 target. There has since been delays to enhancement schemes that the company was to deliver and, as a result, there will be less biodiversity loss than was originally estimated for RP2. Therefore, National Highways is on track to achieve a net gain in biodiversity, in excess of its no net loss RIS2 target.

Figure 2.5 National Highways' biodiversity KPI forecast (biodiversity units), March 2024

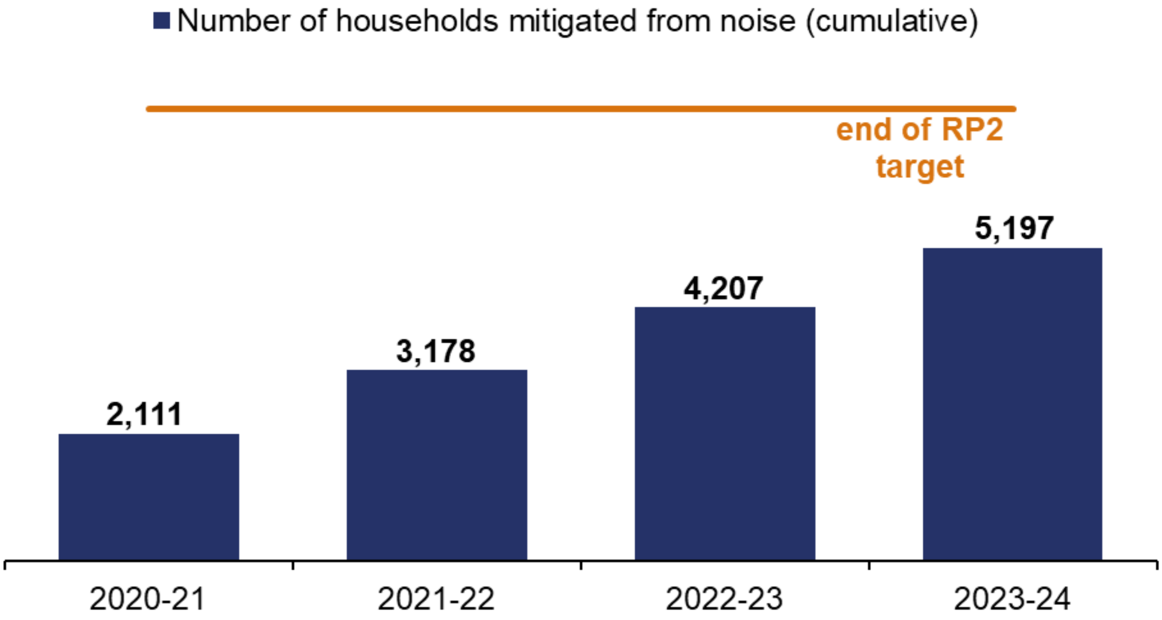


KPI: Noise

Households on or near the SRN experience substantial noise pollution, mostly from vehicle tyres and engine noise. National Highways has a programme to mitigate noise, through either laying lower noise surfacing, upgrading insulation in affected households or installing noise barriers.

National Highways has a KPI target to mitigate noise from 7,500 households by the end of RP2. In the reporting year it has mitigated noise for 990 households, as shown in Figure 2.6. Since the start of RP2, the company has mitigated 5,197 households. This is 69% of its target of 7,500 by the end of the second road period. It will need to deliver a further 2,303 mitigations in the final year of RP2 to meet its target.

Figure 2.6 Noise KPI, annual data, April 2020 to March 2024



National Highways has identified 2,431 mitigations that it has high confidence of delivering in the final year of RP2. This would achieve its end of RP2 target but leaves little contingency if there are delays to installing these identified mitigations. We will closely track delivery throughout the final year of RP2 to ensure the company focusses on meeting its target.

PI: Litter

Litter is a concern for road users and the public. It is the responsibility of National Highways and Local

Highways Authorities to clear litter from the SRN and work with stakeholders to reduce levels of littering, as explained in the company's litter strategy. We report the level of litter on the network through National Highways' litter PI, which is untargeted, however the company has responsibility for collecting litter under the Environmental Protection Act 1990.

In the reporting year, National Highways surveyed the SRN and reported that 59.2% of the network was rated at Grade A or B according to Defra's litter code of practice. This was better than 53.6% of the network in the previous reporting year being free of litter or predominately free of litter and refuse apart from some small items, as shown in Table 2.1.

Table 2.1 Litter PI, annual data, April 2020 to March 2024

Reporting year	Percentage of SRN free of litter or predominately free of litter and refuse apart from some small items
April 2023 to March 2024	59.2
April 2022 to March 2023	53.6
April 2021 to March 2022	60.8
April 2020 to March 2021	49.2

Source: National Highways

The two regions that performed worst against the litter PI were the East and Midlands regions, with 43.6% and 42.6% free or predominately free of litter respectively. The North West performed best, with

81.4% of its network free or predominantly free of litter.

The range of scores between different regions highlights the need for National Highways to share best practice between its regional teams to drive improvements at a national level. We will continue to challenge the company on the actions it is taking to address litter on the SRN and that it is sharing lessons learnt between regions.

Meeting the needs of all road users

KPI: Road user satisfaction

The Strategic Roads User Survey (SRUS) measures users’ satisfaction with a single journey on one road of the SRN within the last 28 days. The online survey, managed by Transport Focus, measures different aspects of users’ journeys including their overall satisfaction.

In the reporting year, National Highways missed its in-year road user satisfaction target, for at least 73% of users to be fairly satisfied or very satisfied with their journey on the SRN and reported a 12-month rolling average of 71% of users satisfied.

National Highways’ target was set using ten months of data following a pause in the survey and a change in its methodology, from face-to-face to online, as a result of the coronavirus pandemic. Government agreed to review the target once a longer time series of data was available. An updated target level for the final year of RP2 has been proposed by National Highways and is subject to government decision. We recommend that any changes to targets should remain challenging and deliverable and ensure the right outcomes for users.

To enable improvements in road users’ satisfaction National Highways has a customer service plan. This includes 37 initiatives to deliver in the reporting year to improve road user journeys. The company delivered 34 of the planned initiatives. Two outstanding initiatives on roadside facility signage and variable signs and signals set for incidents will be delivered in Year 5 of RP2, due to delays resourcing design development and updating road traffic control software, respectively. One initiative, on energy storage systems, will not be fully delivered in RP2 due to delays obtaining grid connections.

National Highways' analysis of SRUS data shows that increasing levels of delay on the SRN negatively affect road user satisfaction. Therefore, the company anticipates that it will be challenging to maintain current levels of satisfaction in the final year of RP2 as the NEAR programme is expected to lead to higher levels of delay. We will continue to challenge the company to evidence how it is improving delay on the SRN and deliver initiatives to improve user satisfaction.

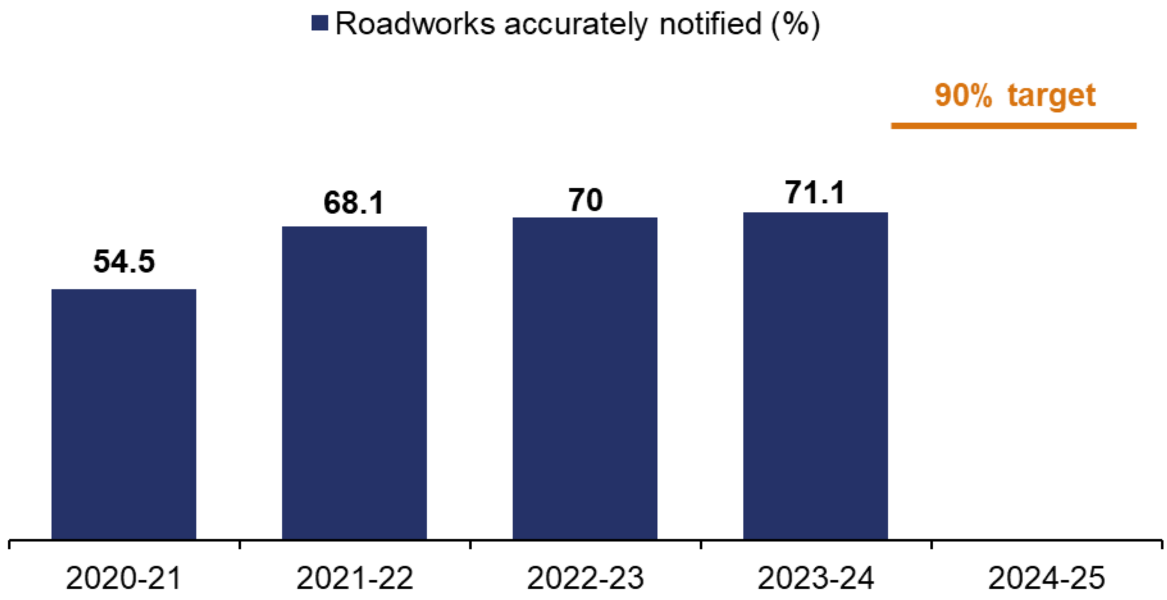
KPI: Roadworks information timeliness and accuracy

Road users, especially freight and logistics firms, rely on timely and accurate notice of road closures, especially overnight closures that require road users to use diversion routes.

National Highways has a KPI target that 90% of overnight road closures are accurately notified seven days in advance by the end of RP2. In Year 4, 71.1% of road closures were accurately notified seven days in advance, which is a significant improvement compared to the first year of the road period, when its accuracy rate was 54.5%, as shown in Figure 2.7. The rate of improvement has slowed, with an increase of 1.1 percentage points in Year 4, compared to a 1.9 percentage point improvement in the previous year and it is off-track to achieve its end of road period target.

Data from the company shows that three of its six regions achieved accuracy rates of 75% in the reporting year. It is important that the company shares best practice from these regions so that users have a consistent level of service across the network.

Figure 2.7 Roadworks information timeliness and accuracy KPI, annual data, April 2020 to March 2024



At our request, National Highways produced an action plan to improve performance in Year 4, which it has delivered. Additional actions are needed to further improve performance in the final year of RP2. Therefore, we require the company to set out a further action plan for Year 5 that we will hold it to account for delivering.

In the reporting year, we raised concerns with National Highways about the company's ability to deliver the target and required it to provide us with detailed analysis of the reasons why some closures are not accurately notified seven days in advance.

The 90% target was set at the start of the road period, when there was limited available data on prior performance. National Highways’ analysis evidenced that this target was unachievable, with 14% of closures in Year 4 due to unplanned safety repairs or other reasons outside of the company’s control, such as weather. The company has therefore proposed a lower target for the end of RP2, subject to government decision. The proposed change requested by National Highways appears reasonable and would continue to be challenging and deliverable.

3. Enhancements delivery

In Year 4 of the second road period (RP2), National Highways successfully opened for traffic four enhancements schemes and started work on one. The total number of missed enhancements commitments has increased by four: three in Year 4 and one from Year 5, taking the total to 11 for RP2.

The company has stated that the reasons for the increase in missed commitments are primarily supply chain management and asset data. National Highways needs to provide further specific and measurable details to evidence how it is implementing improvements to manage and mitigate its identified risks so that it can successfully deliver the remaining portfolio.

National Highways has a commitment to install 151 additional Emergency Areas (EAs) to improve public confidence that there is safe place to stop in an emergency on all lane running (ALR) sections of the smart motorway network. The programme is heavily loaded towards the last quarter of Year 5. The programme has limited schedule float and there are a variety of construction complexities that the company needs to manage. We expect National Highways to continue to actively engage with us to demonstrate that risks to the programme are raised early to maximise its ability to mitigate and successfully deliver its Year 5 programme.

National Highways has had to manage uncertainty in its enhancement portfolio in RP2. In Year 4, a number of decisions relating to the company's funding and portfolio were progressing through the formal change control process at the time that the General Election was called. Decisions were therefore not finalised at the time of writing. To allow the company the ability to successfully deliver its enhancements portfolio, and determine the impact on users and stakeholders, it needs certainty as to the commitments it is required develop and deliver in Year 5 of RP2.

Road Period 2 overview

At the start of RP2, National Highways committed in its 2020-2025 delivery plan to 43 start of works (SOW) and 52 open for traffic (OFT) enhancements scheme commitments as part of the second road investment strategy (RIS2). This has reduced across RP2 due to government agreed changes that are outside of National Highways’ control, as shown in Figure 3.1 and Figure 3.2.

Figure 3.1 2020-25 Delivery Plan SOW commitments remaining at the end of Year 4 of RP2

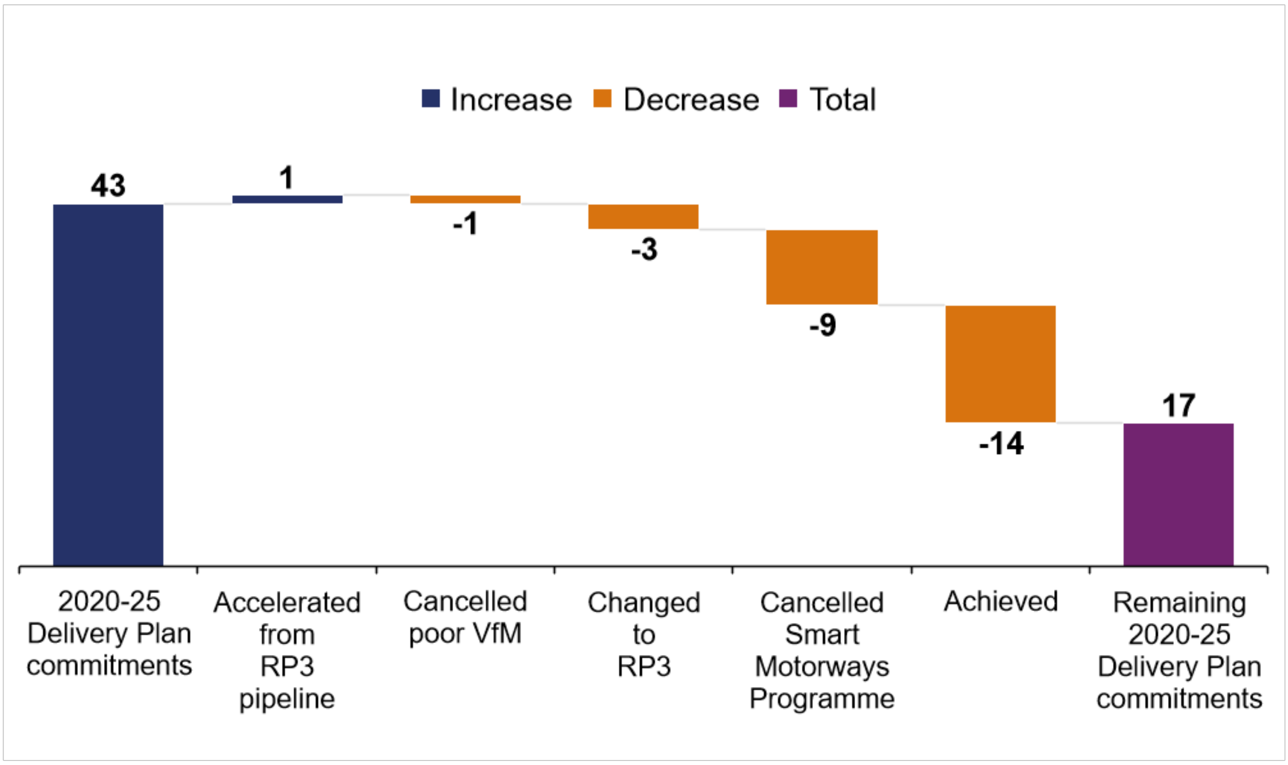
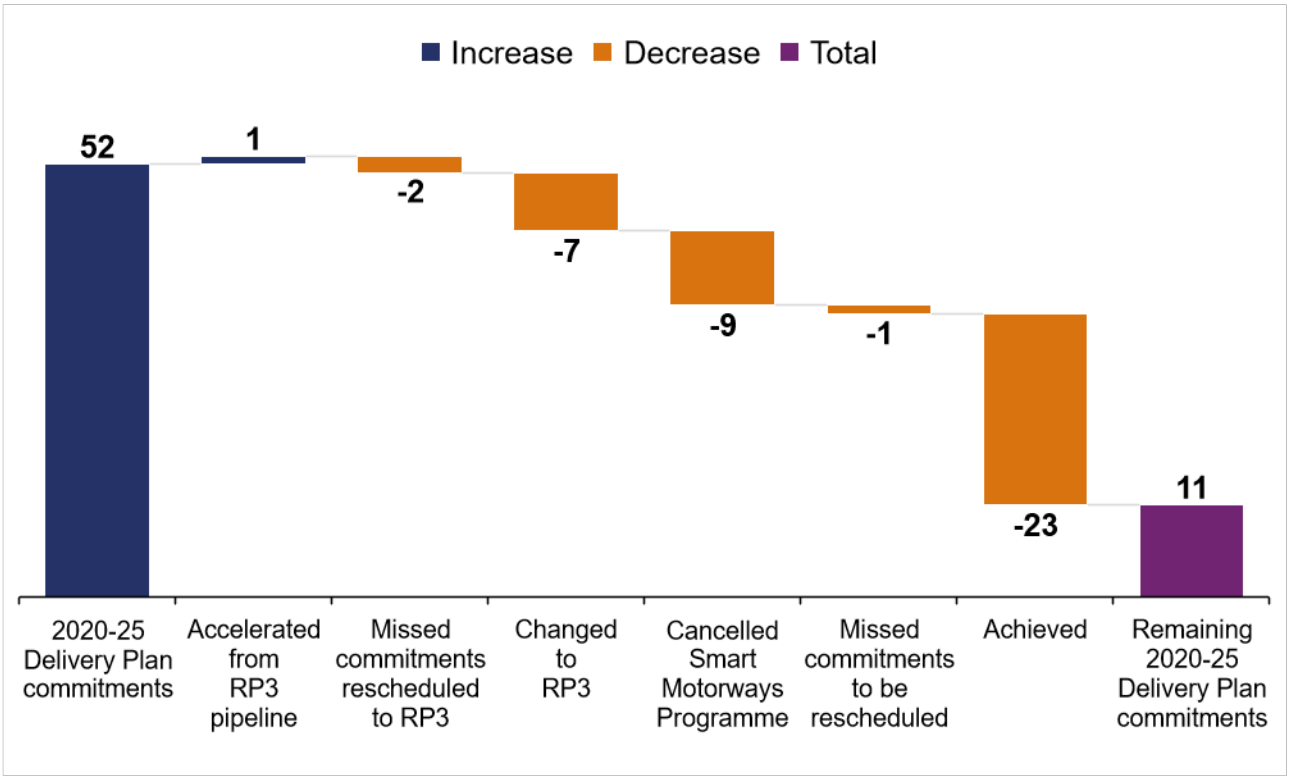


Figure 3.2 2020-25 Delivery Plan OFT commitments remaining at the end of Year 4 of RP2



The remaining Delivery Plan 2020-25 commitments, subject to confirmation in National Highways' Delivery Plan 2024-25, are:

- 17 SOW commitments; and
- 11 OFT commitments.

Further detail can be found in our interactive dashboard.

Year 4 of RP2

National Highways’ 2023-2024 delivery plan committed the company to achieve four SOW and six OFT commitments in the fourth year of RP2. National Highways’ progress in delivering its Year 4 commitments is set out in Figure 3.3 and Figure 3.4, where the status of each commitment is shown.

At the end of Year 4, there were several decisions relating to National Highways’ funding and deliverables for the final year of RP2 progressing through the formal change control process. As a result of the General Election the government was unable to complete the process. Decisions were therefore not finalised at the time of writing. It is expected that these decisions will be confirmed in National Highways Delivery Plan Update 2024-25.

Figure 3.3 SOW delivery for the reporting year April 2023 to March 2024

Figure 3.4 OFT delivery for the reporting year April 2023 to March 2024

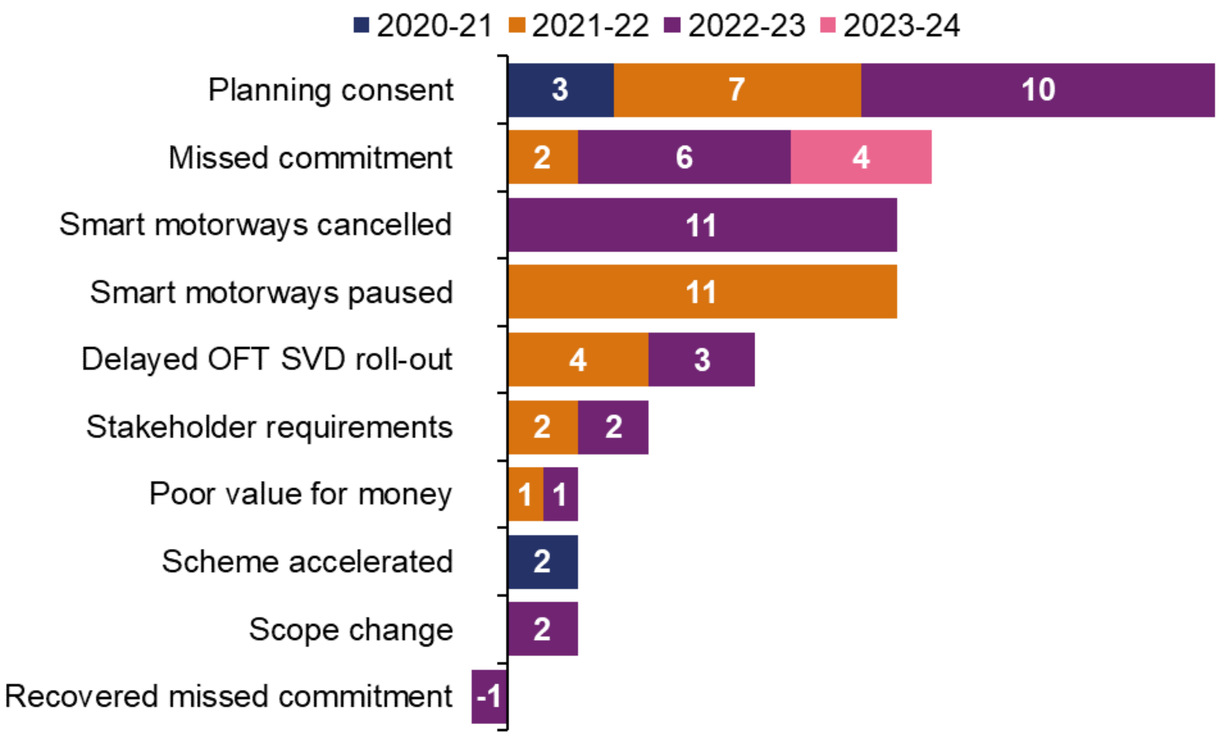
Further detail of each scheme and its status can be found in our interactive dashboard.

Commitment changes

It is sometimes necessary, as schemes progress, that changes to the originally agreed programme are needed. Commitment changes, which must be agreed with government, either result in a change to SOW and/or OFT committed dates, or the number of commitments to be delivered during RP2.

In the second road period, there has been a total of 59 government agreed changes to the enhancements capital portfolio. As a result of these changes, 12 commitments have moved into RP3. Therefore, there are fewer enhancements commitments to be achieved in RP2 than originally anticipated at the start of the road period. Figure 3.5 shows the reasons for commitment changes in the second road period, and further detail can be found in our interactive dashboard.

Figure 3.5 Government agreed changes and National Highways missed commitments to 2020-25 Delivery Plan schemes by reason, annual data, April 2020 to March 2024



Missed commitments

If a change or delay to the delivery of RIS2 or delivery plan commitments is deemed to be primarily a result of something within National Highways' control, the change is classed as a missed commitment. In Year 4, National Highways has missed three commitments.

The company has also declared that it will miss a commitment that was due in Year 5.

This increases the total number of missed commitments for RP2 to 11, more than the first road period, when it missed five of its enhancements commitments.

As the number of missed commitments continues to increase, we are concerned that the company is not suitably effective in mitigating its delivery risks. At the end of Year 3, we asked the company to detail the reasons for each missed commitment and analyse the root causes. The company identified two key themes responsible for missed commitments, namely, supply chain management and asset data.

Throughout Year 4, we worked with National Highways to review the evidence and document why the in-year commitments were not achieved. Whilst there has been some progress in a high-level approach to improving these areas, we have not seen evidence of this realising delivery improvements at an individual scheme level.

In Year 5, we expect National Highways to provide further specific and measurable details to evidence how it is implementing improvements to manage and mitigate its identified risks to further missed commitments in its enhancement programme.

National Emergency Area Retrofit (NEAR) Programme

In November 2021, the Transport Select Committee (TSC) report into smart motorways highlighted the importance of additional Emergency Areas (EAs) in providing public confidence that there is safe place to stop in an emergency on all lane running (ALR) sections of the smart motorway network. It was recommended that National Highways should retrofit EAs to ALR motorways to make them a maximum of one mile apart decreasing to 0.75 miles wherever possible.

As a result, National Highways identified 151 areas out of 400 potential locations that it committed to deliver by the end of RP2.

During Year 4, National Highways provided us with details about the NEAR programme scheduled for RP2. At the end of March 2024, it has completed 13 out of the 151 EAs. The programme is heavily loaded towards the end of RP2, with 117 EAs scheduled for completion during quarter four of Year 5 (this includes 70 EAs in March 2025 with no programme float). National Highways has confirmed that while the programme is challenging, it is managing the risks.

Due to the limited float within the programme and construction complexities of some of the EAs, we have informed the company that we need to have further sight of the progress of the programme and more frequent engagement. These asks have been put in place with National Highways and we will continue to monitor the company’s risk mitigations and programme deliverability throughout the final year of RP2.

RIS2 enhancements financial performance

National Highways has managed its expenditure in Year 4 in anticipation of a £919 million gap between the statement of funds available (SOFA) for RIS2 and the funding available in DfT business plans for Years 4 and 5. The current proposed enhancements funding decrease is larger than anticipated by the company. Options for managing the gap in funding were progressing through the formal change control process at the time of the announcement of the General Election. These decisions have not been finalised and are still pending a resolution.

National Highways is currently forecasting to spend £9,246 million on enhancements in RP2 (pending government decision). This is £80 million above the proposed reduced funding allocation for enhancements of £9,166 million (including Central Risk Reserve). The company reported at the end of Year 4 that it has allocated the full capital funding decrease against enhancements. However, subject to agreement, it expects to reallocate the expected funding decrease across other expenditure categories in a new baseline early in Year 5 once funding has been confirmed.

Figure 3.6 Enhancement cost forecasts for RP2 and 'RP3 and beyond', quarterly forecast data, April 2020 to March 2024

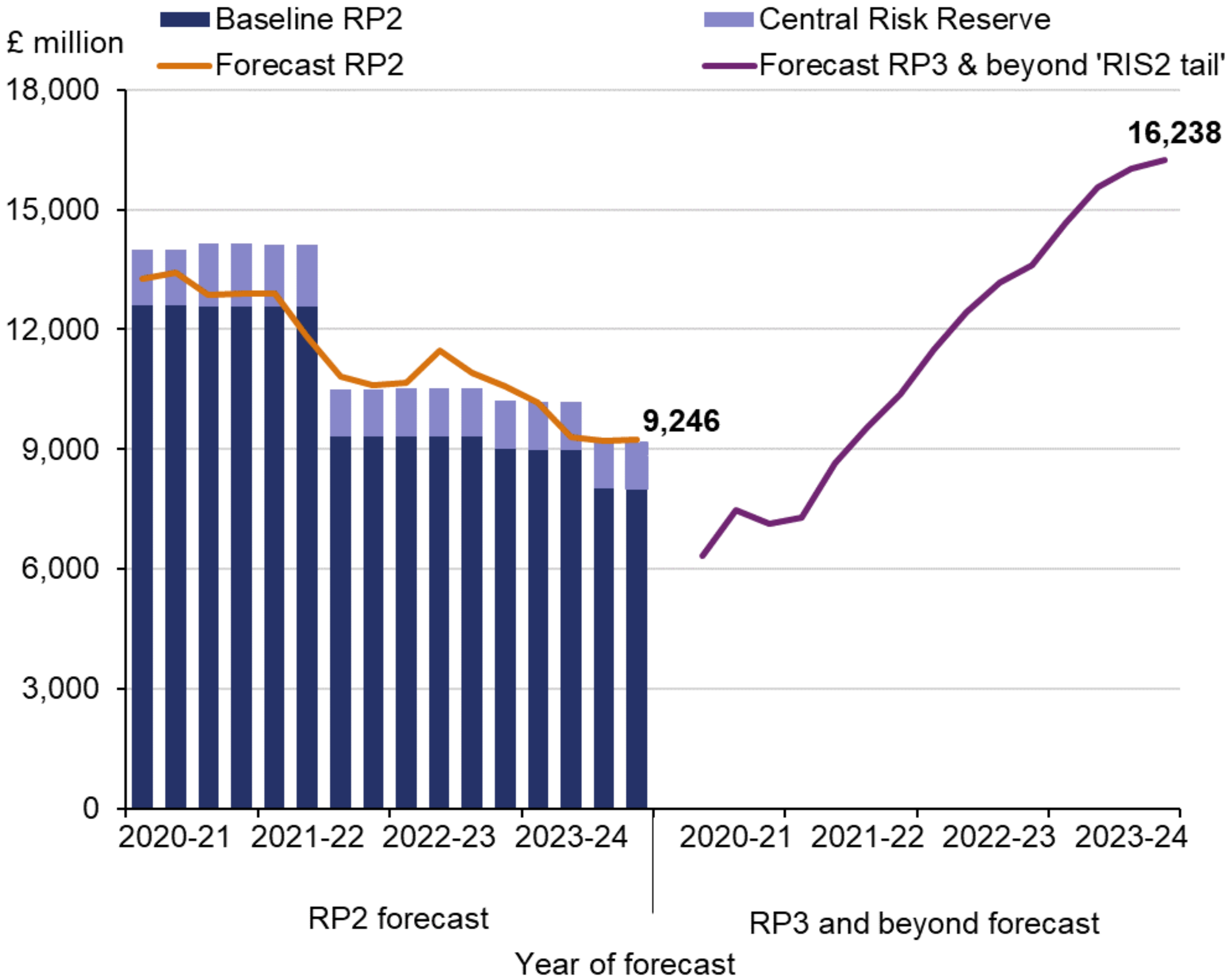


Figure 3.6 shows that RP2 forecast costs for enhancements have been reducing in RP2 as RIS2 commitments have changed and the government has periodically reduced funding in response. The chart

includes, from quarter three in Year 4, National Highways’ reporting of the assumed funding reduction it is expected to manage, pending government decision. The right-hand panel of Figure 3.6 shows that the cost commitments of RIS2 enhancements that will fall in RP3 and beyond (the ‘RIS2 tail’) have increased significantly from £6,315 million to £16,238 million since the start of RP2 because of slippage, inflation and increased scope.

The total forecast outturn cost of RIS2 enhancements (in RP2 and future road periods) is £29,932 million. This has increased by 27% (£6,289 million) since the start of RP2, despite the cancellation of new Smart Motorway schemes in April 2023. The Lower Thames Crossing had the largest forecast cost increase of £2,319 million (39%) to £8,312 million with another large cost increase of £3,289 million (40%) in the Regional Investment Programme.

The impact of higher than predicted inflation and externally caused delays to schemes have significantly contributed to the increase. However, factors within National Highways’ control, including missed commitments, have also been a contributing factor.

As Year 5 begins, it will be important for National Highways and government to address the affordability of the existing enhancements portfolio recognising that it will impact on plans for future road periods. Government needs to confirm early within Year 5 the expected changes to the enhancement portfolio, so the company is confident about what it is required to deliver and ensure its spending is in-line with government’s long-term plans for the SRN.

Use of Central Risk Reserve (CRR) on enhancements

National Highways has a £1,357 million CRR in RP2 for capital portfolio level risks, which includes £1,163 million for enhancements. By the end of Year 3 the company had overallocated its enhancements CRR to schemes meaning it did not have sufficient funding to cover all the identified risk. However, during Year 4, in planning for the potential changes expected to its portfolio, the company has reassessed its use of CRR and has spent or committed £806 million to schemes and other enhancements with £357 million to be reallocated as needed. It expects the CRR to be fully used in Year 5 to assist in closing the potential funding gap, subject to confirmation, which is discussed further in chapter 5. We support the use of remaining CRR to help manage cost and delivery risk in its portfolio for Year 5.

Benefits realisation

In our last annual assessment, we challenged National Highways to put in place a robust benefits realisation programme to understand if it is delivering the outcomes expected from its capital investment efficiently and successfully.

A review, jointly commissioned with National Highways, was completed that assessed and reported on the maturity of benefits management in National Highways against the different RIS2 investment programmes.

The review found that National Highways has a well-established management process for capturing enhancement portfolio benefits. Beyond enhancements the review found inconsistencies in the way benefits management is applied.

In the last year of RP2, and looking towards RP3, National Highways needs to mature its approach for identifying and measuring benefits across its wider functions and activities. This will improve its understanding and evidencing that its investments, beyond enhancements, are understood and realised for road users. We will monitor the company’s progress in developing this capability.

Earned value metrics

Earned value metrics (EVM) are RIS2 performance indicators that measure National Highways’ supply chain performance against contractual cost and schedule commitments during construction. Whilst not a direct reflection of the company’s performance, we consider that these metrics are a leading indicator of where schemes are at risk of not achieving their committed milestones and forecasted costs. At the end of the reporting year, of the 14 schemes providing data, the EVM reporting showed that nine schemes are both above budget and behind schedule. Further detail can be found in our interactive dashboard.

In the reporting year, we jointly commissioned a consultancy review with National Highways to assess the effectiveness of earned value measures as performance indicators in RIS2 and advise on the approach for use in future road periods. The final report recommends that to improve its effectiveness there needs to be consistencies in the agreed baselines between contractors and National Highways. We will be seeking that the company implements these improvements in Year 5 in preparation for the next period.

4. Operations, maintenance and renewals

National Highways has continued to deliver its renewals and maintenance programme and in May 2024 the company achieved ISO55001 certification. This is a positive step in maturing its ability as an asset manager although the company needs to continue to improve.

National Highways is a mature severe weather operator and demonstrated high-level of compliance with its policies, processes and procedures to manage weather events such as rain, high winds, snow and ice.

There continues to be significant variances between National Highways’ planned and actual renewals programme delivered. The company has been unable to fully demonstrate reasons for this. Urgent and non-urgent defects continue to not meet expected timescales for rectification, and some aspects of its cyclic maintenance programme and inspections are not carried out on time. This increases the risk of road user exposure to defects.

In Year 4, we actively engaged with National Highways regarding the company’s ability to implement effectively its asset management strategy and policy. The company needs to improve its ability to evidence this and that it is achieving the benefits required. This is particularly evident where asset performance metrics, notably drainage resilience, technology availability, and pavement condition, are not realising an improvement in performance despite the volume of renewals delivered being significantly more than originally planned.

We will continue to hold National Highways to account to deliver its remaining RIS2 operation, maintenance and renewals programmes. The company needs to evolve to meet the challenges of delivering its future needs and expected programme for the next road period. It specifically needs to improve its governance for an expected increase in large strategic renewals projects as a result of the network age due to their significant cost and potential disruption to the network.

Asset Management Maturity

In May 2024 National Highways achieved certification against the requirements of ISO55001. Condition 5.11 of the company's licence states that it should adopt a long-term approach to asset management consistent with ISO55000 standards. The standard provides a framework for organisations to deliver good asset management through actively managing risk to improve performance. Achieving ISO certification is a positive step, and we expect the company to continue to mature its capability. We will continue to hold it to account to deliver its asset management plans to improve performance and embed asset management best practice.

Aligned to its work to achieve ISO55001 certification, National Highways has an established Asset Management Transformation Programme (AMTP) that sets out a range of actions it is taking to increase its asset management capability and maturity across the end-to-end asset management lifecycle. We have seen evidence of how individual actions have been delivered and the governance that drives this. However, the company is unable to fully evidence how these actions are embedded across the business and how performance has improved as a result. We require the company to take active steps to demonstrate this going forward.

During Year 4, National Highways provided us with evidence of the work it is doing in its Operations Directorate to improve the wider capabilities and performance of its operational teams. It has been delivering a programme of change called Operational Excellence 2025 (OE2025). This has focused on a range of positive activities that will improve efficiency, safety, build the capabilities of its people and deliver an improved customer experience. We will monitor how this is embedded across the business and expect the company to provide evidence to show how benefits and efficiencies have been realised.

National Highways acknowledges that improvement to asset data is required. This is to ensure it understands better the consequences and impacts of its activities on the performance and long-term resilience of the network and is able to make more effective and consistent decisions. As the network ages and condition deteriorates, the importance of the completeness and accuracy of asset data is more critical to mitigate the increased risks of unpredictable loss of asset performance. One of the key priorities within the AMTP is for the company to improve the quality of its data. This work is ongoing, and we will continue to hold National Highways to account through active engagement on how it is improving the quality and completeness of its data.

Operations

National Highways is responsible for ensuring the effective operation of the Strategic Road Network (SRN). This includes several operational activities such as severe weather planning, managing flood events, managing operational technology and logistical management of Traffic Officers. In the reporting year, we commissioned work to support holding National Highways to account with respect to its delivery of operational activity on the SRN.

Severe weather planning

In the reporting year, we engaged with National Highways to understand its approach to severe weather planning, management and service (SWPS). Severe weather includes a variety of weather events such as rain, high winds, snow and ice, elevated temperatures and fog. This is required to ensure effective operation and improve safety of the network.

We engaged with National Highways SWPS team and concluded it is a mature severe weather operator that provides a quality service with a high-level of compliance with its policies, processes and procedures. We will continue to engage with National Highways annually to understand its approach to SWPS.

Drainage resilience

Surface water on the network can pose a safety risk to road users and detrimentally impact asset integrity. National Highways manages the risk through understanding its drainage resilience. It has a performance indicator that measures the percentage of drainage catchments that have high risk flood hotspots. This provides an indication of the susceptibility of the SRN to flooding.

In our last annual assessment, we identified that drainage resilience performance had declined from the previous year. This trend has continued, as at March 2024, 36% of the SRN had an observed significant susceptibility to flooding i.e. 36% of the SRN has drainage catchments that include high risk flood hotspots. This is five percentage points worse than the previous year.

National Highways reported that this is because of a rising number of flooding events due to climate change and increased rainfall intensity. However, the company estimates that approximately 1 to 2% of the decline was attributed to rainfall exceeding its drainage asset design capacity. In the reporting year, we engaged with National Highways to evidence its ability to understand and manage its drainage assets.

National Highways recognises that its drainage asset information is one of its least mature asset datasets. The company must demonstrate the development and maintenance of high quality and readily accessible information about the assets held, operated and managed. It is important that the company prioritises improvement in this area so it can effectively and efficiently manage surface flooding on the network. We will continue to engage with National Highways in the next reporting year to ascertain its level of confidence and quality of asset data held and hold National Highways to account to improve drainage resilience.

Technology availability

National Highways uses technology assets to support its operation of the SRN. These include CCTV, electronic signs and weather stations. The technology availability performance indicator (PI) measures the percentage of time that roadside technology assets on the entire SRN are available, functioning and do not materially affect the service of the network. Although this metric is untargeted in RP2, National Highways has an internal target of 95% availability. In the reporting year the company reported a 12-month average of 91.4% availability. This is a reduction of four percentage points compared to the previous year.

Technology availability on smart motorways is reported separately in our [annual assessment of safety performance on the SRN](), which we published in December 2023. We reported that, as at September 2023, availability of stopped vehicle detection (SVD) on smart motorways was 99%. The average availability for four key technology asset types on smart motorways (CCTV cameras, motorway incident detection and automative signalling system (MIDAS), variable message signs and signals) was 95.6%. We continue to scrutinise the company’s progress towards its aim of achieving 97% availability for these four asset types on smart motorways by the end of RP2.

We continue to challenge National Highways to identify factors affecting the decline in the technology availability PI and actions the company is taking. Key focus areas where the company is taking action include outages due to local electricity providers, asset’s spares provision and a backlog of repairs that the company is progressing. A technology steering group has been established and we are assessing its efficacy to deliver the company’s proposed performance.

Maintenance

National Highways’ maintenance activities aim to keep the SRN safe and serviceable by undertaking routine cyclical work such as cutting vegetation, clearing drains and reactive repairs to defects such as potholes. Further detail can be found in our interactive dashboard.

Urgent defects

National Highways’ [2023-2024 delivery plan] included a commitment to clear 90% of urgent defects it identified within 24 hours. Defects are classified as urgent if they could affect the safety of road users.

Between 2021 and September 2022, National Highways regularly achieved a quarterly clearance rate of 90%. In our last annual assessment, we highlighted that National Highways failed to address urgent defects across most defect types within 24 hours.

In the reporting year, National Highways' urgent defect performance has continued to fall below 90%, with a reported clearance rate of 87.4%, with most defect categories falling below 85%, evidencing poor maintenance performance. Further detail can be found in our interactive dashboard.

In the reporting year, we challenged National Highways to improve its clearance of urgent defects and conducted region-specific engagement to understand the reasons for poor performance.

National Highways reported that the key drivers for inconsistency in performance are the embedment of its Maintenance and Response contracts and the competency and capacity of both National Highways and supply chain staff. National Highways has indicated that performance in Year 5 of RP2 is forecast to improve following improvements it has implemented. It is important that the company is able to demonstrate consistent delivery of urgent defect rectification to ensure that it does not realise an increase safety risk to users.

We will continue to work with National Highways to ensure that the plans it has in place improve urgent defect performance. This should include timebound plans and clear ownership that we will hold them to account to deliver.

Non-urgent defects and cyclic maintenance

In our last annual assessment, we highlighted that National Highways’ performance in addressing non-urgent defects, those that do not impact safety, within required timescales, decreased across most defect types. Whilst the company’s performance for non-urgent defects rectified to agreed timescales improved from a national total of 82.9% in Year 3 to 86.0% in Year 4, performance continued to deteriorate for a number of assets, including traffic signs, road markings and road studs.

Furthermore, National Highways’ performance in delivering programmed cyclical maintenance within required timescales was reported as 83.2% at the end of Year 4, a reduction from 86.0% in the first quarter of Year 4.

Whilst neither measure has a safety critical implication, if non-urgent defects are not rectified and the cyclic maintenance programme is not completed, then there is potential for safety critical, urgent defects to develop. This could then worsen road user safety risk as well as reduce asset life, thereby reducing efficiency and value for money.

We will work with the company to ensure that its plans improve all maintenance delivery in Year 5 of RP2. This is to ensure that the company is adopting a whole-life cost approach to managing its assets and delivering its plans in a timely manner to achieve value for money.

Planned inspections

National Highways delivers a wide-ranging programme of planned inspections of its assets each year to understand the asset condition and if any interventions are required. Failure to carry out inspections when scheduled has the potential to lead to reduced asset knowledge. Subsequently, there is a risk of less robust assessment of asset need, and a reduced ability to proactively plan interventions.

In the reporting year, National Highways delivered the majority of its planned inspection programme. However, it reported planned inspection programme completion rates of 54.2% and 71.2% for Vehicle Restraint Systems (VRS) and lighting, respectively.

National Highways has indicated that reasons for low completion rates for these assets are due to issues with supply chain resource and road space availability. The company has indicated that outstanding inspections will be prioritised in Year 5, and any safety risks are being mitigated by carrying out safety inspections and general condition inspections with any required works instructed reactively.

We will continue oversee National Highways planned inspection programme for the remainder of RP2 and call for improvements where they do not meet the requirements of the standards they have set out.

Renewals

Renewals delivery

Assets on the SRN, such as road surfacing and bridge structures, are renewed when they have reached the optimum asset life or are life expired, and need significant intervention to restore them to provide function that is required of them.

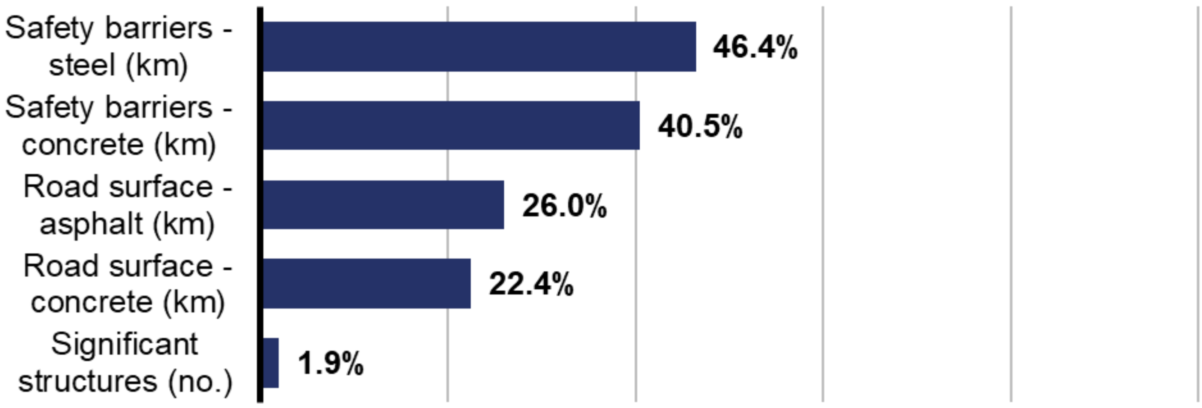
In the reporting year, National Highways spent in-line with its revised budget of £1,140 million. This budget is £141 million higher than the original renewals budget. The company increased the budget mid-year.

It reported that it used the increased funding to address inflationary pressures; deliver additional work required for the concrete roads programme; and deliver other outputs, such as asphalt pavement, to support KPI3 delivery.

National Highways over-delivered all five types of planned major life-extension renewals in the reporting year, as shown in Figure 4.1. The company also over-delivered on 12 of its 14 cyclical renewal types, including over delivery of the original asset programme by more than 100% on guardrails (460%) and drainage (148%). Further detail can be found in our interactive dashboard.

National Highways has reported that two cyclical renewal types were under-delivered in the reporting year: bridge joints (by 28%) and bridge bearings (by 37%). The company reported that the primary driver for under-delivery of bridge joints was due to the deferral to Year 5 of the M6 Junction 9 Bescot Viaduct scheme, to allow the completion of the M6 Junction 10 enhancement project and minimise the impact on customer journeys. The company's under-delivery of bridge bearings was due to the A27 Adur Viaduct scheme being delayed due to workforce constraints and inclement weather.

Figure 4.1 Volumes of major life-extension renewals greater than planned between April 2023 and March 2024

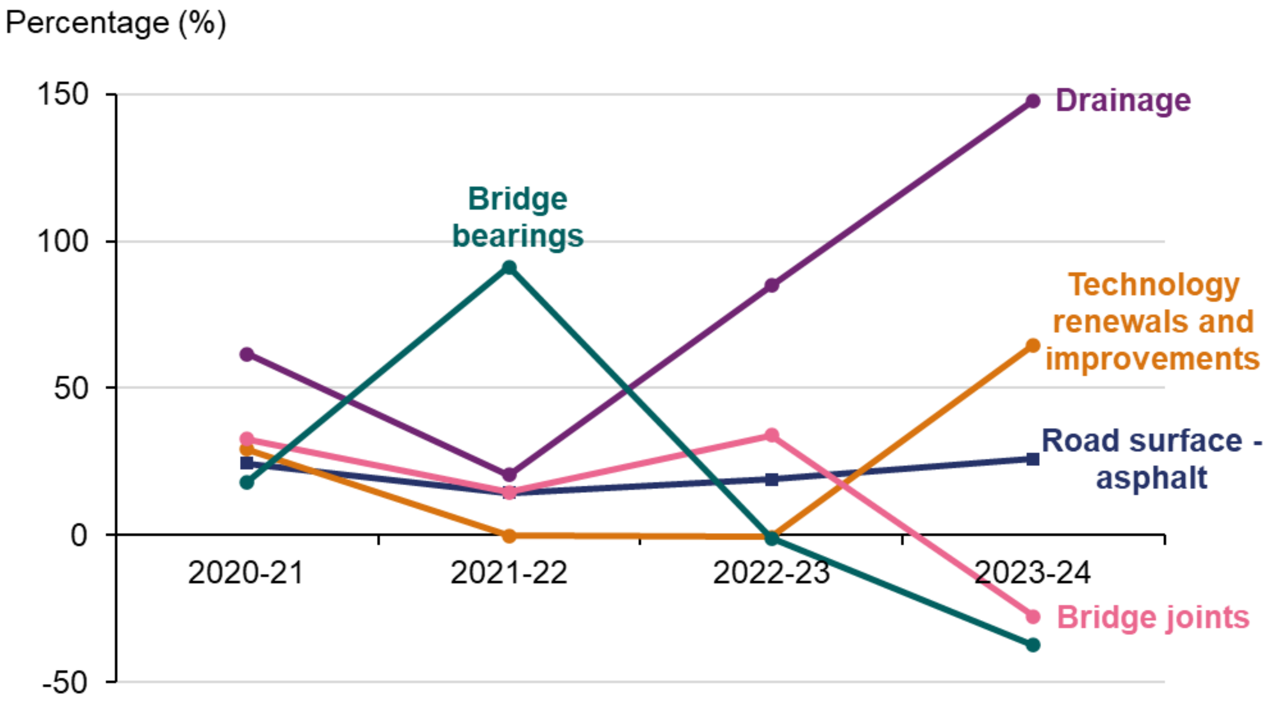


In our last annual assessment, we reported that over-delivery against its original plan may provide an indication that National Highways' planning abilities are limited, as the company was unable to evidence the cause of the increases. This appears to have been reaffirmed this year as over delivery of renewals volumes has continued without robust evidence as to the cause.

National Highways’ over-delivery of its original programme has primarily occurred during the fourth quarter of each RP2 year, resulting in a sharp increase in delivery of volume. Whilst the company indicated that the primary driver for over-delivery in the reporting year was due to an increase in renewals funding, it was unable to demonstrate how many additional renewals were delivered solely because of the revised budget. This indicates a need to mature its approach to controlling programme change to enable a fully transparent approach to tracking investment.

Figure 4.2 shows how National Highways has delivered against its plan in RP2 to date. The consistent divergence indicates that the company’s original plans are not suitable, and therefore it is potentially investing inefficiently in its asset portfolio.

Figure 4.2 Variance of volumes of renewals delivery compared to plan for a selection of assets, April 2020 and March 2024



National Highways' renewals plans do not appear to accurately align to the requirements of its performance targets. The company's [2020-2025 delivery plan] includes key performance indicator (KPI) targets for pavement condition and an untargeted performance indicator (PI) for drainage resilience.

In Year 4, National Highways over-delivered on road surface (pavement) asphalt, drainage and technology renewals against its plans by 26.0%, 147.9% and 64.7%, respectively. Whilst pavement renewals delivery in-year exceeded its plan, the KPI outcome remained uncertain and was only just achieved. Similarly, drainage resilience performance has continued to decline even when there has been significant over-delivery.

In Year 5, the company has a challenging concrete barrier programme that it must deliver. National Highways' 2020-2025 delivery plan states a commitment to deliver 50 miles (80 km) of concrete safety barriers (also known as vehicle restraint systems). To date, the largest in-year delivery the company has achieved is 9 miles (14 km). Therefore, to meet its commitment the company will need to deliver a total of 25 miles (41 km) in the final year of the second road period, 50% of its commitment. The company must provide assurance that it is able to deliver its plan. We will engage with it to understand its capacity and capability and ultimately hold it to account to meet this commitment.

National Highways needs to mature its ability to accurately plan its renewals programme and improve its alignment to achieve its RIS2 commitments and targets. The company should seek to avoid large in-year variations in its renewals programmes and to better evidence the reason for any large in-year changes. We will continue to hold the company to account against its delivery plan to achieve the required performance. This will include further monitoring of in-year (monthly and quarterly) plans and will require better evidence of delivery against them.

Asset management strategy implementation

In our last annual assessment, we reported that National Highways produced a new asset renewals reporting tool: the Capital Delivery Management Tool (CDMT). The company uses this tool to collate and report data about its assets in ways it was previously unable to. In particular to help it to demonstrate implementation of its asset management strategy and compliance with its licence.

At the end of Year 4, National Highways used CDMT to produce a national report that showed renewals scheme delivery, including changes made during the year. It reported that the cumulative outturn value of its renewals programme had increased by 24.1% over Year 4.

Reasons for changes to the renewals programme include:

- 105 changes at a value of £22 million due to change in asset need; and
- 28 changes at a value of £15 million due to increased programming to meet delivery plan outputs.

This is a positive demonstration of National Highways' ability to actively amend its programme to consider asset need throughout the year. The report also provides greater transparency of the implementation of its asset management strategy.

The reporting highlights areas where National Highways needs to improve the implementation of its strategy. The company reported:

- 387 changes at a value of £91 million due to changes in project scope;
- 322 changes at a value of £61 million where the scheme completion is delayed beyond the reporting year; and
- 46 changes at a value of £27 million were categorised as ‘Other’.

This magnitude of change and National Highways’ inability to disaggregate the causes of change in sufficient detail demonstrates that the company is not able to deliver its renewals programme as originally intended and appropriately evidence why. The company needs to improve its effectiveness in implementing its asset management strategy. We would expect this to reduce the number of in-year changes to the programme and improve disaggregation as to the cause of changes.

In Year 5, we will continue to hold National Highways to account to demonstrate how it is using this information to mature its delivery of its renewals programme to demonstrate implementation of its asset management strategy.

Further detail on National Highways' renewals programme stability can be found in our interactive dashboard.

Strategic renewals projects

National Highways is managing an ageing network. As a result, it is expected that the company will need to deliver more high value and complex renewal schemes, such as large structures and concrete roads renewals. This can have a disruptive impact on customers.

In preparedness, we asked National Highways to develop robust governance and assurance processes for the end-to-end delivery of these strategic renewals projects that is commensurate with the level of complexity and risk of these schemes.

In response, National Highways has started to develop governance, assurance and ways of working to ensure there is consistency for the delivery of complex renewals. This will be tested in the final year of RP2 to ensure they are ready for implementation in the next road period. We will monitor the progress of this work to understand its benefit and successful governance of large renewals schemes.

5. Efficiency and finance

National Highways has met its efficiency milestone for Year 4. It is forecasting that it will meet its target for the end of the second road period (RP2), although there is some risk around this, with around a third of the efficiency to be delivered in the final year. The company has been affected by significantly higher than expected inflation during RP2. It has taken account of this in both its reported efficiency improvements to the end of Year 4 and its forecast for RP2 as a whole.

National Highways has improved the quality of the evidence supporting its efficiency reporting during Year 4. The company has responded positively to areas we highlighted for improvement in our last annual assessment. Further development is still required in some areas, both in the shorter-term (for the end of RP2) and the longer-term.

Throughout the reporting year, National Highways has been required to manage significant uncertainty and financial pressure. At the end of Year 4, there were a number of decisions relating to National Highways' funding and deliverables for the final year of RP2 progressing through the formal change control process. The timing of the General Election meant that the government was unable to complete the process. Decisions were therefore not finalised at the time of writing.

Whilst funding for Year 5 has not yet been confirmed by government, National Highways is expecting, and has developed a proposal, to manage an overall funding reduction of £919 million. As a result of this reduction, the company, at the end of March 2024, was forecasting £319 million of underfunding. It needs government to make decisions to provide certainty on the portfolio, the funding available, and efficiency requirements in the last year of RP2 if it is to deliver successfully and prepare for the next road period.

Efficiency

National Highways has met its cumulative efficiency milestone for Year 4 of £1,220 million and reports that it expects to deliver the key performance indicator (KPI) for RP2. ORR highlighted risks to delivery of the KPI in our Annual Assessment for April 2022 to March 2023 and the company has taken steps to mitigate some of these, for example through reporting improvements. Whilst the company’s ability to better forecast efficiency performance has improved, it must ensure that it remains focused on managing efficiency risk in the final year of RP2 and that it is able to act accordingly.

KPI: Total Efficiency

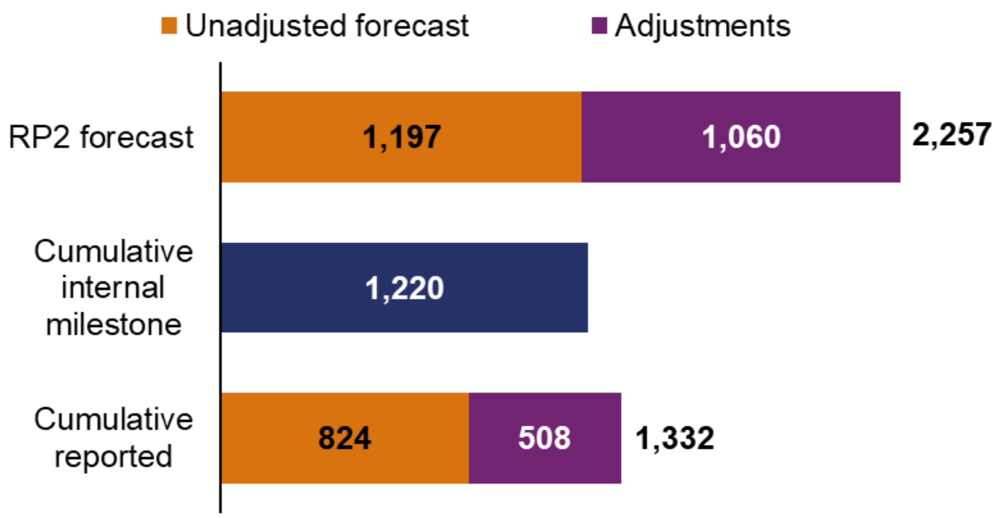
National Highways has a RIS2 KPI target to deliver £2,111 million of capital or operational efficiency during RP2. We expect the company to propose a change to the target to reflect the impact of any potential funding and output changes made to the RIS, subject to government decision.

National Highways’ reported efficiency over the first four years of RP2

Figure 5.1 shows that National Highways reported cumulative efficiency of £1,332 million to March 2024.

This includes an adjustment of £523 million for inflation being higher than originally estimated for its funding, offset by £15 million of other adjustments (discussed below). The company has delivered £112 million efficiency more than its internal milestone to the end of March 2024 of £1,220 million.

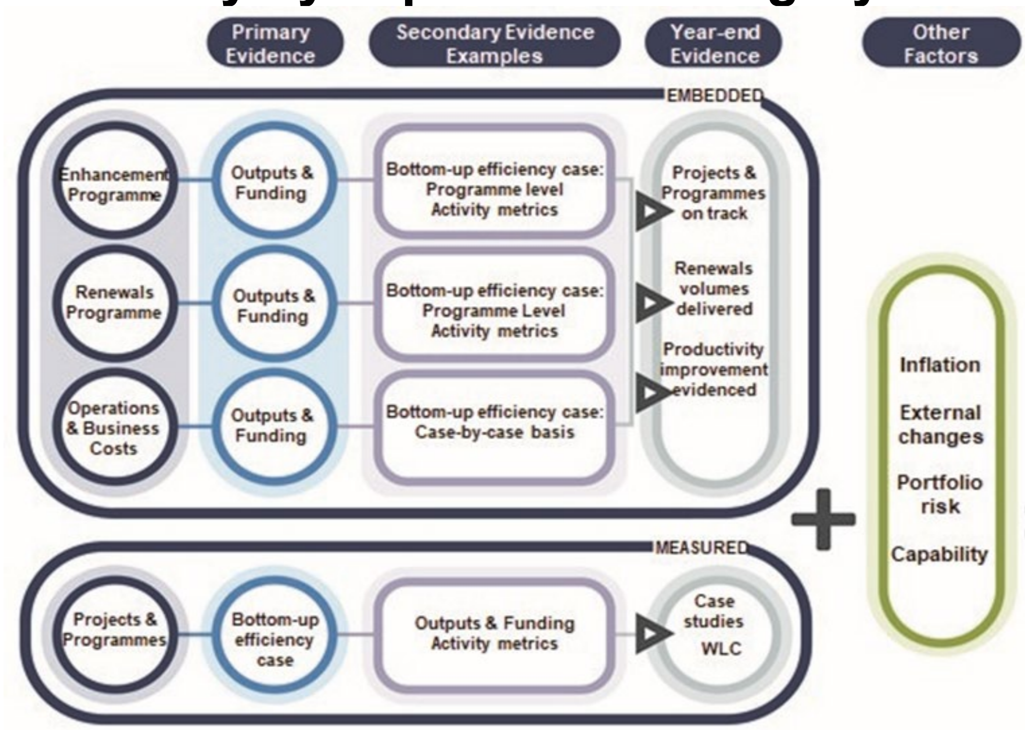
Figure 5.1 Cumulative reported efficiency against milestone and forecast (£ million), March 2024



Assessment of in-year efficiency evidence

ORR has an important monitoring role to evaluate the quality of efficiency evidence provided by National Highways. Figure 5.2 shows the different types of efficiency and the supporting primary and secondary evidence the company presents to support the reported values. The company’s [Year 3 Efficiency Report] provides definitions of types of efficiency used in this chapter. The Year 4 Efficiency Report, due to be published this autumn, summarises the evidence for its reported efficiency in Year 4.

Figure 5.2 Sources of evidence for types of efficiency by expenditure category



Assessment of cumulative efficiency evidence in the reporting year

Tables 5.1 and 5.2 show how National Highways' reported cumulative efficiency is broken down against different categories. They also present ORR's assessment of the evidence supporting each category, on which we provide more detail below.

Table 5.1 Embedded efficiency reported and our assessment of supporting evidence

Embedded efficiency	Reported cumulative (£802 million)	Primary: outputs and funding	Secondary: activity metrics	Secondary: case studies
Capital enhancements	-£30 million	Good evidence	Good evidence	Good evidence
Capital renewals	£294 million	Good evidence	Good evidence	Good evidence
Operations and business costs (capital)	£148 million	Good evidence	Not available	Developing evidence

Embedded efficiency	Reported cumulative (£802 million)	Primary: outputs and funding	Secondary: activity metrics	Secondary: case studies
Operations and business costs (operational)	£389 million	Good evidence	Not available	Good evidence

Table 5.2 Measured efficiency reported and our assessment of supporting evidence

Measured efficiency	Reported cumulative (£530 million)	Primary: case studies	Secondary: outputs and funding	Secondary: activity metrics
Carry-over	£302 million	Good evidence	Not applicable	Not applicable
RP2 generated	£228 million	Good evidence	Developing evidence	Developing evidence

Efficiency evidence – outputs for funding

In response to challenge from ORR, National Highways has made improvements to its primary evidence for embedded efficiency. The period of high inflation has had a significant impact on the company's costs and £523 million (39%) of its reported efficiency relates to a 'headwind' adjustment to ensure efficiency performance fairly accounts for the impact. We reviewed and agreed the basis of the adjustment in Year 3. In this reporting year a much smaller adjustment was agreed to reflect the cost impact of a change in treatment of VAT.

In the last year, National Highways has improved its renewals efficiency reporting to reflect where it has over or under-delivered originally planned outputs and the depth of its pavement renewals which affects longevity. Overall, our assessment of the company's primary evidence for embedded efficiency shows that it has broadly delivered outputs within its funding after adjusting for inflation and VAT treatment changes affecting its costs.

National Highways provided financial data related to the Tier 1 enhancement schemes included in the measured RP2 generated efficiency category to support our assessment of delivering the outputs for funding as a form of secondary evidence. This shows good progress since the previous year, and we will continue to work with the company to assess how the evidence in this area continues to mature to the end of the road period.

Efficiency evidence – activity metrics

National Highways’ efficiency evidence derived from activity metrics for enhancements and renewals has increased in scope. As at March 2024 it showed good supporting evidence of efficiency.

During the reporting year, National Highways explored with us options for activity metrics to be utilised as secondary evidence for both operational and capital operations and business costs. While the company is open to developing more metrics in the future, at this time it deemed the metrics unsuitable in these areas. This was due to complexities in correlating the potential metrics with efficiency performance. We welcome the engagement the company displayed in exploring these options and its openness to developing these metrics in future road periods.

National Highways undertook a pilot in the reporting year to explore how existing activity metrics could be applied to the enhancement schemes that fall within the scope of the RP2 generated category. Results from this were positive and we will work with the company in the final year of the road period to extend the pilot to cover all schemes within the RP2 generated category.

Efficiency evidence – efficiency case-studies

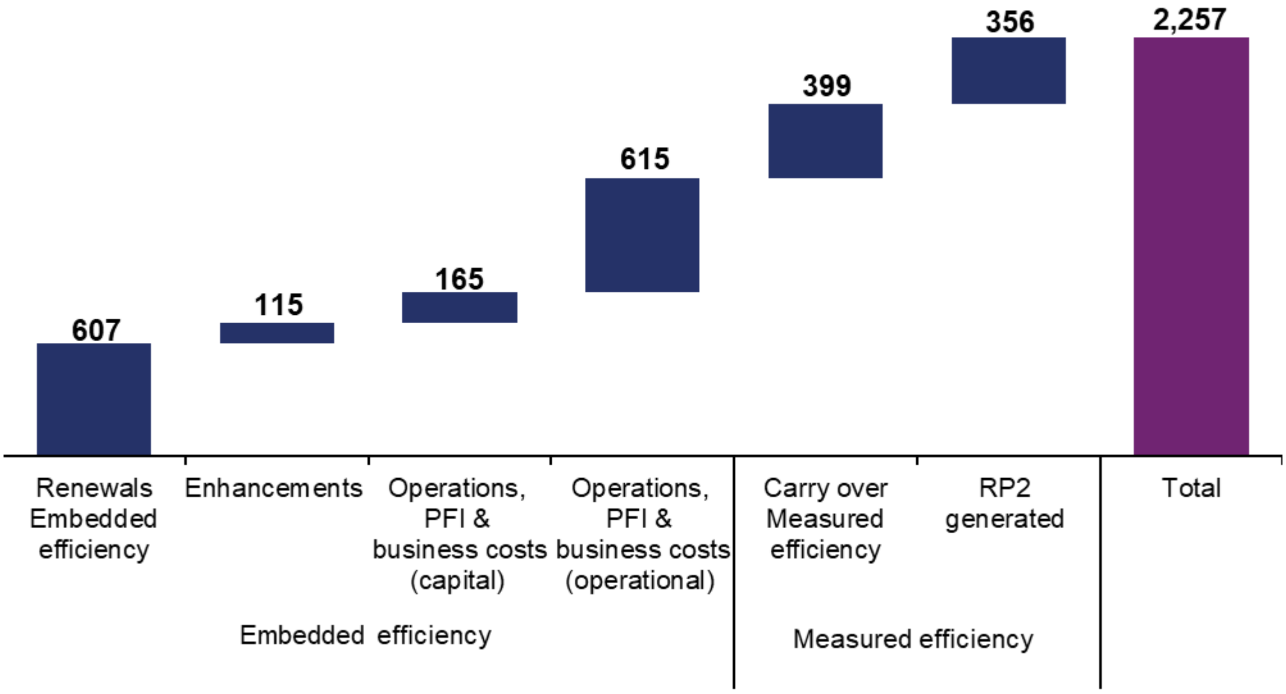
National Highways continued to report case studies (descriptions of efficiency initiatives and financial benefits) for RP2 generated measured efficiency and across all categories of embedded efficiency. These case studies represent the gross value of a wide range of efficiency initiatives delivered by the company in RP2, rather than the net efficiency position. In some instances, the value of secondary evidence presented continued to be below the reported primary embedded efficiency. This is an area where National Highways needs to improve going forward. The company continued to submit case studies for our review throughout the reporting year and responded positively to challenge.

National Highways’ £302 million carry-over efficiency is supported by case studies that we reviewed during RP1. The company applies earned value principles to identify the value, or proportion, of the efficiencies in those case studies that it claims during RP2.

National Highways’ forecast efficiency against its KPI target

National Highways is forecasting to deliver £2,257 million of efficiency in RP2 (assuming the potential funding change is agreed by government), as shown in Figure 5.3. The forecast position includes adjustments for the impact of excess inflation on reported efficiency as well as delivering additional renewals outputs, pavement renewal depth and the external impact of a change to the treatment of VAT.

Figure 5.3 Reported RP2 forecast efficiency (£ million), March 2024



Assessment of efficiency evidence RP2 forecast

In ORR’s Annual Assessment of National Highways’ performance for April 2022 to March 2023 we identified that there were several areas of uncertainty affecting its forecast efficiency performance. The progress the company has made, with ORR and DfT, in considering a revised efficiency target (pending government decision) linked to the expected funding change has reduced the uncertainty in the forecast.

The company has also responded positively to ORR highlighting a need for reporting improvements in some areas by making changes during the year.

During the year we worked with Rebel Group consultants to review National Highways' proposed approach and (current) value of efficiency adjustments for two new 'headwind' cost impacts outside of the company's control (for the impacts of Coronavirus and changes to the treatment of VAT) and differences in renewals outputs compared with RIS2 assumptions. On headwinds, the review was limited by the company's proposals being at an earlier stage than previously indicated. The consultants found that its case for a potential adjustment for the pandemic was under-developed. Subsequently, the company decided there was no substantive rationale to take forward a headwind adjustment for the pandemic and so it has not pursued it further.

The consultants reviewed National Highways' proposal for an efficiency adjustment for the change in the treatment of VAT. It concluded that this was reasonable and the company included this adjustment in its year-end reporting, along with the previously agreed inflation adjustment. The consultants also reviewed and endorsed how the company recognised the efficiency impact of renewing more/less key assets and greater asphalt pavement depth than assumed in RIS2.

While National Highways has improved the evidence for efficiency delivered to date, which also helps ensure its RP2 forecast is more robust, there are some notable risks remaining. These include the potential impact of headwinds including Year 5 inflation, cost risks from delays to enhancement commitments, performance risks on several KPIs and clarity around potential funding constraints which could result in a pressure the company needs to manage (discussed below). These risks are further exacerbated as the company's planned delivery of efficiency is heavily back end loaded towards the final years of RP2, predominantly a consequence of the enhancement delivery profile. This means it has yet to deliver one third of the efficiency required to meet its target and must stay focused to the very end of the road period.

Overall, the RP2 efficiency forecast has improved in the last year and there is also more certainty in the forecast than in March 2023. However, to ensure planned efficiency improvements are delivered, National Highways must continue to focus on managing remaining risks in the final year of RP2. It is also vital that government gives the company clarity over proposed changes to RIS2, including the efficiency KPI, as this uncertainty adds additional risk to achieving the target.

Financial Performance

At the end of Year 4, there were a number of decisions relating to National Highways’ funding and deliverables for the final year of RP2 progressing through the formal change control process. The timing of the General Election meant the government was unable to complete the process. Decisions were not finalised at the time of writing and therefore we are reporting the position the company reported to us at the end of Year 4.

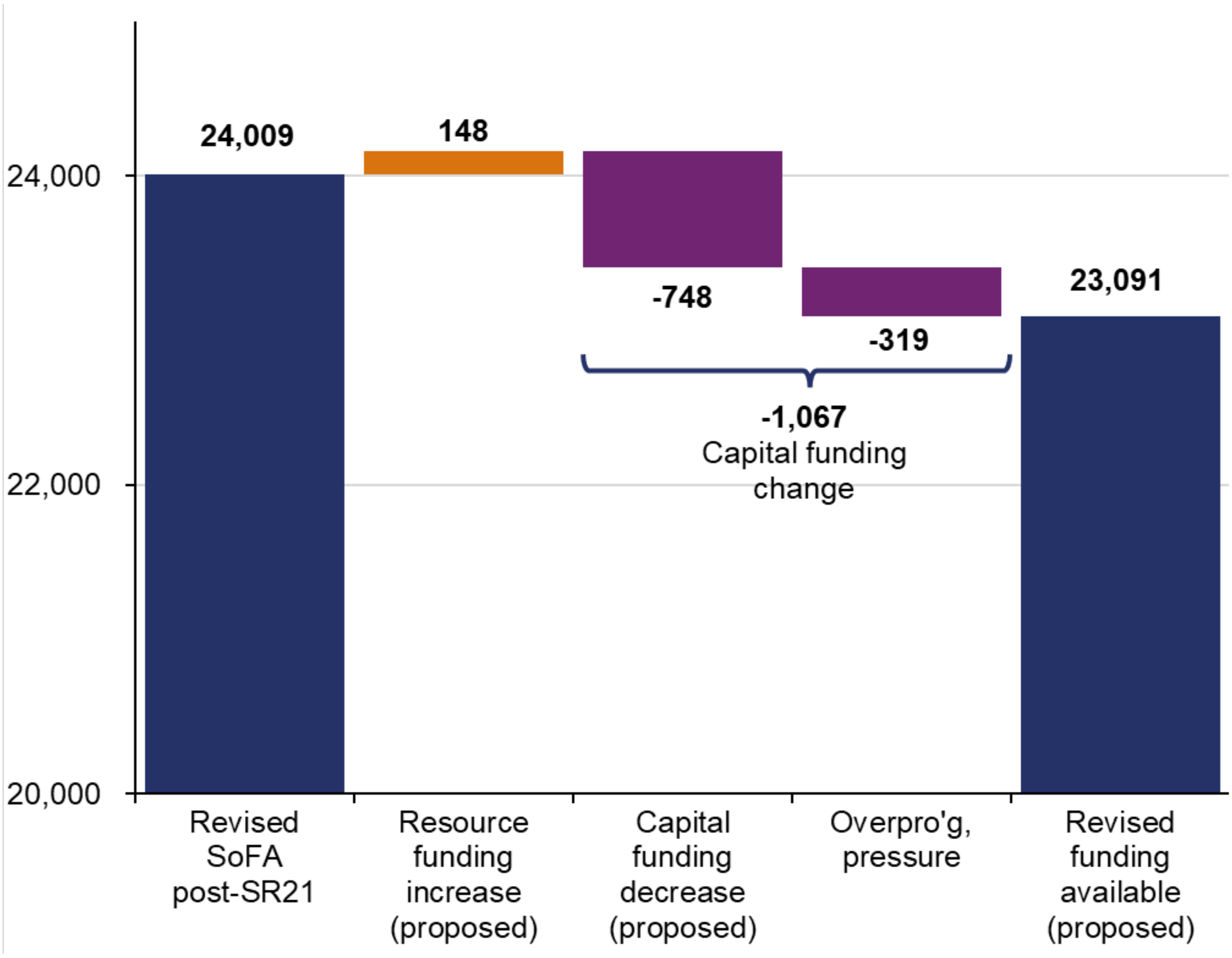
Funding for Year 5 is yet to be confirmed by government as decisions have been paused due to the General Election. However, National Highways has managed its expenditure in Year 4 in anticipation of a £919 million gap between the statement of funds available (SoFA) for RIS2 and the funding available in DfT business plans for Years 4 and 5. The company is projecting to overspend its RIS2 funding and may need to make further changes to its programme in the final year of RP2.

As discussed in chapter 3, despite now delivering fewer schemes, the total cost of completing National Highways’ enhancements portfolio in this and future road periods has increased to £29,932 million from a baseline position of £23,643 million in April 2020. The higher than funded inflation and delays in schemes during RP2 have significantly contributed to the increase but do not account for all increases to the programme.

Overview of proposed funding changes for RIS2

National Highways has already reflected the expected funding changes (to be confirmed by government), in its reporting to us in quarter three and quarter four of this year, to account for the difference between the available funding and the SoFA. As shown in Figure 5.4, within the total net reduction, resource funding increases by £148 million, predominantly to respond to inflationary pressures. Counter to this, RP2 capital funding has a net reduction of £1,067 million. Subject to agreement, the company is proposing to manage the net change to its capital funding across its portfolio.

Figure 5.4 Change in funding proposed during Year 4 subject to government approval (£ million), March 2024



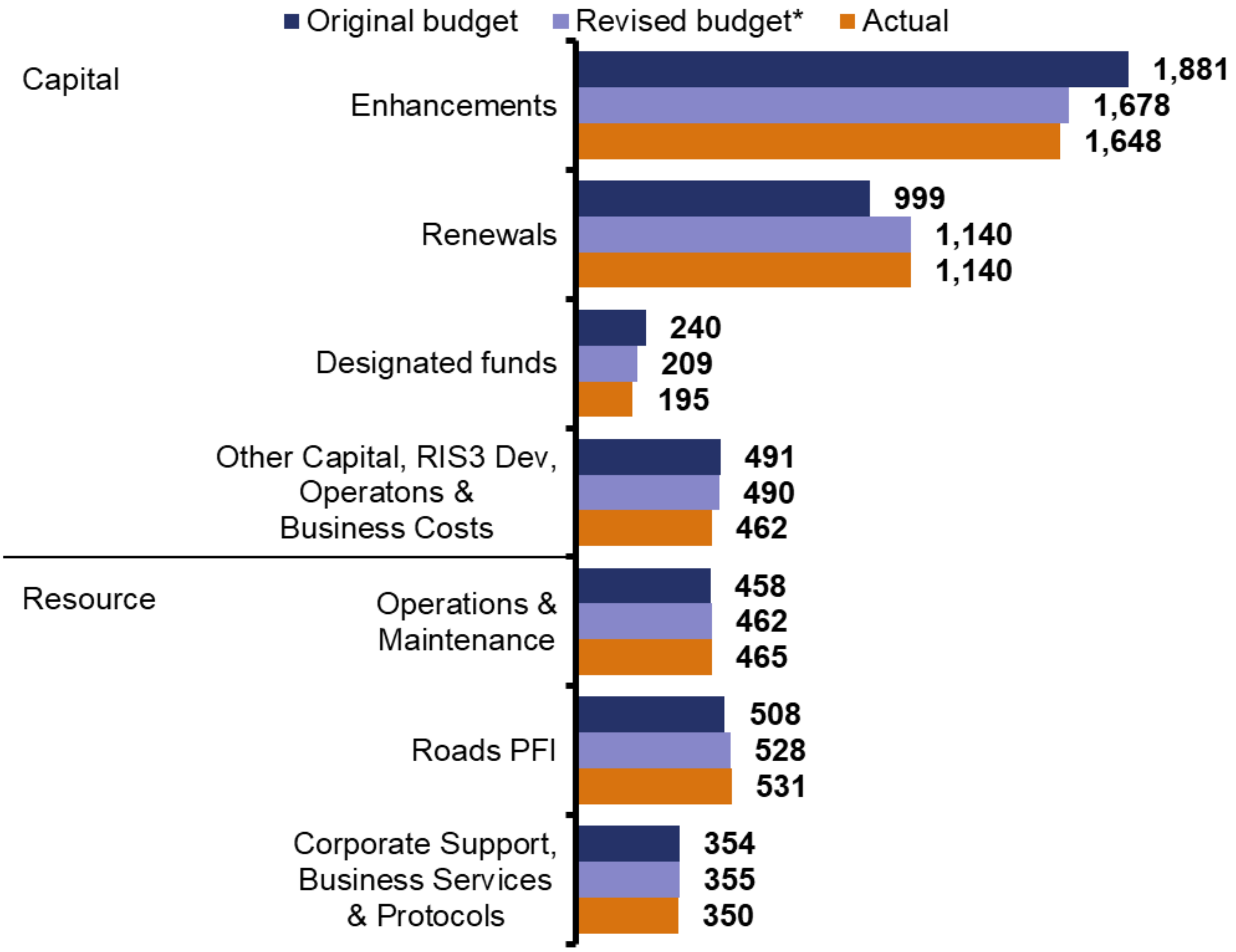
Within the overall planned funding reduction, in March 2024, National Highways forecasted it would need to manage a pressure of £319 million in the final year of RP2. Delays in enhancement planning approvals, including decisions by government and subsequent legal challenge, have pushed cost into later years. This created an underspend in Year 4, which was expected to help cost pressures in the final year. However, constraints on funding available in Year 5 mean some of the unused funding from Year 4 is not available for Year 5.

April 2023 to March 2024 budget and expenditure

In Year 4, National Highways' original budget (capital and resource) was £4,931 million which it revised down to £4,806 million in the autumn as a result of legal challenges to planning decisions and delays in government decisions. The company expected £150 million of unused capital funding (which it notified DfT about in autumn 2023) to be carried forward to Year 5 as had been the case in previous years. However, DfT budget constraints has resulted in the £150 million being part of the funding reduction (without a change in outputs) and contributes to the cost pressure National Highways is expected to manage in Year 5.

National Highways spent in-line with its revised resource budget of £1,345 million and spent £3,445 million against its revised capital budget of £3,461 million, an underspend of £16 million (0.5%). A breakdown of expenditure against budget is shown in in Figure 5.5.

Figure 5.5 Capital and resource expenditure against budget April 2023 to March 2024 (£ million rounded)



** There is an additional reduction of £56 million to the revised capital budget not shown in the above chart, this is in a central holding category*

Capital Expenditure

Enhancements and Renewals

When creating its revised budget for Year 4, National Highways managed the reduction of £150 million across a number of budget areas. For example, it reduced the enhancements budget by £203 million, which it offset in part with a £141 million increase in the renewals budget. The company was able to reduce its enhancements budget as there were delivery challenges for schemes with Development Consent Order (DCO) related schedule slippage. This was, in part, repurposed for renewals to help meet cost increases from inflationary pressure.

National Highways reported a small underspend of £30 million (1.8%) in Year 4 against the revised budget for enhancements and reported actual spend in-line with its revised renewals budget of £1,140 million.

Designated funds

National Highways' original Year 4 budget for Designated Funds was £240 million, which it later reduced to £209 million. The company's final spend for Year 4 against this budget was £195 million, a £14 million (6.7%) underspend. The underspend against its revised budget occurred across three funds:

Innovation and Modernisation (£2 million), Safety and Congestion (£2.7 million) and Users and Communities (£9.5 million). Only the Environment and Wellbeing fund exceeded its revised budget (by £0.3 million). The company has reported to us that the underspend was because of projects funded by designated funds slipping into the final year of the road period.

Resource Expenditure

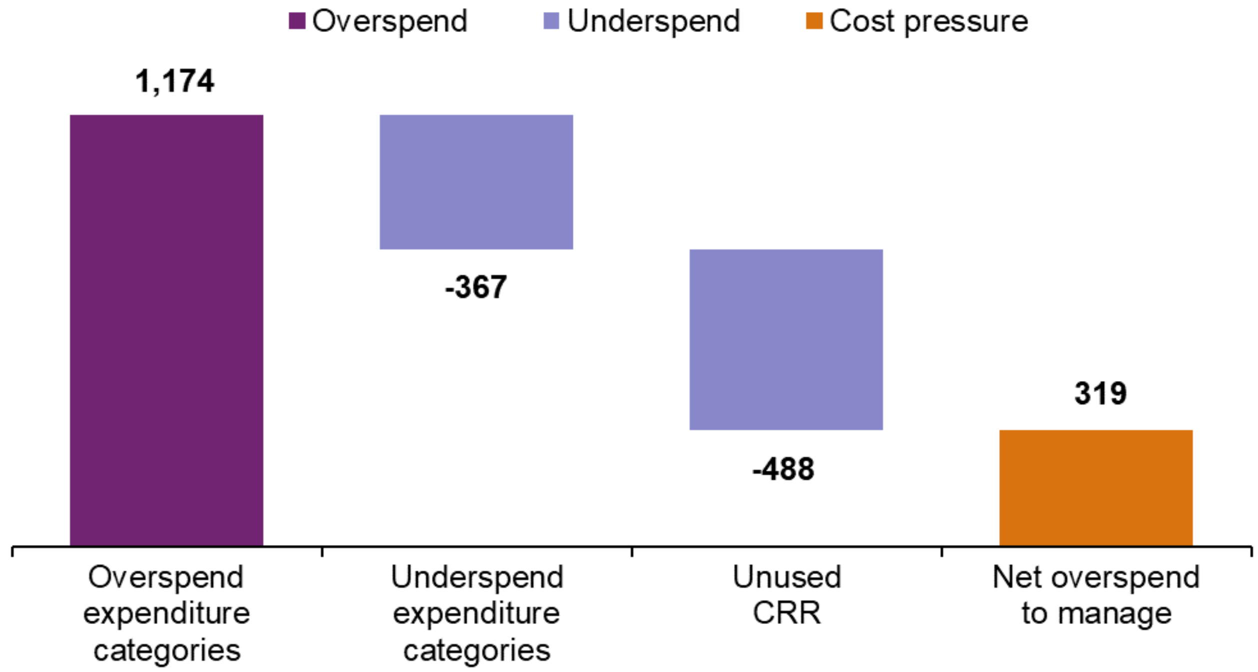
The initial resource budget for Year 4 included a £100 million increase concurrent with a £100m decrease in the capital budget. During the year, the company increased its resource budget by an additional £25 million as part of the in-year revisions, alongside the decrease to capital budgets. The total £125 million increase to the resource budget was to cover inflationary pressures and to support the originally unfunded Operation Brock. All categories of resource expenditure ended the year with no more than a £4 million variance against the revised funding levels.

RP2 capital expenditure forecast

At the end of Year 4, there were a number of decisions relating to National Highways’ funding and deliverables for the final year of RP2 progressing through the formal change control process. The timing of the General Election meant the government was unable to complete the process. Decisions were not finalised at the time of writing and therefore we are reporting the position the company reported to us at the end of Year 4.

At the end of March 2024, National Highways was forecasting to spend £17,194 million across RP2 against its capital funding allocation of £16,875 million, assuming full use of the remaining central risk reserve (CRR). This would result in an overspend of £319 million, if realised, as shown in Figure 5.6.

Figure 5.6 RP2 capital forecast variance summary (£ million), March 2024



In March 2024, National Highways was forecasting a £1,174 million overspend on enhancements, renewals (due to inflation and concrete roads scope increases) and business costs (due to additional expenditure on digital services). However, the net impact of enhancements and renewals overspends would be reduced if unused CRR is applied in Year 5 as the company expects (see below). There was also a forecast underspend on designated funds (due to challenges in programme delivery and the impact of anticipated reduced funding) and RIS3 preparation and development (due to changes to schemes announced in the written ministerial statement of 9 March 2023).

National Highways has currently assigned the £1,067 million expected capital funding reduction (subject to approval by government) shown in figure 5.4 against its enhancements funding line whilst the company awaits final confirmation of funding from government. Should the funding reduction be confirmed, subject to agreement, it is expecting to manage it across its capital portfolio. As of March 2024, the company was forecasting £319 million underfunding in Year 5 it would need to manage as part of this.

We have challenged National Highways on how it would manage the forecast cost pressure of £319 million in Year 5 if realised. It has indicated that some schemes are at risk of planning delays in Year 5, which would move cost from the final year of RP2 in to the first year of RP3, and therefore would reduce the cost pressure in period.

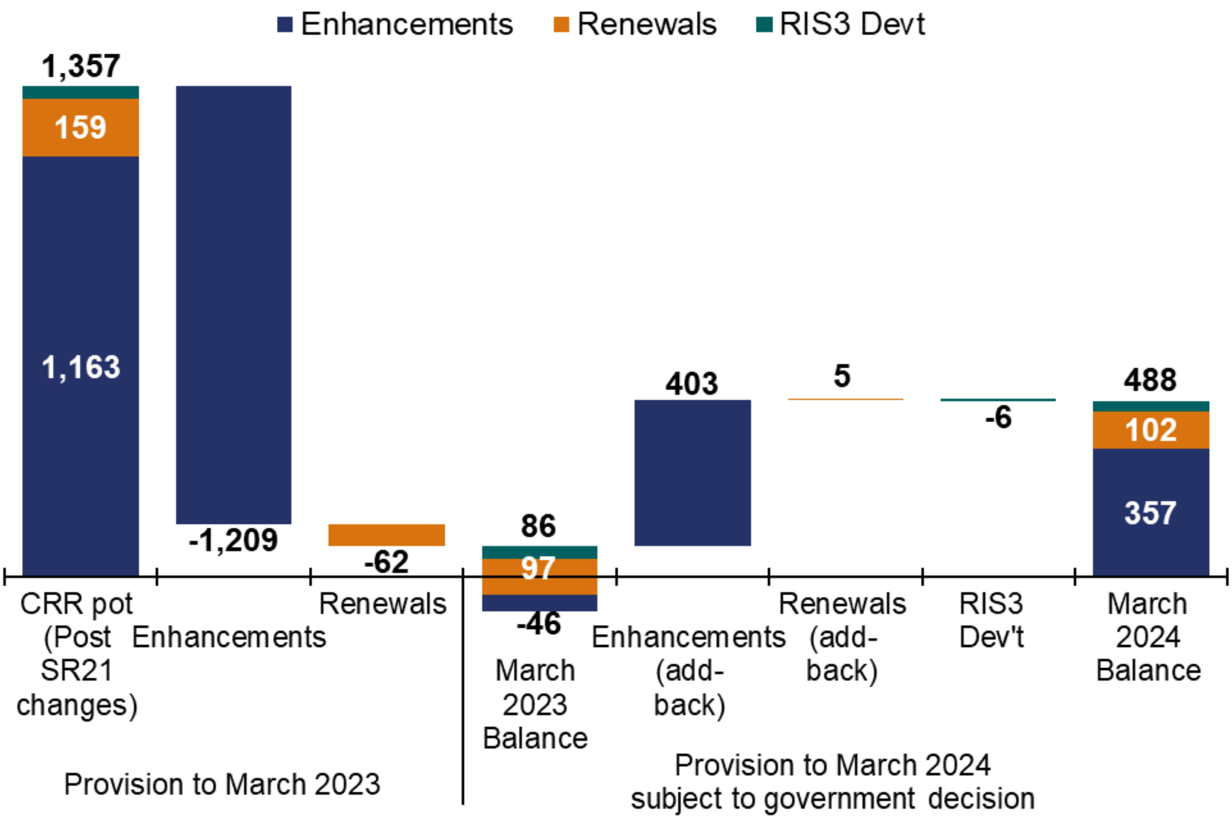
The company is continuing to work with DfT to develop and finalise plans for how it will manage funding reductions in Year 5 and to understand the impact on delivery and performance.

Central risk reserve

Figure 5.7 shows the evolution of allocation of the central risk reserve (CRR). Following the 2021 Spending Review, the CRR was reset to £1,357 million. In March 2023, National Highways had just £86 million CRR remaining unallocated due to making provision for significant enhancement cost risk in the early part of RP2. However, as predicted in our last annual assessment, agreed scheme changes in Year 3 and anticipated changes in Year 4, that are pending government decisions, meant the company was able to release £403 million back to the CRR pot for reallocation. There was also a small add-back from renewals CRR reduction, but this has been offset by an increased allocation for RIS3 Development to support options assessment for significant structures work for the next road period.

National Highways needs government to confirm funding and the commitments it is required to deliver in the final year of RP2, as decisions were paused due to the General Election, so that it can allocate CRR accordingly. In March 2024, the enhancements changes (that are pending government decisions) meant National Highways held £488 million of its CRR unallocated to schemes or other budgets within the business. However, based on the risks and funding constraints that the company anticipates in the final year of RP2, it expects to use all of the remaining CRR.

Figure 5.7 Funding changes and use of CRR provision since April 2020 (£ million), March 2024



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