Annual report and accounts 2022 to 2023

Strategic objective 4: Better highways

National Highways is responsible for operating, maintaining and renewing the strategic road network (SRN) of motorways and major 'A' roads in England. Our role is to scrutinise the company and hold it to account for its performance and efficiency. We report on National Highways' delivery of over £4 billion of annual expenditure, providing transparency to funders, road users and wider stakeholders. We encourage National Highways to publish more information on its plans and performance. Importantly, improved transparency allows other stakeholders to play a more informed role in holding the company to account.

Our business plan for 2022-23 outlined the following priority areas: monitoring National Highways' performance under the remainder of the current road period (2020-25) and preparing our advice for the third Road Investment Strategy (RIS3); publishing our Annual Assessment of National Highways' performance and continuing to monitor the impacts of the pandemic; and monitoring delivery of the Smart Motorways Action Plan, quality assuring the Smart Motorways Second Year Progress Report and supporting implementation of the Transport Select Committee recommendations on the roll-out and safety of Smart Motorways

Annual assessment of National Highways

We continued to monitor National Highways' delivery of requirements set out in the second Roads Investment Strategy (RIS2), which covers the current second period (RP2) from April 2020 to March 2025. We looked at the company's performance and efficiency and the delivery of projects to budget and to time, and how well National Highways executed its duties to run an efficient, safe and reliable strategic road network in England. This was in the context of changes to the capital programme following Spending Review 2021 that removed £3.5 billion from the RIS2 budget and

resulted in a smaller RIS2 delivery portfolio and a reduction in the efficiency target.

In July 2022 we published our Annual Assessment of National Highways' performance in 2021-22. Our four key messages focused on safety, asset management, environmental performance (covered in 'Sustainability in the road sector – holding National Highways to account') and enhancements.

Our assessment showed that National Highways' primary focus has been safety on the strategic road network as traffic levels returned to normal after the pandemic, and delivery of the Government's Smart Motorway Action plan. The company also worked to improve its asset management maturity and set baselines on all environmental key performance indicators (KPIs) for RP2.

On asset management, we reported that we saw some progress in National Highways' asset management maturity. However, the company was yet to provide us with sufficient evidence that it was executing its asset management policy consistently and effectively. We said that the renewals work it delivers must be targeted at the right asset at the right time in its lifecycle and that National Highways must urgently take steps to demonstrate compliance with its own policy.

On enhancements, we noted that National Highways faced several challenges in 2021-22 but met its in-year revised delivery commitments to start work on four schemes and open seven schemes for traffic. We asked the company to demonstrate that it was mitigating ongoing risks to delivery, such as planning issues, so that it could deliver the remainder of its enhancements portfolio on time and to budget, with the appropriate efficiency savings.

Regional Benchmarking

In January 2023 we published the latest in our regional benchmarking series, alongside summary performance dashboards for each region. This annual exercise uses disaggregated data to measure National Highways' performance and efficiency across its own regional areas or comparable organisations and helps to inform the development of each five-yearly road investment strategy.

Safety on the strategic road network including Smart Motorways

In May, we published our quality assurance of National Highways' Smart Motorways Second Year Progress Report and reported no major concerns.

In December, we published our first Annual Assessment of safety performance on the strategic road network, setting out our assessment of National Highways' performance in 2021 and a progress update on the Transport Select Committee recommendations on the roll-out and safety of smart motorways. We reported that National Highways appears to be on course to achieve its key safety target to halve the number of people killed or seriously injured on the SRN by 2025 (compared to a 2005-2009 baseline). However, traffic across 2021 was still below pre-pandemic levels and there is a risk that the number of casualties could increase if this rises further. We said the company needs to maintain its strong focus on safety and committed to scrutinising the action plan aligned to its 2025 target when shared in March 2023, to assure ourselves that it is robust, deliverable and sets out how the company will achieve its target.

ORR has a specific role in ensuring National Highways delivers on its actions in the Smart Motorways Action Plan. A key focus was on the action for faster traffic officer response times to incidents where the existing spacing between safe places to stop in an emergency is more than one mile. National Highways met its target to achieve this by the end of September, largely due to our intervention. We will continue to monitor their performance to the end of the current road period.

The safety report also provided the early findings of our work responding to the Transport Select Committee recommendations, specifically looking at the effectiveness of safety systems in place on smart motorways and of the action plan in reducing the frequency and duration of live lane incidents.

Our review found that stopped vehicle detection (SVD) technology is not yet performing to the level the company set itself. We required National Highways to respond to this urgently, setting a target of the end of June 2023 to make rapid improvements to the SVD technology. National Highways implemented several software fixes as part of its programme to improvet the performance of stopped vehicle detection on all lane running motorways. We have worked closely with the company throughout the process and are content with the progress we have seen so far.

We will provide an update from our initial assessment of results in summer 2023 and will provide a more detailed report on progress in our annual report on safety later this year.

Our assessment also concluded that it was too early to fully understand how successful National Highways' delivery of the action plan has been in reducing the frequency and duration of live lane stoppages. However, the initial stages of our work carried out a detailed assessment of how the company evaluates its education campaigns, which found that its overarching strategy and approach are well aligned to the relevant best practice guidance. The company will begin its wider evaluation work in 2023 and we will monitor implementation and delivery, along with the evaluation of future waves of education campaigns.

Preparing for RIS3

As part of our role in the development of new road investment strategies, we published a document in May setting out our role and approach to the third Road Investment Strategy (RIS3). In preparation for providing our independent advice to the Secretary of State for Transport, we commissioned, jointly with National Highways, capability reviews focusing on the company's ability to improve efficiencies in its asset management and project management and procurement. Furthermore, following a request from DfT, in October we provided early advice on funding for renewals.

- ← Previous Strategic objective 3: Value for money from the railway
- → Next Delivery of service standards