Annual Report and Accounts 2023 to 2024

Strategic objective 4: Better highways

ORR is the independent regulator for National Highways. We hold it to account to ensure that it manages, operates and improves the strategic road network (SRN) in England efficiently and effectively on behalf of road users and taxpayers.

Annual assessment of National Highways' performance

During the past year, we continued to monitor National Highways' delivery of requirements set out in the second road investment strategy (RIS2, April 2020 to March 2025). In July we published our annual assessment for 2022-23, in which we looked at the company's performance and efficiency over the year, its delivery of enhancements schemes to budget and time, and its effectiveness in discharging its duties to run an efficient, safe and reliable strategic road network in England.

Our key messages focused on efficiency, enhancements, asset management and environmental performance. Overall, we concluded that National Highways had delivered efficiently for road users, despite financial uncertainties. However, we highlighted a number of areas of concern that needed to be addressed, particularly underperformance in its capital programme and asset maintenance, and ongoing risks to delivery of its RIS2 performance targets and commitments.

Following the publication of the report, we observed through the year that performance dipped in a number of areas and some of the risks we had identified had materialised. Due to the repetitive nature of the concerns and the proximity to the end of the road period, we decided that we needed to take further action. Therefore, in February 2024, we launched an investigation into the company's performance, delivery and capability, to form a view on whether the company is acting

in compliance with RIS2 and its licence.

Regional Benchmarking

In November 2023, we published our latest regional benchmarking, including summary performance dashboards for each National Highways region. This exercise uses disaggregated data to measure the company's performance and efficiency across its own regional areas and to challenge where it is investing public funds on the SRN. This reporting provides transparency to government, taxpayers and stakeholders about the variation in performance across the network and helps to inform the development of future investment priorities.

Safety on the strategic road network including Smart Motorways

In December 2023, we published our second annual assessment of safety performance on the strategic road network, setting out our assessment of National Highways' performance in 2022. This included looking at safety on smart motorways, with an update on our findings in relation to recommendations from the Transport Select Committee's 2021 inquiry into the rollout and safety of smart motorways.

The assessment examined National Highways' performance against its RIS2 key performance indicator (KPI) safety target, which is to halve the number of people killed or seriously injured on the SRN by the end of 2025, compared to a 2005-2009 baseline. We reported that in 2022 the company achieved a 38% reduction in the number of people killed or seriously injured. However, we identified that it was not on course to achieve its safety target of a 50% reduction across the whole of the SRN by the end of December 2025, and that increasing traffic levels would make this even harder to achieve. We therefore stated that the company needed to produce a robust plan by the end of March 2024, setting out how the company aims to recorrect its performance to meet its agreed target. National Highways has now provided this plan for us to review, and we will provide an update on progress later this year.

Our assessment also concluded that National Highways had improved the performance of stopped vehicle detection on 'all lane running' (ALR) motorways, a key concern we raised in our 2022 safety report. However, we identified that the company now needs to focus on expanding its

analysis to understand how it can further optimise the technology. Combined with other smart motorway technologies, we will continue to monitor performance and assess the company's progress to meeting its targets.

In December 2023, we also published our quality assurance of two smart motorways safety reports from National Highways: smart motorways stocktake third-year progress report and smart motorways scheme safety before versus after assessment. We found that new data and analysis produced by the company had contributed effectively to the reports; changes to data were sound and clearly communicated; and in developing its analysis, the company continued to follow appropriate analytical assurance processes to ensure the reliability of its analysis.

We have received positive engagement and feedback from stakeholders on the outcomes of our safety reporting this year, and the transparency it brings to this high-profile issue, which is of concern to road users.

Preparing for the third road investment strategy (RIS3)

Our planned efficiency review of National Highways' draft strategic business plan for the third road investment strategy (RIS3) will continue into this coming business year, due to delays to the programme outside of our control. Earlier in the year we reviewed initial plans, in order to provide the Secretary of State with provisional, independent, expert advice on the level of challenge and resource requirements for the draft RIS3. Ultimately, our recommendations will help the government maximise the long-term benefits of investment in the SRN, with a view to better outcomes for road users, improved environmental impacts and better value for money for taxpayers.

Our performance against 2023-24 business plan deliverables

2023-24 Commitment	Status
Carry out efficiency review of National Highways' strategic business plan for RIS3	Not met
Publish the annual assessment of National Highways	Met
Publish annual assessment of safety performance on the strategic road network	Met
Publish annual benchmarking National Highways – regional performance	Met
Monitor National Highways' delivery of the smart motorways action plan	Met
Quality assure National Highways' annual smart motorways safety update report	Met

We did not complete the efficiency review of National Highways' strategic business plan as RIS3 development has been significantly held back by delayed government decisions. Timetables remain uncertain.

Future plans

In our deliverables for 2024-25, we have committed to publishing the following: an efficiency review of National Highways' strategic business plan for RIS3; the outcome of our investigation into National Highways' performance, delivery and capability and our annual assessment and regional benchmarking of its performance; our third annual assessment of safety performance on the strategic road network; and quality assurance of National Highways' annual smart motorways safety update report. We will also refresh our policy on how we will hold National Highways to account for the third road period (RP3).

- ← Previous Strategic objective 3: Value for money from the railway
- → Next Our people and performance