



OFFICE OF RAIL AND ROAD

Annual assessment of Highways England's performance: Summary

April 2015 – March 2016

Background

Highways England manages the strategic road network – England's motorways and main A roads.

The government has set the outcomes and improvements that Highways England must deliver from April 2015 to March 2020 – the first road period. Over these five years, the company is responsible for delivering over £11bn of public investment into the network.

The Office of Rail and Road (ORR) independently monitors Highways England's performance against these targets. Our report on Highways England's first year of operation covers:

- How Highways England has performed against its eight key outcomes
- How it is managing the network and delivering improvements
- How Highways England is delivering its licence requirements

Key messages

1

Highways England has made a good start to delivery in the first road period. It has met its performance targets and delivered its investment commitments in 2015-16.

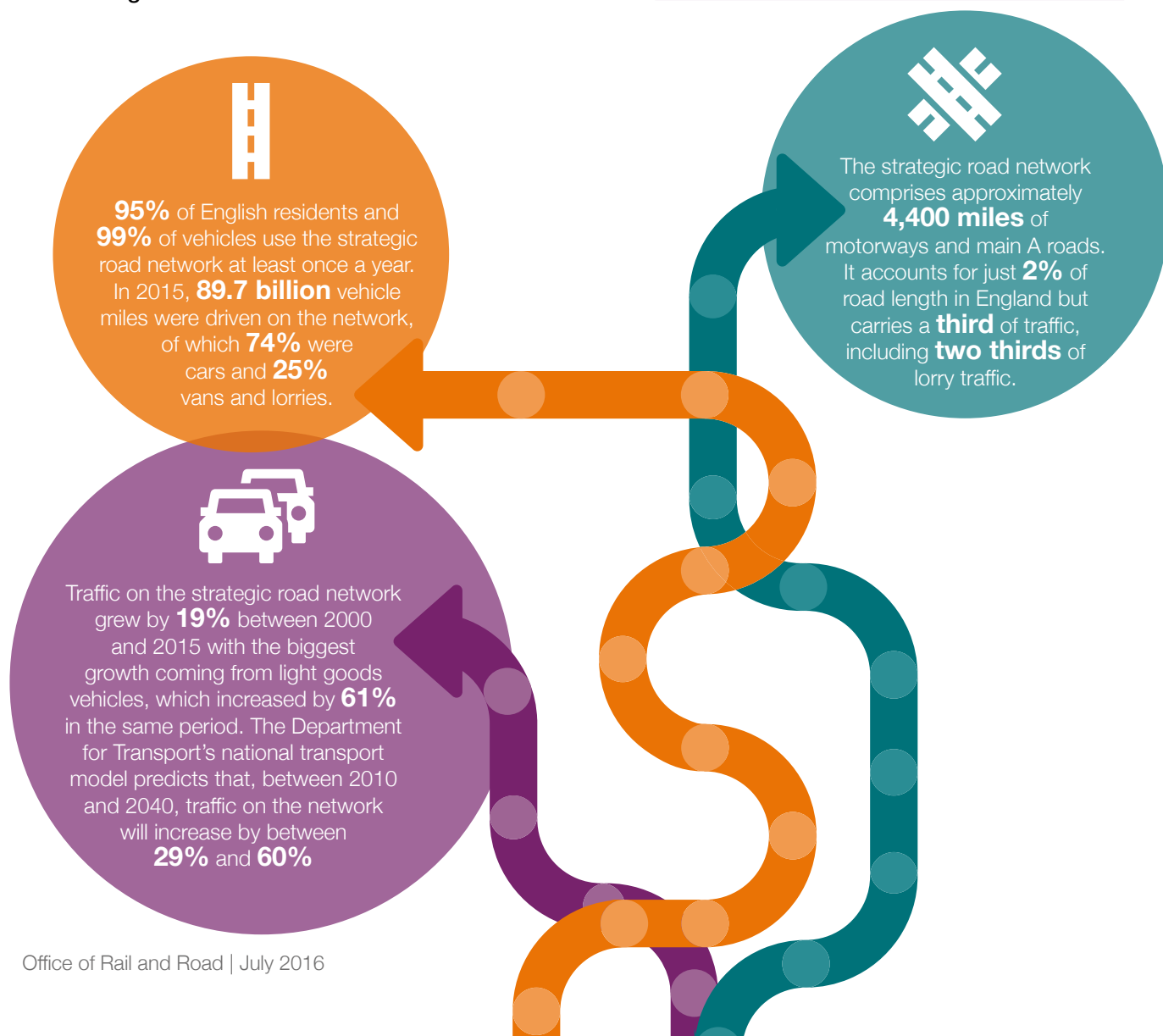
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Highways England now needs to implement robust plans to make sure that it delivers targets in the rest of the road period, including improving safety performance, customer service and environmental mitigations.

3

There is an opportunity for Highways England to improve its management of risks to network investment delivery over the road period. In particular, there is more to do in planning and delivering investment efficiently and in demonstrating that network condition is being managed sustainably.

The strategic road network



Operational performance

Highways England has met its performance requirements for 2015-16. It has exceeded its targets for maintaining network availability, clearing motorway incidents, and maintaining the quality of the road surface. It has also progressed its environmental strategies and plans, including publishing its biodiversity action plan.

On some other measures, the company does not have annual targets. For example, the company must make the network safer, including reducing the number of people killed and seriously injured on the network by 40% by the end of 2020. Data for 2015 show a reduction in the number of killed and seriously injured compared to the previous year, but the company needs to focus on this area if it is going to meet its 2020 target.

Highways England must achieve 90% user satisfaction by March 2017. This year, it achieved 89.3% and although this is an improvement on the previous year, it needs to carefully plan how it will hit its 90% target.

Capital investment

Highways England must deliver £11.4bn of capital investment by 2020. It delivered its major scheme commitments for 2015-16, including opening five schemes to traffic, and starting construction of eight further schemes, one more than planned. However, on schemes that have opened for traffic, expenditure for the year was £4m (4%) higher than estimated. This was primarily down to undertaking additional renewal work as part of the schemes.

Looking forward, ORR is concerned that Highways England has not fully set out how it is managing risks to delivery of capital investment in future years, although the company is working to improve its plans. Highways England needs to set clear baselines for scope, cost and timings of schemes, and explain how the portfolio will be delivered within available funding.

Highways England must carry out work to maintain the network in good condition. The company has more to do to demonstrate that it is planning and delivering this work efficiently and effectively. It must also improve its asset management information, for example for drainage.

The company has also been given designated funds for carrying out environmental, cycling, safety, integration, innovation, air quality and growth and housing improvement works. In 2015-16, the company has carried out preparatory work on identifying and delivering improvements using these funds.

Financial performance

Highways England spent £3.0bn in 2015-16, including £1.9bn on its capital programme. This was in line with its funding.

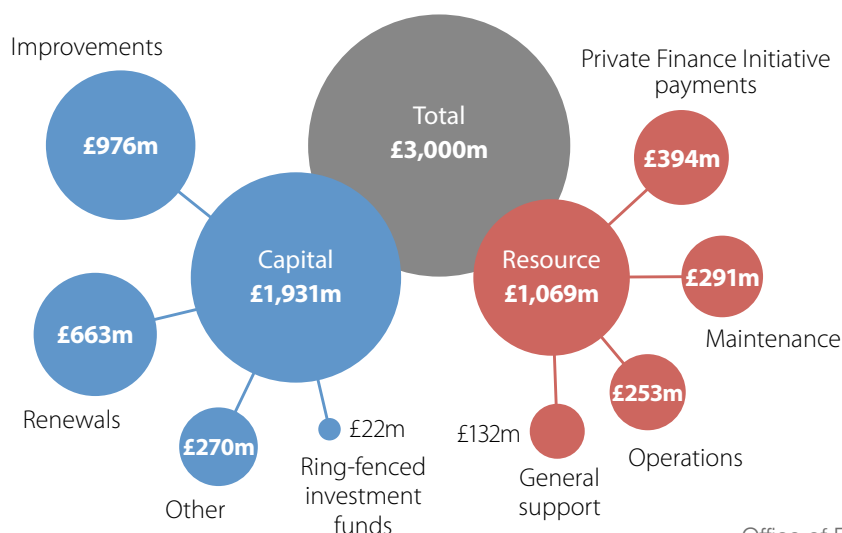
The company has a target to deliver £1.2bn of efficiency savings by March 2020. It has made progress in its first year, achieving its internal efficiency target of £33m. Efficiencies are expected to rise as delivery of the capital programme increases during the road period.

Priorities for 2016-17

In 2016-17, Highways England needs to:

- Set out clear plans for delivery of future performance targets
- Improve its plans for capital investment delivery, and its capability for portfolio, programme and project management
- Improve data quality, including data about its assets and its efficiency
- Improve transparency of its plans and performance
- Take forward its planning for the next road period and develop evidence-based route strategies

Highways England's expenditure in 2015-16



Performance Specification: delivery of key performance indicators

Outcome	KPI and target	Performance in 2015-16	RAG 2015-16	RAG Road Period 1
Making the network safer	Killed and seriously injured Target: 40% reduction by end of 2020	Improvement in 2015, but more needed to deliver 2020 target	Amber	Amber
Improving user satisfaction	Road user satisfaction Target: 90% by March 2017	89.3% satisfaction	Amber	Amber
Supporting the smooth flow of traffic	Network availability Target: 97% lane availability in any one rolling year	98.4% availability	Green	Green
	Incident clearance Target: 85% of motorway incidents cleared within one hour	86% cleared within one hour	Green	Green
Encouraging economic growth	Average delay (seconds per vehicle mile) Target: No target set	8.9 seconds delay per vehicle mile	Amber	Amber
Delivering better environmental outcomes	Noise important areas mitigated Target: Mitigate at least 1,150 noise important areas by March 2020	48 delivered	Amber	Amber
	Improved biodiversity Target: Publish biodiversity action plan	Action plan published in June 2015	Green	Green
Helping cyclists, walkers and other vulnerable users	Number of new and upgraded crossings Target: No target set	204 delivered	Amber	Amber
Achieving real efficiency	Capital expenditure savings Target: Total savings of at least £1.212bn on capital expenditure by March 2020	Met internal target of £33m	Green	Amber
	Progress of work, relative to Delivery Plan Target: No target set	Delivery in 2015-16 largely to plan, risks to delivery later in the road period	Green	Amber
Keeping the network in good condition	Pavement condition Target: 95% of pavement requiring no further investigation for possible maintenance	95.4% requires no further investigation	Green	Green

Major scheme delivery in 2015-16

	Major scheme	Committed date	Actual date
Major schemes starting construction			
1	A160/A180 Immingham	2015-16, Q1	2015-16, Q1
2	A21 Tonbridge to Pembury	2015-16, Q1	2015-16, Q1
3	M1 J13 – J19	2015-16, Q3	2015-16, Q3
4	M5 J4a – J6	2015-16, Q3	2015-16, Q3
5	M6 J16 – J19	2015-16, Q3	2015-16, Q3
6	A50 Uttoxeter	2015-16, Q3	2015-16, Q3
7	M5 Junctions 5 to 7	2015-16, Q3	2015-16, Q2 Ahead of schedule
8	A43 Abthorpe junction	Late 2016	2015-16, Q4 Ahead of schedule
Major schemes opened for traffic			
9	A14 Kettering bypass widening	2015-16, Q1	2015-16, Q1
10	A453 widening	2015-16, Q2	2015-16, Q2
11	M1 J28 – J31	2015-16, Q4	2015-16, Q4
12	M6 J10a – J13	2015-16, Q3	2015-16, Q4
13	M1 J39 – J42	2015-16, Q3	2015-16, Q3

Key

- Milestone delivered on or ahead of schedule
- Milestone delivered one quarter behind schedule

Highways England's main asset types – asset health

