

# Department for Transport

## Consultation: proposals for the creation of a Major Road Network

**ACE response**

**March 2018**

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## Executive summary and recommendations

Below are the key comments and recommendations from ACE's review of the Department for Transport's (DfT) proposals for the Major Road Network (MRN).

- The MRN objectives need to be expanded to include a holistic and integrated network, support for local roads in addition to the Strategic Road Network (SRN) and the integration of smart technology.
- The MRN principle of providing funding certainty is only achievable through sustainable revenue for the National Roads Fund. The Government must ensure the increase in zero-emission vehicles, whilst positive, does not result in less funding for the MRN and SRN.
- The principle of only investing in enhancements and major renewals for the MRN overlooks the importance of maintenance to a well-functioning road network.
- Criteria for the design of the MRN must anticipate future demands to ensure the network is actively supporting growth opportunities across the country, such as through dynamic traffic modelling. If this is not possible, DfT should decrease the review period to occur every two and a half years.
- There is merit in specifying an upper level on traffic flow measurements for the MRN design criteria as this will help with DfT's planning to move roads between the MRN and SRN as demand changes.
- The MRN should be designed as flexible and agile, where local roads can be added to the MRN as a 'sponsored road' during one funding cycle if the road is of a poor standard and there is a need for a short-term intervention.
- The MRN's investment planning approach will involve a lot of stakeholders. We believe Highways England should play a lead coordinating role (instead of a support role) to ensure a consistent and efficient approach across the country. Highways England should also play a role in building the investment planning capabilities of regional and local bodies.
- Areas without sub-national transport bodies should not be disadvantaged and they must be provided with resources to develop a rigorous evidence base. We recommend the Government explore using Scotland's Regional Transport Partnerships (RTPs) as a

model in these areas. These partnerships, in addition to sub-national transport bodies, could also play a role in monitoring the delivery of MRN schemes in their area.

- The MRN should not have a minimum cost threshold for proposed schemes.
- Local contributions should be consistent across all MRN schemes. For example, the UK Government could commit to consistently funding a certain percentage for all approved MRN schemes with the remainder to be funded at the local level.
- The investment assessment criteria should also consider connectivity to other transport modes (such as rail, airports and maritime ports), and how investments can support the local road network and road users.

## Objectives and core principles of the MRN

ACE has taken the opportunity to comment on the objectives and principles of the MRN as we believe these significantly shape other areas of the proposal that DfT are seeking feedback on.

### Objectives

There is room to expand on the objectives of the MRN further by focusing on:

- creating a holistic network, across the MRN and in conjunction with the SRN;
- support for local roads; and
- the integration of smart technology.

The core objective of the MRN proposal should be about creating a holistic and integrated network for all road users. The planning and funding of the road network should therefore be managed through a coordinated approach, leveraging on the expertise of regional bodies to better understand local needs. Without a coordinated approach, the MRN runs the risk of becoming siloed and disjointed through regional variations, resulting in a poorer experience for road users, less of a focus on the end-to-end journey and a risk of regional divergences in design standards of roads.

A coordinated approach will also enable the MRN to be better integrated into the existing SRN and local road networks. While the MRN objectives are focused on supporting the SRN through a complimentary and aligned funding approach, they do not discuss the need to consider interfaces with or impacts on local roads. The objective on supporting the SRN should be expanded to also include local roads and their funding arrangements and consider how investments in and around the MRN can improve last mile journeys (so often on local roads) and avoid negative impacts on the surrounding road network such as a significant increase in traffic volumes.

Highways England's post-2020 proposals for the SRN are heavily focused on embracing smart technology and MRN proposals should have the same ambition. As outlined in ACE's funding roads report, the use of smart technology on roads should be considered the new normal due to safety and efficiency benefits offered. DfT have an opportunity to leapfrog existing trends on how roads are developed (which tends to be upgrading the physical capacity of a road first before improving its efficiency) by embracing smart technology from the outset. Measures such as variable speed limits, managed traffic lanes and vehicle-to-infrastructure cooperative

systems should not be limited to bigger motorways in England and should be the preferred approach for dealing with traffic demands on the MRN from the outset. The MRN provides an ideal opportunity to test future technologies and approaches that can be refined and developed for roll-out across the broader national networks.

The MRN will also have a vital function within its hinterland. Alongside advances in smart technology, we must consider the opportunity to embrace transportation demand management techniques which have proved successful in influencing traffic demand in other countries. We must recognise that managing travel demand may in many instances be preferred to expanding traffic capacity, in terms of investment, extending the asset life and reducing environmental impacts.

## **Core principles**

Funding certainty for the MRN will benefit road users through the delivery of better quality roads and will provide certainty for the supply chain with a long-term pipeline of investments. However, this principle is dependent on sustainable revenue for the National Roads Fund and we do not believe Vehicle Excise Duty (VED) revenue from England will provide this certainty over the medium to long-term. As outlined in our funding roads report, the current design of VED will see revenue only increase by £0.8 billion over the next five years and industry's expectation of a sizeable switch-over to electric vehicles by the mid-2020s will inevitably see this revenue start to decrease year-on-year. To ensure this principle is realistic, the Government must look at redesigning VED to ensure revenue does not reduce as a percentage of GDP in the medium-term and explore if ring-fencing from new road taxation arrangements, such as a dynamic road user charging model, provides more funding certainty for the MRN over the long-term future. Inaction creates a risk that funding for the MRN and SRN will start to dry up and limit the ability of the National Roads Fund to deliver against the needs of both these networks.

The focus of the MRN exclusively on enhancements and major renewals overlooks the importance of maintenance to a well-functioning road network. While maintenance may seem less important than a new road or an upgrade to an interchange, the reality is poor maintenance significantly reduces the performance of a road by increasing traffic delays and creating unsafe driving conditions. Existing maintenance provisions for individual highways authorities will not be sufficient for the MRN (highlighted by the recent attention around potholes on local roads) and will result in assets deteriorating more quickly, requiring more

costly enhancements or renewals to address neglect. In comparison, investment in the SRN includes over 19% in funding for resource maintenance and we would therefore expect similar provisions for the MRN, particularly in light of DfT's desire for a complementary investment approach between the two networks. MRN funding for maintenance would also allow for the adoption of the principle of 'enhancement by maintenance' to eliminate instances where roads are being maintained to outdated standards.

## Defining the MRN

### Criteria

The criteria used to define the network must consider the future demands on England's road network. DfT put forward a number of understandable reasons for why they do not propose using projected traffic levels, however these reasons do not address the need for a network that supports future needs by driving local growth. We recommend DfT use other forward-looking projections such as local plans and planning permissions for major developments, to determine future needs. Quantitative criteria that is capable of reading and responding to future demands will be key to ensuring the MRN is not static and is actively facilitating growth opportunities across the country.

To support more accurate modelling of demand and understanding of network functionality, we encourage the adoption of dynamic traffic which builds on the opportunities afforded by connected car data and predictive data analytics. It is important that steps are taken quickly to evolve and update planning approaches to take advantage of technological advantages and unburden planning from the constraints of static regional traffic models.

There is merit in specifying an upper level on traffic flow measurements as this will help with DfT's planning to move roads between the MRN and SRN as demand changes. It is important to ensure the right roads are in the right network, with service levels and funding reflecting actual needs.

Qualitative criteria do not account or anticipate significant changes to a local area between the proposed five-year review periods. For example, the current proposal of connecting towns and cities with a population over 50,000 people does not consider places growing quickly or on the threshold. Therefore, a population centre tipping over this threshold in the first year of an MRN funding period would not see any plans for connections for at least four years. This criterion should be redesigned to also consider anticipated growth in an area within five years.

Lastly, we do not see a need to consider if a road was de-trunked between 2001 and 2009 in criteria determining the makeup of the MRN. These roads should be included in the MRN based on their merit against other criteria and not their former status.



## Future reviews

The proposal to review what roads make up the MRN over a five-year period would be sufficient if the criteria were more forward looking. DfT should either consider altering these targets to take a longer-term view or decrease the review period to occur every two and a half years. Increasing the frequency of the review period would ensure all criteria is fit for purpose and help account for changes in traffic flow that happen as a result of different schemes coming online.

## Sponsored roads

As outlined in ACE's funding road report, the MRN should be designed as a flexible and agile network where local roads are easily added to the MRN if there is a strong case that additional investment will benefit England's economy and unlock productivity in an area. To achieve this, we believe there should be two types of roads included in the MRN:

- Significant local roads of a poor standard (such as B roads). These roads should be included in the MRN for a set period (i.e. one MRN funding cycle) to significantly improve their standard. These roads may not be important enough to receive ongoing funding from the MRN programme but instead require a short-term intervention to get them up to an appropriate standard. These roads could be considered 'sponsored' roads of the MRN.
- Major roads of regional importance (such as A roads not included in the SRN). These roads may be connecting roads between major population centres, freight hubs or last mile roads from the SRN. These roads should be a fixed part of the MRN and also receive ongoing maintenance funding.

## Investment planning

### **Roles for local, regional and national bodies**

The commitment to involve local and regional bodies in investment planning for the MRN is positive. However, this approach will involve a lot of stakeholders across the MRN programme and there will need to be some coordination to ensure schemes are consistent and efficient. We believe Highways England is in the best position to ensure there is a consistent and efficient approach across local and regional bodies, particularly from a technical perspective.

We also believe Highways England would be well placed to help improve the capabilities of local and regional bodies in investment planning and they should have a more concrete and leading role in the new MRN programme, instead of the support role outlined in the proposal. The MRN needs to sit in a hierarchy of roads. Without central coordination, the MRN will not be a consistent network and runs the risk of creating a confusing hierarchy of roads, dispersing assets needs and impacting on the experience of road users. We strongly recommend the MRN proposal focus on creating a holistic network, creating a tier of roads of the same look and feel throughout the country, and this must include more detail on how the network will be managed.

### **Regional groupings for areas without sub-national transport bodies**

Areas without sub-national transport bodies should not be disadvantaged under the MRN programme and they should therefore be provided with appropriate resources to develop rigorous proposals. We recommend DfT explore using a similar model to Scotland's Regional Transport Partnerships (RTPs) in areas where Local Enterprise Partnerships and local authorities will need to form regional groups. As is the case in Scotland, these regional groupings could operate as joint boards with a clear basis and receive funding to appoint advisors/observers from the supply chain to provide technical support. These partnerships, in addition to sub-national transport bodies, could also play a role in monitoring the delivery of MRN schemes in their area.

## Eligibility and investment assessment

### Cost thresholds and eligibility criteria

The MRN should not have a minimum cost threshold for proposed schemes. Road projects of less than £20 million still have the potential to deliver significant economic benefits to a region, particularly through a targeted and interventionist approach and the cost of these projects should not be a factor when considering their eligibility for funding. The focus should be on the merit or the benefits of a project (if the output of a proposed scheme justifies the input) and we therefore recommend an outcome focused threshold.

DfT should outline a consistent approach to local contributions for MRN schemes. In some places outside of the UK, governments who share costs for road schemes between different levels of governments have a set amount for how funding is split on all investments. For example, the UK Government could commit to certain percentage of funding for all approved MRN schemes with the remainder consistently funded by the local level. A consistent approach would ensure those at the local level have a clear understanding about what their contributions will need to be when developing proposals for MRN schemes and also remove any perceived bias for projects being approved in areas where more local funding is available.

### Investment assessment criteria

These criteria should also consider connectivity to other transport modes (such as rail, airports and maritime ports) and how investments can support the local road network. Both will ensure the road network is well connected and improve end-to-end journey times across a range of transport networks, rather than just on England's strategic and major roads.

While the investment assessment criteria consider support for the SRN, they do not consider impacts on local roads. We therefore believe the objective on support for the SRN should be expanded to also include local roads with criteria measuring improvements to road networks above and below the MRN.

A future part of impact assessment must be the effect of any potential improvement on road users. Too often there is a focus on demonstrating the benefit-cost ratio at the expense of a proper consultation on the impact to road users. The Dutch 'Minder Hinder' approach to road investment provides a strong and readily adoptable framework which focuses on minimising the impact on road users as a key consideration.

## Other considerations

DfT should consider if the MRN proposal has any implications to the current design of the SRN. Going forward, some SRN funded roads may fit better in the MRN, and vice versa. It will be important that both networks are able to flexibly interact to ensure funding is going to roads where it is needed most.

Lastly, the role of the Office of Rail and Road (ORR) is not clear in DfT's MRN proposal. If the goal is to provide a consistent standard across the network, ORR would be well placed to monitor the performance of the MRN and to ensure compliance to funding plans.

## About ACE

As the leading business association in the sector, ACE represents the interests of professional consultancy and engineering companies large and small in the UK. Many of our member companies have gained international recognition and acclaim and employ over 250,000 staff worldwide.

ACE members are at the heart of delivering, maintaining and upgrading our buildings, structures and infrastructure. They provide specialist services to a diverse range of sectors including water, transportation, housing and energy.

The ACE membership acts as the bridge between consultants, engineers and the wider construction sector who make an estimated contribution of £15bn to the nation's economy with the wider construction market contributing a further £90bn.

ACE's powerful representation and lobbying to governments, major clients, the media and other key stakeholders, enables it to promote the critical contribution that engineers and consultants make to the nation's developing infrastructure.

Through our publications, market intelligence, events and networking, business guidance and personal contact, we provide a cohesive approach and direction for our members and the wider industry. In recognising the dynamics of our industry, we support and encourage our members in all aspects of their business, helping them to optimise performance and embrace opportunity.

Our fundamental purposes are to promote the worth of our industry and to give voice to our members. We do so with passion and vision, support and commitment, integrity and professionalism.

### Further information

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