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Transport Committee

Better roads: Improving England's Strategic Road Network

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Summary

The Strategic Road Network (SRN) is a crucial part of our national transport system. The DfT predicts traffic levels on the SRN to rise by 46% by 2040. The network has suffered from inconsistent funding and changes in Government policy over the past two decades. Road users deserve clarity on how the network can be part of a high quality integrated transport system.

If the traffic forecasts are correct, the Government will need to increase investment in the road network substantially during the next decade. This requires new long-term funding streams. A consensus would be required to introduce any road user charging scheme across the SRN and the many issues involved would have to be resolved.

The DfT must develop a transparent system of road planning as part of a wider national transport strategy. The DfT's National Transport Model (NTM) should be subject to wider scrutiny. The DfT should commission integrated passenger and freight plans for strategic transport routes, rather looking at one mode of transport in isolation.

We are not convinced by the case for establishing the Highways Agency as a Government-owned company (GoCo). The benefits seem achievable through better management of the current agency and its relationship with the DfT. We strongly support the five-year funding plans being introduced for the agency, but do not believe that a change in the agency's status is required for their delivery.

If the Highways Agency becomes a GoCo, it will need a strong system of scrutiny. The current proposals for this are inadequate. The new scrutiny body will need the power of a full regulatory authority. The GoCo must view road users as customers and other organisations as partners in the delivery of an integrated transport network.

1 Introduction

1. The Strategic Road Network (SRN) in England consists of the motorways and the most significant A-roads. It is managed by the Highways Agency, which is an executive agency of the Department for Transport (DfT) with a total budget of £4.7 billion in 2014-15.¹ The equivalent networks in Northern Ireland, Scotland and Wales are the responsibility of their devolved Governments.

2. The SRN is 4,300 miles long and makes up 2.4% of the surfaced road network.² More than 30% of all road journeys and more than 65% of road freight journeys use the SRN.³ The network is a crucial part of England's infrastructure, and it is especially important to business. However, we heard views that parts of it are poorly maintained, provides for unreliable journeys, offers inadequate capacity and leaves many areas of the country poorly connected.⁴ The DfT told us that Government investment in road schemes has been historically inconsistent over the years, with “problems of stop start funding” hampering improvements to the road network.⁵

Government strategy and the roads debate

3. Britain's first motorway was opened in December 1958 at the beginning of a major new road building programme.⁶ In the 1960s, contracts were signed for many miles of motorways and plans were laid to upgrade much of the existing network. That policy continued into the 1980s, at a speed largely determined by the funding allocated by the Treasury.⁷

4. In 1989, the then Government introduced a White Paper, *Roads for prosperity*, which announced a greatly expanded motorway and trunk road programme.⁸ This emphasised relieving congestion on inter-urban routes between towns and cities.⁹ Although the then Government examined other options for reducing congestion—for example, increasing the use of rail for freight or the imposition of higher taxes on road users—it concluded that an expanded programme of road widening and new road building was the only way to relieve congestion, a policy which became known as ‘predict and provide’.¹⁰

1 Highways Agency, [Business Plan 2013-14](#), April 2013, p17

2 [Peak car use in Britain](#), Parliamentary Office of Science and Technology, November 2013

3 [Peak car use in Britain](#), Parliamentary Office of Science and Technology, November 2013

4 SRN 10, SRN 18, SRN 30, SRN 38, SRN 43, SRN 52, SRN 55

5 SRN 8

6 Barry Hutton, *Planning Sustainable Transport* (Oxford, 2013), p.58, [“Ernest Marples opening Britain's first motorway”](#), YouTube

7 Barry Hutton, *Planning Sustainable Transport* (Oxford, 2013), p.58

8 Department of Transport, *Roads for Prosperity*, Cm 693, May 1989

9 [Roads: highway infrastructure](#), Standard Note SN/BT/1448, House of Commons Library, November 2010

10 Ibid.

5. Many of the road schemes introduced in the 1990s generated intense opposition. Public concerns about traffic pollution and the destruction of the natural environment resulted in high-profile protests, such as the 1992 protest against the M3 extension at Twyford Down in Hampshire.¹¹ At that time, a number of arguments were advanced on why road building was unnecessary. Some people argued that a policy of building new roads could simply increase congestion as more people were attracted to travel by motor vehicle—a phenomenon known as ‘induced traffic demand’.¹² That analysis was partly accepted in 1994 by the DfT’s Standing Advisory Committee on Trunk Road Assessment (SACTRA) in a report *Trunk roads and the generation of traffic*. That report concluded that “induced traffic can and does occur, probably quite extensively”, albeit varying widely by location:¹³

Induced traffic is of greatest importance in the following circumstances:

- where the network is operating or is expected to operate close to capacity;
- where traveller responsiveness to changes in travel times or costs is high, as may occur where trips are suppressed by congestion and then released when the network is improved;
- where the implementation of a scheme causes large changes in travel costs.

This suggests that the categories of road where appraisal needs to be most careful are improvements to roads in and around urban areas, estuary crossing schemes, and strategic capacity-enhancing interurban schemes, including motorway widening.¹⁴

It added that “the economic value of a scheme can be overestimated by the omission of even a small amount of induced traffic”.¹⁵

6. In the 1990s, other commentators argued that car use had reached a peak level in the UK as well as in other developed countries, an argument which became known as ‘peak car’.¹⁶ Professor Phil Goodwin, Emeritus Professor of Transport Policy, University College London and University of the West of England, explained this to us:

...car use in particular is at or close to some kind of saturation level, and will remain stable, or even decline, in future, depending on what policies are followed... [This] is based on evidence that population and economic growth can happen without traffic growth, this possibility being created by changing land use patterns, which are happening, and by changing attitudes and

11 Ibid, Environment, Transport and Regional Affairs Committee, Ninth Report of Session 1998-99, *Integrated Transport White Paper*, HC 32, para 16, [“The Twyford Down M3 protest in 1992 – in pictures”](#), *The Guardian*, 28 September 2012, www.theguardian.com

12 SRN 6, SRN 12, SRN 12, SRN 16, SRN 28, SRN 44

13 Department of Transport, [Trunk roads and the generation of traffic](#), December 1994, p.ii

14 Department of Transport, [Trunk roads and the generation of traffic](#), December 1994, p.iii

15 Ibid.

16 SRN 6, SRN 12, SRN 44

behaviour, starting with the young and ramifying through the rest of the population.¹⁷

7. Both the 1989 and 1997 national road traffic forecasts overestimated the growth in car traffic, which opponents of road building claimed as vindication for their campaigns.¹⁸ In 1994, the then Government changed its policy, reducing the budget for *Roads for prosperity* and announcing a revised programme. That revised programme concentrated on motorway widening schemes and urgently needed bypasses, while avoiding projects which might have been contentious.¹⁹

8. In 1997, the new Labour Government announced a strategic review of the roads programme and brought forward a White Paper, *A New Deal for Transport: Better for Everyone*, along with a daughter document *A New Deal for Trunk Roads in England*.²⁰ *A New Deal for Transport* stated that “predict and provide didn’t work”. It proposed to reduce congestion through traffic control, better road maintenance, safer roads, promoting other modes of transport and changing development policy, which the then Government argued added up to an integrated transport strategy.²¹

9. *A New Deal for Transport* did not end road building, although it reduced it. The 10-year transport plan in 2000 identified £16.2 billion for capital investment in the road network, stating that there would be a “strong presumption against schemes that would significantly affect environmentally sensitive sites”.²² In 2003, the DfT announced a further £3 billion of new money for strategic roads, while publishing a discussion paper, *Managing our roads*, which examined options for managing the road network in the light of the forecast 20% to 25% increase in traffic by 2010. This included options for traffic management, reducing delays caused by utility companies, other congestion reduction tactics and road user charging.²³

10. In 2005, the Treasury and DfT commissioned Sir Rod Eddington, who was previously the chief executive officer of British Airways, to examine the impact of transport decisions on the economy and environment of the UK and to make recommendations on how the transport network should be modernised. The Eddington Transport Study was published by HM Treasury and the DfT in December 2006. It fully supported road user charging and recommended an integrated transport strategy approach to most transport problems.²⁴ It argued that the main problems with congestion were in urban areas, that the economic benefits of new inter-urban road building were unproven and that the scope for major new

17 Q 2 [Professor Phil Goodwin]

18 SRN 28

19 [Roads: highway infrastructure](#), Standard Note SN/BT/1448, House of Commons Library, November 2010

20 Department for Transport, Local Government and Regions, [A New Deal for Transport: Better for Everyone](#), Cm 3950, July 1998 and [A New Deal for Trunk Roads in England](#), July 1998

21 Ibid.

22 Department for Transport, Local Government and Regions, [Transport Ten Year Plan 2000](#), 6.29

23 Ibid.

24 *Eddington Transport Study*, Standard Note SN/BT/4208, House of Commons Library, March 2010

strategic road schemes was limited.²⁵ Following that report, the Government introduced proposals for a national road pricing scheme in line with Eddington's recommendation. This was dropped following a campaign against the proposal and an online petition which attracted 1.8 million signatures.²⁶

11. In July 2009, the then Leader of the Opposition, David Cameron MP, ruled out a national road pricing scheme under a future Conservative Government but said that he was "happy to look at road tolls" to finance new roads.²⁷ In 2012, HM Treasury and the DfT were asked by Mr Cameron, now Prime Minister, to consider new options for funding strategic roads.²⁸ The Parliamentary Under-Secretary of State for Transport, Mr Robert Goodwill MP, told us that the study fed into the *Action for roads* Command Paper.²⁹

12. Sir John Armit, Chairman of National Express Group, summarised the development of the SRN to date:

The road network has gone through a series of phases. Maybe it was slow, but there was clearly a plan through the '60s, '70s and '80s. Some people might say that we should have done it in 20 years rather than 30, but that is probably the nature of public investment. We have seen a significant change in attitude, which I think has held back continued development through the '90s and during the last 10 years.³⁰

Action for roads

13. In 2011, the DfT published *A fresh start for the Strategic Road Network*, a paper written by the incoming non-executive chairman of the Highways Agency, Alan Cook.³¹ This examined the road network and the Highways Agency and highlighted potential efficiencies and better ways of managing the SRN. It made the following recommendations:

- The DfT should publish a long-term strategy for motorways and trunk roads.
- The DfT should set out a predominantly outcome-based specification for the road network, detailing firm commitments for the next five years and with a challenging target for financial efficiency.
- The DfT should set out a five-year funding package to accompany the specification for the road network with the support of the Treasury.

25 SRN 18, SRN 28

26 SRN 12

27 "[Motorists face paying tolls on new roads under Tory plans](#)", *Daily Telegraph*, 27 July 2009, "[David Cameron's right on road tolls](#)", *Daily Telegraph*, 27 July 2009, www.telegraph.co.uk

28 Cabinet Office, [Terms of reference for the Feasibility Study on Roads Reform](#), March 2012, SRN 12,

29 Q 265 Mr Goodwill

30 Q 59 [Sir John Armit]

31 SRN 8, Department for Transport, [A fresh start for the Strategic Road Network](#), November 2011

- If Ministers decide that new road connections are required, the DfT should examine the business case for building and operating these as private toll roads in the first instance.
- The DfT should remodel the Highways Agency to reflect best practice in successful infrastructure companies and provide greater independence from government
- The Highways Agency board should devise and lead a change programme in the new organisation.
- The reformed Highways Agency, working with local authorities and Local Enterprise Partnerships (LEPs), should initiate and develop a new generation of route-based strategies.

14. The DfT built on Alan Cook's recommendations with the publication of the *Action for roads* Command Paper in July 2013.³² *Action for roads* set out proposals for roads policy to 2021, including:

- A £24 billion funding package for maintenance, capacity and expansion of the SRN.³³
- A Roads Investment Strategy (RIS), to be brought forward by the DfT before the next election, outlining plans and performance criteria for the road network to 2021.³⁴
- A proposal to turn the Highways Agency into a government-owned company (GoCo), with a six-year funding settlement from 2015.³⁵ The company would operate the road network and implement road projects developed by the DfT.

15. The DfT consulted on its proposals in relation to the Highways Agency in late 2013. We were invited to submit our views in March, before the DfT reached a decision on the future of the Agency.³⁶

Inquiry

16. We launched our inquiry on *Better roads: Improving England's Strategic Road Network* in September 2013 following the publication of *Action for roads*. This topic had been proposed by several members of the public earlier that year. In our call for evidence, we sought views on the following:

- How will the policies set out in the *Action for roads* Command Paper improve the SRN for all road users, while also improving the environment?

32 Q 35 [Mr Cook], Department for Transport, [Action for Roads: a network for the 21st century](#), Cm 8679, July 2013

33 Q 249 [Mr Goodwill]

34 SRN 8

35 SRN 8

36 Annex 2

- How does the Government's policy for roads link with planning for other transport modes?
- How reliable is the forecast for growth in demand for the SRN? How should the Government deal with uncertainty in its forecast?
- How can we improve the reliability and efficiency of travel on the SRN? What impact will new technology have?
- What mechanisms are there for Government to increase investment in strategic roads and attract new investors? Are there good examples from other countries that could be applied in the UK?
- How should the Highways Agency be reformed to make it the world's leading highway operator? What roles should Government and the private sector play to ensure better management of the SRN?

17. We received 60 submissions of written evidence and took oral evidence at four sessions between November 2013 and February 2014. In addition, we visited Toronto, Washington DC and Richmond, Virginia, in February 2014 to examine in detail alternative operating and funding models for roads. The programme for this visit is set out in Annex 1. In the course of our inquiry, we also commissioned research from the Parliamentary Office of Science and Technology (POST) on peak car use in Britain. This research is published on our website. We are grateful to POST for its work. Finally, we are grateful for the assistance we received in this inquiry from our specialist adviser, Richard Wigginton.³⁷

37 See Formal Minutes, Appendix B.

2 Demand

18. The DfT uses the National Transport Model (NTM) to predict future traffic levels on the road network. The NTM provides information to build the business case behind strategic road schemes. The validity of the NTM's outputs and how or whether they should be used in planning changes to the SRN are a matter of great contention between supporters and opponents of increasing capacity on our road network.

Demand modelling

19. The NTM indicates that traffic levels will rise by 46% by 2040, as a result of population growth, economic growth and a fall in the cost of fuel. The model shows congestion on the road network increasing dramatically if no capacity is added to it.³⁸ The Chartered Institute of Logistics and Transport (CILT) told us that the forecasts were “generally convincing”.³⁹ The AA added that it did not “dispute the figures, because they are the best shot; I do not think they will ever be bang on, but they have not been far off.”⁴⁰

20. Critics of the policies in *Action for roads* rejected or questioned the outcomes of the forecasts. The Cyclists' Touring Club (CTC) felt that cycling was under-represented:

We gave a specific example of how we feel the national transport model is pretty flawed, in that at the moment it is forecasting a drop in cycling between now and 2035, despite the fact that cycling has increased by 23% in the last five or six years and is clearly on an upward trajectory. We think the model is a blunt tool; it is using very unsophisticated ways of dealing with technological and social change, which is a lot of what is driving the changes in transport at the moment.⁴¹

The Campaign for Better Transport (CBT) noted that the DfT's model had overestimated traffic growth in 1989, 1997 and 2009.⁴² It argued that those overestimates had restricted economic development:

We would argue that the Department for Transport has been overestimating traffic growth for 20 years. That gives artificial barriers to development and the transport infrastructure that goes with it, because the argument [to a developer] is, “There will be all this traffic growth [from your development], and you have to meet that”... The forecasts and modelling that it is required

38 Department for Transport, [Action for Roads: a network for the 21st century](#), Cm 8679, July 2013

39 SRN 47

40 Q 124 [Mr Watters]

41 Q 126 [Mr Peck]

42 SRN 28

that local authorities and developers take up are based on flimsy foundations.⁴³

21. The DfT stated to POST that the NTM takes into account “a wide range of explanatory factors for the level of road traffic, including congestion levels, demographic changes, manufacturing growth, as well as availability and cost of alternative modes of transport.”⁴⁴ However, the DfT admitted to us recently that the NTM has failed to predict changes in traffic levels in London.⁴⁵ We heard concerns that the DfT does not make available the assumptions and methodologies underpinning the NTM in sufficient detail to enable a thorough and independent assessment to be undertaken.⁴⁶ By contrast, HM Treasury and the Office of Budget Responsibility are committed to making their macroeconomic forecasts and methods as transparent as possible.⁴⁷ *The DfT must immediately open the NTM to wider scrutiny, as the Treasury and the OBR have done with their macroeconomic model, to ensure that it accords due weight to all factors affecting transport demand, including economic growth, industrial development, fuel prices, vehicle ownership and demographic shifts.*

Traffic volume

22. Traffic volume on strategic roads peaked in 2006, fell between 2007 and 2010 and started slowly to increase again in 2011.⁴⁸ That is important evidence in the debate between those who argue that the level of traffic has now peaked and those who support the DfT's analysis that traffic volume decreased as a result of the recession and began to increase again as the economy recovered. One argument against ‘peak car’ is the suggestion that traffic volume fell as a consequence of both the recession and the increased cost of fuel.⁴⁹ The newly published data show traffic volume falling before the recession started in 2008, which decouples the recession from the decline in road traffic volume.⁵⁰ This fall in traffic volume also contrasts with the number of rail journeys, which rose consistently per year throughout the recession, despite rail fares increasing more quickly than fuel prices.⁵¹

23. We heard that guidance on planning and parking charges, such as that in Planning Policy Guidance 13 (PPG13), is another factor that influences the volume of road traffic.⁵²

43 Q 115 [Mr Joseph]

44 [Peak car use in Britain](#), Parliamentary Office of Science and Technology, November 2013

45 Oral evidence taken before the Transport Committee on 31 March 2014, HC (2013-14) 1135, Q 92 and Q 104 [Mr Dowie]

46 SRN 6, SRN 9, SRN 26, SRN 29, SRN 42

47 Office of Budget Responsibility, [Memorandum of Understanding between the Office of Budget Responsibility and HM Treasury – the macroeconomic model](#), 2011

48 Highways Agency, [Post Opening Project Evaluation of Major Schemes Meta-analysis 2013: Main Report](#), March 2014, p.55

49 SRN 52, Q 124 [Mr Watters]

50 Highways Agency, [Post Opening Project Evaluation of Major Schemes Meta-analysis 2013: Main Report](#), March 2014

51 [Peak car use in Britain](#), Parliamentary Office of Science and Technology, November 2013, SRN 23, SRN 26, SRN 42

52 SRN 9, SRN 22

The PPG13 transport guidance was introduced in 2001. It was developed as part of *A New Deal for Transport*. On planning, it promoted development in urban, brownfield sites and discouraged greenfield developments that were only accessible by motor vehicle.⁵³ On parking, it required local authorities to set charges to encourage the use of other forms of transport.⁵⁴ Under PPG 13, the NTM road traffic forecasts are based on population projections from the Office of National Statistics in 2008. Those projections state that they “do not take into account any future policy changes that have not yet occurred”.⁵⁵

24. The Department for Communities and Local Government withdrew PPG13 in 2011, as part of a simplification of planning rules.⁵⁶ This recent change in planning and parking policy may well have influenced traffic growth, both from new greenfield housing developments and because driving into towns has become less expensive.⁵⁷

25. Many witnesses to our inquiry discussed the limitations of the DfT forecasts.⁵⁸ POST stated:

The DfT’s forecasts assume no change in Government policy beyond that already announced. However, researchers have stressed that car use will be shaped by future policies around land use planning and measures to reduce driving, including the viability of alternative modes of transport.⁵⁹

Oxera also noted that the NTM does not account for changes in the availability of parking:

A potential weakness of the NTM is that it does not factor in constraints on the availability of parking spaces. Decisions on whether to make a car journey are likely to be heavily influenced by the ability to park at a destination. Consequently, better understanding is needed of how the availability of parking spaces will affect future road demand.⁶⁰

Given that it is impossible accurately to predict local and national planning policy, demographics, types of industry and the extent to which people will want to live in urban areas, a road strategy based on forecast future growth in traffic seems questionable.⁶¹

53 Office of the Deputy Prime Minister, *Planning Policy Guidance 13: Transport*, March 2001.

54 “[Pickles and Hammond to end the war on motorists](#)”, Department for Communities and Local Government press release, 3 January 2011.

55 SRN 9; Highways Agency, *Post Opening Project Evaluation of Major Schemes Meta-analysis 2013: Main Report*, March 2014, p.55; SRN 22

56 “[Pickles and Hammond to end the war on motorists](#)”, Department for Communities and Local Government press release, 3 January 2011

57 Office of the Deputy Prime Minister, *Planning Policy Guidance 13: Transport*, March 2001; SRN 9, WSP & Arup, *Impacts of land use planning policy on transport demand and congestion*, (Cambridge, 2005)

58 SRN 6, SRN 9, SRN 16, SRN 28, SRN 42, WSP & Arup, *Impacts of land use planning policy on transport demand and congestion*, (Cambridge, 2005)

59 *Peak car use in Britain*, Parliamentary Office of Science and Technology, November 2013

60 SRN 15

61 SRN 9

26. The DfT argued that its forecasting was credible. It stated that past failures to predict the level of traffic growth were the result of events that could not have been predicted by the model:

...uncertainty is inherently part of forecasting and predicting future behaviour and trends. Traffic trends and outcomes depend on a large number of variables, economic (GDP, oil prices) and behavioural.⁶²

The Minister defended the NTM and its use in strategic roads policy development:

The forecast is one that I am prepared to defend, but it is dependent on some factors that are more difficult to predict. It would be irresponsible of any Government not to use these figures, which are the best, and the National Transport Model, which is designed to forecast long-term trends.⁶³

27. The DfT must develop a transparent system of road planning as part of a wider national transport strategy. This system should take into account demographic, economic and land use changes, including changes in the location of homes and parking policy. This will allow the DfT to select the most resilient options for reducing congestion or improving connectivity and to promote them across Government Departments and local authorities.

62 SRN 8

63 Q 256 [Mr Goodwill]

3 An effective programme

Route-based strategies

28. In *Action for roads*, the DfT announced that it would develop a programme of route-based road strategies. The Minister explained the reasoning:

...one must look at the whole road as a route in order to make sure that money spent improving a section, by dualling it or—dare I say—putting a tunnel past Stonehenge, or a dual carriageway through the Blackdown hills, or wherever, is not just pushing the problem further along. The route-based strategies are aimed at doing that.

29. Business organisations welcomed this new programme of investment.⁶⁴ Sustainable transport and conservation groups opposed it, citing the impact on the environment of new road building and arguing that new capacity would create more congestion through induced demand.⁶⁵ This concern about induced demand was questioned by the CILT:

The fact that more people are going to travel doesn't mean that you shouldn't provide the capacity for them. We don't say, "Oh, isn't it terrible that Marks & Spencer have opened a new shop? That will encourage people to shop more." There is an economic benefit to some of these things.⁶⁶

30. Several witnesses asked for the route-based strategies to incorporate plans for railway improvements for passengers and freight, as well as options for local transport infrastructure.⁶⁷ Oxfordshire County Council told us:

If you take a step back and look at the strategic context, you cannot think about how to address some of the challenges with the strategic road network without putting them in the context of the transport system as a whole... That is where the idea of having a road investment strategy, linking it very much more not just with investment in strategic rail schemes but also with local transport investment, is absolutely fundamental.⁶⁸

31. Oxera expressed a similar view about integrating rail and road decisions, emphasising the importance of a long-term perspective on strategic transport planning:

The proposed changes give the opportunity for a co-ordinated rail and road investment strategy that could look 25 years into the future. What are the demands going to be on the road network, on the rail network and on parallel corridors, for example? ... There is a real opportunity to change how

64 Q 74 [Ms Dee and Mr Radley], SRN 43, SRN 55

65 Q 105 [Mr Joseph], Q 134 [Mr Spiers], SRN 29, SRN 44

66 Q 158 [Mr Coates]

67 Q 144 [Mr Coates], SRN 2, SRN 3, SRN 4, SRN 14, SRN 35, SRN 47, SRN 48

68 Q 104 [Mr Tugwell]

we plan between rail and road and to make sure that we are taking investment decisions... on a consistent basis across the two networks.⁶⁹

32. Professor Stephen Glaister, of the RAC Foundation, also saw the benefit of integrating rail and road along what he termed a 'corridor of need', while emphasising that this was not part of the current proposals:

I agree that it is a great opportunity, but I am not sure that the Government's current proposals are going to take it up. I do not think there is any forum in which anybody is going to say, "Here is a corridor of need. To what extent will we meet that by road or by rail?" That is not on the table, and it should be.⁷⁰

33. Badly maintained roads also impact on a route's capacity. We received many complaints about the state of the SRN and its feeder roads.⁷¹ The EEF told us that its members had highlighted the backlog in the road maintenance programme and the consequent deterioration in the quality of the road network as issues of major concern.⁷² Ch2m Hill, a transport consultancy, said that resurfacing is necessary on the SRN to reduce the number of vehicles that are damaged by potholes, which cause breakdowns and reduce vehicle efficiency.⁷³

34. During our visit to North America, we discussed trials of route maintenance and investment strategies during our meetings with the staff of the US Senate Committee on Commerce, Science and Transportation and then during our meetings with the Federal Highways Administration (FHWA) and state transport officials in Richmond, Virginia. Virginia was one of the states trialling a new way of devising improvements to congested routes. This involved the selection of a congested route and the implementation of a co-ordinated package of transport measures, identified as both suitable and politically acceptable, to address congestion.

35. Virginia selected the Interstate 95 road, which travels south from Washington DC, for its route investment strategy trial. It developed a package of measures, working with the FHWA and local stakeholders, which included:

- expanding the collection of real time traffic flow data and making it available publicly through road signs, web data and apps
- improving the speed at which accidents and other incidents can be resolved by locating highway controllers in the same building as the emergency services

69 Q 175 [Mr Meaney]

70 Q 175 [Professor Glaister]

71 SRN 5, SRN 7, SRN 18, SRN 21, SRN 28, SRN 29, SRN 45, SRN 51, SRN 52, SRN 61

72 Q 68 [Mr Radley], SRN 43

73 SRN 36

- providing information to travellers about routes by alternative modes of travel during periods of congestion
- promoting ride sharing for car users, especially commuters
- encouraging commuters to change their time of travel
- promoting flexible working as a policy for employers
- prioritising buses, coaches and ride sharing on sections of road heavily used by commuters, through building high occupancy vehicle (HOV) lanes
- expanding park and ride schemes
- introducing managed motorways with hard shoulder running on selected sections of route

36. The Virginia scheme involved an integrated programme of measures. It was designed to make travellers aware of alternative means of transport, to deal quickly with accidents and other obstructions to traffic flow and to reduce the congestion caused by commuters using the busiest sections of strategic road during the peak period. It was a good example how a strategic road, public transport and local investment strategy might be devised and implemented along a 'corridor of need'.

37. We note that the DfT has implemented some of the measures being trialled in Virginia—for example, managed motorways on stretches of the M1, M4, M5, M6, M42 and M62. Many local authorities are running park and ride schemes outside major towns and cities to reduce the level of traffic demand on and around the SRN in urban areas. Transport for London is one authority looking at how out-of-hours deliveries could be encouraged and the extent to which this could reduce congestion.⁷⁴ Many witnesses asked for such measures to be implemented as part of a comprehensive and integrated regional programme with the SRN, rather than as individual initiatives in specific locations.⁷⁵

38. The DfT should commission integrated passenger and freight plans for strategic transport routes or regions, rather than looking at one mode of transport in isolation. Such integrated plans, which should be developed in consultation with local authorities, local enterprise partnerships and community and road user groups, must take into account how different options for the use of infrastructure and technology will impact on transport movements and on economic development. The DfT must then identify projects—including maintenance schemes—within the chosen plan for implementation within the five-year funding cycle. Every project should be subject to a post-implementation review to assess the effectiveness of the investment. We recommend that this process be set out in the forthcoming Roads Investment Strategy.

74 SRN 50

75 SRN 7, SRN 14, SRN 28, SRN 30, SRN 33, SRN 35, SRN 36, SRN 38, SRN 39, SRN 44, SRN 47,

4 The Highways Agency

Reform

39. The Highways Agency was created in 1994 as part of the Next Steps agency programme, which reallocated the operation and implementation functions of Government Departments into a series of executive agencies.⁷⁶ Alan Cook, non-executive chairman of the Highways Agency, explained the benefits now possible by changing the agency into a Government-Owned Company (GoCo), fully funded by the DfT:

There are significant limitations on the way the organisation is required to deal with the supply chain today and, if we gave greater freedom, I believe it would enable us to get a better deal.⁷⁷

He anticipated that the Highways Agency would focus on increasing capacity on existing roads:

...the legacy of the organisation is one of civil engineers and road builders, and as the years have gone by we have moved from a road builder to a road operator... Most of the work of the future, with the level of investment we are talking about, is going to be more smart motorways which increase the capacity of an existing route.⁷⁸

Graham Dalton, chief executive of the Highways Agency, explained his support for the changes:

I think the real benefit—the real advantage—that the plans will bring is a clear brief. The Government's proposals are for a step change in performance of the network... With the proper medium to long-term plan that the new company is charged with delivering, based on outcomes and how the network performs, not tactical interventions, it will be far easier to hold the company to account.⁷⁹

40. We heard a good deal of comment about the planned change to the Highways Agency. The Civil Engineering Contractors Association (CECA) expressed strong support for the proposal. The CECA told us that the GoCo arrangement would provide confidence to suppliers and contractors that the Government programme of investment in roads projects would not change, which would improve the value of tenders for projects.⁸⁰

41. Some witnesses were less enthusiastic about the proposed change. Professor Goodwin said that he did “not really see the logic in the idea of a Highways Agency that of itself

⁷⁶ *The Accountability Debate: Next Steps Agencies*, Research Paper 97/4, House of Commons Library, January 1997

⁷⁷ Q 38 [Mr Cook]

⁷⁸ Q 45 [Mr Cook]

⁷⁹ Q 199 [Mr Dalton]

⁸⁰ SRN 21, SRN 64

would be more efficient if it was less close to political influence.”⁸¹ The Highways Agency Trade Union Side told us that the advantages claimed for a GoCo were deliverable under the current arrangements, provided there was “strong leadership at senior levels across the department, that the central department relinquish some of its centralisation tendencies, and that Ministers do not interfere with the day to day running of the Agency”.⁸² The AA also reported doubts from the majority of its members:

...our members were quite happy with the Highways Agency running the roads. There was quite a lot of doubt about transferring it to a “roadco”, as it were. Quite a high percentage—about 58% - thought that the state should run the roads, which is surprising, especially in the light of promises of extra investment that would come [from a roadco].⁸³

42. The Minister told us that the proposals for the Highways Agency, along with its five-year funding package, would enable the agency to tender maintenance contracts for between five and seven years, rather than for one or two years as at present. This would mean greater value contracts could be negotiated.⁸⁴

43. We questioned the Minister on whether the reformed Highways Agency would simply increase salaries in exchange for a change in output that could have been achieved under a reformed version of the existing agency.⁸⁵ He argued that increasing salaries might be needed in order to attract recruits from global organisations:

...it is important that, if we are to attract and retain the best, we pay the sort of salaries that are needed in that particular field.⁸⁶

44. We are not convinced by the case for establishing the Highways Agency as a GoCo. Its remit will not be extended; it will not have new funding streams; and it will still be subject to changes in Government policy, while incurring ongoing oversight costs. We are not persuaded that increasing salaries will be a value-for-money way of increasing skills in the company. In that context, we note that the agency’s current chief executive has worked in both the private and public sectors. The proposed benefits, including the implementation of the five-year funding plans, seem achievable through better management of the existing Highways Agency.

Oversight

45. In its consultation on the changes to the Highways Agency, the DfT proposed that the Office of Rail Regulation (ORR) would have its role extended to include oversight of the

81 Q 13 [Professor Goodwin]

82 SRN 12

83 Q 122 [Mr Watters]

84 Q 274 [Mr Goodwill]

85 SRN 70

86 Q 272 [Mr Goodwill]

reformed agency, reporting to the Secretary of State but with no regulatory powers itself.⁸⁷ In addition, it proposed expanding Passenger Focus's role to include a customer research service for road users.⁸⁸

46. Alan Cook and Oxfordshire County Council both suggested that this oversight role would be adequate, given that the Highways Agency GoCo would not be charging for use of the roads.⁸⁹ Other witnesses argued that the proposed oversight arrangement would leave the ORR with insufficient influence over the reformed Highways Agency.⁹⁰ The RAC Foundation noted that the ORR would have no powers to take action against inefficient performance and would only report to the Secretary of State.⁹¹

47. Oxera compared the monitoring of the proposed GoCo with that of other utilities. It noted that, if the DfT were to allocate a “quasi-regulatory role” of the GoCo, it would need good data on the SRN's costs and assets. It was concerned that the DfT has insufficient information-gathering powers to obtain this data, which—bearing in mind the example of Network Rail—might take many years to research.⁹² Oxera outlined what would be necessary to ensure that the new agency spent money efficiently:

A lot of work goes into the other regulated utilities, in particular rail but also water, where people are employed by the regulator to go into the company and to make sure that money is being spent in an efficient manner; so quite a lot of resource will have to go on checking the money has been spent... There are many checks and balances that we see in other infrastructure sectors that we would expect to see coming into the strategic road network and, to the extent that it is relevant and necessary, into the local road network as well.⁹³

48. The Minister told us that he had not made up his mind on the best model for regulating the proposed GoCo:

We also need to ensure that we scrutinise very well how effectively money is being spent, or not, as the case may be. That is the other aspect of scrutiny. I am still undecided as to the best way of doing it. I am not sure whether the Office of Rail Regulation is the right route, or whether a panel of experts would be the way to do that.⁹⁴

An advisory or oversight body reporting to the Secretary of State would not be sufficient to scrutinise the performance of the proposed Highways Agency GoCo, because the GoCo would not be accountable to it. The same argument applies to

87 SRN 8, DfT, [Consultation on transforming the Highways Agency into a government-owned company](#), October 2013

88 Ibid.

89 Q 57 [Mr Cook], Q 110 [Mr Tugwell]

90 Q 145 [Mr Spiers], Q 158 [Mr Hugill], Q 172 [Professor Glaister], SRN 33, SRN 35

91 Q 192 (Professor Glaister)

92 SRN 15

93 Q 193 [Mr Meaney]

94 Q 253 [Mr Goodwill]

establishing a panel of experts. Any such panel or body would lack the credibility of an independent regulator. The new scrutiny body must have the power of a full regulatory authority. An expanded ORR could undertake this role.

49. We also heard concerns about Passenger Focus's ability to take on the scrutiny remit for the GoCo.⁹⁵ Professor Glaister told us:

...their skill is in representing the interests of public transport users. They would have to expand greatly their portfolio of skills to deal with road users, not least because a third of this traffic is freight. They are also not in the business of measuring the performance of the network, as distinct from measuring the attitudes of users.⁹⁶

The CBT defended Passenger Focus, saying that there had been similar scepticism when Passenger Focus expanded its role into scrutiny of buses, but argued that Passenger Focus had taken over that role successfully and demonstrated that it could expand.⁹⁷ The Minister told us that Passenger Focus was a "good model" for scrutiny and that he was "reasonably disposed to look at how they may engage and represent road users".⁹⁸

50. We note that Passenger Focus has a record of successfully expanding to take on additional duties and therefore recommend extending the remit of Passenger Focus to include scrutiny of the proposed GoCo. It must be subject to a duty to represent the concerns of all SRN users to the DfT and should set up a panel of road user stakeholders to monitor its work.

Engagement

51. Several witnesses told us about their relationship with the Highways Agency. The Local Government Association said that, in the past, the agency has "not engaged in a way that we feel is helpful", given that the local road network supported the SRN by providing access and diversionary routes.⁹⁹ One business group cited its recent experience in relation to the proposal to upgrade the A14 from Cambridge to Huntingdon, which they suggested had been subject to insufficient consultation and a lack of engagement with road users outside the immediate area of the project.¹⁰⁰ Jordan Products Limited, developers of the Conemaster system for lifting and laying traffic cones, believed that there were "vested interests" within the agency and among its contractors which prevented them from engaging with companies offering technical innovations that would make the agency's work more efficient.¹⁰¹ The Road Haulage Association set out its perspective:

95 Q 76 [Ms Dee & Mr Radley], Q 122 [Mr Bizley]

96 Q 192 [Professor Glaister]

97 Q 100 [Mr Joseph]

98 Q 253 [Mr Goodwill]

99 Q 141 [Cllr Box]

100 SRN 11, SRN 31, SRN 33, SRN 39

101 SRN 51

I am not sure that the Highways Agency is particularly good at consulting, sometimes with other local authorities, never mind organisations such as the RHA, but there is a contribution we can make, with our members, to schemes locally, and also nationally, to scrutinise more closely how the Highways Agency is operating.¹⁰²

52. We discussed the current relationship of the Highways Agency with its customers and other stakeholders with Alan Cook, non-executive chairman of the agency. He told us that the agency had not focused on this enough in the past, but that it was trying to improve the situation:

There has not been a strong enough customer ethos, whether that customer is the person driving a vehicle on the strategic road network or managing a piece of road that interfaces with it. That is an area we have been focusing on a lot in the last 18 months.¹⁰³

53. The Chartered Institution of Highways and Transportation (CIHT) suggested that, before the GoCo is set up, stakeholders should be asked to feed in to its objectives. Local authorities, LEPs, community groups, other organisations and individuals would be involved in developing what would be the GoCo's performance specification. The final specification could emphasise the importance of the GoCo's work being able to capture the requirements of the local road network.¹⁰⁴

54. Graham Dalton, the chief executive of the Highways Agency, defended its record on public engagement:

There are a lot of local authorities, and I run a relatively lean business. I do not think we offer a full active dialogue all the time with all local authorities. We have a couple of hundred of authorities to deal with, and I am sure some will think we do not engage enough, and some will be quite happy.¹⁰⁵

55. The proposed new Highways Agency GoCo must have a realistic performance specification for engagement with its stakeholders. This must instil in the GoCo a view of road users as customers and other organisations as partners in developing roads for freight and passengers, as part of an integrated transport network. This specification must be agreed with local authorities, LEPs and road user groups before the GoCo is set up.

102 Q 122 [Mr Semple]

103 Q 37 [Mr Cook]

104 Q 150 [Mr Hugill]

105 Q 237 [Mr Dalton]

5 Financing the future

56. Supporters of new road building and investment such as the RAC Foundation and the CBI broadly welcomed *Action for roads* and the developing Roads Investment Strategy (RIS), for the new programmes it brought forward and the commitment to consistent spending. Despite this, they questioned whether the level of investment in roads would be sufficient in the long term.¹⁰⁶ They, as well as the CIHT, were concerned whether the five-year funding settlements would give enough certainty to longer-term maintenance and improvement programmes, given the propensity of Governments to change spending priorities.¹⁰⁷ The CBI therefore expressed disappointment at the failure to address the longer-term issue of how to finance the SRN:

...the feeling from business was that the Government's July Command Paper had fallen short of addressing the long-term problems facing the network, namely the existing funding gap and potential shortfall of motoring tax revenue in the future [because of more efficient vehicles].¹⁰⁸

57. The British Ports Association provided a limited welcome to the spending commitments in *Action for roads*, but noted that the DfT is relying on savings of 20% on maintenance and improvement works, by committing to “innovative working methods”. It questioned whether the DfT would be able to achieve that saving.¹⁰⁹

Road user charging

58. A wide range of commentators said that road user charging would be the best long-term way to finance the SRN.¹¹⁰ This could take the form of a national charging scheme or tolls on individual roads. During our visit to Ontario, we met with the management of the 407 ETR privately-operated toll motorway. The 407 ETR offered fast commuter journeys with reliable journey times for those willing to pay to use it. Most journeys were by occasional users making time-critical journeys within the Toronto region. Local drivers had concerns about road user charging; however, because the 407 ETR did not replace part of the free-to-use state road network, but provided an alternative route, the toll motorway seemed to be accepted in Ontario. Macquarie Capital noted the example of French toll roads, in which a private toll road operator negotiates a system of tolls and capital expenditure requirements for a road with the highway authority every five years. It suggested that this might be applicable in the UK.¹¹¹ Most witnesses who expressed support

106 SRN 10, SRN 55

107 SRN 10, SRN 47, SRN 35, SRN 55

108 SRN 55

109 SRN 45

110 Q 77 [Ms Dee and Mr Radley], Q 158 [Mr Coates], Q 160 [Ms Dodds], Q 161 [Ms Spiers], Q 165 [Ms Palmer], SRN 10, SRN 18, SRN 30, SRN 33, SRN 35, SRN 38, SRN 42, SRN 47, SRN 52, SRN 55

111 Q 170 [Ms Courtney Davis]

for road user charging in England said that this would entail a national charging scheme, as opposed to charging or tolls on selected roads.¹¹² Professor Glaister said:

What I am interested in... is what we are going to do about managing all the demand growth we have talked about. Given that we are not going to be able to provide enough roads—by the way, we do not have the money to expand the road network in the way we want—the only solution is to introduce road charging in some form across the piece...¹¹³

The CILT took a similar view about the need for road user charging to fund the road network. It saw the advantage of road user charging or pricing as a form of managing demand on the road network during peak times:

[We have] always been in favour of road pricing, which is the strongest form of demand management. We still hold that view, particularly as a large part of the congestion on our road network is limited to peak periods in particular places... That is where you need demand management.¹¹⁴

59. Others expressed reservations around road user charging. The AA told us that drivers would be opposed to tolls on the road network:

Drivers have regard to the fact that they pay quite a lot of motoring tax. I know it has been said many times, but, with high fuel prices, they do not want even £2 extra on a trip on a good strategic road.¹¹⁵

RAC Motoring Services told us that their surveys found that motorists were not opposed to a form of road user charging, but this would need to be instead of some of the existing tax.¹¹⁶ The RAC Foundation was aware of this and suggested that any new charging scheme would need to be combined with a reduction or withdrawal of Vehicle Excise Duty (VED) or similar tax.¹¹⁷

60. The feasibility of the RAC Foundation's proposal was questioned by the CBT. The CBT anticipated opposition from the Treasury and other Government Departments to any policy that hypothecated revenue from road user charging to the roads network, especially as revenue from fuel duty was expected to fall.¹¹⁸ This might mean that a nationwide road user charging scheme would fail to raise any extra money for roads, as the Treasury would consider the revenue as a tax, especially if VED were withdrawn.

112 Q 159 [Mr Coates], Q 160 [Ms Dodds], Q 161 [Mr Spiers], Q 165 [Ms Palmer], Q 167 [Mr Meaney], SRN 10, SRN 18, SRN 33, SRN 35, SRN 47, SRN 50

113 Q 182 [Professor Glaister]

114 Q 158 [Mr Coates]

115 Q 120 [Mr Watters]

116 Q 120 [Mr Bizley]

117 SRN 10

118 SRN 28

61. To ensure that any road user charging would raise money directly for the road network, we heard that the reformed Highways Agency GoCo could charge users directly, working as a fully formed, regulated public utility.¹¹⁹ Professor Glaister explained what would be needed:

To make this work, you need two basic features. First, you need a legally watertight structure—something well defined. I am talking about something in which your assets and liabilities are defined and whereby you know who gets what. The second feature is an income stream. That income stream can come from tolls...¹²⁰

The Minister rejected the suggestion that road user charging, private finance schemes and private operators were needed to fund improvements to the road network, with the exception of major bridges and tunnels:

If we were in Greece, I might have thought that was not a bad option. The good news is that we are not in the situation that Greece is: we are in the situation that the UK Government can borrow money at a very competitive rate...¹²¹

We are not using this as a sort of Trojan horse to deliver any form of privatisation, whether it be a wholesale sale of the network or as a way of leveraging more private money into the network.¹²²

He noted that he had a “war chest” of £24 billion for the SRN to 2021.¹²³ He emphasised to us that the DfT has no plans to introduce charging on the strategic road network, with the exception of major bridges and tunnels:

There is no secret plan in the Department that after the election we are going to do a U-turn and announce that we are going to start charging people to use the roads they have already paid for. I must make that absolutely clear.¹²⁴

62. The Minister was very clear about the DfT’s decision not to introduce charging to the road network, apart from the Heavy Goods Vehicle (HGV) user charging scheme that was recently implemented. However, if the traffic forecasts are correct, the Government will need to increase investment in the road network substantially during the next decade. Simultaneously, income from fuel duty is likely to decline as use of fuel-efficient low-emission vehicles increases. Investment in the road network will require new funding streams. This is a challenge that must be addressed. However, a consensus would be required to introduce any road user charging scheme across the

119 SRN 47

120 Q 171 [Professor Glaister]

121 Q 261 [Mr Goodwill]

122 Q 267 [Mr Goodwill]

123 Q 249 [Mr Goodwill]

124 Q 266 [Mr Goodwill]

SRN as an alternative to road taxation, and the many issues involved would have to be resolved.

63. The Government must demonstrate an integrated transport approach in developing and assessing improvements to strategic routes. It must always consider how road and rail improvements for passengers and freight can play a role together in solving problems on the SRN and its feeder roads. This should be alongside the trial of simple measures such as ride-sharing and off-peak deliveries to reduce congestion on parts of the SRN most used for local journeys.

Conclusions and recommendations

Demand

1. The DfT must immediately open the NTM to wider scrutiny, as the Treasury and the OBR have done with their macroeconomic model, to ensure that it accords due weight to all factors affecting transport demand, including economic growth, industrial development, fuel prices, vehicle ownership and demographic shifts. (Paragraph 21)
2. The DfT must develop a transparent system of road planning as part of a wider national transport strategy. This system should take into account demographic, economic and land use changes, including changes in the location of homes and parking policy. This will allow the DfT to select the most resilient options for reducing congestion or improving connectivity and to promote them across Government Departments and local authorities. (Paragraph 27)

An effective programme

3. The DfT should commission integrated passenger and freight plans for strategic transport routes or regions, rather than looking at one mode of transport in isolation. Such integrated plans, which should be developed in consultation with local authorities, local enterprise partnerships and community and road user groups, must take into account how different options for the use of infrastructure and technology will impact on transport movements and on economic development. The DfT must then identify projects—including maintenance schemes—within the chosen plan for implementation within the five-year funding cycle. Every project should be subject to a post-implementation review to assess the effectiveness of the investment. We recommend that this process be set out in the forthcoming Roads Investment Strategy. (Paragraph 38)

The Highways Agency

4. We are not convinced by the case for establishing the Highways Agency as a GoCo. Its remit will not be extended; it will not have new funding streams; and it will still be subject to changes in Government policy, while incurring ongoing oversight costs. We are not persuaded that increasing salaries will be a value-for-money way of increasing skills in the company. In that context, we note that the agency's current chief executive has worked in both the private and public sectors. The proposed benefits, including the implementation of the five-year funding plans, seem achievable through better management of the existing Highways Agency. (Paragraph 44)
5. An advisory or oversight body reporting to the Secretary of State would not be sufficient to scrutinise the performance of the proposed Highways Agency GoCo, because the GoCo would not be accountable to it. The same argument applies to establishing a panel of experts. Any such panel or body would lack the credibility of an independent regulator. The new scrutiny body must have the power of a full regulatory authority. An expanded ORR could undertake this role. (Paragraph 48)

6. We note that Passenger Focus has a record of successfully expanding to take on additional duties and therefore recommend extending the remit of Passenger Focus to include scrutiny of the proposed GoCo. It must be subject to a duty to represent the concerns of all SRN users to the DfT and should set up a panel of road user stakeholders to monitor its work. (Paragraph 50)
7. The proposed new Highways Agency GoCo must have a realistic performance specification for engagement with its stakeholders. This must instil in the GoCo a view of road users as customers and other organisations as partners in developing roads for freight and passengers, as part of an integrated transport network. This specification must be agreed with local authorities, LEPs and road user groups before the GoCo is set up. (Paragraph 55)

Financing the future

8. The Minister was very clear about the DfT's decision not to introduce charging to the road network, apart from the Heavy Goods Vehicle (HGV) user charging scheme that was recently implemented. However, if the traffic forecasts are correct, the Government will need to increase investment in the road network substantially during the next decade. Simultaneously, income from fuel duty is likely to decline as use of fuel-efficient low-emission vehicles increases. Investment in the road network will require new funding streams. This is a challenge that must be addressed. However, a consensus would be required to introduce any road user charging scheme across the SRN as an alternative to road taxation, and the many issues involved would have to be resolved. (Paragraph 62)
9. The Government must demonstrate an integrated transport approach in developing and assessing improvements to strategic routes. It must always consider how road and rail improvements for passengers and freight can play a role together in solving problems on the SRN and its feeder roads. This should be alongside the trial of simple measures such as ride-sharing and off-peak deliveries to reduce congestion on parts of the SRN most used for local journeys. (Paragraph 63)

Annex 1 Visit to Ontario, Washington DC and Richmond, Virginia

The Committee visited Ontario, Washington DC and Richmond, Virginia in February 2014, to investigate alternative means of building, maintaining, financing and operating a road network. We are grateful to the British Consulate-General in Toronto and the British Embassy in Washington DC for facilitating our visit.

Programme

Monday 3 February

- 07:30-09:00 Breakfast briefing from Consul General Jonathan Dart
- 09:30-12:00 Meeting with the Ontario Ministry of Transportation. Strategic Policy and Transportation Economics Director Derek Deazeley; Provincial Highways Manager Phil Hutton; Executive Vice-President and Group Head of Major Projects for Infrastructure Ontario John McKendrick; Passenger Transportation Senior Policy Advisor Philip Hartung; Project Engineer, Provincial Highways Management Mike Barnet
- 14:00-16:30 Meeting with 407 ETR toll motorway President and CEO Jose Tamariz; Chief Financial Officer Louis St Maurice; Vice-President Communications, Marketing and Government Relations Kevin Sack
- 18:00-20:00 Reception at Consul-General's house hosted by Jonathan Dart. Guests included Minister for Transportation Glen Murray, Deputy Minister for Transportation Carol Layton, chief officers of the Toronto regional transport authority, Members of the Ontario Parliament and civil society

Tuesday 4 February

- 08:30-13:00 Travel to Washington DC
- 13:30-14:45 Meeting with US House of Representatives Transportation and Infrastructure Committee. Congressman Tom E. Petri; Congressman Lou J. Barletta; Congressman Larry Bucshon; Congressman Rick Crawford; Congressman Peter DeFazio; Congressman Richard Hanna; Congresswoman Eddie Bernice Johnson; Congressman Sean Patrick Maloney; Congressman Markwayne Mullin; Congressman Rick Nolan; Congresswoman Eleanor Holmes Norton; Congressman Tom Rice
- 15:00-16:00 Meeting with Ellen Doneski, Majority Staff Director, Senate Commerce, Science and Transportation Committee

Wednesday 5 February

- 07:30-08:30 Breakfast briefing from HM Ambassador Sir Peter Westmacott

- 09:00-11:30 Travel to Richmond, Virginia
- 12:00-16:30 Meeting with Division Administrator, Federal Highway Administration (FHWA)–Virginia Division, Irene Rico; Chief Deputy Commissioner Virginia Department of Transportation (VDOT) Quintin Elliott; Assistant Division Administrator, FHWA, Wayne Fedora; Director of Project Delivery VDOT Tom Jennings; Chief of Operations Division VDOT Dean Gustafson; Deputy Director Virginia Office of Transportation Public Private Partnerships Dusty Holcombe; Chief of Planning and Programming Virginia Department of Transportation Reta Busher

Thursday 6 February

- 10:15-11:15 Meeting with World Bank Lead Economist (Transportation) Dr Andreas Kopp
- 12:00-14:00 Meeting with Leader of Global Technology Exchange Team at Department of Transportation (DoT) Stephen E. Kern; Director of Centre for Accelerating Innovation at DoT Hari Kalla; Associate Administrator Office of Infrastructure Butch Waidelich; Leader of Asset Management Team at FHWA Stephen Gaj; Senior Bridge Preservation Engineer FHWA Anwar Ahmed; Director of Office of Transportation Management FHWA Bob Arnold; Team Lead, TIFIA Credit and Budget, Office of Innovative Program Delivery Jorianne Jernberg
- 14:00-15:00 Meeting with Acting Deputy Secretary of Transportation Victor Mendez

Annex 2 Letter from Chair to Parliamentary Under-Secretary of State

Robert Goodwill MP

Parliamentary Under-Secretary of State for Transport

Great Minster House

33 Horseferry Road

London

SW1P 3JA

17 March 2014

Dear Robert

Following this winter's consultation, I understand that Department for Transport officials plan to present proposals for reforms to the Highways Agency to Ministers on 18 March. Thank you for inviting the Transport Select Committee to comment. We welcome this opportunity to contribute directly to the policy-making process.

The reform of the Highways Agency

In principle, we welcome the proposed five-year funding packages for infrastructure, which should facilitate long-term planning. As we discussed on 24 February, however, one Parliament cannot bind the decisions of the next, so the new system does not provide absolute certainty. We also observe that such packages could be offered to the existing Highways Agency under a reformed, more robust, internal management structure.

On 24 February, you told us that the reformed Highways Agency will be able to offer higher salaries to attract a wider range of experienced recruits. We received no evidence to substantiate the claim that the Agency finds it hard to compete for staff in the international labour market. In that context, we note that Mr Dalton has spent much of his career in the private sector, yet the package offered by the Highways Agency has been sufficient to retain him.

Overall, we are not convinced by the case for establishing a government-owned company, given that the Highways Agency's remit is not being extended. The proposed benefits seem achievable through better management of the existing Highways Agency.

We note your statement that this change is not a precursor either to privatisation or charging for roads at the point of use. Therefore, we see no reason for the upheaval and expense a change of structure would entail.

Oversight of a reformed Highways Agency

If the Highways Agency were to be reformed, we would support your view that the new organisation must be subject to a rigorous scrutiny and regulatory regime. To meet that requirement, we propose an enhanced regulatory brief for the Office of Rail Regulation and an extended scrutiny role for Passenger Focus.

On regulation, we would recommend extending the responsibilities of the ORR to include the oversight of the reformed Highways Agency, which would entail the ORR having the same regulatory powers and responsibilities over a reformed Highways Agency that it has over Network Rail. We agree with the RAC Foundation that an advisory or oversight body reporting to the Secretary of State would not be sufficient, because the reformed Highways Agency would not be accountable to it. The same argument applies to establishing a panel of experts to give advice to the Secretary of State. Any such panel or body would lack the credibility of an independent regulator. Furthermore, giving transport regulators strong powers over one form of transport and weak powers over another would be inconsistent.

On scrutiny, we recommend extending the remit of Passenger Focus to include scrutiny of the reformed Highways Agency. We discussed with the RAC Foundation and Passenger Focus on separate occasions how car drivers, the freight sector, cyclists and pedestrians comprise a much broader group than Passenger Focus's current constituency of passenger transport users. If Passenger Focus is effectively to undertake such a scrutiny role, it should be subject to a duty to research the concerns of all users of the SRN.

If scrutiny and regulation were to be conducted along those lines, both the ORR and Passenger Focus must publish all their reports on the Highways Agency and the SRN. Both ORR and Passenger Focus would require additional funding commensurate with their new roles, which would involve the creation of a new sections in their organisations, new personnel, training and a new budget for research work.

These are our preliminary views on the reforms to the Highways Agency. We may address these issues in more detail in our report, which we expect to publish in April.



Mrs Louise Ellman MP

Chair of the Transport Committee

Formal Minutes

Tuesday 29 April 2014

Members present:

Mrs Louise Ellman, in the Chair

Jim Fitzpatrick
Karl McCartney
Jason McCartney

Mr Adrian Sanders
Graham Stringer
Martin Vickers

Draft Report (*Better Roads: Improving England's Strategic Road Network*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 63 read and agreed to.

Annexes and Summary agreed to.

Resolved, That the Report be the Fifteenth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Tuesday 13 May at 4.00 pm]

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the Committee's inquiry page at www.parliament.uk/transcom.

Monday 25 November 2013

Question number

Professor Phil Goodwin, Emeritus Professor of Transport Policy, University College London and University of the West of England Q1-33

Alan Cook, Non-executive Chairman, Highways Agency, and Non-executive Director, Department for Transport Q34-57

Sir John Armitt, Chairman, National Express Group Q58-66

Monday 16 December 2013

Stephen Radley, Director of Policy, EEF, **Dr David Metz**, Centre for Transport Studies, University College London, and **Karen Dee**, Director of Policy, Freight Transport Association Q67-98

Martin Tugwell, Deputy Director, Strategy and Infrastructure Planning, Oxfordshire County Council, **Simon Warren**, Chair, West Midlands Strategic Transport Officer Group, and **Stephen Joseph**, Chief Executive, Campaign for Better Transport Q99-115

Jack Semple, Director of Policy, Road Haulage Association, **Paul Watters**, Head of Road Policy, AA, **David Bizley**, Technical Director, RAC Motoring Services, and **Chris Peck**, Policy Co-ordinator, Cyclists' Touring Club Q116-132

Monday 6 January 2014

Peter Box, Chair of Economy and Transport Board, Local Government Association, **Jim Coates**, Chair of Road and Traffic Forum, Chartered Institute of Logistics and Transport in the UK, **Joanne Dodds**, Technical Director, Intelligent Transport Systems (UK), **Andrew Hugill**, Director of Policy and Technical Affairs, Chartered Institution of Highways and Transportation, and **Shaun Spiers**, Chief Executive, Campaign to Protect Rural England. Q133-162

Tara Courtney-Davis, Senior Managing Director, Macquarie Capital (Europe), Professor **Stephen Glaister**, RAC Foundation, **Andrew Meaney**, Oxera Consulting, and **Nicola Palmer**, Arcus Infrastructure Partners LLP. Q163-196

Monday 24 February 2014

Graham Dalton, Chief Executive, Highways Agency Q197-246

Mr Robert Goodwill MP, Parliamentary Under-Secretary of State, Department for Transport, and **Paul O'Sullivan**, Deputy Director, Strategic Roads, Department for Transport Q247-279

Published written evidence

The following written evidence was received and can be viewed on the Committee's inquiry web page at www.parliament.uk/transcom. SRN numbers are generated by the evidence processing system and so may not be complete.

- 1 Greenspeed ([SRN0001](#))
- 2 Rail Freight Group ([SRN0002](#))
- 3 Freightliner Group ([SRN0003](#))
- 4 Freight On Rail ([SRN0004](#))
- 5 Road Safety Markings Association ([SRN0005](#))
- 6 David Metz ([SRN0006](#))
- 7 St.Helens Council ([SRN0007](#))
- 8 Department For Transport ([SRN0008](#))
- 9 Ian Williams ([SRN0009](#))
- 10 RAC Foundation ([SRN0010](#))
- 11 Suffolk Chamber Of Commerce ([SRN0011](#))
- 12 Highways Agency Trade Union Side ([SRN0012](#))
- 13 HTMA (Highways Term Maintenance Association) ([SRN0013](#))
- 14 Local Government Association ([SRN0014](#))
- 15 Oxera Consulting Ltd ([SRN0015](#))
- 16 Christopher Gillham ([SRN0016](#))
- 17 Local Government Technical Advisers' Group ([SRN0018](#))
- 18 Adept ([SRN0019](#))
- 19 Civil Engineering Contractors Association ([SRN0021](#))
- 20 WSP ([SRN0022](#))
- 21 Nectar (North-East Combined Transport Activists' Roundtable) ([SRN0023](#))
- 22 South East Local Transport Baord ([SRN0024](#))
- 23 UK Major Ports Group ([SRN0025](#))
- 24 CTC ([SRN0026](#))
- 25 Kent County Council ([SRN0027](#))
- 26 Centro (On Behalf Of West Midlands Strategic Transport Officers Group) ([SRN0028](#))
- 27 Campaign For Better Transport ([SRN0029](#))
- 28 Transport For Greater Manchester ([SRN0030](#))
- 29 Suffolk Coastal District Council ([SRN0031](#))
- 30 Motor Cycle Industry Association ([SRN0032](#))
- 31 Suffolk County Council ([SRN0033](#))
- 32 Royal Academy Of Engineering ([SRN0034](#))
- 33 Chartered Institution Of Highways And Transportation ([SRN0035](#))
- 34 CH2M Hill ([SRN0036](#))
- 35 BVRLA ([SRN0038](#))
- 36 Brompton A14 Campaign Group ([SRN0039](#))
- 37 RAC Motoring Services ([SRN0040](#))
- 38 Clean Highways ([SRN0041](#))
- 39 Campaign To Protect Rural England ([SRN0042](#))

- 40 EEF - The Manufacturers' Organisation ([SRN0043](#))
- 41 Transport For Greater Bristol Alliance ([SRN0044](#))
- 42 British Ports Association (BPA) ([SRN0045](#))
- 43 Chartered Institute Of Logistics And Transport (UK) ([SRN0047](#))
- 44 Oxfordshire County Council ([SRN0048](#))
- 45 Wynns Group ([SRN0049](#))
- 46 Transport For London ([SRN0050](#))
- 47 Jordan Products Ltd ([SRN0051](#))
- 48 Freight Transport Association ([SRN0052](#))
- 49 Andrew Gwynne MP ([SRN0053](#))
- 50 Automobile Association ([SRN0054](#))
- 51 CBI ([SRN0055](#))
- 52 Neil Cullen ([SRN0056](#))
- 53 RAC Foundation ([SRN0057](#))
- 54 Passenger Focus ([SRN0058](#))
- 55 Office Of Rail Regulation (ORR) ([SRN0059](#))
- 56 Highways Agency ([SRN0060](#))
- 57 Clean Highways ([SRN0061](#))
- 58 Clean Highways ([SRN0062](#))
- 59 Clean Highways ([SRN0063](#))
- 60 Civil Engineering Contractors Association ([SRN0064](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the Committee's website at www.parliament.uk/transcom.

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

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Sixteenth Report	National Policy Statement on National Networks	HC 1135
Fifteenth Report	Better roads: improving England's strategic road network	HC 850
Fourteenth Report	Putting passengers first, disruption at Gatwick, Christmas Eve 2013	HC 956
Seventeenth Special Report	Land transport security—scope for further EU involvement?: Further Government Response to the Committee's Eleventh Report of Session 2012–13	HC 1192
Thirteenth Report	Forging ahead?: UK shipping strategy	HC 630
Twelfth Report	Future programme 2014	HC 1143
Eleventh Report	Safety at level crossings	HC 680 (HC1260)
Tenth Report	Ready and waiting? Transport preparations for winter weather	HC 681 (HC 1139)
Ninth Report	High speed rail: on track?	HC 851 (HC 1085)
Fifteenth Special Report	Cancellation of the InterCity West Coast competition: Government update on the Laidlaw and Brown reports	HC 1086
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Seventh Report	Local authority parking enforcement	HC 118 (HC 970)
Seventh Special Report	The new European motorcycle test: Government Response to the Committee's Sixth Report of 2009–10	HC 656
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Fifth Report	Access to transport for disabled people	HC 116 (HC 870)
Fourth Report	Cost of motor insurance: whiplash	HC 117 (CM 8738)
Third Report	The work of the Vehicle and Operator Services Agency (VOSA)	HC 583 (HC 678)
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Third Special Report	Rail 2020: Rail Delivery Group and Passenger Focus responses to the Committee's Seventh Report of Session 2012–13	HC 81
Fourth Special Report	Land transport security—scope for further EU involvement?: Government Response to the Committee's Eleventh Report of Session 2012–13	HC 177
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First Special Report	Cancellation of the InterCity West Coast franchise competition: Government Response to the Committee's Eighth Report of Session 2012–13	HC 80
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Twelfth Report	The European Commission's 4 th Railway Package	HC 1001(HC 439)
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Ninth Special Report	Rail 2020: Government and Office of Rail Regulation Responses to the Committee's Seventh Report of 2012–13	HC 1059
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Third Report	Competition in the local bus market	HC 10 (HC 761) (Incorporating HC 1861–i–iii)
Fifth Special Report	Flight Time Limitations: Government Response To The Committee's First Report Of Session 2012–13	HC 558
Fourth Special Report	Air Travel Organisers' Licensing (Atol) Reform: Government Response To The Committee's Seventeenth Report Of Session 2010–12	HC 557
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Eleventh Report	Thameslink rolling stock procurement	HC 1453 (HC 1935)
Tenth Report	High Speed Rail	HC 1185–I (HC 1754)
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Sixth Report	The Coastguard, Emergency Towing Vessels and the Maritime Incident Response Group	HC 948, incorporating HC 752–i (HC 1482)
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Third Special Report	The performance of the Department for Transport: Government response to the Committee's Fourth Report of Session 2009–10	HC 549
Second Special Report	Update on the London Underground and the public-private (PPP) partnership agreements: Government response to the Committee's Seventh Report of Session 2009–10	HC 467
First Special Report	The major road network: Government response to the Committee's Eighth Report of Session 2009–10	HC 421