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**Report to:** Transport Committee

**Date:** 16 March 2018

**Subject:** **Consultation Replies on Highways Related Matters**

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**Director:** Liz Hunter, Interim Director of Policy and Strategy

**Author(s):** Steve Heckley

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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	

## 1 Purpose of this report

- 1.1 To provide Transport Committee with an update on government consultations on highways related matters.
- 1.2 To seek Transport Committee endorsement of key themes to shape the Combined Authority's response to the consultation on government proposals for the creation of a Major Road Network

## 2 Information

- 2.1 There have been a number of government consultations on highways related matters in recent months that are relevant to the Combined Authority as the Local Transport Authority, and to the five West Yorkshire District Councils as the local Highway Authorities. This report summarises consultations for:
  - Department for Transport (DfT) consultation on Shaping The Future Of England's Strategic Roads (RIS2);
  - Department for Transport (DfT) consultation on Proposals for the Creation of a Major Road Network;

- Ministry of Housing, Communities and Local Government (MHCLG) consultation on Fair Funding Review;

**DfT Consultation - Shaping the Future of England's Strategic Roads (RIS2)**

- 2.2 The DfT published this consultation on 13 December 2017 with a closing date for responses of 7 February 2018. The consultation is in respect of the Strategic Road Network (SRN), the national network made up of motorways and trunk roads (the most significant 'A' roads). Highways England manages this network. This network totals 4,400 miles and represents 2% of all roads in England by length, but it carries a third of all traffic by mileage.
- 2.3 The government in order to set investment in the SRN publishes a multi-year 'Road Investment Strategy' (RIS). The first RIS period (RIS1) covers the five financial years 2015/16 to 2019/20 and has been delivering improvements including e.g. Smart Motorway improvements to the M1 and M62. The consultation is in respect of the second RIS period (RIS2) for 2020/21 to 2024/25, and aims to inform the approach to RIS2. The focus of the consultation was Highways England's simultaneous publication of its Strategic Road Network Initial Report which sets out their assessment of the current state of the SRN and its potential future needs and proposed priorities for delivery in the RIS2 period. The DfT described the Initial Report as the first step in the process for setting RIS2. The consultation asked for responses to Highways England's Initial Report proposals as well as the DfT's own analytical approach for developing RIS2.
- 2.4 From the start of the RIS2 period the SRN will be funded from a new National Roads Fund (NPF) financed directly from Vehicle Excise Duty, which is proposed also to be directed in part to provide funding for the most important local roads - a topic developed in the DfT consultation of their Proposals for the Creation of a Major Road Network (and considered in para 2.9 below).
- 2.5 The effective functioning of the motorways is considered crucial for the economic performance and resilience of West Yorkshire. Local Plan Examinations in West Yorkshire have also demonstrated the government view on the importance of the SRN to bringing forward district's growth ambitions for job and housing allocations.
- 2.6 A draft response collated from the input of the West Yorkshire partners was circulated to Transport Committee members for comment and then finalised and submitted by the Combined Authority on behalf of all the West Yorkshire District Councils to the DfT to their 7 February 2018 deadline. The final response of the Combined Authority and its partners is attached as **Appendix 1**.
- 2.7 The Combined Authority and the West Yorkshire partners are broadly supportive of Highways England's proposals set out in their Initial Report. Overall the report provides an encouraging strategic overview of future road investment and a common sense approach to managing the SRN, which

aligns with the Combined Authority's and its partner's vision and requirements for the SRN. The Initial Report is however high level and flexible in nature and greater clarity is required on proposals.

- 2.8 The Combined Authority and its partners particularly welcome the proposal to fund the Road Investment Strategy with a new National Roads Fund, which is envisaged will create longer term funding which will give greater certainty for pipeline projects. The consultation response also highlights agreement to the proposal that the RIS may invest in the local road network and the creation of a Major Road Network to help define investment priorities away from the Strategic Road Network, but the response highlights concern that the extent of the MRN may not match West Yorkshire's need. The Combined Authority points the DfT to the Transport for the North work to define a more extensive MRN for the North, and asks for clarity on how funding priorities will be considered and delivered in the development of the next RIS period. The consultation response emphasises from a local perspective the strategic importance of the M62 and the desire to see schemes in this region (e.g. M62/M606 Chain Bar) delivered in the RIS2 period.

#### **DfT consultation - Proposals for the Creation of a Major Road Network**

- 2.9 The DfT published this consultation on the 23 December 2017 with a closing date for responses of 19 March 2018. As part of its Transport Investment Strategy, the government committed to creating a Major Road Network (MRN) as a new middle tier of our busiest and most economically important local authority 'A' roads. The government identifies certain local roads as being crucial to delivering its central policy objectives to: Reduce Congestion; Support Economic Growth and Re-balancing; Support Housing Delivery; Support all road users; and Support the SRN. A key theme of the government's proposals is that delays on 'A' roads can be longer than on the Strategic Road Network and equally damaging to economic performance.
- 2.10 The DfT's consultation report can be accessed at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/670527/major-road-network-consultation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/670527/major-road-network-consultation.pdf). The consultation is seeking views on the DfT's proposals for the creation of a Major Road Network, and specifically: How to define the MRN; The role that local, regional & national bodies will play in the MRN investment programme; and Which schemes will be eligible for MRN funding.
- 2.11 This consultation is not directly linked to the RIS2 consultation (identified in para. 2.2 above), but it can see be seen as a companion piece with shared themes. The MRN consultation identifies that the MRN will receive dedicated funding from the new National Roads Fund to improve standards and performance and that their approach will provide for a more consistent network across England, benefitting from more coordinated investment planning and programmes with clear local, regional and national roles. The DfT's emphasis is on enhancement and major renewals including strengthened links with the Strategic Road Network. Other key features of the DfT's proposals are:

## Defining the Network

- The MRN is proposed to cover a similar mileage as the SRN i.e. an additional 2% of all roads by length. The DfT propose to include within this MRN all previously de-trunked roads. The DfT includes a map of an indicative MRN in the consultation material;

## Investment planning

- A strong regional focus with the role of Strategic Transport Bodies recognised in informing investment decisions;
- No change to Local Highway Authority responsibilities in respect of the operational management of local roads, and no government proposal to replace existing funding streams e.g. Integrated Transport and Highways Maintenance Block;
- The importance of a regional evidence base with assessment of overall condition of the network and its performance - with the MRN evidence base and programme to be reviewed every 5 years;
- An approach based on the identification of network wide issues and priorities and analysis of region wide solutions and interventions;

## Eligibility and Investment Assessment Criteria

- Principally use of quantitative criteria with a focus on traffic flows to identify eligible roads for inclusion, then tested against qualitative criteria to ensure a coherent network e.g. adding links to join up roads;
- A focus on Linking Economic Centres including all towns / cities with a population greater than 50,000, also connecting all major ports, airports and key transport hubs;
- The DfT will only consider proposals for schemes in excess of £20M and up to £50M (with a maximum funding threshold of £100M for exceptional cases), with local or third party contributions suggested;
- Types of schemes that are eligible would include: Bypasses; Missing links between existing sections of SRN and MRN; Widening the MRN; Major structural renewals; Major junction improvements; Variable Message Signs; Traffic Management, Smart Technology and data and Packages of improvements;
- Types of schemes that would be excluded are: Schemes off the MRN; Schemes on the SRN; Public Transport interventions (unless part of a wider package supporting MRN objectives); and none specific / area wide funding bids.

2.12 The proposed key themes of the Combined Authority's response to the consultation are to:

- Broadly welcome the creation of a Major Road Network and the allocation of the National Road Fund to the MRN to provide a long term funding stream supporting a pipeline of investments;
- Emphasise that the MRN should not be defined by quantitative criteria alone, with any threshold likely to be arbitrary and result in some economically important roads missing the cut for consideration. The Combined Authority and its partners recommend that each road should be considered individually against a combination of quantitative and qualitative criteria, with the consultation response to highlight reservations regarding the blanket inclusion of all de-trunked roads as this may lead to inappropriate inclusions in the MRN;
- Identify concern with the proposed scale of the MRN with the DfT's indicative map excluding a number of major roads within our West Yorkshire urban areas, with the response recommending instead that the MRN should be based on the work of Transport for the North (TfN) to define a more extensive MRN for the North. The West Yorkshire partners have inputted to TfN's work along with other Combined Authorities and Highways Authorities across the North. TfN place greater emphasis on the economic role of roads as opposed to analysis of traffic flow/other traffic metrics, with their starting point being the identification of 200 current and future Important Economic Centres in the North (i.e. towns, cities, ports, airports, enterprise zones, universities and other key employment sites) to enable identifying the strategic, pan-northern links between these centres. The TfN proposal totals 3,389 miles and approx. 7% of the total road network of the North, significantly larger than the DfT consultation proposal for a Major Road Network;
- Disagree with the cost thresholds for eligible schemes as being too narrow and unrealistic, and also with the exclusion of public transport schemes from MRN funding eligibility;
- Highlight the potential implications for maintenance funding that will be required in respect of road condition and traffic management systems and also funding requirements for the operational management of the network to cope with incidents and weather conditions to ensure greater resilience - with the response to emphasise a requirement for local authorities to be able to secure appropriate and balanced funding (i.e. capital and revenue) to deliver the raised expectations that the MRN will bring.

2.13 A draft consultation response has been collated from the input of the West Yorkshire Districts Councils to provide elaboration on the themes identified in paragraph 2.12 above, and has been circulated separately to Transport Committee members for comment. The draft response will be finalised with the comments of Transport Committee and submitted to the DfT to their deadline of 19 March 2018.

#### **MHCLG consultation - Fair Funding Review**

2.14 The MHCLG published this consultation on 19 December 2017 with a closing date for responses of 12 March 2018. This is a technical consultation in relation with relevance to the future revenue funding for local authorities, and

covers a wide ranging review of the metrics used to allocate funds including proposals for how transport elements such as highway maintenance and gritting should be accounted for in the formula for assessing need. MHCLG has identified that it is keen to hear from transport authorities on these matters

- 2.15 The consultation report can be accessed at:  
<https://www.gov.uk/government/consultations/fair-funding-review-a-review-of-relative-needs-and-resources>. The highways elements of the consultation are identified in paragraph 4.3.9
- 2.16 Each of the West Yorkshire Districts is expected to respond to the consultation individually. A consistent response on the highways questions has been drafted by West Yorkshire District Asset Managers and shared with the Districts to include in their responses. The consistent response of the West Yorkshire District Councils to the highways questions is as follows:

*Question 13a): Do you agree that these are the key cost drivers affecting routine highways maintenance and concessionary travel services?*

The severity of winter also contributes to the day-to-day cost of maintaining roads over and above the cost of the winter service itself. Road condition deteriorates markedly in a severe winter. The day-to-day cost of road maintenance is also directly related to the overall condition of the roads in each local authority but the West Yorkshire partners appreciate that the use of a condition indicator in a funding formula can lead to a perverse incentive. An emerging and increasing road maintenance cost is resulting from the growing appreciation of the impact of poorly maintained road drainage on communities. There is a greater pressure on road drainage maintenance in authorities with increasing rainfall patterns and with topography that leads to localised flooding.

*Question 13b): Do you have views on what the most suitable data sets are to measure these or other key cost drivers affecting routine highways maintenance or concessionary travel services?*

Road length and road condition is readily available in annual Department for Transport returns. Most authorities have independently provided weather stations that can supply road frost frequencies. Regional rainfall data is available from national weather providers. The number of road gullies requiring maintenance should be available from asset management systems within authorities.

Whilst passenger boardings is the key indicator of demand for concessionary travel, the cost of the service is also determined by local factors relating to fares, average journey length and operating costs which are key inputs into the Department for Transport methodology for calculating reimbursement. Any review of funding mechanisms must reflect this methodology.

*Question 14a): Do you have views on what the most suitable cost drivers for local bus support are?*

The need for bus service support is a function of the local economy and geography together with the recent history in terms of commercial bus service provision. The cost of local bus service contracts is largely driven by operating costs and the degree of competition for tenders. The CA currently uses subsidy per passenger journey as its primary indicator of value for money.

*Question 14b): Do you have views on what the most suitable data sets are to measure the cost drivers for local bus support?*

Typical industry operating costs per mile/ Km could provide a data set which could inform input costs. Authorities will have data on current supported mileage and patronage.

### **3 Financial Implications**

- 3.1 There are no financial implications directly arising from this report.

### **4 Legal Implications**

- 4.1 There are no legal implications directly arising from this report.

### **5 Staffing Implications**

- 5.1 There are no staffing implications directly arising from this report.

### **6 External Consultees**

- 6.1 No external consultations have been undertaken.

### **7 Recommendations**

- 7.1 That Transport Committee endorses the Combined Authority's response to the DfT consultation on Shaping the Future of England's Strategic Roads (RIS2).
- 7.2 That subject to the comments at this meeting, Transport Committee agrees the recommended key themes identified in paragraph 2.12 as forming the basis of the response of the Combined Authority to the DfT consultation on its Proposals for the Creation of a Major Road Network.
- 7.3 That Transport Committee notes the consistent response of the West Yorkshire District Councils identified in paragraph 2.16 to the highway questions contained in the MHCLG consultation on its Fair Funding Review, proposed to be included in individual West Yorkshire District responses.

## **8 Background Documents**

The DfT's consultation report on its Proposals for the Creation of a Major Road Network can be accessed at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/670527/major-road-network-consultation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/670527/major-road-network-consultation.pdf).

The MHCLG consultation report on its Fair Funding Review can be accessed at:

<https://www.gov.uk/government/consultations/fair-funding-review-a-review-of-relative-needs-and-resources>.

## **9 Appendices**

**Appendix 1** - The West Yorkshire Combined Authority's final response to the DfT consultation on Shaping the future of England's Strategic Roads (RIS2)