

Item 4

Roads Strategy

Purpose of report

For discussion and direction.

Summary

This paper discusses the Department for Transport's roads strategy. It highlights the opportunity for the strategic and local roads network to be managed in an integrated way and sets out a potential role for local government as the key decision-maker across the whole network.

The paper sets out in very general terms the benefits of greater local government involvement in roads decision-making and asks members to consider the role of the LGA in engaging government on this issue.

Recommendation

Members are asked to consider the future role of local government in relation to decision-making on the whole road network.

Action

Officers to take actions as directed.

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Item 4

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Background

1. Transport is key to unlocking and smoothing the way for increased local growth. Localisation is still seen as an important method of improving transport decision-making. However, the continuing economic downturn presents a tension in Whitehall between making investment decisions quickly using existing national processes and devolving decision-making in a way that provides the greatest opportunity for local partners to stimulate growth.
2. Thus, as policy is developed by the Department for Transport (DfT), there is going to be a continuing need to press the case for greater local influence. For example, following on from the [Cook Report](#) on the Highways Agency and the subsequent government response, the DfT is now developing a roads strategy and is undertaking a feasibility study which will look at options for longer term radical reforms of the institutional arrangements for managing the strategic roads network (SRN). In order to bring a localist influence to bear on the development of this policy, LGA officers recently hosted a technical meeting between senior local authority officers and DfT officials to look at the benefits of a local approach in this area.
3. This report sets out some options for Board members to influence the debate at a political level.

Strategic Roads Network Reform

4. The government's response to the Cook Report on the Highways Agency broadly accepted Cook's recommendations and outlined how these might be implemented. It acknowledged the need for:
 - 4.1 A 20 year roads strategy, which is now being developed.
 - 4.2 A look at future funding and organisational arrangements for the Highways Agency. This is currently being considered and a report to Ministers is being drafted.
 - 4.3 A route-based approach to strategy planning and prioritisation (setting its requirements of, and funding for, motorway and trunk roads at the level of individual routes and route segments, informed by route-based strategies rather than for the network as a whole and in doing so liaising more with local government).
5. The LGA has already advised DfT that these changes affect local government and any decisions on future approaches to managing the strategic roads network must take this into account.

Item 4

Integrating decision-making on the strategic and local road networks

6. The strategic network represents about 2 per cent of the total roads network in the UK. The Cook Report considered that the strategic network was almost complete and that the future focus would be on maintenance and enhancement rather than wholly new routes.
7. However, the government's feasibility study and roads strategy will in part look at how additional non-government investment in roads might be achieved and how you might use this funding. A key factor here is the government's expectation that usage on the strategic network will increase by 40 per cent in the next 20 years. This assumption runs counter to much expert opinion.
8. The LGA has advised DfT that considering the strategic road network in isolation fails to take into account the other 98 per cent of the network which is managed by local authorities. The local network has been under strain for many years. Enhancing the strategic network in isolation will not have the desired beneficial effect on economies because the local network will not be able to accommodate this growth in traffic without substantial additional investment.
9. Another issue that has been raised with DfT is that the distinction between the national strategic road network and local roads is misleading. Journeys do not begin and end on the strategic network; measures that increase its capacity will not provide economic benefits if they are considered in isolation. Increasing network capacity is best achieved through addressing local bottlenecks rather than through centralised national plans. For example 89 per cent of the delays caused by congestion occur in urban areas, simply cutting the time it takes to reach this congestion adds to the problem. Action that reduces commuter traffic in a particular area may bring benefits to the strategic network without requiring any physical alteration to it by taking short distance commuter traffic off a through route.
10. This raises the question of how we can manage investment decisions most effectively on the network as a whole.
11. The Cook Report noted that the Highways Agency is an anomaly amongst infrastructure providers including water, electricity and rail and highlighted the need for institutional change to bring about a new relationship with government, based on a performance framework, but also as a means of accessing new finance. The government has subsequently said that it will look at radical reform, which will no doubt assess the applicability to highways of institutional arrangements in other infrastructure sectors. However, radical reform which fails to integrate decision-making across the local and strategic network is unlikely to deliver the desired economic benefits that are at the heart of the policy.

Local government as decision maker

12. One approach could be to integrate decisions on the strategic and local network with local government and their partners as the key decision makers.
13. Following the announcement on the new arrangements for managing local majors scheme funding, new Local Transport Boards are being created, which conform to a LEP

Item 4

geography. The LGA has always contended that the creation of this new administrative tier is unwarranted for the relatively modest sums associated with the local majors scheme funding. However, the model makes more sense if it incorporates all funding on the local and strategic network.

14. Such a move would ensure that:

14.1 Planning and prioritising takes place across the whole network.

14.2 Decision-making and budgetary responsibilities are integrated at the local level.

14.3 Local knowledge is used more effectively in value engineering.

14.4 There is greater responsiveness to local economic opportunities.

15. Local authorities would also be able to commission new provision where that was required and establish relevant investment delivery vehicles. Local decision-making would not preclude central government from commissioning wholly new routes.

16. This approach would enable a better balance to be struck between road maintenance and network enhancement. For example, investment in road maintenance provides a much faster way to stimulate local economic activity.

Next steps and conclusions

17. There is an opportunity to set out the additional role that local government can play in managing the roads network as government considers its options in the coming months.

18. A draft of the National Transport Strategy is also beginning to be developed by DfT. It is expected that this will set out the overarching aims for transport policy and delivery in the coming years and in particular for the next spending review. Officers will update members on this at the Board. Consultation on the first draft is expected in late 2012.

19. The work on the roads strategy and feasibility study is ongoing. The feasibility study, which is being developed with No 10 is expected to report to the Prime Minister in early autumn.

20. There is an opportunity to press for a greater role by local authorities in roads decision-making as outlined above. This needs to be done now in order to influence government announcements later this year. There are several ways in which we could engage with government both at official and political level, which could include bringing a more detailed proposal to the attention of the new Secretary of State for Transport and the Prime Minister.

21. The LGA is continuing to work with a number of authorities (including PTEG, Cornwall, Cambridge and Staffordshire as set out in previous papers) and the DfT to understand the most appropriate approaches to transport devolution. Through these demonstration projects we will continue to explore opportunities and barriers to growth arising from the current approaches to roads policy making.