



CABINET – 9 MARCH 2018

CREATION OF A MAJOR ROAD NETWORK

REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT

PART A

Purpose of the Report

1. The purpose of this report is to seek approval for the County Council's formal response to the Department for Transport (DfT) consultation on proposals for the creation of a Major Road Network (MRN). The MRN would consist of England's most important routes which complement motorways and strategic trunk roads and would benefit from the new National Roads Fund.

Recommendations

2. It is recommended that:
 - (a) The Director of Environment and Transport, following consultation with the Cabinet Lead Member for Environment and Transport, be authorised to
 - (i) agree the County Council's response to the Department for Transport consultation on the Major Road Network (MRN) based on the key comments set out in paragraphs 39 to 55 of this report and the proposed Leicestershire MRN (attached as Appendix B),
 - (ii) enter into any further negotiations with DfT and/or Midlands Connect as appropriate with regard to the proposed Leicestershire MRN and make any subsequent amendments;
 - (b) That it be noted that the Secretary of State for Transport will make the final decision as to what routes will be included in the MRN, and that an announcement is expected in the summer of 2018.

Reason for Recommendations

3. The recommendations are made in order to enable the County Council to respond to the Government consultation on proposals to create a new MRN.
4. The MRN would enable local strategic routes to benefit from additional investment. The submission of a formal response will enable the County Council to influence the development of the MRN at this early stage and ensure that key strategic routes in

Leicestershire, including those identified in the Council's Prospectus for Growth, are considered by the Secretary of State.

Timetable for Decisions (including Scrutiny)

5. The Director of Environment and Transport is required to submit a formal response to the Government by 19 March 2018.
6. It is expected that the Government will publish its response to the consultation during summer 2018 when the Secretary of State will make a final decision on the MRN and more details of the funding criteria and application process will be announced.

Policy Framework and Previous Decisions

7. On 19 April 2017, the Cabinet approved the Environment and Transport interim Commissioning Strategy Action Plan, which included an action to identify a major road network for the County.
8. In July 2017, the Government's Transport Investment Strategy set out the DfT's priorities and approach for future transport investment decisions. This included proposals to consult on a draft national MRN network and initial ideas as to how funding may be distributed and made available.

Resource Implications

9. There are no resource implications arising from the recommendations in this report. Proposals for the MRN outline a potential future source of funding for delivering transport improvements on roads included in the network and the financial impacts of such schemes will need to be examined in detail once more details become available.
10. The Director of Corporate Resources and the Director of Law and Governance have been consulted on the content of this report.

Circulation under the Local Issues Alert Procedure

None.

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PART B

Background

11. The MRN concept was initially developed by the Rees Jeffreys Road Fund in 2016 in response to an emerging planning and funding gulf between local roads managed by local highway authorities and the Strategic Road Network (SRN), which is comprised of motorways and trunk roads and is managed by Highways England. The Rees Jeffreys study made the case for one amalgamated national MRN that consisted of the SRN and the most economically and strategically important local roads which:
 - have an annual average daily two-way flow (AADF) greater than 20,000 vehicles;
 - have as few as 10,000 vehicles, but more than 5% HGVs; and
 - link economic centres and key transport hubs.

12. The study highlighted that:
 - these local roads need to cater for an even broader mix of users than the SRN, including small businesses, commuters, manufacturers, freight, leisure and tourism;
 - many of these regionally important roads cross numerous local authority boundaries and their management can therefore be inconsistent. They require more consistent and coordinated management than the rest of the local road network (LRN);
 - as part of the LRN, these significant local authority “A” roads do not receive the benefits of long-term funding certainty and efficiencies and would benefit from planned investment similar to that provided to the SRN by the Road Investment Strategy (RIS) five-year programme
 - the entire road network would work more effectively if a portion of the National Roads Fund were to be dedicated for local authority major roads, as well as the SRN, and it would help close the funding gap between the two sets of roads.

13. Following the publication of the Rees Jeffreys study, the Government published its Transport Investment Strategy in July 2017, under the umbrella of its Industrial Strategy. This set out a new long-term approach for future transport infrastructure spending targeted at projects that would enhance productivity and local growth priorities. It included proposals to consult on a draft national MRN comprising the more important local authority ‘A’ Roads, which would benefit from a proportion of the National Roads Fund but differed from the Rees Jeffreys study in that it did not propose to include any of the existing SRN in the new MRN.

Major Road Network- DfT consultation proposals

14. The DfT’s consultation on the MRN was launched on 23 December 2017 with a deadline for responding by 19 March 2018.

15. The DfT's consultation document '*Proposals for the creation of a Major Road Network*' contains 16 questions around defining the MRN, investment planning and potential eligibility for funding. The County Council's formal response to these questions will be based on the key comments set out in paragraphs 39 to 55 of this report.
16. The consultation marks the first step in the development of the MRN. At this point the consultation focuses on establishing the principles and framework for the MRN, rather than what routes should be part of it. However, the DfT do provide an indicative MRN map as part of the consultation (see Appendix A).
17. The consultation document includes proposals on the criteria used for deciding which roads should be included and the type of schemes which will be eligible for funding. It also seeks views on the proposed roles for local highway authorities and regional transport bodies with regard to investment needs, programme development, and the on-going management of the MRN. A summary of the consultation document is given in the following paragraphs.

Government policy objectives and MRN core principles

18. In creating the MRN, the Government has five central policy objectives. These are:
 - 1) **Reducing congestion** – alleviating local and regional congestion, reducing traffic jams and bottlenecks;
 - 2) **Support economic growth and rebalancing** – supporting the delivery of the Industrial Strategy, contributing to a positive economic impact that is felt across the regions;
 - 3) **Support housing delivery** – unlocking land for new housing developments;
 - 4) **Support all road users** – recognising the needs of all users, including cyclists pedestrians and disabled people; and
 - 5) **Support the Strategic Road Network (SRN)** – complementing and supporting the existing SRN by creating a more resilient road network in England.
19. In order to deliver these objectives, the Government has outlined a number of fundamental principles at the heart of the proposed MRN plans and the programme of investment. These are:
 - a) *A Consistent Network*: The MRN must be consistent across England. To achieve this, it must be defined via a set of criteria and centrally agreed, with the final decision on inclusions resting with the Secretary of State. Its size must also ensure that an improvement in performance can be achieved across its entirety. Local and regional bodies will play a key part in developing and applying the criteria in their areas. This consultation, and the indicative network it sets out, is the first step in the engagement required to agree the MRN.
 - b) *A Coordinated Investment Programme*: Many of the regionally important roads that will form the MRN cross numerous local authority boundaries. This means that their management and prioritisation can vary across their length. MRN roads, whilst

remaining the responsibility of local authorities, should benefit from a more coordinated programme of investment.

- c) *Clear Local, Regional and National Roles*: Local authorities will remain responsible for the roads included in the MRN. However, to bring more joined-up focus on investment planning to these important roads the proposals as part of this consultation set out for how local, regional and national bodies will work together to deliver the MRN Programme.
- d) *A Focus on Enhancement and Major Renewals*: MRN funding needs to bring about improvements in standards and performance across the network. Investments will therefore focus on enhancements or major renewal schemes. The day-to-day maintenance of the MRN will remain the responsibility of individual highways authorities with separate funding through existing arrangements. It is a guiding principle of the MRN that local highways maintenance funding should not be adversely affected by the creation of the MRN.
- e) *Strengthening Links with the Strategic Road Network*: The RIS and MRN Programmes should not act in isolation. Both networks will play a key role in users' journeys and users should expect a seamless transition between the two.

Defining the Network – the DfT's indicative MRN

- 20. The DfT is proposing to define the MRN as a separate middle tier which would sit between the LRN and the SRN, despite the recommendations of the earlier Rees Jeffreys study of an amalgamated network of SRN and LRN routes.
- 21. The DfT envisages that around 5,000 miles of local authority managed 'A' road will be brought into scope of the MRN and a new funding source will be established from the National Roads Fund for upgrades and improvements. The SRN in contrast consists of 4,400 miles of motorways and trunk roads.
- 22. The MRN will be shaped using both quantitative and qualitative criteria; based on objective analysis and from local knowledge and requirements. The network will be defined using current traffic data and evidence from local authorities and regional transport bodies so that it is consistent across England.
- 23. It is likely to include:
 - i. Roads where traffic flow is greater than a defined level (which has not been published).
 - ii. Roads where traffic flow is greater than a defined level (but lower than in criteria i), and in addition, the proportion of Heavy Goods Vehicles/Light Commercial Vehicles on that section of road is also greater than a defined level.
- 24. The DfT also proposes that the network should be consistent and coherent, removing isolated links that would otherwise meet the criteria, and also providing links to all towns/cities greater than 50,000 population and all major sea ports, airports and key transport hubs not already linked by the SRN.

25. It should be stressed that DfT is not consulting on a proposed MRN at this stage; the MRN will be defined by the Secretary of State for Transport following consideration of the consultation outcomes. Nevertheless, an indicative MRN map has been published (see Appendix A) as part of the DfT consultation, building on the work of the Rees Jeffreys study.
26. With regard to Leicestershire, the indicative MRN currently includes the A50, A6, A607, A47 (east of Leicester) and A563, and parts of the A5360 (Anstey Lane), A5460 (between M1 J21), A426 and A4304 (Lutterworth) and A6004 (Loughborough).
27. It is proposed that the MRN is reviewed every five years, although the methodology has yet to be outlined.

Investment Planning - roles for local, regional and national bodies

28. In order to bring a more joined-up focus on investment planning to a new MRN, the Government is also setting out proposals as part of this consultation as to how local, regional and national bodies will work together to deliver the MRN Programme.
29. The consultation sets out proposals for the ongoing management of the MRN, including the roles of Sub-national Transport Bodies such as Midlands Connect is proposed to become and Highways England. The MRN will continue to be managed by the County Council as the Local Highway Authority. The SRN will remain unchanged and will continue to be managed by Highways England.
30. The Government is proposing roles for local, regional and national bodies to support long-term strategic thinking about the investment needs of the MRN. While Ministers will be the ultimate decision-makers for the MRN Programme, the Government will look to local and regional bodies to work together to develop and prioritise packages of interventions for consideration.
31. It is proposed that:
 - Local authorities and regional transport bodies (e.g. Midlands Connect) will develop Regional Evidence Bases that will include an assessment of the network and identification of priority corridors.
 - Regional Evidence Bases will inform the development of the MRN Investment Programme.
 - The Investment Programme will be reported on periodically, with both the Investment Programme and Regional Evidence Bases updated every two years.
32. Recognising the links with the SRN, there will be a role for Highways England to support local, regional and national bodies involved in the MRN Programme and ensure that the two programmes of investment are complementary. Regional transport bodies will also play a crucial part in ensuring that the two programmes are aligned.

Funding - eligibility and investment scheme assessment criteria

33. In order to provide increased funding certainty for the proposed MRN, the Government has proposed to allocate a long-term funding stream from 2020. This could comprise over £1 billion per year of dedicated funding from Vehicle Excise Duty (VED).
34. The consultation document proposes that MRN schemes will be in the region of £20m - £100m and are supported by local contributions (e.g. local highway authority or developer).
35. MRN funding should target significant interventions which offer transformative solutions to the most economically important local authority 'A' roads, as well as providing value for money for the taxpayer.
36. The proposed funding does not cover day-to-day maintenance, which will remain the responsibility of individual highway authorities with separate funding through existing arrangements.
37. The proposed criteria for assessing investment in the Major Road Network will be based on the five central policy objectives set out in paragraph 18 of this report

Proposed County Council response

38. The County Council's response to DfT's consultation will be based on the following key points and comments.

General comments

39. The County Council fully supports the Government's core policy objectives and key principles behind the development of the MRN and welcomes the recognition of the existing funding gap between local roads and the SRN. However, the Authority is concerned about the future relationship between the MRN and SRN. The County Council is keen that opportunities are not lost to maximise integration between the two in terms of consistency in the use of smart technology and seamless journey quality across the whole network.

Defining the Network - Leicestershire's MRN

40. It is understood that that DfT's consultation is the first step in the development of the MRN and at this point it is about establishing the principles and framework for the MRN rather than agreeing which routes should be part of it.
41. The County Council is however supportive of DfT's indicative MRN map (Appendix A) as a starting point for discussion and development, subject to further inclusion of the following additional suggested routes, shown on the plan in Appendix B:
 - *A47 to Hinckley,*
 - *A606 Nottingham- Melton-Oakham*
 - *A512, M1 J23 to Loughborough*
 - *A453, past East Midlands Airport*

- *A447, Hinckley to Coalville*
- *A426, Lutterworth to Leicester*
- *B582, Blaby to Foxhunter Roundabout*
- *B4114, Foxhunter Roundabout to Fosse Park*
- *A6, Kegworth bypass (under construction).*

Future MRN routes include the following:

- *A46, Expressway (identified in Midland Connect Strategy)*
 - *Melton Mowbray Distributor Road (Outline business case for funding submitted)*
 - *Castle Donington Relief Road (part of North West Leicestershire Local Plan)*
 - *Garendon Link Road (part of Charnwood Local Plan).*
42. The County Council's proposition for a Leicestershire MRN is slightly larger than the Government's consultation proposal but it is considered that there is a strong case for each individual link. The proposed Leicestershire MRN forms a coherent network of interurban links between economically important market towns and the supporting evidence base is consistent with the quantitative and qualitative criteria suggested by DfT and in the previous Rees Jeffreys Study.
 43. The County Council considers that the proposed criterion used to define the network are generally sound but would recommend that they are widened, where evidence suggests, to include strategic and economically important 'B' roads. The County Council has included sections of both the B4114 and B582 in its MRN proposition based on current traffic flow and HGV usage. These factors compare similarly to other 'A' roads in the County (with an AADF greater than 20,000 vehicles).
 44. The County Council suggests that the quantitative criteria proposed should also consider forecast traffic levels. Whilst it is understood that the MRN will be reviewed every five years, there needs to be some element of looking further forward and some sense of how traffic levels are going to evolve - particularly in the interests of unlocking future planned growth.
 45. Midlands Connect and Transport for East Midlands (TfEM) will be submitting separate consultation responses to DfT which include a suggested MRN for the Midlands area (Midlands Connect's proposed MRN map is attached in Appendix C). The County Council has fed into the development of this along with other neighbouring highway authorities. The proposed Midlands MRN currently includes all of the County Council's proposed routes identified in Appendix B.
 46. Further refinement of the MRN will be required between now and when the Secretary of State makes a final decision on the extents of the MRN (expected to be summer 2018). It is probable that the extent of the network put forward by local highway authorities and STBs during this period will need to be reduced to align with DfT's initial target of 5,000 miles of network. For Leicestershire, this refinement is likely to take place in the context of the wider East/West Midlands area and influenced through Midlands Connect. The County Council will therefore continue to work closely with Midlands Connect to seek to ensure that its key strategic routes are included within the final MRN.

Investment Planning - roles for local, regional and national bodies

47. The County Council requests that moving forward, more clarity is provided on the role of local highway authorities and regional transport bodies such as Midlands Connect in terms of future investment prioritisation, performance oversight and policy development for the MRN.

Funding - eligibility and investment / scheme assessment criteria

48. The additional funding stream associated with the MRN is welcomed, however more clarity is required on the development process for schemes, timescales, funding arrangements and the eligibility criteria.
49. The County Council is concerned that types of schemes considered for funding do not appear to include day-to-day maintenance or maintenance renewal work such as bridge replacements. It will stress the importance of asset management in its response and the impact this will have on the Authority's maintenance budget; and will seek further clarification on this.
50. There is also concern with regard to the suitability of the suggested funding thresholds (£20m to £100m) and potential difficulties this may present for local highway authorities to secure the necessary local contributions of 20-30% from the local highway authority or developers.
51. Further clarification is again required on this and as to whether there are opportunities to package together more realistic smaller scale schemes for funding consideration.
52. Advanced study and design work is likely to be required in order to develop the necessary evidence and identify potential MRN schemes. This could present forward funding difficulties for the Authority unless other sources of funding are made available by Government.
53. Further detail on the scheme assessment criteria is required at the earliest opportunity, including the scheme development process, timescales and funding arrangements to understand requirements fully. The Authority will suggest that the process is consistent with existing DfT scheme assessment mechanisms such as WebTag and different parallel assessment arrangements are avoided.
54. It is understood that the MRN will be reviewed every 5 years and therefore the County Council will stress the importance of funding continuity after each 5 year period to avoid a potential 'cliff edge' funding situations, i.e. if a route is removed from the MRN in a future review.
55. As yet there is no information on how funding might be made available, whether this is through direct award, competitive bidding or via Midlands Connect, and therefore the County Council will also be seeking clarification on this.

Next Steps

56. The County Council will submit its formal response to DfT and include its proposition for an MRN (Appendix B) for Leicestershire by 19 March 2018.
57. Following submission of the County Council's response it is expected that further discussions and negotiations will take place with DfT between 19 March and summer 2018 on the refinement of the consultation proposals and what routes should be designated within the MRN.
58. These refinements are likely to take place in the context of the wider East/West Midlands area and influenced through potential negotiations if necessary, between the County Council and DfT via Midlands Connect.
59. It is expected that the Government will publish its response to the consultation during summer 2018, when it is understood that the Secretary of State will make a final decision on the MRN and more details of the funding criteria and application process will be announced.
60. Members will be advised of the Secretary of State's final decision on the MRN following the announcement.

Equality and Human Rights Implications

61. There are no equality or human rights implications arising from the proposed response to the DfT consultation. If appropriate, equality and human rights impact assessments will be undertaken as and when schemes that the County Council is responsible for are taken forward.

Background Papers

- DfT- '*Proposals for the creation of a Major Road Network*', (consultation document), Published 23 December 2017
<https://www.gov.uk/government/consultations/proposals-for-the-creation-of-a-major-road-network>
- DfT- '*Proposals for the creation of a Major Road Network*', (MRN consultation map), Published 23 December 2017
<http://maps.dft.gov.uk/major-road-network-consultation/>
- Leicestershire County Council Prospectus for Growth
<https://www.leicestershire.gov.uk/sites/default/files/field/pdf/2017/9/26/prospectus-for-growth-low-resolution.pdf>

Appendices

- Appendix A - DfT Indicative Major Road Network (December 2017)
 Appendix B - LCC Proposed Major Road Network (February 2018)
 Appendix C - Midlands Connect - Proposed MRN (February 2018)