

National Highways Update to North Yorkshire Council Transport, Environment and Enterprise Overview & Scrutiny Committee

Wednesday 10 April 2024

Update on the A64 Hopgrove to Barton le Willows scheme

We completed our value engineering study on the A64 Hopgrove to Barton-le-Willows scheme in Autumn 2023. This study aimed to reduce the number and simplify the layout of proposed junctions, with changes including removing grade separated junctions, and adding in footbridges and on-/off-slips. Walking and cycling measures and provision for utilities were also reviewed to ensure the most efficient provision.

During the time we worked with Natural England who confirmed that areas of woodland impacted by some of the proposals meet the criteria to be classed as ancient woodland and therefore any further work on this project would need to consider best way to avoid those. Savings were achieved from the changes to the junctions, but the value for money on the project remains low due to increases in other areas such as inflation, carbon reduction and biodiversity measures. We are now awaiting direction from the Department of Transport on the next steps for the project.

As you may be aware, in March 2023 the Government announced work on the future pipeline of schemes, like A64 Hopgrove, that were earmarked for RIS3 (covering 2025 to 2030) will now be considered for construction as part of RIS4 (beyond 2030). It's important to reiterate that all our schemes in the RIS3 pipeline programme remain uncommitted, with no guarantee they'll be taken forward into construction. We won't know which schemes are committed until the publication of RIS3, which is expected this year.

Update on the A66 Transpennine Route scheme.

On 7 November 2023, the Secretary of State for Transport (SoS) delayed the decision of the A66 Northern Trans-Pennine project's Development Consent Order (DCO) by four months. On 7 March 2024, the SoS granted the A66 DCO, and the project is now within the Judicial Review challenge period until 19 April 2024. Further information regarding the DCO decision can be found here: <https://national-infrastructure-consenting.planninginspectorate.gov.uk/projects/TR010062>

Once the DCO decision challenge period has concluded, the next step will be for Government to review and approve the Full Business Case. Ahead of construction works commencing, preparatory archaeological works and utilities diversions are currently taking place along the A66.

National Highways A66 Project Director (Stewart Jones) and Project Sponsor (Tom Gifford) will be attending the NYC O&S committee meeting on 10 April to provide an update on the project. Further information regarding the project can be found on the

National Highways A66 project website at: <https://nationalhighways.co.uk/our-roads/a66-northern-trans-pennine/>

How are Value for Money statements and Cost Benefit Ratios for major projects calculated?

Value for Money (VfM) is one of the key considerations for any decision maker when considering the use of public funds across all areas of government. VfM is only one of the criteria used by decision makers to assess if a project should progress; other factors include affordability, deliverability, carbon impacts and Levelling Up.

VfM is the broad assessment of the ratio of benefits to costs, and therefore the likely return to taxpayers from the investment. VfM also includes value judgments about impacts which can't easily be quantified. In a transport context, this covers quantifiable economic impacts such as travel time savings, changes to vehicle operating costs, improvements to road safety, journey time reliability; social (e.g. health, safety, accessibility); and environmental (e.g. noise, air quality, landscape) impacts.

The assessment of all impacts of a highways project follows the Department for Transport's (DfT) Transport Appraisal Guidelines (TAG). This also applies for other transport projects. The DfT's VfM Framework and TAG sets out:

- The approach to monetising the impacts of infrastructure schemes where possible; and
- How to assess a schemes VfM category

As noted, the impacts of a project can be both qualitative and quantitative. Qualitative impacts are difficult to monetise but obviously need to be considered as part of the VfM assessment. National Highways follow TAG to ensure a consistent assessment of these non-monetised items across all projects. Project costs are estimated by National Highways Commercial Services.

Briefly, to determine a projects VfM, all monetised impacts are added up and then divided by the schemes costs to estimate the benefit / cost ratio (BCR).

Non monetised impacts are then considered e.g. impact on bio diversity. If the BCR is at the boundary of a VfM category but has a large adverse impact on biodiversity then the project would be downgraded to low VfM rather than medium. If, however, the BCR was estimated at 1.8, then despite the projects adverse impact on biodiversity, it would be assigned a medium VfM rating. It is important to highlight that BCR is not the same as VfM.

Examples of monetised benefits/impacts	Examples of non-monetised benefits/impacts
Journey time savings	Historic environment
Accidents	Water environment
Air quality	Biodiversity
Noise	Security
Indirect tax	Journey quality
Greenhouse gases	Severance
Vehicle operating costs	Physical activity

The VfM categories are:

VfM Category	Benefits, whether quantified or unquantified are judged to be worth:
Very High	More than 4 times the cost
High	More than twice the cost
Medium	More than 1.5 times the cost
Low	More than the cost
Poor	Less than the cost
Very Poor	Less than zero

National Highways licence requirement is for all projects to achieve medium or greater.

How is major road infrastructure funding distributed across the country?

On behalf of the UK Government, the Department for Transport sets a budget to National Highways in five year funding cycles, known as Road Investment Periods. The setting of a five-year Road Investment Strategy (RIS) supports the long-term management and development of the Strategic Road Network that comprises of England's motorways and Major A Roads.

The RIS, includes decisions made by the Department for Transport on areas where key investment has been identified across the country. Road Investment Period 1 ran from 2020 to 2015 and we're currently in Road Investment Period 2 which runs from 2020 to 2025. The Government will shortly make decisions about the Strategic Road Network in the third Road Investment Strategy, which covers the period 2025 to 2030.

National Highways colleagues attending:

Stewart Jones - National Highways A66 Project Director

Tom Gifford - Project Sponsor, National Highways

Ada Gonzalez Albert - RIS 3 Pipeline Regional Delivery Director (Virtual)

Mairead Lane - RIS 3 Pipeline Programme Director (Virtual)