



Department
for Transport

Investment Planning Guidance For the Major Road Network and Large Local Majors Programmes

Moving Britain Ahead

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List of Abbreviations Used

BCR - Benefit Cost Ratio
FBC - Full Business Case
HE - Highways England
LEP - Local Enterprise Partnership
LLM - Large Local Major
MP - Member of Parliament
MRN - Major Road Network
OBC - Outline Business Case
REB - Regional Evidence Base
RIS - Road Investment Strategy
RIS2 - The Second Road Investment Strategy
SOBC - Strategic Outline Business Case
SRN - Strategic Road Network
STB - Sub-national Transport Body

1. Introduction

- 1.1 On 23 December 2017, the Government launched a consultation setting out proposals for the creation of a Major Road Network (MRN). The MRN will form a middle tier of the country's busiest and most economically important local authority 'A' roads, sitting between the national Strategic Road Network¹ (SRN) and the rest of the local road network. A specific new funding stream will be dedicated to improvements on MRN roads.
- 1.2 The [consultation on the creation of the MRN](#) ran for 12 weeks until 19 March 2018. The Government published its response to that consultation today. The response confirmed the eligibility criteria for investments and the objectives of the MRN programme.
- 1.3 At the Budget the Government announced the National Roads Fund would be £28.8 billion between 2020-2025, £3.5 billion of which is expected to be spent on local roads.
- 1.4 The purpose of this guidance is to enable regions to plan and prioritise investments in a way which makes best use of the targeted funding from the National Roads Fund. In developing it, the Department has considered responses to the MRN consultation and has engaged with Sub-national Transport Bodies (STBs), local highway authorities and other stakeholders in order to set out a structured approach to investment planning. In particular, we value the input from STBs and look forward to working collaboratively on the progression of the MRN and Large Local Majors (LLM) programmes.
- 1.5 This guidance summarises the eligibility criteria for MRN funding and explains how and when Regional Evidence Bases (REB) and investment proposals should be developed and submitted to the Department. It also provides guidance on how local and regional bodies should work with stakeholders including Highways England.
- 1.6 Section 7 of this guidance, explains how the process for submitting scheme proposals for the LLM programme will align with the MRN investment planning process.
- 1.7 This guidance is aimed at STBs or, where STBs do not exist, regional groups of local highway authorities who will be responsible for developing the REB in their region. The guidance is also aimed at potential local highway authority scheme promoters that are considering bringing forward proposals for MRN or LLM investments.
- 1.8 The guidance will also be of interest to Local Enterprise Partnerships (LEPs), Members of Parliament (MPs), District and Parish Councils and the wider industry, including design consultants and construction companies.

¹ The SRN, managed by Highways England, is comprised of nationally significant roads which connect the main centres of population in England. These roads provide access to major ports, airports and inter-modal freight terminals and the main cross border routes to Scotland and Wales. It is also the busiest part of the road network consisting of 4,400 miles (2% of our road network), but carrying a third of traffic and two-thirds of HGV traffic.

2. MRN Objectives

2.1 The MRN has five central objectives which build on the commitments made in the Transport Investment Strategy². Those objectives are to:

- **Reduce congestion** – alleviating local and regional congestion, reducing traffic jams and bottlenecks.

Congestion creates delays and bottlenecks on heavily-used routes, and has an economic impact. Investments will upgrade and enhance roads on the MRN, making it better able to cope with demand by adding capacity to reduce congestion and crowding. This will make journeys more comfortable and reliable for users, and make possible new trips that were previously impractical due to frequent or unpredictable delays.

- **Support economic growth and rebalancing** - supporting the delivery of the Industrial Strategy³, contributing to a positive economic impact that is felt across the regions.

Investments on the MRN can better connect people and businesses to markets and international gateways, boosting economic productivity. This makes places more attractive to businesses and people, encouraging further investment. By improving the capacity, reliability, safety and connectivity of the network, road investment facilitates journeys for people and businesses and improves economic performance.

- **Support housing delivery** - unlocking land for new housing developments.

We face an immense challenge to provide the houses that will support communities to grow sustainably. Transport infrastructure is key to unlocking development and delivering places people want to live. Road schemes can create new links between communities and workplaces to deepen local labour markets, connect housing developments to the network, provide new routes on city and commuter networks or contribute to creating places that promote wellbeing through the management of congestion or provision for public transport. MRN investment decisions will include consideration of how proposed schemes will unlock land for housing developments, and help to improve how transport is planned for new developments from the outset.

- **Support all road users** - recognising the needs of all users, including cyclists, pedestrians and disabled people.

MRN investments need to consider the needs of all road users. Proposals to improve the MRN should consider the needs of both motorised and non-motorised users. In bringing forward proposals for improvements to the MRN, we

² <https://www.gov.uk/government/publications/transport-investment-strategy>

³ <https://www.gov.uk/government/publications/industrial-strategy-building-a-britain-fit-for-the-future>

will expect the needs of all users, including cyclists, pedestrians and disabled people and public transport users, to be considered and benefits for them delivered as part of the solutions proposed.

- **Support the Strategic Road Network** – complementing and supporting the existing SRN by creating a more resilient road network in England.

Users need to pass seamlessly between the MRN and the SRN. To support users’ journeys and ensure a seamless transition between the two networks, MRN investments will also seek to improve flows between the SRN and the MRN.

2.2 As outlined in section 4, REBs and individual scheme business cases must display how proposals seek to achieve any relevant objectives based on the assessment criteria in the table below. The relevant criteria should be reflected in the REBs and will be used when the Department assesses individual scheme’s strategic and economic cases before making programme entry and funding decisions.

Objective	Criteria
Reducing Congestion	<ul style="list-style-type: none"> • Alleviate Congestion • Take account for impacts on air quality, biodiversity, noise, flood risk, water quality, landscape and cultural heritage sites
Support Economic Growth & Rebalancing	<ul style="list-style-type: none"> • Industrial Strategy: Supports regional strategic goals to boost economic growth • Economic Impact: Improve ability to access new or existing employment sites • Trade & Gateways Impact: Improve international connectivity, e.g. access to ports & airports
Support Housing Delivery	<ul style="list-style-type: none"> • Support the creation of new housing developments by improving access to future development sites and boosting suitable land capacity
Supporting All Road Users	<ul style="list-style-type: none"> • Delivering benefits for public transport and non-motorised users, including cyclists, pedestrians and disabled people • Safety Benefits: Ability to reduce the risk of deaths/serious injuries for all users of the MRN
Supporting the SRN	<ul style="list-style-type: none"> • Improved end to end journey times across both networks • Improved journey time reliability • Improved SRN resilience

3. MRN Eligibility Criteria

- 3.1 The MRN is a new programme that will see substantial amounts of new investment available for road enhancement schemes on the most important local authority roads from 2020/21.
- 3.2 The consultation response outlined the eligibility requirements of proposals for MRN funding. The types of schemes eligible for MRN funding are:
- Bypasses or new alignments which alleviate congestion and make through journeys quicker, safer and more reliable.
 - Missing Links – new roads that link existing stretches of the MRN or SRN.
 - Widening of existing MRN roads where there is a known congestion point or safety risk.
 - Major structural renewals on roads, bridges, tunnels and viaducts on MRN roads, where significant work needs to be done to renew the carriageway or prevent closure or weight restrictions.
 - Major junction improvements such as a grade separation that would improve the safety, performance or flow of an MRN road.
 - Variable message signs, traffic management and the use of smart technology and data to raise the performance of the network.
 - Packages of improvements which may include elements of safety, widening, junction improvements and new alignment.
- 3.3 Schemes for the eligible interventions listed above could also include measures to support other road users. For example, a bypass scheme could also include measures to improve facilities for pedestrians and cyclists in the area being bypassed, or a bus lane could be included as part of a road widening scheme.
- 3.4 For the avoidance of doubt, schemes on roads which are not on the MRN or are wholly on the SRN will not be eligible for MRN funding.
- 3.5 The Department's contribution for MRN interventions will normally be between £20 million and £50 million, although the lower threshold will not be applied rigidly. Schemes seeking a contribution of more than £50m should be dealt with as potential LLMs (see section 7).
- 3.6 The Department's contribution for the delivery of interventions will be fixed with the relevant local highway authority responsible for its effective delivery. As with other Government investment programmes, where works are delivered by local highway authorities, MRN interventions will require a local or third-party contribution towards the final cost of the scheme. The size of the local contribution of each scheme will be for discussion as the scheme develops. However, as a general guideline MRN schemes should aim for the local or third-party contribution to be at least 15% of the total scheme costs. This will act as an important incentive to ensure that the agreed

scheme is delivered to programme and budget. Where schemes benefit the private sector, especially developers, the Department would expect a significant contribution.

- 3.7 Where schemes are partly on the SRN and on the local road network, the Department will aim to consider interventions for the MRN, LLMs and the Road Investment Strategy across all relevant programmes without the need for multiple submissions on the part of the relevant authority. This may require authorities to provide Highways England or others with supporting evidence for wider processes examining the needs of the SRN.

4. Regional Evidence Base (REB)

- 4.1 The development of a REB should facilitate a long-term strategic approach to the investment needs of a region. A strategic consideration of needs will make best use of the funding that will be made available from the National Roads Fund and deliver the best possible outcome for users.
- 4.2 A REB must provide a strategic overview of the MRN in a region. It must identify key considerations such as housing and industrial developments and the priority opportunities and problems on the network that need to be resolved. These problems and opportunities should be linked to the MRN objectives outlined in section 2. In addition to helping a region define its priorities, the REBs will help the Department to deliver investments that are regionally balanced and informed by evidence from the earliest stages of development.
- 4.3 The REB should also consider other relevant problems that are linked to proposed investments. This could include environmental considerations such as noise important areas, air pollution hotspots and wider regeneration opportunities or social impacts. Identifying these elements in the REB will highlight their need for consideration at an early stage of the development and design of potential solutions.
- 4.4 MRN investments should seek to help secure positive environmental enhancements in line with the 25 Year Environment Plan (A Green Future: Our 25 Year Plan to Improve the Environment). Where negative impacts cannot be avoided, we expect scheme promoters to minimise and mitigate these impacts in line with existing requirements. When environmental issues are identified in the REB, we encourage local highway authorities and STBs to engage at an early stage with relevant stakeholders such as local groups, national park authorities or the environment agency.
- 4.5 We do not intend to place a large burden on local and regional bodies to produce and maintain extensive new regional evidence. Rather we want to see the appropriate use of evidence to support the prioritisation of transport interventions. The Department recommends that full use is made of existing data and analysis, such as local and regional transport strategies to develop the REBs. The REBs should largely be drawn from work STBs are already doing to develop their Transport Strategies.
- 4.6 Details of the minimum expectations of what a REB should include are on pages 13-14.
- 4.7 The output of the REB should be a list of up to ten top priority MRN investments in the STB or regional grouping's region for the period April 2020 to March 2025. This list should be influenced by input from relevant stakeholders as detailed in section 6. The criteria and methodology behind the selection of these priority schemes must be provided, along with the full list of viable schemes suggested by stakeholders. Schemes confirmed in autumn 2018 for early consideration for the MRN programme do not need to be included in this list.

- 4.8 This approach will help ensure resources are targeted at the development of priority investments from an early stage.
- 4.9 The top priority schemes should be the result of collective decision making in the region and a broad range of stakeholders (MPs, LEAs, local highway authorities) must be consulted as part of the process. The Department will not prescribe the precise methodology that must be used to prioritise schemes. STBs and regional groupings may want to consider schemes' contribution to MRN objectives (as set out in Section 2), likelihood of deliverability within the funding envelope, and likely value for money.
- 4.10 While we acknowledge that a full economic case may not be available at the time of prioritisation, any value for money information should be considered and taken into account.
- 4.11 STBs or regional groupings should notify the Department if they would expect to review and update their REB and scheme priorities as proposals are refined.

Regional Evidence Base - Minimum Expectations

Executive Summary

Regional Context

- Short description of the region, the transport network within the region and the main issues relevant to the MRN.

Priority Corridors/Routes

- Overview of the MRN with explanation of the priority corridors and routes crucial for economic activity.

Key development areas and local economic growth aspirations

- The following minimum evidence will need to be identified:
 - Significant housing developments expected to be unlocked or to affect the MRN's performance (specifying approved and planned).
 - Significant economic developments and employment sites expected to affect the MRN's performance (specifying approved and planned).
 - Significant trade and gateways for international connectivity.
- The following optional evidence is recommended:
 - Other relevant information from local development plans, local industrial strategies and LEPs' Strategic Economic Plans.

Network Issues

- Identify key problems, capacity issues, pinch-points and connectivity issues on the MRN in the region, and anticipated future challenges and opportunities. At a minimum this must include evidence of current traffic data.
- The following optional evidence is recommended:
 - Identification of social, safety and environmental problems relevant to the development of the MRN in the region e.g. air pollution hotspots, noise important areas and related issues.

Additional Evidence

- Outline major transport investments in local transport and in the wider transport network (e.g. Highways England and Network Rail) already in programmes (i.e. have funding) (all modes) that directly affect the MRN.

Brief analysis of priority MRN schemes and how they meet MRN objectives

- Identify list of top ten priority MRN schemes.
- Explain the criteria and methodology behind the selection of these schemes, including which bodies support the scheme e.g. local highway authorities, MP, LEP, HE or a combination.
- Explain how the priority schemes fit with strategic aims for transport in the region. At a minimum this should be based on and include:
 - Current traffic data (if no Regional or Strategic Transport Models are available).
 - Some form of economic assessment. This should include an indicative value for money category as explained in the Department's value for money framework.⁴
- Explain how the priority schemes support the MRN objectives.
- Explain how the priority schemes takes account of other transport investments in the region that will affect roads on the MRN.
- Timetable of development, planning and construction of priority MRN schemes.

Full list of schemes viable schemes proposed

- Specifying whether suggestions came from local highway authorities, LEPs, MPs, HE or a combination.

⁴ <https://www.gov.uk/government/publications/dft-value-for-money-framework>

5. Scheme Business Cases

- 5.1 While the REB will present the overall picture of the MRN in a region and its strategic needs, funding decisions will be made based on the evidence of individual schemes and the scheme's business case at the various stages of development. This chapter outlines the various decision points of the MRN investment planning process and the evidence or stage of business case required for schemes to be considered at each juncture.
- 5.2 We would expect the top priority schemes scheduled to start before April 2023 to be developed to at least Strategic Outline Business Case (SOBC) stage and that the SOBC for each priority scheme should be submitted with the REB. This should indicate the likely cost of the scheme and the level of funding being sought (for each scheme option). For each scheme the Department will also need to see a credible delivery timetable, starting with the proposed date for the submission of an Outline Business Case (OBC) which the promoting authority has signed up to.
- 5.3 For schemes due to start construction in 2020/21 and 2021/22, the schemes may need to already be at OBC stage for a timely programme entry decision to be made. In this case the OBC itself should be provided along with the REB. Schemes starting construction in 2022/23 would ideally be at SOBC stage when submitted with the REB.
- 5.4 An SOBC does not need to be submitted alongside the REB for schemes seeking to start works in 2023/24 and 2024/25 although this is still desirable. The minimum business case requirements to be submitted alongside the REB of schemes seeking to start construction in 2024/25 are outlined below and in the pro-forma.

Pre-SOBC Business Case Requirements

For schemes seeking to start construction starting in 2023/24 and 2024/25 a SOBC is desirable, but not required for submission with the REB. At a minimum we would expect basic information on specific schemes outlining:

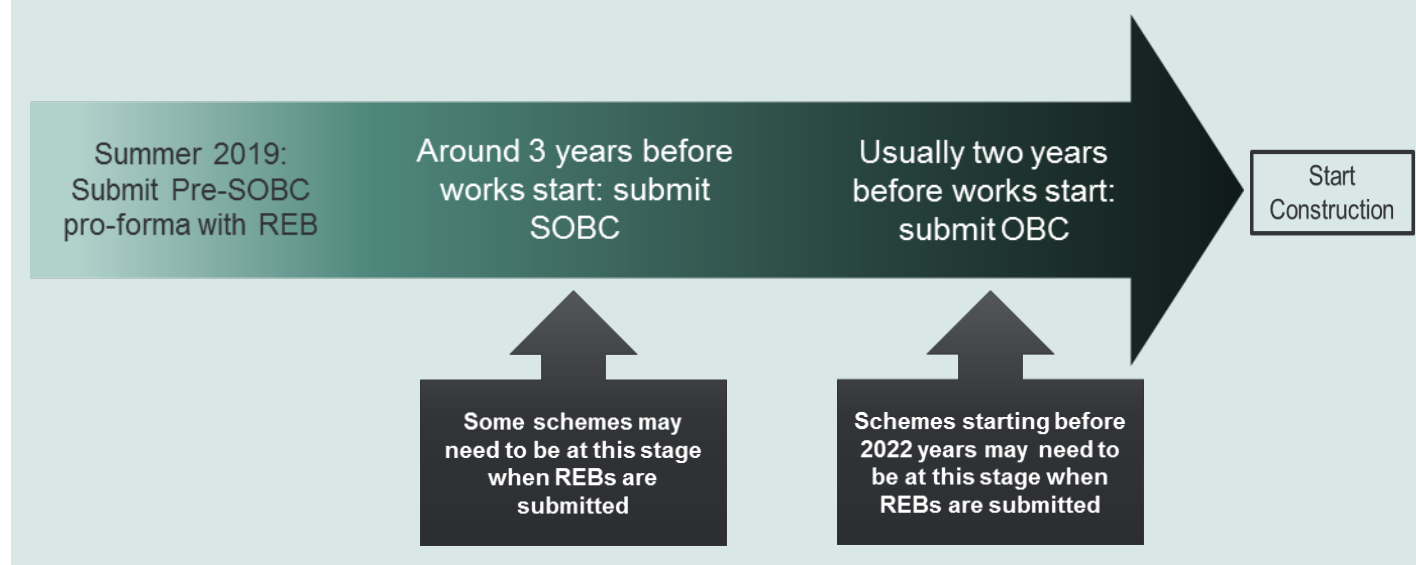
- Problem identification
- Impact of not changing
- Scope
- Potential options
- Indicative costs
- Non-monetised benefits
- Indicative value for money category (indicative BCR desirable if monetised benefits are available)
- Timetable of development, planning and construction

At this stage current traffic data can be used if no scheme specific transport models are available. It will also be important to identify the key uncertainties in the value for money assessment, such as around the estimation of key impacts, and assumptions used in analysis.

- 5.5 A flow diagram of the stages outlined in paragraph 5.2-5.4 is provided in Figure 1. The Department will be happy to provide more specific advice to individual scheme promoters on timings and other aspects of business case development

Figure 1: Development stages flow diagram

The flow diagram gives an outline of the timing for scheme development. The Department appreciates that STBs, regions, and scheme sponsors are at different stages in developing their REBs and priority schemes. This outline should only be used as a guide to plan for sufficient time for business cases to be developed and assessed to ensure schemes are ready for construction in the intended year. Any iterations of the REB or changes to the priority schemes identified (see 4.11) should bear in mind the suggested timings outlined below.



- 5.6 The Department will review the REBs and assess the evidence provided on priority schemes selected. This will inform any decision to invite scheme promoters to develop and submit an OBC for a programme entry decision.
- 5.7 As with other Government investment programmes, where schemes are developed by local highway authorities, the Department will make decisions based on the business case of individual schemes. Evidence from the REB should feed into the strategic cases of individual schemes. Final investment decisions will also take account of a full range of factors, including the geographical balance of schemes and timescales for delivery to ensure a smooth spending profile.
- 5.8 Schemes that are successful at the SOBC stage will be eligible to apply for a contribution towards development funding.

- 5.9 Decisions on the award of development funding for specific schemes will generally be made once a scheme has reached SOBC stage and the costs and timeline for reaching OBC are understood. Early entry schemes which were announced in autumn 2018 and schemes already at OBC stage will not be considered for retrospective development funding.
- 5.10 To apply for development funding, scheme promoters must complete the pro-forma for SOBC submissions for the MRN/LLM programmes alongside the submission of a SOBC. The pro-forma requests information such as the breakdown of costs, the proposed schedule of payment and the requested funding contribution they would like the Department to cover.
- 5.11 Where schemes only submit the information outlined in the box on page 14 and not a complete SOBC the Department will review the scheme information submitted. This will inform any decision to invite scheme promoters to develop and submit an SOBC and apply for development funding.
- 5.12 The requirements of an SOBC, OBC and FBC are defined in the Department's [transport business case](#) and [WebTag guidance documents](#).

6. Roles and Responsibilities

- 6.1 A core principle of the MRN is to bring a more joined-up focus to investment planning through clear local, regional and national roles. The development of REBs will ensure the planning and prioritisation of investments is better coordinated at a local, regional and national level.
- 6.2 The roles outlined here are not exhaustive but are intended to provide an outline of the key organisational roles:

Sub-national Transport Bodies (STBs) and Regional Groupings

- 6.3 STBs, where they exist, are well placed to provide strategic direction and coordination for the MRN programme, filling the existing gap between national and local transport authorities.
- 6.4 STBs or regional groupings will be responsible for coordinating the development of their region's REB, working with their partners and constituent members. This must include consulting with local and combined authorities (including planning authorities), LEPs, local MPs and Highways England to ensure collective decision making on the region's top priority recommendations for MRN investments. Where relevant, district and parish councils should also be consulted in the development of the REB and prioritisation of schemes.
- 6.5 STBs or regional groupings will have the important role of prioritising MRN and LLM schemes according to the most pressing regional needs.
- 6.6 The REB should largely be drawn from and complement work already underway to develop regional transport strategies.
- 6.7 The Department is pleased that STBs are already working with each other. Where appropriate, STBs will also be expected to work with neighbouring STBs or devolved administrations on cross-boundary or cross-border issues. STBs may want to capture these issues in their REB.
- 6.8 The Department looks forward to working with STBs and other regional groupings as they develop their REBs and priority lists – we envisage an iterative and collaborative process.

Local and combined authorities

- 6.9 Local and combined authorities are members of STB boards and the Department expects STBs to involve all their constituent authorities fully in the process of developing their region's REB.
- 6.10 The Department expects local and combined authorities (including planning authorities) to share any relevant data and evidence with STBs or regional groupings

to develop the REB. Their involvement will be crucial in assisting STBs or regional groupings to identify the key strategic considerations on the network.

- 6.11 Local highway authorities will be responsible for identifying schemes for STBs to consider for the list of regional priorities. Since local highway authorities will remain responsible for the management of MRN roads, we expect that local highway authorities will develop and deliver MRN schemes.
- 6.12 Local highway authorities and STBs will need to work together to ensure that input from relevant stakeholders, including environmental groups or district and parish councils, is captured.
- 6.13 Local and combined authority scheme promoters will be responsible for aiming to secure a local or third-party contribution of at least 15% of the total scheme costs as set out in section 3.5. A commitment of the local or third party contribution must be made before programme entry is requested.
- 6.14 The Department will be happy to provide advice to scheme promoters to aid the development of their business cases.

Highways England

- 6.15 Highways England (HE), as the manager of the SRN, already has existing relationships with STBs and local highway authorities on the development and delivery of road schemes as well as on interactions between the local and strategic networks. Given Highways England's experience in road investment planning and the need to ensure a seamless transition between the SRN and MRN, STBs must work with Highways England and consider HE's views when developing their REB.
- 6.16 The focus of HE's involvement should be supporting the STBs to develop their REBs. This will be important in ensuring that sub-national priorities and strategies of STBs and HE are based on a shared evidence-base and are consistent as possible. Supportive roles may include:
 - Acting as a critical friend to the STB with a view to ensuring a robust analytical approach.
 - Providing access to data, models, and evidence sources, notably Regional Traffic Models and traffic data and technical advice on their usage.
 - Considering the acceptability of any emerging proposals, particularly in terms of their interface with the SRN and HE's current investment programme, and the likely impact of the proposals on traffic movements and safety.
- 6.17 HE may also support the Department in reviewing the validity of cost estimates for proposed MRN schemes.
- 6.18 HE will continue to carry out its own work on the development of a future Road Investment Strategy. This work will be mindful of committed MRN schemes, and will take account of proposed schemes that affect the SRN without the need for scheme promoters to resubmit proposals. Where appropriate, HE or other bodies may ask for further information to ensure that affected proposals can be considered on comparable terms with other proposals, either through the route strategy process or through other channels.

7. Large Local Majors

Summary

- 7.1 In addition to the REB and advice on potential MRN schemes, we would also like STBs to provide advice on the Large Local Majors (LLM) pipeline.
- 7.2 The LLM programme was set up in 2016 to cater for the small number of exceptionally large local highway authority transport schemes that could not be funded through the normal routes, such as Local Growth Fund or other devolved allocations.
- 7.3 Since then we have approved nine schemes for programme entry with a combined Department contribution of just over £600m. A number of further schemes have been, or will shortly be, submitted to the Department for consideration. Many of these have benefited from business case development funding from the Department.
- 7.4 To continue the pipeline and select future schemes for development, we would like STBs to identify and prioritise potential LLM schemes in their areas at the same time as they provide the MRN advice.

Eligibility

- 7.5 The core principle of the LLM programme remains that it is for schemes that cannot reasonably be funded through any other route. They should be single schemes that can only be delivered or justified as a whole, as opposed to being split into phases or smaller elements.
- 7.6 However, we are making only two key changes to the eligibility rules
 - The lower threshold for consideration for the LLM programme will be £50m, to dovetail with the upper threshold for MRN schemes.
 - LLM is now funded through the National Roads Fund, therefore only road schemes will be considered for the programme. Large Public Transport schemes will be expected to be funded from other programmes that have benefited from increased funding such as the Transforming Cities Fund and through Devolution Deals. The Government will consider the future funding for these as part of the Spending Review.
- 7.7 As is currently the case, LLM schemes are not limited to roads on the MRN.
- 7.8 As with MRN schemes, as a general guideline LLM schemes should aim for the local or third-party contribution to be at least 15% of the total scheme costs. The local contribution of each scheme will be for discussion as the scheme develops (see 6.11).

Process

- 7.9 The LLM fund will no longer be fully competitive at OBC stage. At present, every LLM bidding round is open to promoters of any eligible schemes, regardless of whether or not they have received LLM development funding.
- 7.10 In future, following STBs advice, the Department will, as with MRN schemes, carefully select which schemes it wishes to take forward for further development to OBC, and may provide a funding contribution to do so. A definitive commitment to funding for construction of the scheme will only come at OBC stage, as now, but the key difference is that we will only develop the number of schemes we expect can be taken forward.
- 7.11 Each schemes' development, progression and funding mix will be established through discussion, rather than by a competitive bidding process at OBC stage.

Transition

- 7.12 The transition from the old LLM system to the new will be as follows:
- The Department will make decisions on the LLM scheme bids that it is currently considering.
 - The Department will consider OBCs for schemes that have already received development funding from the Department.
 - All other schemes will follow the process outlined in this guidance and will need to be considered by the relevant region for inclusion in the advice to the Department.

What STBs need to do

- 7.13 To consider potential LLMs for inclusion in their advice to the Department, STBs will need to talk to local highway authorities in their region to identify any schemes that are likely to be eligible and, crucially, are able to be delivered to start construction within the first five year National Roads Fund period – up to and including 2024/25.
- 7.14 For any scheme put forward by an STB, the local highway authority needs to be committed to developing the scheme to OBC stage and to be able to reach OBC by the end of 2021 at the latest. We will expect STBs to critically examine and, if necessary, challenge local highway authorities on this commitment and to seek sufficient information in order to do so. If that commitment is conditional upon receiving development funding from the Department, then that is acceptable, as the Department will consider providing development funding for schemes that it wishes to progress.
- 7.15 If there are more than 2 or 3 potential schemes that meet the eligibility criteria and are deliverable then we would expect the STB to indicate its priorities. These priorities should be identified separately from the ten MRN priority schemes.
- 7.16 As with the MRN schemes, we are not being prescriptive about how STBs should do this but we would expect them to take due account of:
- Strategic objectives outlined in the Transport Investment Strategy – similar to those outlines in section 2.1 of this guidance
 - Regional priorities: This could include the REB, if appropriate.

- Likelihood of value for money – to the extent that information is available
- Confidence on deliverability

7.17 In line with the process outlined in section 5 for MRN schemes, for each LLM scheme recommended by the STB we would like scheme promoters to provide a completed pro-forma and a SOBC if available.

8. Next Steps

- 8.1 STBs or regional groupings and their partners should begin working together to develop their REBs and list of the top ten priority MRN schemes. This should be submitted to the Department in summer 2019.
- 8.2 As detailed in section 5, scheme promoters of the top priority schemes should ensure they have prepared a SOBC or in some cases an OBC to accompany the REB. The Department will provide advice to STBs and scheme promoters to help them develop their REBs and business cases.
- 8.3 Upon the submission of the REB and proposals for MRN and LLM schemes, the Department will assess the scheme proposals. This will inform ministerial decisions on which schemes it wishes to see developed to OBC or, for schemes where an OBC has already been submitted, granted programme entry.
- 8.4 For both MRN and LLM schemes, the Department will then liaise with and discuss the proposal with the local highway authority as it develops. Once the project has reached OBC stage the Department will, subject to the business case being satisfactory, make a formal offer of funding for the construction of the scheme.

Annex 1: Road Investment Strategy

- 1 The Department continues to oversee wider investment in the road network through the Road Investment Strategy (RIS). We aim to ensure that these operate smoothly alongside the MRN and LLM programmes, with a minimum of duplication for authorities.
- 2 The Government is expected to provide an investment strategy for the SRN through the RIS, as required by the Infrastructure Act and by Highways England's (HE) licence. These documents set out the form and coverage of the RIS, as well as requiring HE to carry out further research into the management and development of the SRN through a series of route strategies.
- 3 The MRN, LLM and RIS programmes are all funded from the National Roads Fund, which in turn is funded from the money that English motorists pay through Vehicle Excise Duty. As such, there is a clear reason that government's decision-making should be coherent and joined-up, while still respecting the different statutory regimes under which the different programmes operate.
- 4 Government intends to coordinate these systems so that proposals submitted to the MRN and LLM programmes that fall partly on the SRN will be considered across all programmes, without the need for authorities to present the same proposals multiple times. Those MRN and LLM projects which result in a substantial, direct benefit for the SRN will automatically be considered as part of the RIS-setting process.
- 5 The intention of this coordination is to ensure joined-up decision-making, and not to provide multiple opportunities for a proposal to achieve funding. There is no intention to 'co-fund' proposals from multiple programmes within the National Roads Fund. Proposals not funded through one programme and considered under a different programme should not expect a different outcome unless the business case has significantly altered.
- 6 Proposals considered for the RIS may need to provide further information, in order to fit with the wider analysis undertaken for the RIS. In particular, relevant proposals should expect to provide sufficient evidence to ensure their proper consideration in HE's route strategies, which currently happen alongside the early stages of the RIS process.
- 7 The statutory process through which the RIS operates requires that the Secretary of State provides HE and the Office of Rail and Road with developing proposals in order that their deliverability and challenge can be judged. The Department will need to consider new MRN and LLM proposals in the context of this process, which is already underway for setting RIS2 (2020-25). HE will also be mindful of committed MRN and LLM proposals taking account of expected work across the different programmes in developing its own plans for the delivery of the RIS.