New investment Highways Network

Robert Goodwill, Roads Minister, has urged construction and engineering firms to get ready for the largest investment in the highways network since the 1970s.

The Government yesterday announced that more than £24bn will be spent on upgrading and improving the road network between now and 2021, with the level of funding being tripled. The aim of this increase in investment is to provide highways users with an efficient, high performance road network which can cope with the massive increase in traffic expected to be seen over the coming years.

The proposed investment includes the spending of £10.7bn on major improvements on strategic roads, £6.1bn on resurfacing 80% of the strategic network and £6bn on tackling potholes on local authority roads. Annual spending on improvements to and maintenance of the strategic work will be increased to £3bn per year by 2020. Fifty-five new road schemes are already in preparation.

It is hoped that this investment will help boost the economy by sustaining an estimated 30,000 new jobs in construction, a significant proportion of which will be apprenticeships. To this end, Robert Goodwill has encouraged those working in the highways industry to increase their capacity so that they are well placed to deal with the rise in demand.

This investment forms part of the proposals announced last year for the Highways Agency to become a government-owned private company with a fixed 5 year “roads investment strategy” budget in order to improve commercial efficiency and cut running costs. It is thought that following this transformation the Highways Agency will take a similar form to Network Rail, although the details are yet to be confirmed. In any event, it is hoped that these proposals will enable those working in the highways sector to make commercial decisions based on clear long-term funding.
At Beale & Company, we have extensive experience of advising those working the highways sector, both at tender stage, on contractual issues arising during a project, in respect of dispute avoidance and in defending claims made by clients and third parties. In recent months, this has included:

- advising in relation to the M25 DBFO PFI, the Asset Support Contract (ASC) and various local authority contracts in the UK;
- advising on a number of international highways contracts, particularly in the Middle East and Africa;
- defending clients in relation to claims for negligent design on the highway network; and
- drafting and advising on subcontracts and consultancy appointments in relation to highways maintenance and construction works.

Further details of our highways experience can be found here. If you would like to learn more about how we could assist your business to make the most of these exciting new opportunities, please do not hesitate to contact Will Buckby or Andrew Croft.

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