Highways Agency Reform – Queen's Speech

The government has today announced, in the Queen’s Speech, its intention to reform the Highways Agency through the Infrastructure Bill which will be presented to Parliament this year.

The Bill will change the Highways Agency from a ‘quango’ (quasi-autonomous non-governmental organisation) into a government-owned company (Go-co). This will make the Highways Agency a legally separate government-owned company, limited by shares, with the Secretary of State for Transport as the sole shareholder.

The government expect the reform to improve:

- **Efficiency**: the government will confirm its long term funding guarantee. It is expected that this will result in taxpayers benefiting from savings of at least £2.6 billion over the next 10 years;
- **Acceleration**: government strategic plans set out over 5 years will develop better prioritisation and faster delivery;
- **Accountability**: a ‘performance contract’ with the government will make provision for sanctions for failing to deliver in budget; and
- **Transparency**: public access to the government strategic plans will allow scrutiny of performance on delivery and operation.

The legislation will provide the reformed Highways Agency with a committed income stream guaranteeing that the money committed by this government will survive any changes in government. Such commitments including:

- £15.1 billion investment in strategic roads;
- £12 billion investment in road maintenance:
  - £6 billion for the maintenance and resurfacing of 80% of the motorways; and
  - £6 billion for the maintenance of local roads;
- £500 million in supporting the development of low-carbon technologies.

The proposals have already been through public consultation and the next steps will focus on the Infrastructure Bill’s progress through Parliament.

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