

# DRAFT RESPONSE SERVICE

As part of the Rural Opportunities Bulletin, RSN will regularly provide concise potential responses to key current consultations. These are not intended to be definitive or to reflect the views of RSN and may include potentially opposing responses to reflect different views designed to assist individual organisations in compiling their own response. We do however recognise the pressure members are under and we hope this service will assist.

## **Transforming the Highways Agency into a government-owned company – Department for Transport, October 2013**

<https://www.gov.uk/government/consultations/transforming-the-highways-agency-into-a-government-owned-company>

The Department for Transport is consulting on proposals for setting up the Highways Agency as a new government-owned company responsible for operating, managing and improving the strategic road network.

The main stated aims of the changes are to:

- give the road operator the freedom to manage the day-to-day operation of the roads without unnecessary interference from central government, while remaining fully accountable for the state of the network
- provide greater certainty and flexibility of funding, and stability over delivery requirements, to allow the operator and the supply chain to plan ahead and deliver more efficiently
- improve accountability and transparency for road users and the wider public about what the road operator is delivering and how it is performing

Areas covered include proposals around:

- structure of the new company
- governance and accountability
- external scrutiny and challenge
- transfer of powers and duties

The outcome of this consultation will inform the final form of the new company and shape the legislation needed to empower the company to run the strategic road network, which the government plans to bring forward in 2014.

This consultation closes on 20 December 2013.

**Consultation Question 1** – *Do you agree that the company model proposed in paragraphs 2.3 – 2.15 will provide the company with sufficient freedom and flexibility to operate on a more efficient basis, but also include necessary checks and balances?*

**Draft Response:** There are many examples of successful arms length operations established from the public sector. There are also examples of where this has been less successful. Regardless of the model chosen, the key will be in the detail of how the various elements are set up and how the new organisation, government and, critically, stakeholders are enabled to work effectively together.

More efficient public services with more certainty over future funding streams is a very valid aim which is shared across all public services. It is unfortunate that the conclusion has been reached that effective strategic highways management can only take place if freed up from central

government interference. Of itself, establishing an arms length organisation, fully owned by government, will not automatically result in more effective operation and management. This will depend entirely on the detail of how the new organisation is established and this needs to be set out clearly before a clear judgement can be reached. This is also the case with regard to checks and balances on the new organisation. The detail of the various “levers” referred to must include sufficient involvement from Local Authorities in ensuring effective linkages between the strategic and wider road network.

**Consultation Question 2** – *Do you have any comments on the proposed process for setting the Roads Investment Strategy?*

**Draft Response:** The involvement of local authorities and other key stakeholders in the various stages of development of the RIS is essential and is welcomed. It will be important to ensure that the RIS addresses economic needs across the entire country. Reference is made to the need for the new organisation to match extra expenditure in one area with savings in another but this must not be allowed to result in large swathes of the country missing out on significant and much needed investment. Economic needs and opportunities must both be addressed through the RIS.

**Consultation Question 3** – *Do you agree that the proposals described in paragraphs 2.16 – 2.29 will enable a strategic highways company and the UK highways supply chain to plan ahead and deliver more efficiently?*

**Draft Response:** Efforts to enable the new company and the supply chain to deliver more efficiently and to plan ahead are to be welcomed. Whether a 5 year timeframe achieves this will be evidenced through delivery of the first RIS. There would be strong merit in government considering similar funding certainty across other areas of public services to achieve similar objectives of efficiency and effective forward planning.

**Consultation Question 4** – *Do you agree that the proposals set out in paragraphs 2.30 – 2.37 strike the right balance between autonomy and accountability of the new company?*

**Draft Response:** The emphasis on cooperation with local authorities, emergency services and others is strongly welcomed. This will be critical in ensuring an effective RIS is formed and implemented in the correct manner. With regard to Board appointments, these should be made based on experience, commitment and passion to deliver an effective road network and effective operation. It will be important to ensure that the arrangements do not add cost to the existing operation at the expense of actual delivery.

**Consultation Question 5** – *Do you agree that environmental protections will be appropriately integrated into the governance regime for the new company, as described in paragraphs 2.39 – 2.42?*

**Draft Response:** Yes. It is critical that existing requirements and protections are continued into the new organisation.

**Consultation Question 6** – *Do you agree that the proposals set out in paragraphs 2.43 – 2.46 will lead to the necessary cooperation with and accountability to local authorities, operational partners, road users and interest groups?*

**Draft Response:** The proposals set out are very positive. There is potential for the new arrangements to be much clearer about the relationship and value of close working with local authorities and others. The statement that “the overall relationship must be open and productive” is very relevant and will only be evident when the new organisation begins to operate. The new arrangements must contain sufficient checks to ensure that such a relationship does indeed exist.

**Consultation Question 7** – *Do you agree with the nature and scope of our proposed approach for ensuring effective, independent scrutiny and challenge of the company, as described in chapter 3?*

**Draft Response:** The principle of avoiding significant additional cost and building on the role of existing organisations is sound. This approach should also lead to closer integration between different modes of transport. It will, of course, be essential to ensure that the existing bodies proposed to be expanded take on these additional roles holistically rather than favouring their existing remit.

The suggestion of potentially including scrutiny of local road performance is not supported. This role is more appropriately carried out at local authority level through their existing scrutiny arrangements.

**Consultation Question 8** – *Do you agree with the amendment and division of statutory responsibilities as set out in chapter 4?*

**Draft Response:** This is clearly a complex area. The principle of adopting a ‘Highways Authority’ approach appears sensible and builds on understanding of how existing authorities operate. The issues of assets and land need to be carefully thought through to avoid creating any future difficulties where the new organisation may come into conflict with government. The key principle to avoid adding additional bureaucracy is fully supported.