

Terms of Reference for the Feasibility Study on Roads Reform

On 19th March, the Prime Minister set out his vision for infrastructure in the UK.

In that speech he made clear that the Government wants to ensure that the future strategic road network is run as efficiently as possible and has the investment it needs to support continued national prosperity and economic growth.

Last year, Alan Cook published his review of the way the roads are managed and made recommendations for change. The Government welcomes the report and accepts many of the recommendations, particularly around the need for a national roads strategy to guide future investment. In that report, Alan Cook highlighted the efficiency savings made in the regulated utilities, and Government wants to test whether similar savings can be made through a different structure for managing the road network.

The Prime Minister has therefore asked the Department for Transport and HM Treasury to carry out a feasibility study of new ownership and financing models for the national roads system.

The study will consider a range of questions, including but not limited to:

- **How different models could apply to roads:** a range of options will be explored and compared, ranging from greater contracting and concessions via the Highways Agency, through to a regulated utility option similar to those used for existing privatised utilities (water, gas electricity). The study will consider these from the perspective of government, business and motorists.
- **The investment needs of the road network:** the study will explore the investment opportunities present in the existing road network – identifying the priorities for any future private investment that would benefit the motorist.
- **Payments and the impact on the motorist:** The study will consider how the different models would need to be financed and the investment in the road network paid for and the impact this has on the motorist. This will explore a range of options and how these interact with existing motoring taxation, but will not consider road pricing. It will also determine the role of tolling in the provision of new infrastructure, but it will not consider tolling existing capacity.
- **The role of regulation and performance frameworks:** how a regulator and performance framework could be designed to protect the interests of motorists and ensure that the roads continue to be managed efficiently and to a high standard.
- **Value for money and efficiency:** exploring the relative value for money of different options, including the cost of financing greater investment in

the roads set against the efficiency gains that could be secured from a different delivery model.

- **Practical delivery issues:** the study would consider how a change could be delivered, including legislative and administrative requirements and any potential timetable.

A joint Department for Transport and HM Treasury project team will undertake this work. The study will informally consult external stakeholders and experts. The study will provide a report to the Prime Minister in the autumn.