

A time for change

Brian Fitzpatrick, head of highways at EC Harris, reflects on the past year in the highways industry and what we can expect in 2014



We will look back on 2013 as an important year for the highways sector – a year in which decisions were, at last, made that will change the nature of how roads are provided, operated and funded in the UK in future.

Such is the power of the motoring lobby, however, that even the concept of paying for roads at the point of use is not allowed to be mentioned. But revealingly, the 2013 command paper, 'Action for Roads' does suggest that experience from other sectors and other countries shows that there could be new ways of running roads which might work for the benefit of all road users.

Over the last year, we've seen spending plans committed past the next election by the government and the end of the Highways Agency in its current incarnation. This is the start of a major overhaul in the sector. The commitment of roads funding to 2021 buys time for a government of any colour to nail down sources of future funding, and then to work out how to secure returns for investors, either through tolls for new capacity or through user charging, which still remains the elephant in the room.

The Highways Agency will become a smarter, thinner client with strategic responsibility for operations, whilst risks around network management and asset durability, and a requirement for

innovation, are already transferring to the private sector more than ever before.

Collaborative working will be the order of the day for contractors who have recently succeeded in roads. There is a last batch of capacity building schemes to be rolled out, but moving forward, contractors now have to be able to work well with others and contend with a smaller share.

Those organisations which are able to integrate skills and resources in transport, energy provision and network operation will begin to focus on cities and regions, whose 'rise' was also a feature of 2013. This year will see continued planning for a number of new city transport authorities to sit alongside Transport for London (TfL) and Transport for Greater Manchester (TfGM).

Getting smarter

We are starting to see a convergence of influences which potentially add up to big changes in the industry; technological progress, sustainability requirements, risk transfer, private sector funding, big changes in governance, and the emergence of whole asset life thinking. At the moment, however, there is still an air of plausible deniability around these initiatives 'just in case'.

For contractors and consultants, 2014 and beyond will be about demonstrating value. We will see the time it takes to

develop, plan and build road schemes dramatically reduced, and the owner or operator will be required to be a lot smarter about operating them, with transparent accountability to the user.

The culture of challenging orthodoxies via collaborative frameworks for the design and operation of the inter urban corridors will also be reflected in the cities and in urban areas where we will see a drive for transparent value as the new governance takes shape, and a smaller but more capable supply chain. Partnership working and alliances between providers will increase.

Housing requirements mean there will be a significant increase in the number of development led infrastructure schemes 'in the pipeline' and which will come through in 2014.

Outside of the UK, major capital schemes are still springing up throughout the Middle East, whilst private sector investment is still hunting for deals in Europe and especially in North America, where the infrastructure deficit in roads and bridges is vast.

After a couple of years of stagnation, the intensity of activity in the sector is increasing but excellent advisory skills will never go out of fashion, wherever the money comes from. —

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