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# Highways Maintenance and Efficiency Programme (HMEP)

Presentation for APSE Seminar

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# What I'll Cover

- **A General Update on HMEP**
- **Spending Review 2015**
- **Incentivised Funding**
- **Self-Assessment**
- **Devolution**



# A General Update on HMEP

- Set up 5 years ago to support the sector in transforming highway services
- By the sector, for the sector to encourage best practice, greater savings and efficiencies
- Over 80% of local authorities in England are participating in HMEP according to a 2014 survey
- HMEP is currently undergoing a period of change and transition
- DfT are looking to gradually withdraw direct support for HMEP and hand products over to the sector in the next 12 months

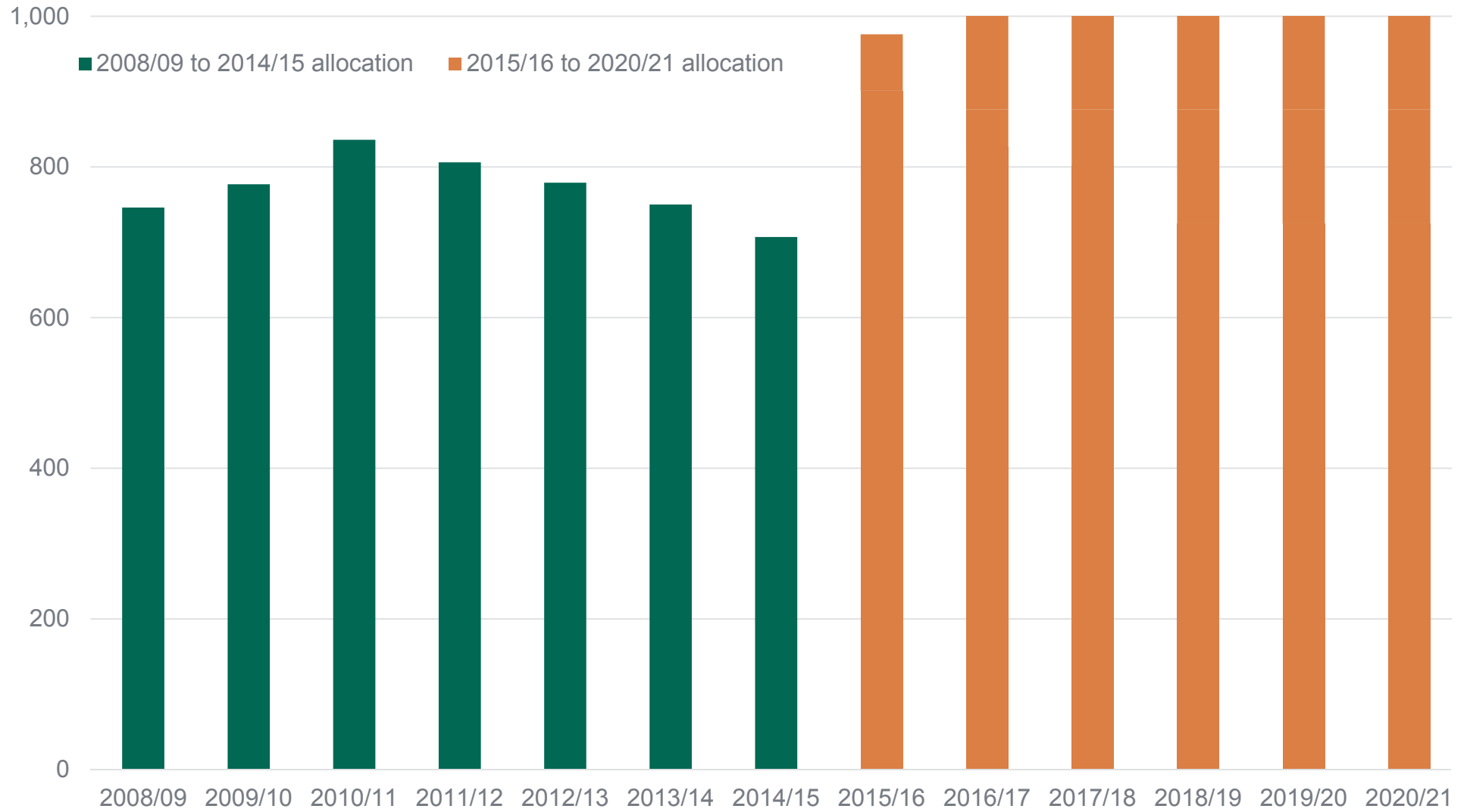


# Spending Review 2015 (SR15)

- Over the next five years, Government will be investing in priorities like health, housing, defence and transport.
- Although the DfT will experience a reduction in its overall budget in real terms, it will also have the resource to oversee large, national capital projects
- Local highways maintenance has been identified as a priority and funding will be increased over the next five years



# Funding – 2008 to 2021





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## All Party Parliamentary Group on Highways Maintenance

**[Without effective asset management plans]** there is concern that local authorities' most valuable asset – their road networks – will be maintained inefficiently even under optimal funding conditions.



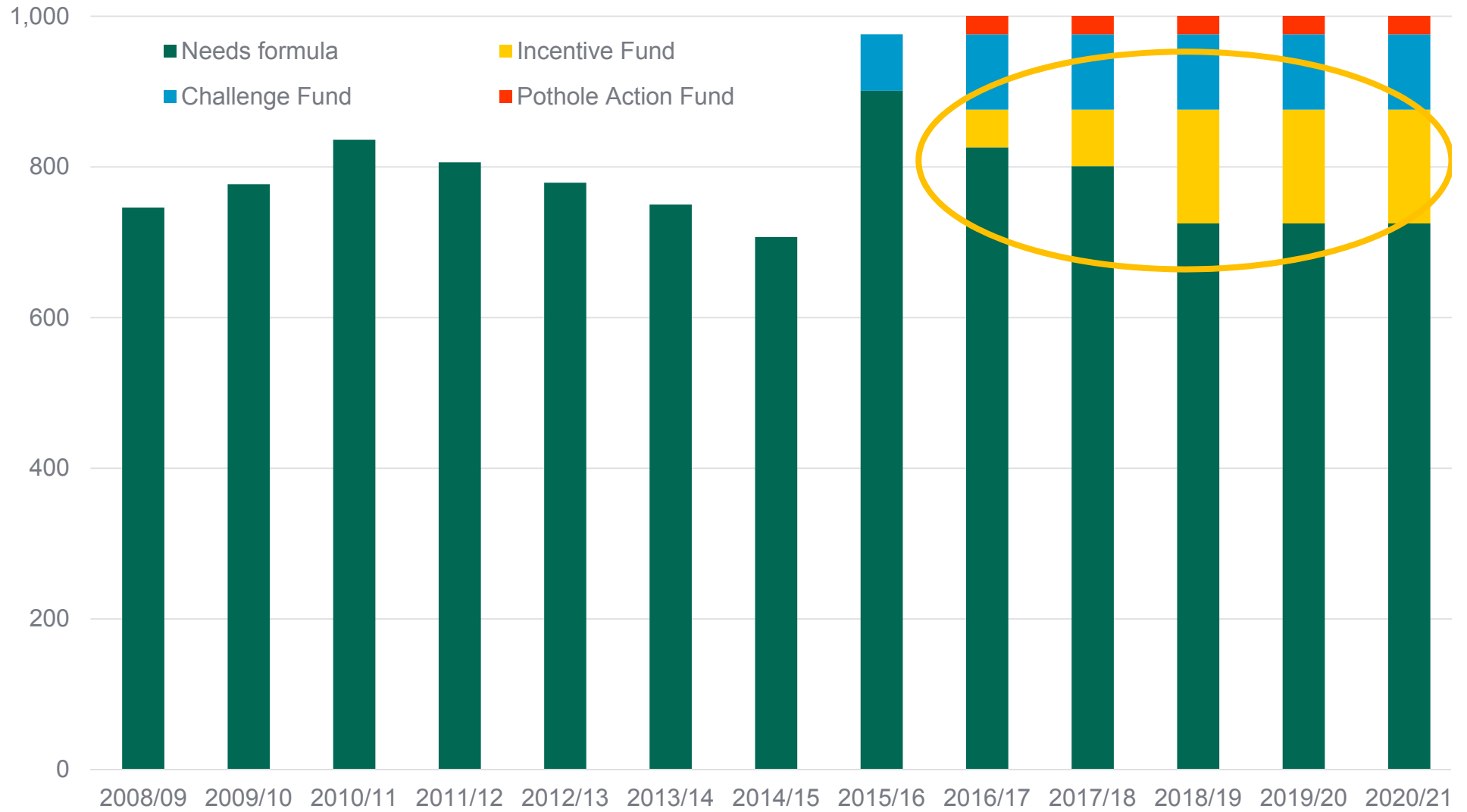


# Incentive Fund

- Between 2016 – 2021, UK Government will make £6 billion of capital funding available for local highways maintenance
- £578 million of this amount has been set aside to incentivise local authorities to carry out cost effective improvements
- A further £250 million has been made available through the Pothole Action Fund



# Incentive Fund







## Incentive Fund

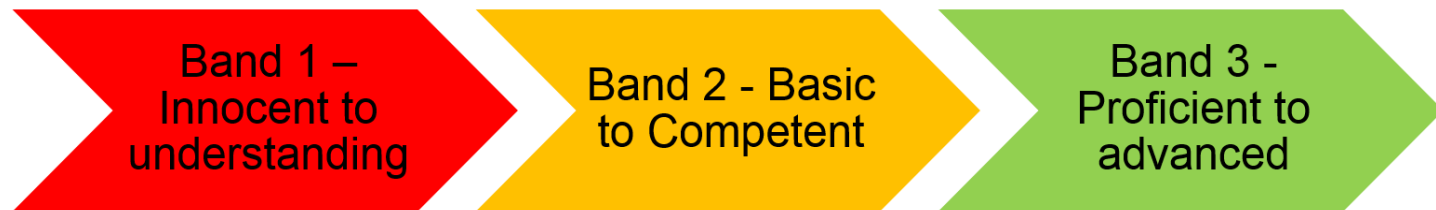
Year	Incentive Fund
2016/17	£50 million
2017/18	£75 million
2018/19	£151 million
2019/20	£151 million
2020/21	£151 million

- ▶ To be shared between 115 local highway authorities
- ▶ Amount each authority is eligible for based on usual needs formula



## Incentive Fund

- ▶ Self assessment by authority via a questionnaire
- ▶ Three potential bands:



2016/17	90%	100%	100%
2017/18	60%	90%	100%
2018/19	30%	70%	100%
2019/20	10%	50%	100%
2020/21	0%	30%	100%



## Self- Assessment - 'Dry Run' process

- ▶ Response received from almost every authority
- ▶ All comments were considered: two key sets of changes were made:

Words added	Words removed
To clarify wording and expectations To add new guidance or resources	To reduce disproportionate burdens To avoid unnecessary 'double jeopardy'



## Self-Assessment

The questionnaire was divided into 22 questions and covered the following sections:

- ▶ Asset Management
- ▶ Resilience
- ▶ Customers
- ▶ Benchmarking and Efficiency
- ▶ Operational Delivery





## Self-Assessment

- ▶ The self-assessment bands are based on the maturity of the authority in key areas.
- ▶ The principles for the bands are as follows:
- ▶ **Band 1:** Has a basic understanding of the key areas and is in the process of taking these forward.
- ▶ **Band 2:** Can demonstrate outputs that support implementation of key areas
- ▶ **Band 3:** Can demonstrate outcomes have been achieved in key areas as part of continuous improvement





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## Self-Assessment Timetable

- ▶ **31 January 11:59pm** – Deadline for authorities' final questionnaire – all have been received.
- ▶ **February** – Analysis of Responses and request for sample check of evidence
- ▶ **March** – Confirmation of funding allocations
- ▶ **April** – Funding available
- ▶ Process will repeat next year



## Self-Assessment: Initial Results

- Every Local responded
- No of Local Authorities in:
  - Band 1 - 24
  - Band 2 - 89
  - Band 3 - 2



## Benefits Realisation

The DfT commissioned the consultancy, Atkins to do some initial assessment of the benefits realised from adopting HMEP tools and products. This has enabled us to better understand:

- Which products are being used
- How local authorities have been using them
- Providing some data on the kinds of savings that are being achieved





## Devolution

- The current national government's approach is to devolve and decentralise powers within England by passing delivery of public services to local tiers of government and administration.
- This has manifested in City Deals and Growth Deals backed by Local Enterprise Partnerships, the 'Northern Powerhouse' and the beginning of devolution to metropolitan areas.
- The most recent example of this has been a devolution programme for Greater Manchester with a local mayor due to be elected in 2017.



## Next Steps and Questions

- ▶ What are the Barriers to get from Band 1 to Band 3?
- ▶ Does every authority have an up to date asset management plan?
- ▶ How can we help authorities – we want to hear from you.



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Thank You



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