

Keeping up with developments in the sector & the HMEP contribution

Steve Kent

Director – Clwydian Consulting Limited

HMEP Board Member and Advocate

ADEPT Immediate Past President 2014/15

Contents:

- Context - Highways in the public eye
- Funding – the next 5 years
- HMEP – now and in the future

Context

- We all want roads that are fit for the future
 - ✓ safe conditions for all users
 - ✓ sound platform for future transport and traffic systems
 - ✓ reputation and image depends as much on visual quality as it does on structural condition
- But; as budgets for highway services become tighter the need to deliver better roads, more affordably, will not go away

Context

- We also have to make a case that goes beyond asset management
 - ✓ holistic and collective – not fragmented and adversarial
 - ✓ inclusive of a wide range of social and economic factors, not least the public health agenda
 - ✓ recognise that the growth, jobs and prosperity agenda, to be delivered by the LEPs, will be a significant determinant in the direction of future funding

- We are being noticed!
 - ✓ Local Government Association
 - ✓ National Audit Office
 - ✓ Public Accounts Committee

LGA view

LGA press release 5 July 2014. **Investing fuel duty back into road maintenance would allow councils to bring our crumbling highways up to scratch within a decade, town hall bosses pledge today.** The Local Government Association (LGA), which represents more than 370 councils in England and Wales, said the Government could inject a further £1 billion a year into roads maintenance by investing just 2 pence per litre of existing fuel duty. This should not be paid for by increasing fuel duty rates.

National Audit Office (NAO) - Report

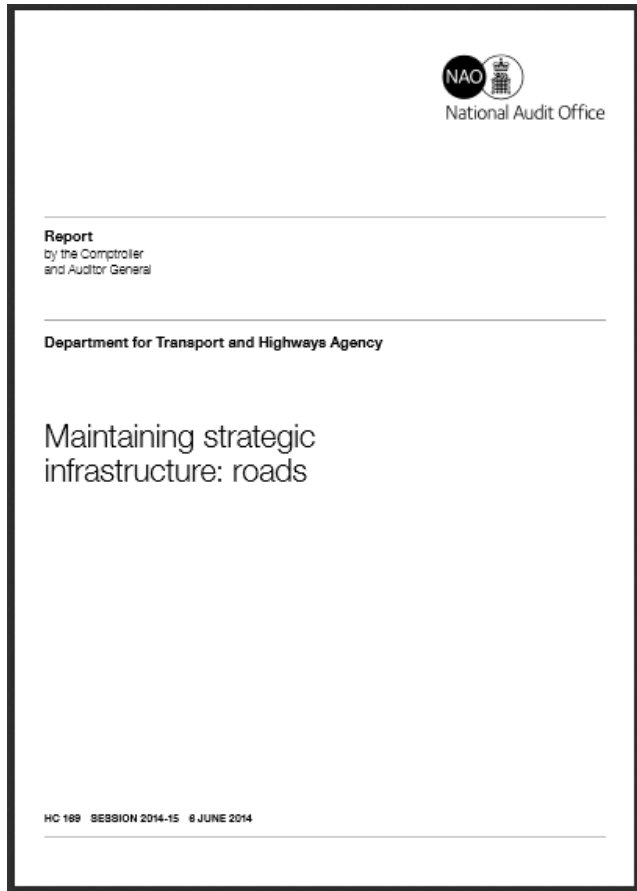
6th June 2014 - NAO report published:

[National Audit Office report 'Maintaining strategic infrastructure: roads'](#)

The recommendations for DfT included:

'The DfT should build on steps that it has already taken to improve value for money by:

- 'identifying criteria to **target** the Highways Maintenance Efficiency Programme at those local highway authorities that need the **most help**, and
- '**develop evidence** for local highway authorities to justify planned preventative maintenance.'



Public Accounts Committee – Recommendations (LHAs - 1)



House of Commons
Committee of Public Accounts

Maintaining strategic infrastructure: roads

Fifteenth Report of Sessions 2014–15

*Report, together with the formal minutes
relating to the report*

*Ordered by the House of Commons
to be printed 10 September 2014*

HC 105
Published on 25 September
by authority of the House of Commons
London: The Stationery Office Limited
£0.00

‘The Department should keep to the long term budget allocations it has set out for local highway authorities to enable them and the supply chain to plan ahead confidently and efficiently’

‘The most effective way in which the Department can influence practise is through its funding of road maintenance. The Department should use the way it allocates its funding to incentivise efficiency and collaboration and it should not fund poor performance’

‘The Department should identify those local highway authorities that carry out maintenance less efficiently and target the Highway Maintenance Efficiency Programme (HMEP) at them’

Public Accounts Committee – Recommendations (LHAs - 2)



House of Commons
Committee of Public Accounts

Maintaining strategic infrastructure: roads

Fifteenth Report of Sessions 2014–15

*Report, together with the formal minutes
relating to the report*

*Ordered by the House of Commons
to be printed 10 September 2014*

HC 105
Published on 25 September
by authority of the House of Commons
London: The Stationery Office Limited
£0.00

‘The Department should work with local highway authorities to ensure that they all develop appropriate data and understanding of their road infrastructure’

‘The Department should ensure that Government funding promotes and supports the more even spread of expenditure over the year, with work carried at a time when costs can be minimised’

‘The Department should use HMEP to help local authorities quantify the benefits of more preventative work and to anticipate problems rather than react to them’

ALARM Survey 2014

The ALARM Survey 2014 states:

- Gap between funding needed and that provided has fallen
- Better political recognition of road network 'value' – resulting in increased additional investment
- Government has responded to bad weather impacts

BUT:

- The overall 'catch-up' cost is now £12 bn



Fit for the future?



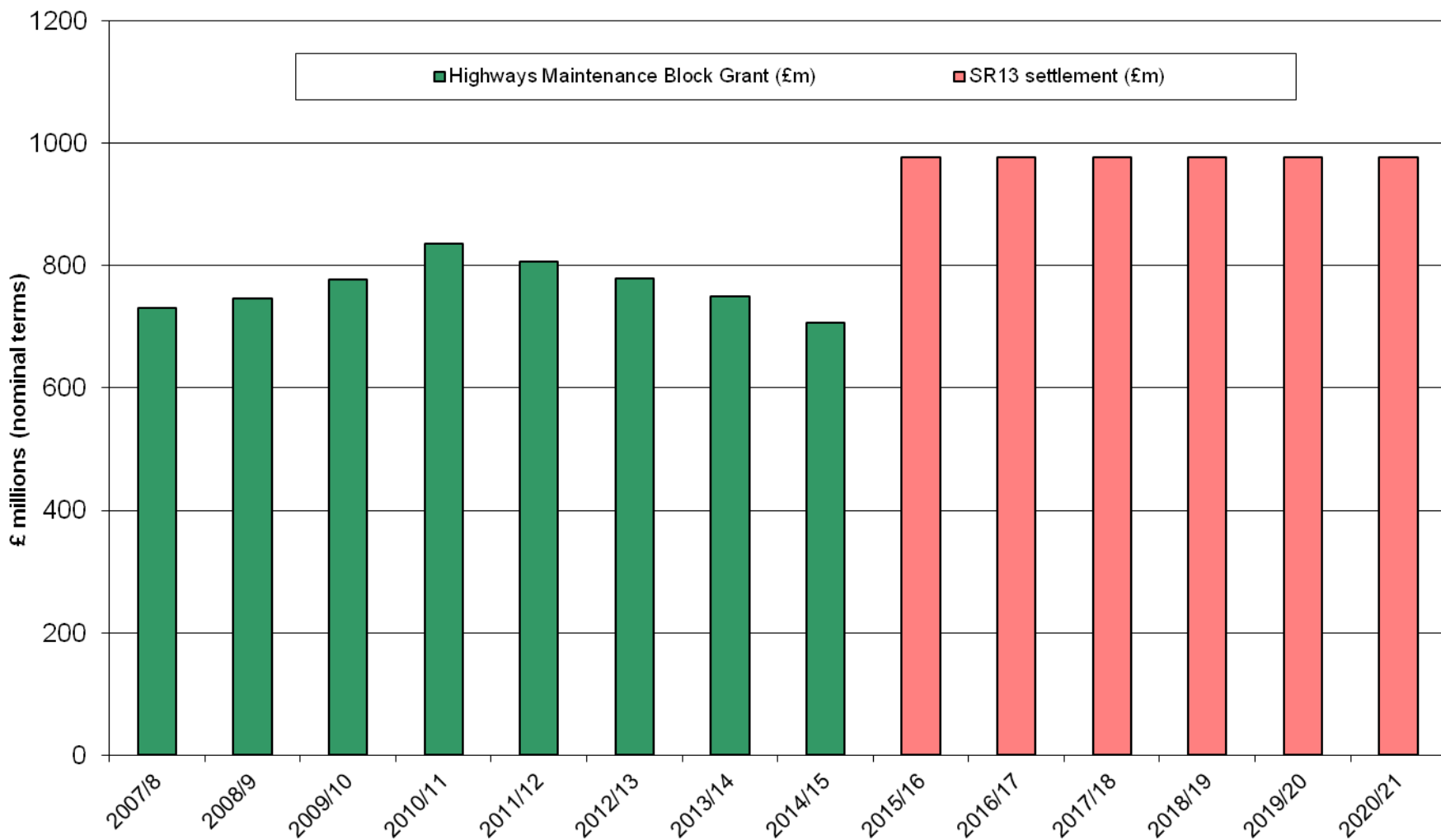
- Recent bad weather has once again damaged England's roads

Images courtesy of Devon Highways

Funding

- Key issue according to PAC – but we will never have enough!
- Are we going to be (relatively) capital rich & revenue poor?
- Must we rely on just DfT for capital investment?
- What can we do to make investment in local road maintenance and local transport schemes a priority for our councils and, as importantly, our LEPs?

DfT – Maintenance Funding 2007 - 2021

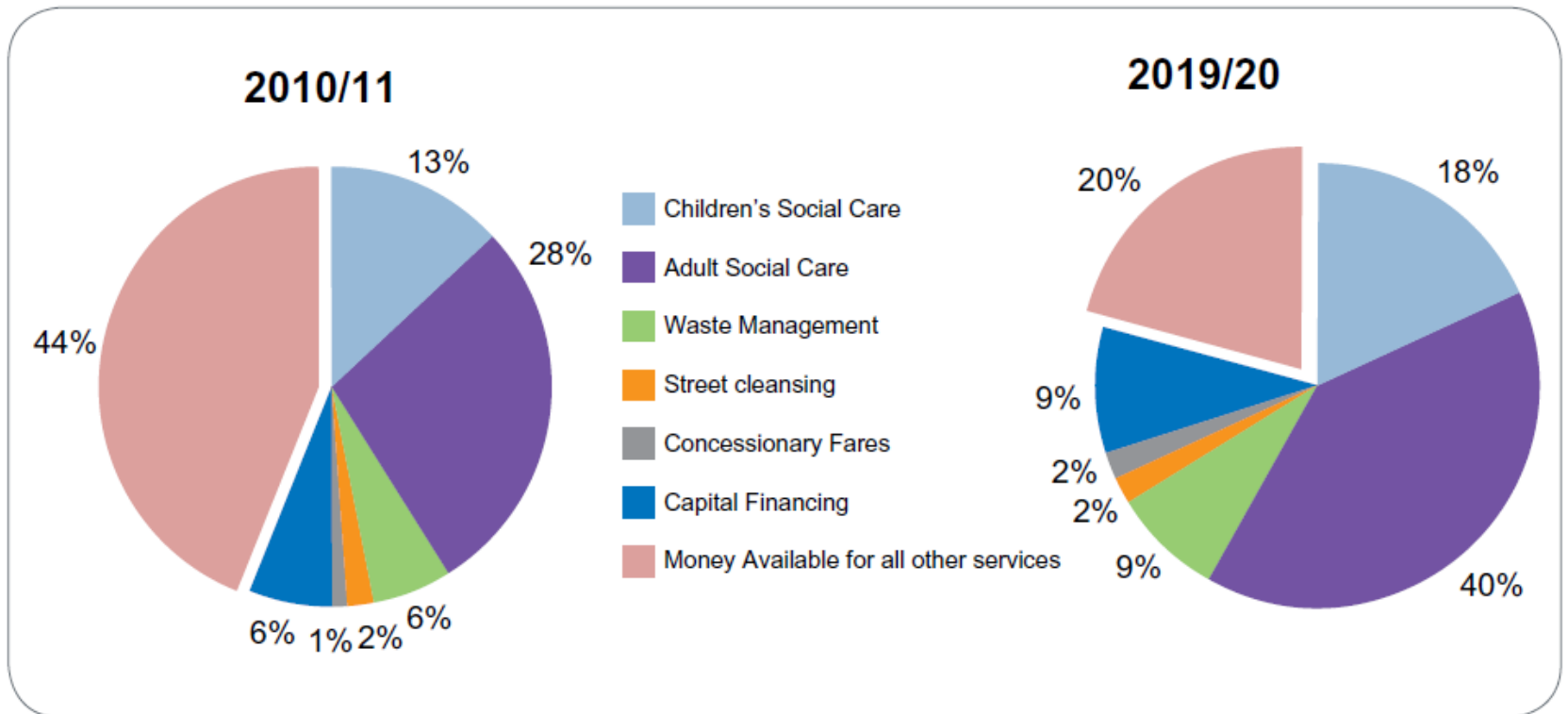


Funding pressure. (Revenue)

“ Faced by increasing demand for services and coupled with a 43% reduction* in core funding over the spending review period until 2015/16, councils will continue to look for opportunities to prioritise and find innovations in their transport and roads programmes. ”

*Based on LGA assessment of cuts to core local government funding announced in the Government's Spending Review, June 2013

Likely protected expenditure within the overall LA funding envelope (ref. LGA)



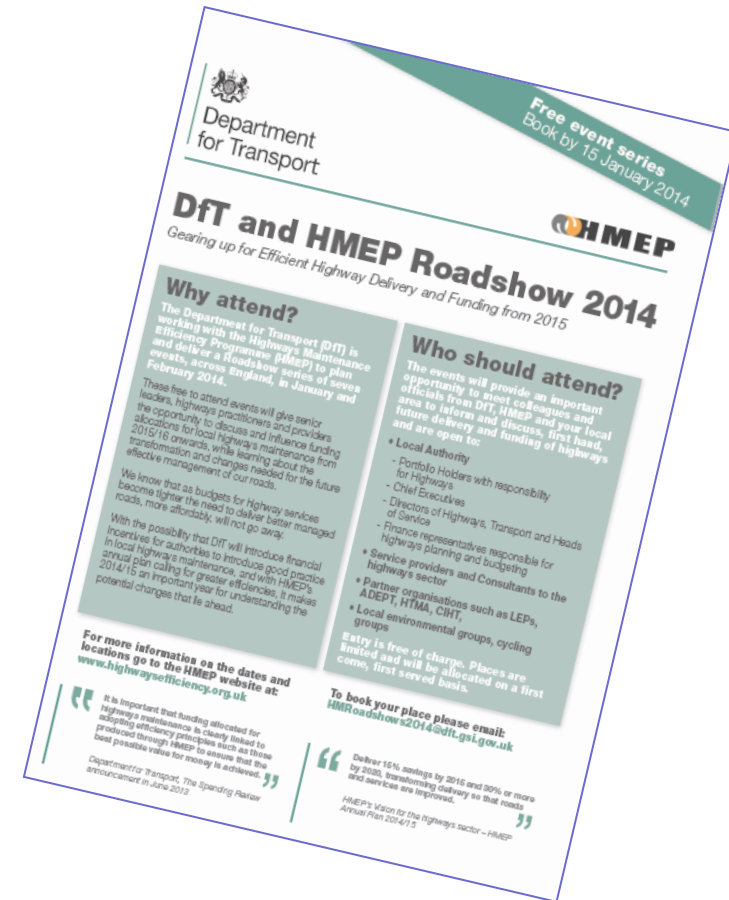
DfT and HMEP Roadshow: Gearing up for Efficient Highway Delivery and Funding from 2015

The DfT and HMEP roadshows aimed to:

- Make the case for **transformational change** with the highways sector
- **Discuss DfT 2015 funding and policy**
- **Position HMEP**: as the vehicle for enabling transformational change

Helped to:

- Support **Evidence-based** policy-making
- **Hold a Greater dialogue with the sector**: to understand your challenges, successes and the support required in the future
- Achieve greater **awareness and take up** of HMEP



What next?



- **Roads Minister wants local roads to be managed cost effectively**

“We’re trying to skew the system a little bit more so that we actually reward good practice rather than giving money to the people who haven’t spent previous money effectively.”

What does the future hold?

What it probably doesn't hold;

- Cut services – not with an election coming up (or afterwards)
- Change the balance between supply and demand – interesting topic, but not for today!



Improve service efficiency

Incremental

- ✓ achieve within single service / council
- ✓ achieve with existing / minimal additional resources

Transformational

- ✓ service integration
- ✓ collaboration (public/public & public/private)
- ✓ shared services
- ✓ devolution (someone else does it)

Where is HMEP now?

HMEP is supporting the sector on its journey to transform highway services and is:

- **By the highways sector, for the highways sector**
- Working with people and organisations to enable change, so that **greater savings and efficiencies** can be achieved
- Connecting **people and networks** from across the highways sector
- Providing the tools and resources to **ignite ideas** and help leaders and managers to **transform delivery of roads and services** through **greater efficiencies**



The current HMEP offer focuses on five key areas:

Strategic Peer Reviews

**Asset
Management**

**Collaboration
and Change**

**Procurement,
Contracting and
Standardisation**

Benchmarking and Performance

Efficiency Resources

available (as indicated) and in development

HMEP Strategic Peer Review

HMEP Strategic Peer Review – [information available](#)

HMEP Collaboration and Change

Shared Services Toolkit - [available](#)

Collaborative Alliances Toolkit – [available](#)

Client / Provider Collaboration Toolkit - [available](#)

Creating the Culture to Deliver - [available](#)

LEAN toolkit - [available](#)

HMEP Asset Management

Highways Infrastructure Asset Management Guidance - [available](#)

Guidance on the Maintenance of Highways Drainage Assets - [available](#)

E-Learning Toolkit – coming soon

Lifecycle Planning Toolkit & Deterioration Models - [available](#)

Pothole Review - [available](#)

HMEP Procurement, Contracting and Standardisation

Procurement Route Choices Toolkit - [available](#)

Supply Chain Review – coming soon

The Standard Form of Contract - [available](#)

Guidance on Standard Specification and Standard Details - [available](#)

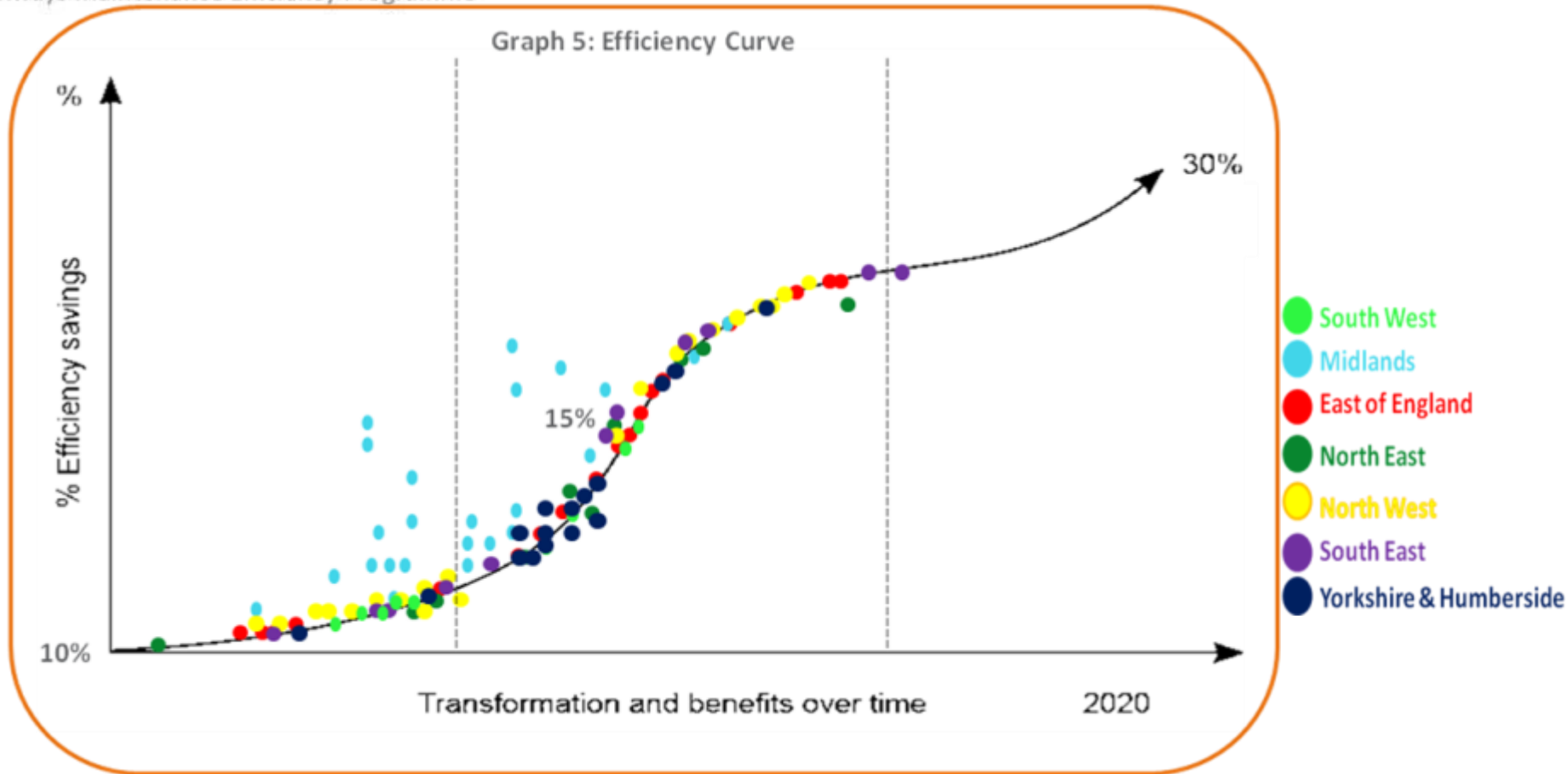
Term Maintenance Document Compiler – coming soon

HMEP Benchmarking and Performance

Cost, Quality, Customer (CQC) - in development

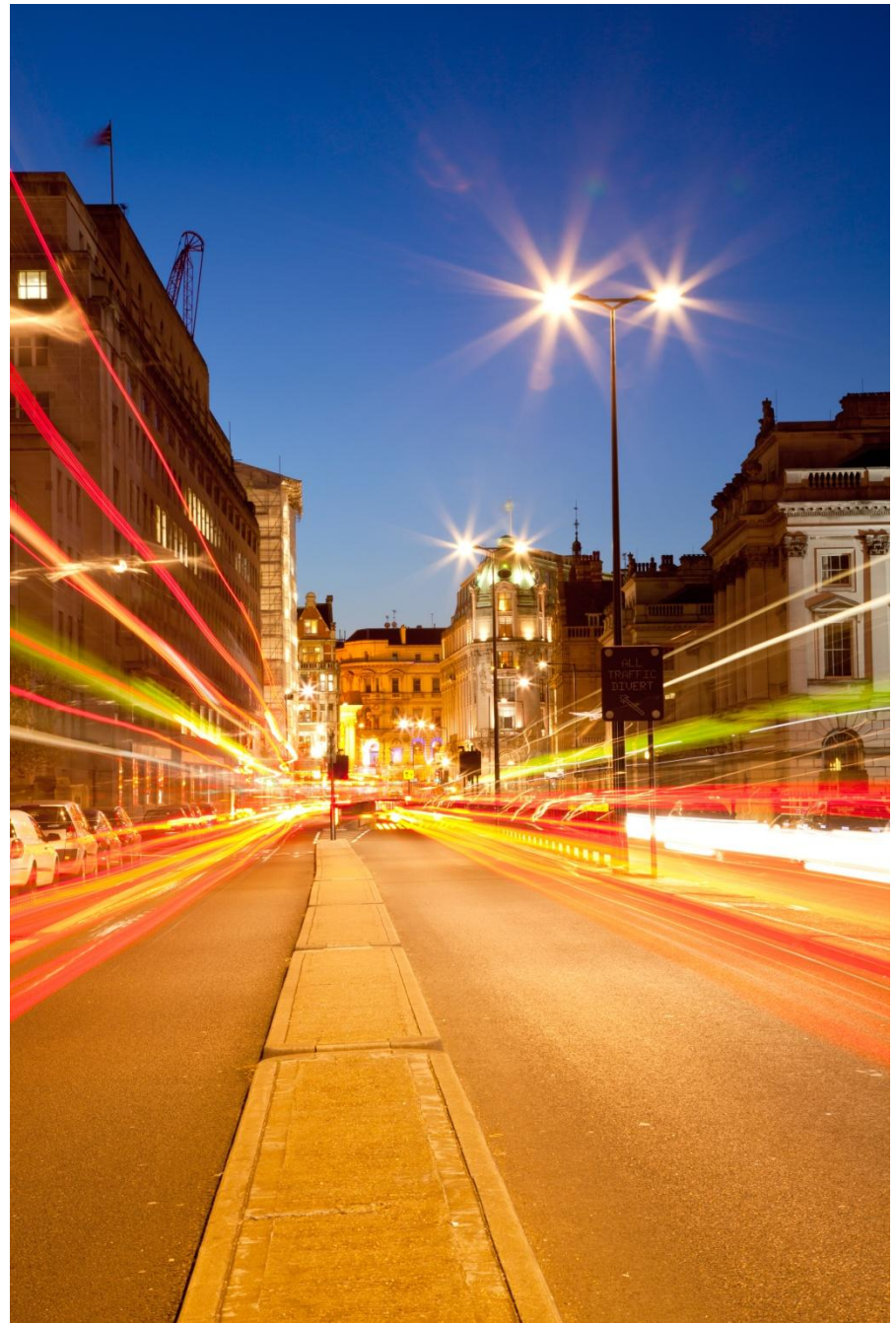
Good Practice Network – in development

The Efficiency Curve



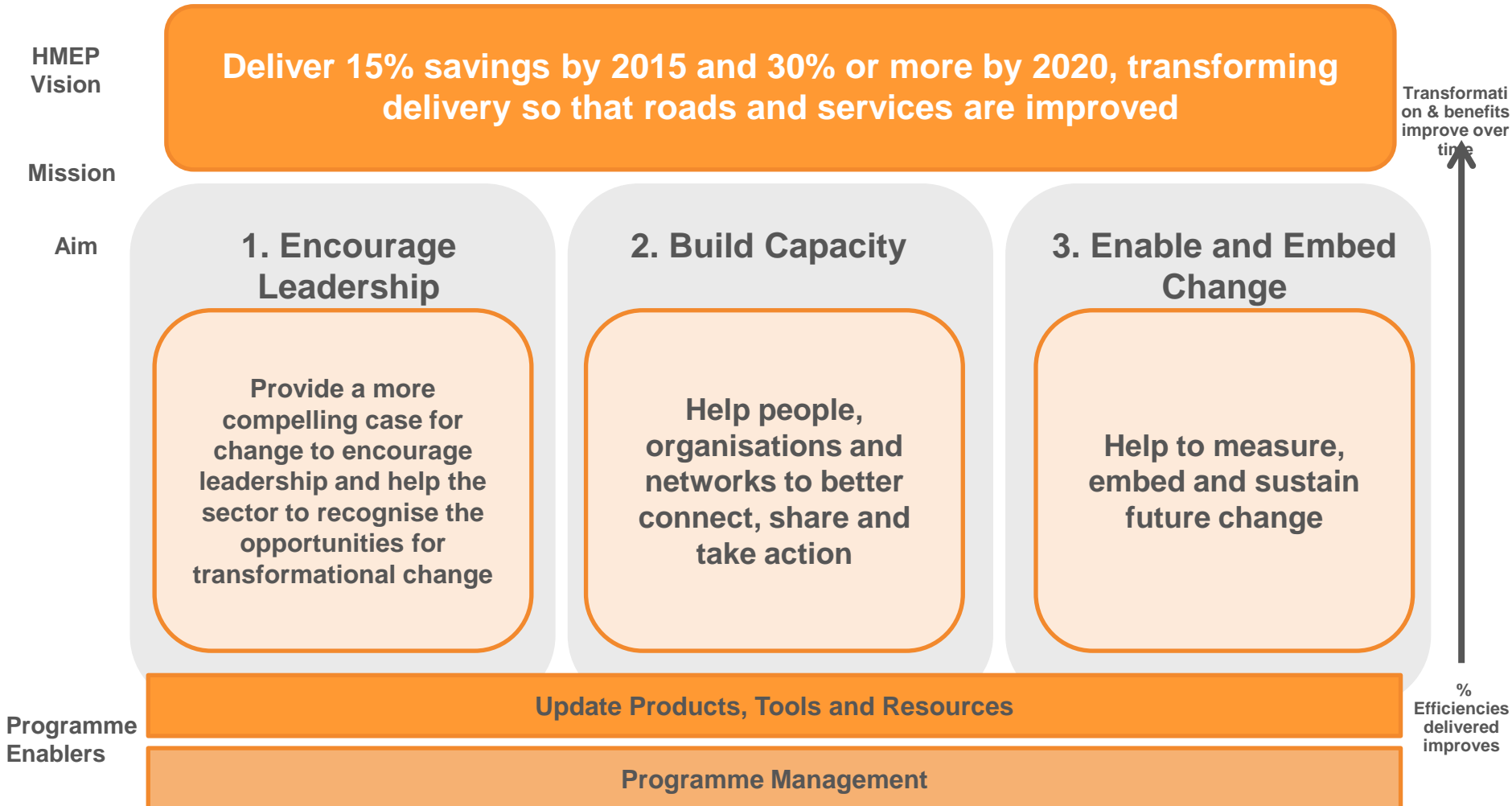
- **Note: results are qualitative and based on delegate perceptions**
- Delegates invited to plot where they **perceived their current position on an efficiency curve**
- The large proportion of delegates perceive their **current position** within the first 2 quartiles on the graph, with **clusters around the 15% efficiency mark**

**What does
the future
hold (for
HMEP)?**

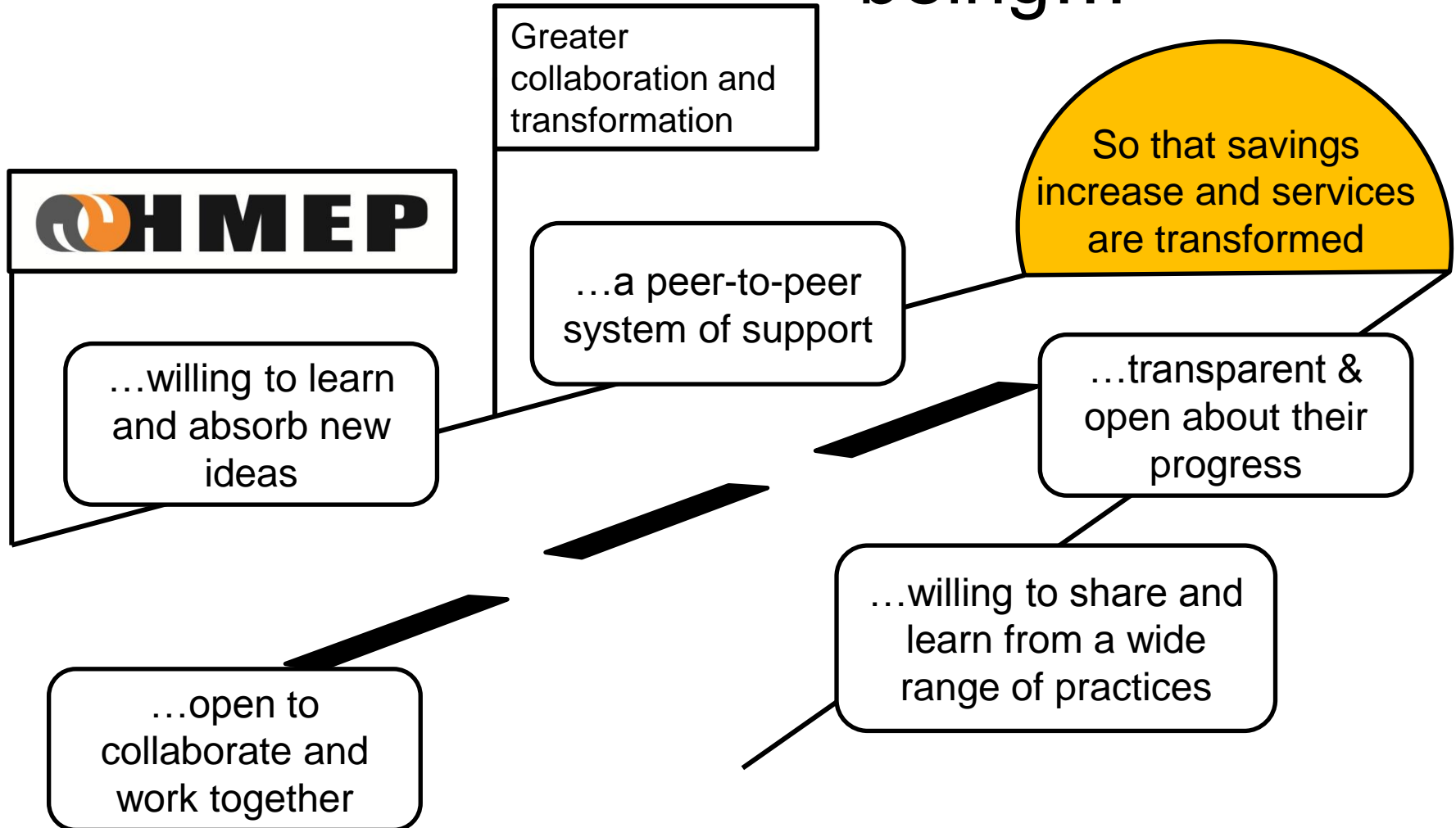




HMEP Annual Plan 2014/15: Plan explained how HMEP would:



Success depends on clients and providers being...



HMEP Website – refreshed

- The [HMEP website](http://www.highwaysefficiency.org.uk) has been refreshed. New sections include:

- [About us](#)

Vision and aims of HMEP

Resources, information and how to get involved

- [Efficiency resources](#)

A-Z of HMEP resources

Index of products under five key HMEP themes

- [Connect and Share](#)

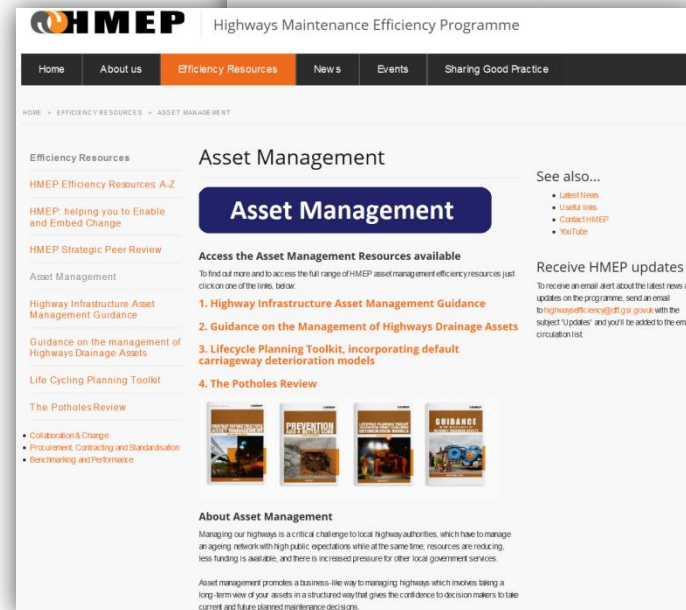
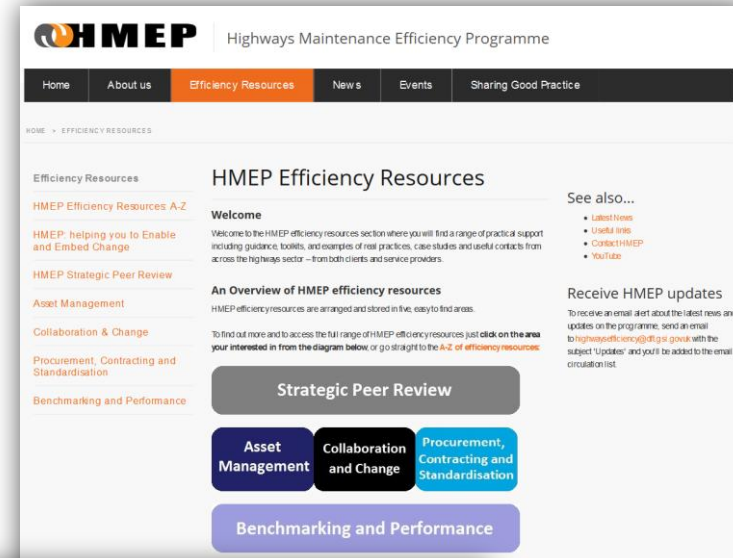
Connect with people and efficiency practices from across the sector.

Share your efficiency practices and experience to help others

The website is continuing to be developed

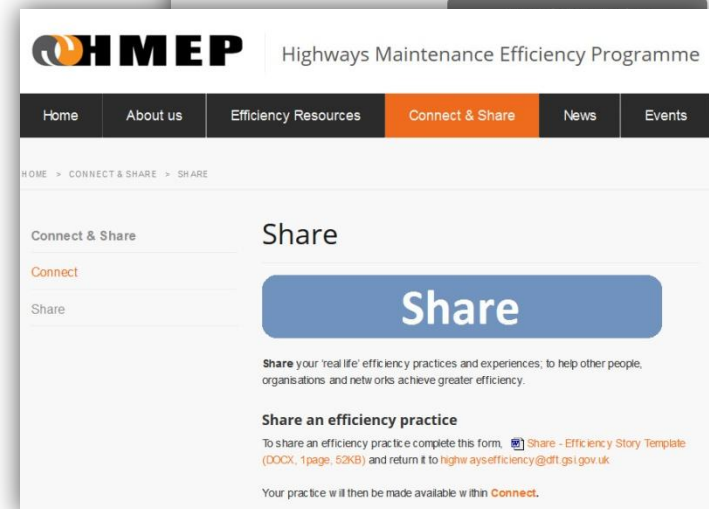
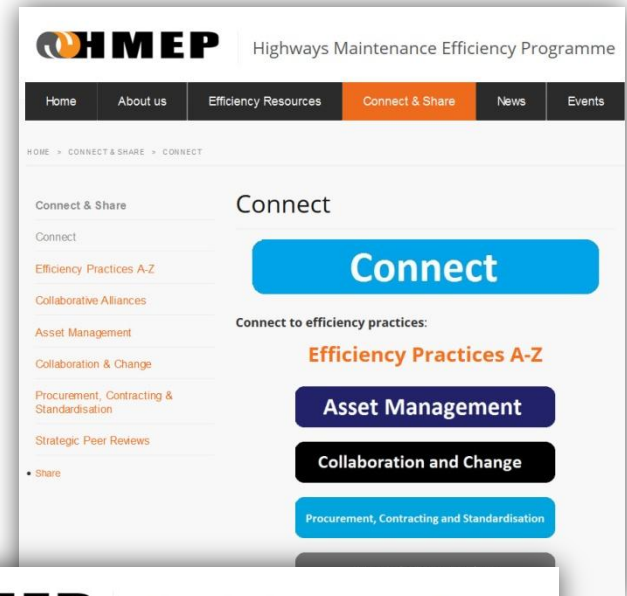
Go to the website –

www.highwaysefficiency.org.uk



Connect and Share

- HMEP is inviting local highway authorities and their providers to connect and share their practices of 'what works' across the sector
- **Connect** with fellow professionals from across the highways sector
- **Share** your 'real life' efficiency practices, stories and experiences to help others



Conclusions

Current Position

- In the balance – condition decline can be halted, but no real prospect of ideal / steady state
- Condition not an end in itself – means to deliver better social and economic outcomes
- We are currently in the public / political eye – need to take the opportunity!

Funding

- More capital, longer term certainty, some will be linked to efficiency
- Make wider case for value of the network and get in the growth / LEP discussion
- Revenue challenges haven't really bitten yet – threat to capacity & capability

Efficiency

- We still have a long way to go (some more than others)
- DfT are prepared to play a supportive role and reward commitment and success
- HMEP can certainly help, but this is an issue for the whole sector to tackle together



Highways Maintenance Efficiency Programme

Thank you