Highways Roundtable

Beale & Company recently hosted the first of an ongoing series of industry focused roundtable discussions, bringing together a number of leading figures to consider the future of the highways industry.

Roundtable

This is an exciting time for the highways industry, with significant changes expected in the way roads are managed and work is delivered. In order to discuss these changes and what they mean for parties on all sides of the industry, Beale & Company hosted a roundtable discussion in July at the London Transport Museum.

The event was attended by various leading industry figures, including client representatives as well as contractors and consultants of different tiers. This provided a rare and welcome opportunity for parties to discuss matters with colleagues and competitors, as well as to gain valuable client insight and to make their views known on key issues.

Hot topics

Network Funding and Management

Recent spending announcements indicate that significant funding is being made available for both long term investment and ongoing maintenance. As the Highways Agency prepares to undergo a significant transformation into a Government-owned company (aimed at improving efficiency, accountability and transparency), these spending plans will be captured in the new “Road Investment Strategy”, to be introduced alongside the transformation.

These changes are intended to change the way the strategic road network is managed and funded, introducing longer-term income streams and moving away from the historical ‘short-termism’ which led to inefficient tendering and delivery.

Scheme and Maintenance Delivery

As well as changes to the management and funding of the network, the way in which work is procured and delivered is also changing. The Highways Agency is expected to announce in the Autumn which tenderers have been successful in gaining a place on its Collaborative Delivery Framework. The
Highways Agency aims for the new framework to encourage collaboration and efficiency savings within the supply chain. There may also be significant gains to be made through the increasing use of technology across the network.

**Future Challenges**

- **Changes to the Highways Agency and funding programme are welcome, but need careful management to realise the benefits.**

There is great potential in the upcoming reform of the Highways Agency and the introduction of the Road Investment Strategy. The move to a longer term funding model was seen as positive by all, although care will be needed to ensure true consistency throughout the funding periods so as to avoid a periodic dip at each changeover point, potentially leaving suppliers in limbo and no better off than under the uncertainty of the existing arrangements.

It is also important that those involved learn lessons from other industries that have been through similar processes, such as the railway industry – however, parties were keen that highways is not seen as a ‘bolt on’ to existing functions, but that the details are suitably tailored to the unique challenges of the highways industry. A key feature of the new Government-owned company will be the use of various performance indicators – there is great variety across the regions of the highways network and arriving at metrics which can usefully measure performance on an equivalent basis will be a challenge.

- **Suppliers have a great appetite for collaboration, but the Collaborative Delivery Framework doesn’t go far enough.**

While the Highways Agency’s move towards greater collaboration with the Collaborative Delivery Framework was generally well received, it was felt that it did not go far enough. There is a real appetite among suppliers to work more collaboratively, but they are keen to ensure such collaboration is not one-sided. A guaranteed level of work from the framework, or the opportunity to engage in more depth and on a longer term basis would both be welcomed. This would help spread the very significant investments already made in tendering for the framework and reduce the potentially high costs associated with secondary competitions.
• Clients need to embrace and enable greater use of technology across the network.

Real strides in efficiency are possible across the network through the greater use of technology. The clear message was that this is not about spending significant sums on new, unproven technology, but about unlocking the potential in existing technology and systems – there are great gains to be made for relatively modest outlay, but the key will be in identifying these opportunities and communicating them to the right parties. It is hoped that the new Government-owned highways company will be well placed to take a lead on this and would welcome input from suppliers on this, and other issues, where investment should be targeted.

Future Events

Beale & Company will be holding a second Highways Roundtable in Spring 2015, timed to coincide with the transformation of the Highways Agency and launch of the Road Investment Strategy. In the meantime, we are preparing our first Rail Roundtable, which will be taking place later this year.

In order to preserve the discussion led nature of the roundtable format, numbers at both events will be strictly limited. However, if you would like to express your interest in contributing to future discussions, we would be delighted to hear from you. In the first instance, please direct any expressions of interest to Jonathan Roscoe at j.roscoe@beale-law.com, +44 (0) 20 7420 8655 or Emma Brown at e.brown@beale-law.com, +44 (0) 20 7420 8755.

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