



## Environment and Transport Select Committee

19<sup>th</sup> July 2012

### Highways Maintenance Efficiency Programme

**Purpose of the report:**

To brief Members on the background to the Highways Maintenance Efficiency Programme.

**Introduction:**

1. The Highways Maintenance Efficiency Programme (HMEP) is a Department for Transport (DfT) funded change programme, aiming to improve the efficiency and effectiveness of highway services in England. DfT secured £6 million funding for the programme in the Comprehensive Spending Review in 2010, with the intention that this funding would enable the development of a programme that would become self-financing after the initial 2 years. The programme officially started in April 2011.
2. HMEP is a sector-led programme, so although funded by DfT it is managed by senior managers from Local Highway Authorities. Initially Matthew Lugg (Director of Environment, Leicestershire County Council) and Jason Russell (then Head of Change and Performance, Surrey County Council) were approached by DfT to lead the programme. Later, Steve Kent (Director at Cheshire West and Chester Council) and Dana Skelley (Director of Roads, Transport for London) also joined the programme. The Private Sector is represented on the programme by the Highways Term Maintenance Association (Highways contractors trade association).

3. Initially the programme was structured around four workstreams:
  - Effective Operational Delivery
  - Business Improvement
  - Communications
  - Research and Data Management

<b>Surrey County Council – Staff Roles on HMEP</b>
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4. Jason Russell leads the Business Improvement workstream, with Sam Cunningham (Major Change Programme Manager, Surrey County Council) providing project management support. Her time on the programme is funded by DfT.
5. During the intense, initial phase of the programme Jason Russell was spending approximately 30% of his time on the programme. However, once appointed as Assistant Director Highways, this level of commitment was no longer possible. This combined with the complexities of managing a National change programme meant that additional support was required, and in September 2011 Atkins Management Consultants were appointed by Surrey County Council to provide programme and change management services for HMEP, fully funded by DfT. Jason Russell's role at this stage focussed on providing visible public sector leadership of the programme, with Atkins developing and implementing programme and business change initiatives.
6. Following a successful first phase on the programme, the appointment of Atkins was extended for a further year. This additional expenditure was approved by DfT in May 2012, and agreed by David Hodge at the Leader Decision Making Meeting on 4<sup>th</sup> July 2012.
7. In addition, Trowers and Hamlins have been appointed by Surrey (funded by DfT) to develop and trial innovative ways of improving working relationships between Local Authorities, Contractors and the entire supply chain. An initial pilot is nearing completion with the South East 7, and a second pilot starting with the Association of Greater Manchester Authorities.

**Business Improvement**

8. The work on business improvement has focussed on the following areas:
- Developing a change management approach for improving highway services (the HMEP offer), comprising an organisational health check (called the Corporate Review), knowledge hub and business change support
  - Creating greater efficiencies through effective working between local authorities and the entire supply chain (supply chain review)
  - Redesign of the HMEP programme, including introducing controls and benefits realisation checks, and moving away from four separate workstreams to a whole programme approach
  - Creating 'Delivery Networks' to be established across all Regions of England, lead by an Advocate who will be tasked with representing HMEP and facilitating improvement initiatives in their area

**Benefits to Surrey**

9. Whilst DfT do not pay for the time that Jason Russell spends on the programme, there are other benefits to Surrey of our involvement. These include:
- Funding of initiatives with the South East 7 authorities, including two pilots; the supply chain review, and the use of Cost/Quality/Customer satisfaction data to drive improved performance
  - Funding of a pilot of the Corporate review for Surrey and East Sussex, which will provide a robust challenge to our joint working initiative
  - Identification of best practice nationally to apply in Surrey (for example the development of the 5-year programme was based on experience gained from the Birmingham PFI and the Regulated sector)
  - Reputational benefits
  - Greater influence with Central Government, including DfT, Treasury and Cabinet Office
  - The development of the staff involved in the programme

**Next Steps:**

10. The initial phase of the programme will be completed in April 2013, when the components that make up the HMEP offer will be completed and ready for use by local authorities. Jason Russell will then focus on developing the roles of the Advocate and the Delivery Network for the South East.
11. Proposals for how the South East authorities can work with HMEP to achieve efficiencies have been developed with the South East Directors of Environment, Economy, Transport and Planning (SEDEPT). The intention is that all authorities will undertake a Corporate Review, and that this will provide an evidence base for an improvement programme for the South East.

**Equalities Implications**

12. There are no discernible equalities implications.

**Recommendations:**

13. That the Committee consider and comment on the report, and make recommendations as appropriate.

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