

## HTMA RESPONSES TO ORR CONSULTATION

### Question 1.

**Are you clear what our role will involve? Are there aspects of our role which you would like more clarity about?**

Yes, the HTMA is clear on your role. It is clearly set out at a high level in the legislation and the associated supporting documentation.

There are a small number of aspects where the HTMA would like more clarity but we are confident these will evolve as your dialogue with key industry stakeholders develops.

- a. Benchmarking: This is an area requiring careful focus due to the importance of available data and the quality of that data in terms of accuracy and consistency. HTMA would advocate the development of leading as well as lagging indicators and we would also wish to consolidate and not increase the substantial number of performance indicators Highways England are already collecting. HTMA members have to produce the raw data for many of these and are already using a high level of resource to do so. We are also keen to understand (and possibly advise on) who you will benchmark Highways England against and how.
- b. Value for Money (VFM): Will you be measuring VFM and if so how?
- c. Sanctions and penalties against Highways England: What exactly will these be and how and when will these be applied? HTMA's primary concern is to ensure that any such regime ends up driving the right behaviours. Above all, we would like to ensure they are aimed at supporting the priority business outcomes of Highways England.
- d. Audit policies, resources and regimes: When will these be developed in detail and can HTMA play a part in their development? We would like to ensure they are balanced, consistent, effective and efficient. Above all we would like to see them supporting the right behaviours and outcomes.
- e. Continuous Improvement: How will this be driven? HTMA share ORR's desire to support improvement in the performance of the SRN and we would like to provide support to ensure that ORR's role does exactly that.

**Question 2.**

**Do you agree with our strategic objective for our highways monitoring role?**

Yes, the HTMA agrees with the strategic objective for ORR's highways monitoring role.

We recognise the scale of the challenge for Highways England in delivering its performance specification and investment plan requirements and we are seeking to support Highways England, to improve performance and value for money, including efficiency, safety and sustainability. As our membership includes all current maintenance providers to Highways England, we are keen to work closely with Highways England and ORR in meeting their strategic objective.

HTMA welcomes the risk-based and proportionate approach and we are keen to see the objective remaining strategic, and not becoming too detailed or operationally focused.

### Question 3

**Are there specific ways you would like us to engage with you beyond the industry forums already referred to in this document?**

We welcome the open approach adopted by ORR in the proposed approach to the delivery of the monitor role and specifically in undertaking this consultation. With 95% of Highways England's spend going through their supply chain partners, HTMA believe it is essential that we are fully engaged by both Highways England and ORR. We can help support the delivery of improved performance and value for money from the strategic road network.

We would like the HTMA to be a key focal point for future engagement with the highway maintenance industry. The HTMA represents all of the current Highways England first tier providers and a significant number of their second tier providers and suppliers.

ORR may also wish to engage with other representative trade bodies as well as the HTMA in order to cover the full spectrum of Highways England's supply chain partners – including Civil Engineering Contractors Association (CECA); and Association of Consulting Engineers (ACE). We often work with CECA and ACE. However, HTMA would also welcome a quarterly bilateral meeting between ORR and the HTMA's Executive Director.

As industry engagement develops, HTMA would welcome and encourage joint working of representative groups to ensure alignment of roles and to create a single focus on maximizing the benefits of the new business model. As an industry, we intend to collaborate with and support ORR to ensure the high performance of the SRN.

#### Question 4:

**Have we identified the key areas that require monitoring? Are there particular areas of Highways England's performance and efficiency which you consider require specific focus or an alternative monitoring approach?**

**Have we identified the key areas that require monitoring?**

Yes, the key areas that HTMA consider to be important have been identified in Table 3.2 Summary of Performance specification and in the supporting Highways England Operational Metrics manual with its comprehensive list of KPIs and PIs to be measured covering most if not all of the important customer facing issues.

**Are there particular areas of Highways England's performance and efficiency which you consider require specific focus or an alternative monitoring approach?**

Yes HTMA think there are areas requiring specific focus.

Against "Achieving real efficiency" in the Highways England Operational Metrics Manual there are only two KPIs and one PI. HTMA believes there should be more monitoring to demonstrate the real performance and efficiency of the organisation (delivered through its providers). HTMA would like to see an emphasis on measuring value for money and not just spend against the RIS settlement. As the detail of the monitoring regime is developed the HTMA would welcome the opportunity to provide further input and feedback.

HTMA fully support the approach set out in the ORR consultation document. We recognise the need for an iterative approach in collecting data and identifying issues to be subject to monitoring.

The current Highways England metrics for "Achieving real efficiency" include:

- KPI: Savings on capital expenditure
- KPI: Delivery Plan Progress: progress of work, relative to forecasts set out in the Delivery Plan, and annual updates to that Plan, and expectations at the start of RP1
- PI: CPI and SPI for schemes at Project Control Framework Stage 5 and beyond

Below are some of our suggestions for additional areas for which future monitoring could be developed:

- Total value recognition through strategic asset management, whole life cost calculations and innovation
- Capturing additional outputs / outcomes directly related to re-investments resulting from efficiency savings.
- Possible use of forecast user delay costs for major renewal and improvement works to achieve a balance between construction cost and user delay cost.
- Demonstration that the chosen construction methods and programme delivers optimum delay costs.
- Capturing all efficiencies.
- Measurements of overall network congestion or individual route congestion, to demonstrate that congestion relieving schemes are actually reducing congestion and not just pushing the problems elsewhere.
- Key enablers identified in the Highways England Delivery Plan could be included in the monitoring i.e. the 'health of the organisation', namely people, and including culture, behaviours, skills (current & future) and retention rates.

## Question 5

**We have set out our initial plans for reporting on Highways England's performance and efficiency. Is there further information or analysis that you think we should produce?**

HTMA believe that the initial plans for reporting are sensible, workable and a sound base for developing more comprehensive future reporting. However, we would also stress that the challenge of providing and compiling the data to support the headline metrics should not be underestimated. The fact that existing data sources will be used wherever possible is welcomed. However, data collection is already a significant and onerous task for Highways England's providers and the value gained has not often been fully visible.

In addition to the initial reporting plans, we would suggest the following as possible future areas for inclusion:

- A measure of Value for Money of the RIS and the delivery of outcomes from SR13
- Analysis based on delivery of the Asset Management and Investment streams to provide a link to performance / efficiency aspects across multiple Highways England departments; Network Delivery and Development (NDD) and Major Projects (MP); a comparison of NDD / MP could allow better sharing of understanding of reasons, innovation, etc.
- The impact of the SRN on key major and local transport links, including the impact on local authority network and areas. This is very much in alignment with the move to regional collaboration, for example the developing collaboration with Transport for Greater Manchester.
- On-going customer satisfaction and need questionnaires / surveys to understand what the customer continues to want and need, including data for informed decision making.

HTMA note that ORR will advise Government on future funding requirements. We would recommend and welcome that the metrics for this assessment to Government be published early. This would allow the various organisations involved with the SRN – including HTMA members - to collect the appropriate data and provide accurate and timely supporting information as required.

## Question 6

**Is there specific information relating to Highways England which is not currently in the public domain which you think should be prioritised for publication?**

HTMA would like to see an open approach to publishing all relevant data and information generated and held by Highways England.

In particular, we would like to see better information on the different value streams within Highways England with details of where money is spent across both the supply chain and within the internal Highways England organisation. Of particular interest would be the interactions between NDD and MPD and between NDD and procurement. It is not always clear to HTMA members how value for money decisions have been made.

Investment commitments linked to planned and actual procurement timetables is another area that is worthy of greater visibility. Often HTMA members see slippage and/or extensions in procurement programmes with little or no explanation or advance notice.

It would also be useful to see further base data and information on performance and for this to be disaggregated by region and area. This would allow HTMA members to target their resources around particular areas of concern and also to learn and share knowledge on high performing areas in order to improve.