Highways Maintenance Efficiency Programme – 19th Board Meeting
Thursday 31st January 2013, Great Minster House

Attendees

Mostaque Ahmed	*Chair, DfT*	Matthew Lugg OBE	*Leicestershire CC*
Jason Russell	*Surrey CC*	Steve Kent	*Cheshire West & Chester*
Dana Skelley	*Transport for London*	David Grunwell	*Highways Agency*
Geoff Allister	*HTMA*		
Haydn Davies	*DfT*	Philip Dyer	*Atkins*
Paul Bird	*Essex CC*	Eamon Lally	*LGA*
Lloyd Miles	*Secretariat, DfT*	Sam Cunningham	*Surrey CC*

Apologies

Tony Gates	*HTMA*

Distribution: All present plus Gary Thompson (*Leicestershire*), Tim Pemberton & Jane Coslett (*Cheshire West and Chester*), Steve Berry (*DfT*), Derek Turner (*HA*) and Design Assurance Group (DAG) members.

Agenda

1.   Note from 18th Board meeting on 31st November 2012

1.1   These had been previously agreed and published on 23rd January. On item 6-3 it was noted that after further consideration the Post 2014 Business Case had not been published (Action 18-5). The paper had now been superseded, and publication would have left any reader unclear on the current position regarding HMEP's future structure. A concise explanation of the post 2014 decisions taken later in the meeting, and next steps, would be provided on the website in due course (**Action 19-1: HD**).

2.   Programme Dashboard and update on benefits work

2.1   The Board discussed the latest version of the Programme Dashboard, and key points are noted below.

2.2   Format: The next version would include a summary of the gateway plan as this had now become too large. The Dashboard will also incorporate a summary of the benefits verification figures discussed under item 2-6.

2.3   Risks and issues: One new issue had been recorded, following DAG's concern at how benefits arising from HMEP products would be monitored after their release.

2.4   Engagement Progress: Engage & Enable (E&E) group had discussed a proposal on monitoring sector engagement. It had been decided to hold a separate meeting to consider the programme's communication's strategy, and then decide how progress across the sector was recorded and presented.

2.5 Website: Visitors to the website had continued to rise, helped by the launch of the asset management and standard specification documents in November.

2.6 Standard products training proposal: It was noted that though the request for funding for this product was separately identified in the project proposals below, it was recorded under the standard contract in terms of programme monitoring.

2.7 Benefits verification and realisation dashboard: DAG was continuing to develop this work. The dashboard was presented as a working draft, with further work being undertaken by the project teams to confirm and update the data. A summary of the verification table would be included in the next Board dashboard (**Action 19-2: HD**).

3. Post 2014 progress

3.1 ML talked through the key points of the presentation that had been circulated to the Board in advance. Decisions were now needed on the five areas highlighted, and Board members declared their interests where appropriate.

3.2 A number of potential host organisations had been looked at within the Post 2014 business case. A number of these have the potential to support and positively influence the development of HMEP. However the Board were clear that the 'Hub' would be a hosting facility and it was not the role of the host to take over strategic decision-making or scrutiny, and that these would remain core roles for the Board and DAG.

3.3 The Board agreed with the recommendation that the preferred organisation should be approached as the future host of HMEP, and that the project team and DfT should commence detailed discussions with them on this basis (**Action 19-3: DfT/ML/Atkins**).

3.4 Organisations such as the LGA and HTMA confirmed that they wanted to retain representation within the post 2014 structure. The LGA noted that the term 'sector-led' under HMEP has a wider interpretation incorporating private companies and other organisations alongside local highway authorities, compared to the narrower definition (of 'sector' as local authorities) currently used in other areas of its work.

3.5 The issues of accountability and scrutiny of funding and expenditure were discussed. These would be key; particularly if the spokes were to be self-funded using local public money. Details would become clearer as the respective roles of the hub and spokes were defined. The core reasons for HMEP should also be restated within the new structure, with suitable accountability for delivering them.

3.6 There were potentially a large number of relationships between the hub, its spokes and all other sector organisations and bodies which could be

complex. It was noted that the level of national and local political oversight needed identification in the future structure.

3.7 The LGA saw an increasing leadership role for itself in the promotion of the HMEP / highways sector improvement agenda. There were parallels with its work in areas such as children's services. The Board agreed that the LGA had a role to play in 'creating pressure for change' and that HMEP should look at the feasibility of incorporating aspects of its work.

3.8 The Board also recognised the current success of the strategic reviews and agreed that the LGA should be the preferred supplier for the HMEP Service Reviews. It was recognised that current early enablers should not be disadvantaged by this decision, and that HMEP needed to work with the LGA to accommodate the remainder of this process.

3.9 The three strategic objectives – building capacity, encouraging leadership and enabling change - were discussed and agreed. It was noted that the while the benefits became greater with the progression to the next objective, each became progressively more difficult to deliver. The step between the first two was seen as crucial, as this would start to deliver the transformation necessary to achieve the required sector efficiencies. It also might be more difficult to justify the resources to fully achieve the final objective as efficiency returns diminished. It was recognised that engagement would be key for the latter two objectives, but this required greater resources and funding.

3.10 A detailed proposal to implement the objective 'enabling change' would be developed for the Board, to look at the role of the hub and spokes in this regard; building on the existing work under the Supply Chain and Strategic Reviews (**Action 19-4: JR/Atkins**).

3.11 Funding would also be critical. The Board were advised that DfT had agreed to re-profile HMEP's £6m so that it better matched the phased approach to the programme. After this financial year the remaining balance available would be £2m for 2013/14 and £0.75m for 2014/15. The final business case would be updated to reflect this **(Action 19-5: ML/Atkins).**

3.12 At the forthcoming Government Spending Review, DfT would make the case for some DfT financial support for hub's core functions; but even if that was successful, funding from the sector would be necessary for additional functions of the hub and the spokes' activities. This would be more challenging to establish; recognising that progress would move at a varying pace across the sector.

3.13 It was also noted that HMEP needed to strike a balance between targeting the authorities most in need of assistance versus those who are willing to engage and embrace change. Identifying the former group can be difficult and sensitive. Often the more proactive organisations were those who were already delivering the programme's objectives, and were best able to deliver the biggest savings most quickly. This was a factor

that also needed to be considered in selecting the organisations to work with first.

3.14 It was agreed that the current business case would be updated to reflect the Board's discussions and conclusions. This would then be shared with the organisations already consulted, and their views on the final version sought. Concurrently an action plan for the next steps towards the post 2014 structure would be developed for circulation to the Board by the end of February (**Action 19-6: ML/Atkins**).

4. Projects requiring decision

4.1 The following five projects, and the respective DAG recommendations, were discussed. It was agreed that all could proceed to their next stages:
   i) Shared Services toolkit (Gateway 2 to Early Enabler);
   ii) Standard Form of Contract (Gateway 2 to Early Enabler);
   iii) Training support for Standard Spec and Contract (Gateway 0/1 – Define/Design);
   iv) Procurement Route Choices toolkit (Gateway 2 to Early Enabler); and
   v) LEAN toolkit (Gateway 1 to Design).

5. Development of the HMEP-DAG process

5.1 A review of the HMEP DAG project process had been undertaken at the request of the Board. The Board were content with the key issues and summary recommendations identified in the presentation. Issues noted by the Board included:

i) Work on the proposed annual plan for HMEP should be started. This should be created to support the realisation of the programme's strategic aims. As a first step, an analysis should be completed to look at the possible gaps in the current programme. This should be used to inform the debate regarding the scope of work within the plan (**Action 19-7: HD/Atkins**).
ii) DAG's wider programme assurance role would be developed further – with an emphasis on assuring outcomes and strengthening HMEP's engagement with the sector. This included a decision that benefits verification and realisation should remain part of DAG's scrutiny role **(Action 19-8: Atkins)**
iii) It was noted that the proposals for DAG included increasing its membership (listed at annex a). Suggestions from the Board were requested on suitable candidates (both individuals and organisations) (**Action 19-9: All Board Members**).

6. Next steps regarding future projects and scope of HMEP

6.1 HD talked through the paper, and the three options identified within it, regarding future projects and scope of HMEP. Issues noted by the Board included:

i) There would be some trade off between timely opportunities, perceived gaps in the sector and HMEP/DAG capability or capacity. These should be exploited where appropriate.
ii) There could be a presentational issue in starting new projects when others from the original HMEP list remained uncompleted.
iii) The Board needed to consider the ability of the programme, given its current structure, to move quickly and exploit opportunities.
iv) The gap analysis of where sizeable efficiencies were available should be completed, so that funds were targeted at realising the greatest efficiencies.
v) The limited ability to date of the programme to promote existing advice, good practice etc, rather than procure new products was raised.

6.2   It was agreed that criteria for assessing proposals for new products would be developed as part of the annual plan process. Possible criteria should include; (i) opportunities to benefit from / leverage other proposals/timing/funding (ii) programme capability/capacity to process the proposal, and (iii) the potential size of the savings proposed (**Action 19-10: HD**).

7.   AOB

7.1   The HTMA updated the Board on their administration support. Joan Roemmele would continue to undertake this role until permanent arrangements (originally due April 2013 but now being brought forward) were completed.

8.   Date of next meetings
- Thursday 21st March; 13:30, GMH
- Friday 31st May; 10:00, GMH
- Thursday 1st August, 10:00, GMH