

# A new approach to managing assets

**Highways England recently announced we would be taking part of our road maintenance in-house in Area 7, the East Midlands. When the current managing agent contractor (MAC) deal with A-one+ runs out in July 2016, Highways England will take on much of the asset management role and split the rest of the work into four contracts: maintenance and response, a 5x3 year contract covering routine maintenance and winter service; design; capital works; and specialist services. The latter two will be framework agreements.**

**The new operating model was launched to the industry at an event in Nottingham on 2 and 3 June. The event, attended by almost 200 delegates from around 150 individual suppliers, was organised by programme director Jenny Moten. We caught up with her to discuss the new approach**

## Why are you doing this?

We recognised that with the significant increase in investment – £11bn up to 2020 – we need a step up in performance if we're going to successfully deliver our commitments. We therefore want to take a more intelligent and proactive role that will allow us to take more direct control of our asset and gain a better understanding of it. The key benefit to this approach is that we can take the most important decisions ourselves, those decisions on the areas that affect our reputation the most – severe weather and roadworks. It's a step change in the way we operate as an organisation, but by directly engaging suppliers we will help drive down cost and waste, providing the best possible value for money for taxpayers.

We have an opportunity to explore how best to adjust our approach in the East Midlands where a contract is coming to the end of its term in Area 7. An innovative long-term asset management plan has been developed using existing asset condition data and extensive modelling techniques to determine the needs across the Area 7 network for the next 30 years.

## When will it happen?

The invitation to tender for the maintenance and response contract will be issued in the Summer, with the remaining three contracts following in the Autumn. We are holding an industry briefing day on the maintenance and response contract on 13 July and will hold further events for the other contracts later in the year. The new contracts are expected to start in July 2016, when the current £275m contract with A-one+ expires.

## Does this spell the end for ASCs?

We have set some really challenging targets, including an ambition for a real improvement in customer satisfaction. Taking asset management decisions in-house will give us more influence over key decisions which impact on our customers and help us to meet these targets. It's too early to make a decision about any future ASCs while we are still developing the new Area 7 model. But there is no doubt that our future maintenance arrangements must enable us to meet our challenging ambitions for asset management and customer service.

## What was the reaction from the industry event on the 2 and 3 June?

The industry days were a great success. We had around 150 companies attend to hear about what we're doing in Area 7. We were keen to hear from the supply chain and wanted to make sure we were engaging with them fully on the changes. The interactive workshops brought out some valuable ideas which we will take into consideration as we work up the detail around the four contracts. Key themes from the day included the importance of early contractor involvement and the need for Highways England to play a central role in a supply chain community. There was a real mix of attendees from large traditional Tier 1 suppliers to specialist individual suppliers. The groups were engaged and very interested in how they could work with Highways England within the new model. We are expecting a lot of interest in these contracts from across the industry. ➔



