

FM Conway has invested in its own facilities for the manufacture and supply of materials

Investing in infrastructure

Manufacturing infrastructure and a self-delivery model remain the key to differentiating FM Conway from its competitors. Editor Alec Peachey speaks to chief executive Michael Conway



FM Conway is a highways contractor with business services in a number of related areas. The company was founded in 1961 by Francis Michael Conway, and is now run by his son, Michael Conway.

Under Michael's leadership it has grown into a business with a near £140 million turnover. With its head office based in Dartford, Kent, the firm's key service is highways maintenance – working on term contracts to carry out planned and reactive maintenance. It also works in many associated areas, including commissions for bridges and highways structures, surfacing, traffic management, lighting, and professional services to support all of these areas.

FMC's main clients are London boroughs and these include Camden, Merton, Richmond, Newham and Lewisham. Geographically, its work is located mostly within London and the south east – as this is the area supported by the company's infrastructure and manufacturing capability.

In 2011, FM Conway built and opened a £10m asphalt manufacturing plant in Erith, Kent, which supplies asphalt for its work across London. The company has invested around £25m in its materials and recycling infrastructure since 2006, including facilities to crush aggregates for the asphalt plant, produce cement and recycle waste from gullies.

At the moment FM Conway is constructing a second asphalt plant at a cost of £10m in west London. It is being built in Hayes and will be called Heathrow Asphalt. It will produce up to 300,000 tonnes of asphalt per annum.

Located next to the Grand Union Canal, the new plant will provide the firm with the scope to potentially use the waterway to transport aggregates in order to minimise truck movements.

The plant will also feature aggregate crushing, screening and washing equipment to ensure the best use of all reclaimed materials. Half of FM Conway's volumetric mixer fleet will be based at



the Heathrow site, providing both high and low strength concrete mixes to meet customer needs across west London.

"The asphalt plant in Erith is almost at capacity," Conway told *Highways Magazine*. **"We needed extra capacity to carry on the growth of the business. We had the cash, the momentum, energy and foresight and bought the land knowing that at some stage we'd do something with it. We've had years of growth at Erith and it is still growing, so we thought the time was right to invest. The plant has gone from infancy to being one of the busiest in Europe. It has been a massive success story."**

Materials matter

The plant is a key strategic move for the company and will support the work it is doing with clients in west London. It will open in the middle of April and will increase the company's capacity to produce asphalt. The Erith plant currently produces 400,000 tonnes of asphalt.

The new plant will extend the firm's geographical reach and ensure faster supply to clients already in west London. **"This will allow us to push further into the west and the LoHAC contract has been the catalyst for that,"** explains Conway.

FM Conway is working with Transport for London on the new £1.8 billion

Michael Conway: "The cost of asphalt is spiralling"

LoHAC framework, for which it has been appointed to the north-west region. It is working on the framework as part of a joint venture with AECOM.

Contractors continue to face price volatility with materials, but FM Conway is working to mitigate this.

"The cost of asphalt is spiralling and one of the main drivers pushing it up is either aggregates or bitumen," remarked Conway. **"We have bought another jetty down at Imperial Wharf in Gravesend, Kent. We're investing to put up our own bitumen terminal. That will be operational midway through the year. We'll be importing our own bitumen so we can control our costs much better. Bringing in ships with 5,000 tonnes of bitumen onboard is much more economical than by tanker."**

Self-delivery

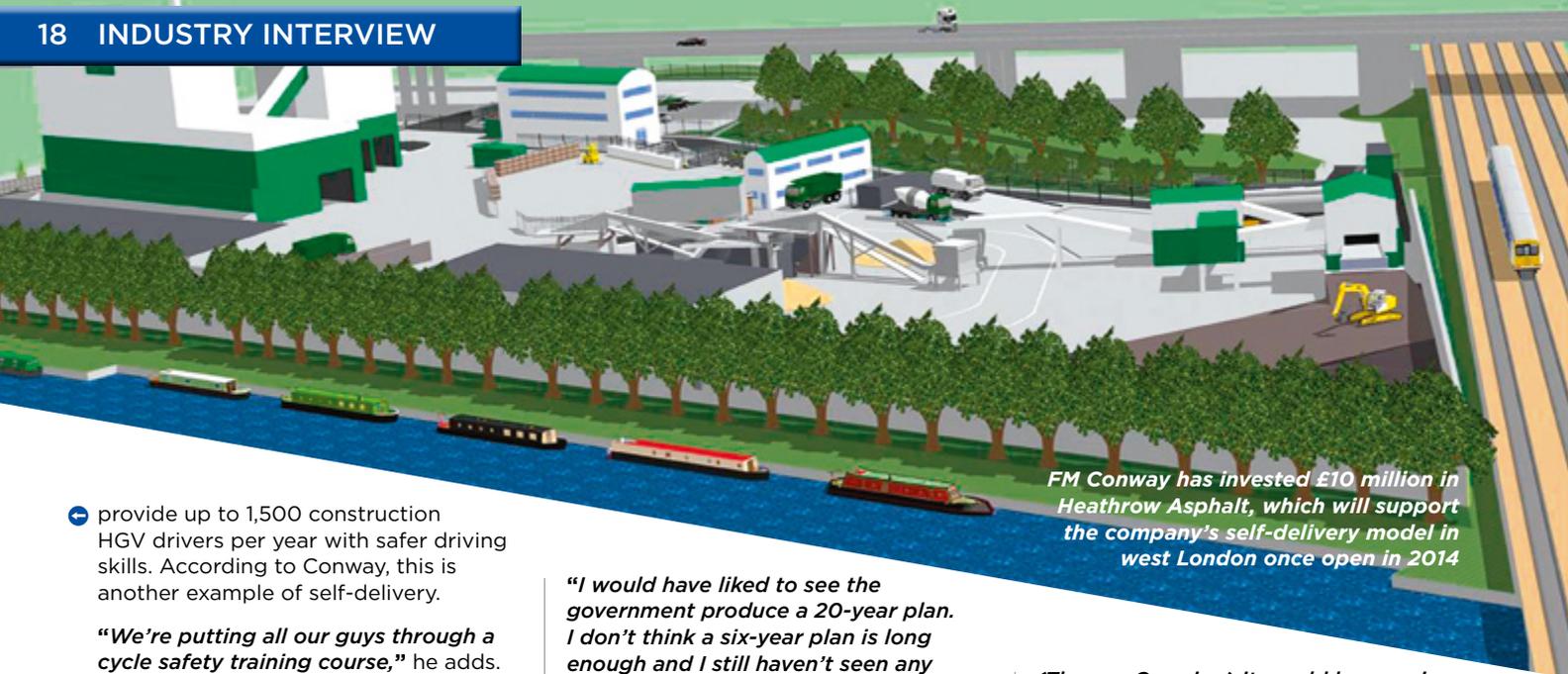
FM Conway operates a self-delivery model under which it directly employs staff and delivers services in-house wherever possible. This prevents lengthy supply chains and enables the company to give clients transparency on cost.

"We control the cost of our materials, labour and plant. Because we know what things cost we can deliver a better product," notes Conway.

"I think self-delivery is where innovation starts. You can influence every stage – from planning to training, health and safety, technology, recycling – and it all comes together. Without self-delivery I don't see how you can do it. All the innovative things we do within our business come from self-delivery."

Self-delivery applies at every level, whether for directly employing gangs who roll out black top, or for teams that go out to cleanse drains. It runs throughout the whole business, Conway points out.

FM Conway offers cyclist awareness training for its HGV drivers. Last year, the company teamed up with cyclist training provider Cycle Confident to



FM Conway has invested £10 million in Heathrow Asphalt, which will support the company's self-delivery model in west London once open in 2014

provide up to 1,500 construction HGV drivers per year with safer driving skills. According to Conway, this is another example of self-delivery.

"We're putting all our guys through a cycle safety training course," he adds. "On the back of that we've had other companies come in to train their drivers as well. We're talking to the likes of the Civil Engineering Contractors Association (CECA), Highways Term Maintenance Association (HTMA), Mineral Products Association (MPA) and Transport for London (TfL) about what we're doing. They're all things we probably wouldn't be doing if we weren't self-delivering."

In addition to driver training FM Conway is also implementing cyclist protection measures on its entire fleet of vehicles.

Funding for roads

Last year the government announced its biggest programme of investment in roads for 40 years. The government is committing £10 billion of investment in road repairs between 2015-16 and 2020-21.

Conway doesn't believe they went far enough. *"We're still in the legacy of cuts and every local authority in the UK has got to cut another 30 per cent out of their highways budgets. I don't see it as all good news. The government has got to improve the state of our roads and the industry, but the difficulty with all these things is that you can't suddenly switch it back on again. We're already seeing a stretch with material prices, deliveries, vehicles and labour and it's only going to get worse."*

"I would have liked to see the government produce a 20-year plan. I don't think a six-year plan is long enough and I still haven't seen any mention of another runway somewhere. That's still up for debate and there's an awful lot of argument over some of these major schemes. There needs to be less bureaucracy and more action. We should cut out some of the red tape in this industry."

Perhaps unsurprisingly Conway would like to see another runway built at Heathrow. For him investment in infrastructure is key.

"I don't know an awful lot about HS2, but it seems like an awful lot of money to spend. I would have preferred investment in another runway. I still think Heathrow is the best place for one because everything is there. A decision needs to be made so we can all get focused on it. It is then important to get the road infrastructure right in order to deliver it."

The FM Conway chief is a keen supporter of London Mayor Boris Johnson and praised the work he has done in improving infrastructure. *"I would give him a bit of a wider spread and to have powers as far as the M25,"* states Conway.

He would like to see a wider introduction of tolls and insists private investment would quickly lead to an improved road network.

"I don't see a problem with tolling and think it works well on the continent. If the government said let private money build the next bridge

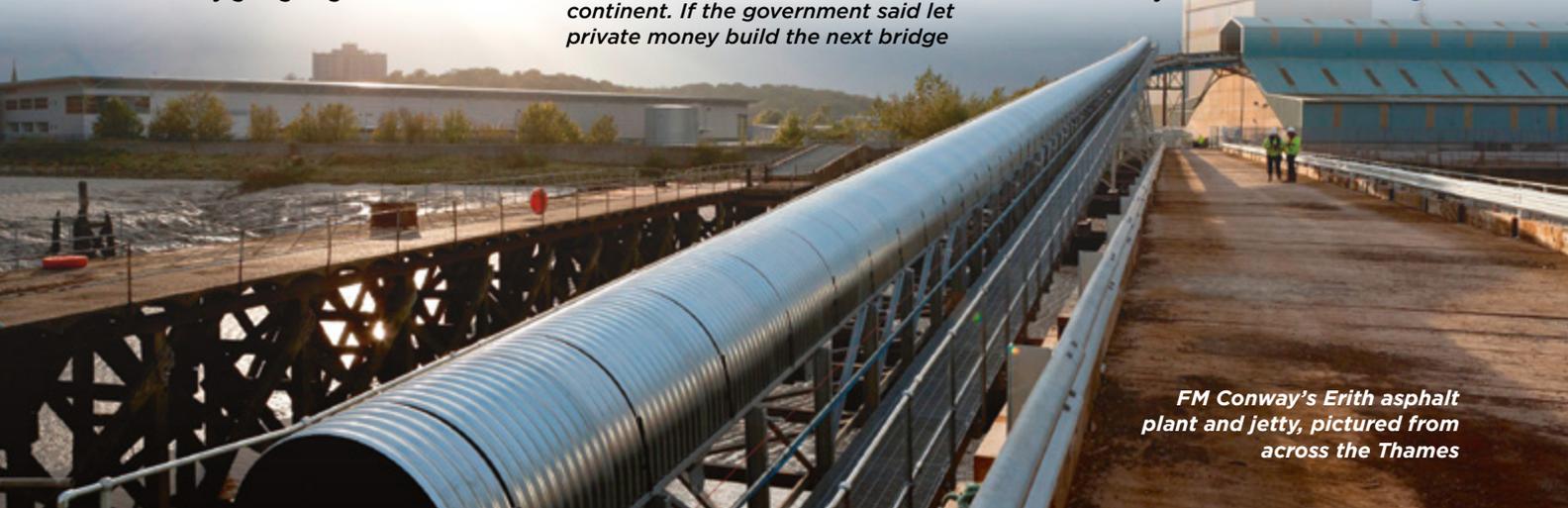
(Thames Crossing) it would happen in a nano-second because there must be a fortune to be made. I don't know why the government isn't letting things be privatised. The investment would be huge and it would be instant."

The future

The company employs a total of 1,700 people, including Michael's son and daughter.

"They are here on a daily basis and my daughter is a director. The business is in good shape and I have a lot of confidence going forward. If I didn't I wouldn't be investing in the things I've talked about," he insists. *"We're spending £20 million this year and I think that says it all. There's a lot of momentum, energy and a will to get things done."*

The importance of infrastructure remains a running theme throughout my interview with Conway, who sums up by saying: *"We see the future of FMC beyond London and certainly see the county councils as part of our strategy going forward. The self-delivery model is key. That's what is driving it all and is what our clients want. It's always our job to give the client choice. I'd like to see a 20-year plan that is beyond another political change. I believe that would help the industry a lot. We can't just build a road and expect the infrastructure to fall out of the trees. The industry is there to deliver it."*



FM Conway's Erith asphalt plant and jetty, pictured from across the Thames