

# Collaboration is key

**Scott Wardrop believes it is only a matter of time before local councils will have to start thinking about merging their highway authorities. The group managing director of Eurovia took time out to speak with Highways Magazine editor Alec Peachey**



**Efficiencies could be gained if local authorities highway departments work more closely together. That's the message from Scott Wardrop, who has been at the helm of Eurovia since April 2007.**

He has 26 years' experience in the construction industry in engineering and management roles and 15 years' experience as managing director and director, in companies within the Eurovia Group.

When you talk to Wardrop you quickly get a good idea of how passionate he is about the industry.

Talking to me at the company's head office in Horsham, West Sussex, he said: *"I think the pressure that is on public authorities and budgets will start to bring changes in highway authorities. At the moment you've got London with Transport for London (TfL) and all the London boroughs. If you go out on the strategic network you've got the Highways Agency (responsible for motorways and A roads in England and Wales). I think there is something like 192 highway authorities in England.*

*Can the public purse, as taxpayers really cope with that amount of highway authorities?"*

Wardrop points out that local authorities continue to face increasing pressures around things like adult social care and children's services.

*"There could be some type of regionalisation which possibly encompasses the Highways Agency. Or maybe just a collaboration of certain local authorities into small regional areas that have a highway authority. Currently we're starting to see elements of that. There is talk of Shropshire and Cheshire West starting to have one highways authority. Here we're sat in West Sussex and they are discussing perhaps joint procurement with Hampshire. It could potentially get to the point where you have some regional highway authorities that may or may not encompass the Highways Agency. I can see that happening and can see some logic."*

The Eurovia chief pointed out that he had recently read some policy documents that talked about trying

to ring fence vehicle excise duty on vehicles so that it is spent back into road infrastructure.

*"David Cameron (Prime Minister) has talked about the concept of a road utility where people feel they are paying for what they get in terms of road infrastructure,"* adds Wardrop. *"I think if the government was intent on moving to a utility model, the stepping stones you need to go through to ring fence vehicle excise duty, and then potentially getting the road to become an asset with a funding stream - you would start to see that some of that could become privatised and possibly on a regional basis. I think there could be quite a profound change in the highway market. The pressure on local authorities over adult social care and childcare, means the budget seems to be going up year on year and the highway authorities just do not have the money for highways. You start thinking is this going to be more regional or collaborative, but then maybe potentially the next step is vehicle excise duty and becoming more like a utility in the way the water companies have gone. How this would*



*Improvements have been carried out in Hounslow under a private finance initiative highways maintenance contract*



*appear for politicians to sell at a local election I can imagine would come across as risky, but I do believe this kind of progression is going to have to happen. Whether the HA is part of that, or is within those regions or not, that's a question. But there's no doubt that there are highways authorities that are going to have to merge into a larger highway authority."*

One example of this type of collaborative approach is in the south east, where the South East 7 (SE7) partnership was formed (see October 2013 issue). As the name suggests it is a partnership of seven major south east local authorities, who realised that efficiencies could be gained through collaborating and working more closely together.

## Investing in roads

Last year the government announced its biggest investment in roads since the 1970s. It committed £10 billion of investment in road repairs between 2015-16 and 2020-21. Wardrop is interested to see how this will filter down at a local level.

*"I think because our company has a greater exposure to local authorities than say the HA, how it feeds through to them is of interest to us,"* he remarked. *"Within UK roads the motorways represent one per cent of our network while the trunk roads that the HA look after represent three per cent. I accept that the haulage on them is high, but the majority of the public don't differentiate between a local authority and a HA network."*

Wardrop told *Highways Magazine* that improving roads could have a wider impact and help to regenerate local areas.

*"Roads are something that don't get a high enough profile in infrastructure terms,"* he explained. *"We (Ringway Hertfordshire) carried out a recent project for Hertfordshire County Council in Hoddesdon. It's an old market town where we regenerated the central square. Suddenly people are coming and renting facilities and people are going back into the town centre. It is important that the money isn't just spent on large highway projects, but is used to actually regenerate a lot of our infrastructure in local authority areas that connect with where people live. It is important that the whole network is looked at as an asset. It shouldn't just be looked at from an asset management point of view, but should be looked at what can we do both socially and economically. We've seen the government make some big arguments for HS2, but there are probably a lot of local authorities that would love to have social/economic models at a local level."*

*"It's good that the government is looking at investing in road infrastructure. However, like anything in life, there's a but. You have to look at how we redevelop our infrastructure and reuse it in different ways. A lot of the fantastic infrastructure we have is maybe a bit tired. How do we regenerate it and reuse it in innovative ways?"*

In 2012, a Vinci/Ringway joint venture was named as preferred

bidder by the London Borough of Hounslow for its £800m PFI highways maintenance contract.

Wardrop says this is a good example of a social/economic model.

*"The regeneration is a catalyst for change in the borough, but they are looking to increase the type of people that want to live and work in and around Hounslow and close to Heathrow Airport. It's very much a social/economic impact. That's why we're improving the roads and all the footways, pedestrian and shopping areas, to create a model that can improve other things for the borough."*

*It's quite profound what some authorities are trying to do on a social/economic basis using highway infrastructure for a public realm as the catalyst."*

## The Eurovia way

Part of one of the leading European providers of transport and infrastructure services, and ultimately part of VINCI SA, Eurovia in the UK incorporates a number of businesses, including road marking contracting and thermoplastic production business Euromark; Ringway Infrastructure Services, which operates, manages and maintains long-term local authority highway contracts (including Worcestershire, North Yorkshire, Bracknell Forest and Hertfordshire); and Eurovia Infrastructure Services, the road contracting, specialist surfacing and asphalt production businesses. The company also operates two PFI's - Island Roads on the Isle of Wight and Hounslow Highways in the London Borough of Hounslow. It is also a major shareholder in BEAR Scotland, Ringway Jacobs, Eurosigns, South West Highways, North Kent Roadstone and Wight Building Materials.

Wardrop outlined the turnover of each part of the business:

- ➔ Ringway - £260-£270m
- ➔ Eurovia - £200m
- ➔ Joint venture companies:
  - Ringway Jacobs - £200m
  - Bear Scotland - £75m
  - South West Highways - £80m

*"In UK terms we're a mid-sized company, but being part of Eurovia SA allows us to have the link to a much bigger company with fantastic research and development facilities,"* comments Wardrop. *"Having a link to research and development is important for us. It allows our asphalt production business Eurovia Roadstone to compete with the best in the UK."*

The company boasts Jean Lefebvre Technical Consultancy Services as part of its portfolio.

Jean Lefebvre is a technical consultancy, which prides itself on delivering a high standard of technical services, product



*Eurovia Specialist Treatments carrying out resurfacing works*

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*Potholes and footways are often at the top of the political agenda in local areas*

development and processes to meet the requirements of existing and future diverse road networks. From its base in Warrington it is supported by an international research centre in Bordeaux.

**“Eurovia SA in world terms is around a €8.5 billion business,” states Wardrop.**

**“The facility (in Bordeaux) cost between £10 and £12 million to build. It’s a bit like taking people to NASA for roads. It’s an amazing facility and all it does is research and development. They focus on very high technology products. Some of them we can evolve or use in the UK.”**

After announcing its biggest investment in roads, the government committed to providing the funding. The commitment includes a guarantee of six year funding certainty for capital projects and maintenance. Funding and reform will be underpinned by legislation so that future governments cannot walk away from the commitments.

Wardrop believes this guarantee is fundamental, adding: **“First and foremost I’m a civil engineer and you can’t do things in an annual or a four-year cycle when it comes to investing in infrastructure. To get the kind of benefits and cost savings that authorities want, they need to take a longer-term view. However, it is difficult to do in treasury cycles. Be it annual ones or four-year cycles that you see in many local authorities.”**

Wardrop remains sympathetic towards local authorities and understands the reasons why road maintenance can sometimes slip down the list of a council’s priorities.

**“I think the plight of local authorities is probably a bit below the radar,”** he notes. **“I don’t think a lot of people realise the pressure that is on the**

**politicians with adult social care. You hear some horrific stories and you can’t just turn it on or off. We always hear when something terrible happens to children – what politician can turn off that funding stream?”**

**“We also know that locally potholes or footways are guaranteed to be in the top three issues. The government has allowed some increase in capital works, but the revenue is going down, so that impact in 2015/16 is going to be huge. It makes it difficult for authorities to continue providing the service that the public expect on their highways. There are some authorities that are looking at actually closing roads or just leaving them to the local people because they can’t maintain them.”**

**“In America they’ve got an ‘Adopt a road’ strategy where local communities adopt a road and look after it. That will probably only come in the more affluent areas. It’s not a solution for most of our highways. The pressure on local authorities is huge. I know a number of them look enviously at Graham Dalton (Highways Agency chief executive) with what’s been announced for that four per cent of the highways network.”**

**“It puts pressure on local authority service providers, of which we’re a significant one. We’re always looking at new ways to do things. Trying to be more efficient, looking at how you can do more things for less, or how you can make cases for spend to save. But the pressure is on and I think in 2015/16 it is going to be even harder on local authorities. That’s when I think councils will be forced to start thinking about merging their highway authorities. It will have to come because they will just not have the money to have their own highways authority and then a contract for individual authorities. It will force that change.”**

## Road worker safety

According to information on the Highways Term Maintenance Association (HTMA) website, overall injuries to the 4,000 road workers on the UK’s roads have risen. This is a something that Wardrop wants to put a stop to.

**“We as an industry are always worried about people and we have a lot of pressure on us by politicians and local communities to not close roads or to cause delays and disruption. Sometimes to do the good work we should be doing to maintain and support assets we have to create a safe zone. I know that’s not often respected or understood, but we really can’t put our people out on the roads and not create a safe place for them to work. That does mean at times that we have to close things or shut lanes,”** he said.

**“We cannot go on putting our people so close to live traffic. I think the HA have a good understanding of that, but there are fast roads in local authorities where we really need to reach out to politicians and officers and make them understand that we cannot do the good work and keep our people safe without putting in a closure. It’s something that I’m passionate about personally and it is an area where we are fully supporting the HTMA which is doing work with the Health and Safety Executive (HSE).”**

Despite the challenges facing local authorities and the highways industry in general, Wardrop remains confident about the future.

**“I think it is important we communicate with the public better and they understand what we do.”**

**“There’s no doubt our industry needs to be smarter and sharper in the ways it serves communities. Some of that is using technology or the way in which we interact with communities about what tasks we can and cannot do.”**

**“We have to be much better communicators. Engineers, historically, are viewed as poor communicators. I don’t know how we’ve got ourselves to that situation, but we have to reach out to those communities. Be it with technology or visually explaining to people what we’re here to do and how we’re going to do it. We’re not just doing roads or footways, we are part of the social economy and we can make an impact on society.”**

**“We’ve also got to make our case better. When you look at HS2 you can see the case that’s been made that has captured the imagination of Labour, Conservative and Liberal Democrats. Maybe we have to be more effective in the way we make the case to politicians for investment and long term support for highways infrastructure,”** he concludes. ➔