

A journey to efficiency

Greg Craig, executive vice president of Skanska, tells Alec Peachey that devolving powers could lead to greater efficiencies amongst local authorities

Government plans to give regions new powers to transform transport in their areas moved a step closer recently with the publication of proposals in Parliament.

As part of the government's drive to deliver economic growth across the country, including the creation of a Northern Powerhouse and Midlands engine, organisations like Transport for the North (TfN) are now closer to becoming statutory bodies.

The legal powers and duties being offered as part of this commitment to devolution will allow groups, such as TfN, to advise transport ministers on investment priorities in their own areas and on strategic transport schemes to boost growth. Statutory status will also give the groups the permanence they need to plan for the long-term.

Greg Craig told *Highways Magazine* that this could be a positive step forward. *"Clearly there is a need to save money generally and pressures are being put on local authorities year on year, yet they must still provide safe and workable highways for people.*

Something to watch out for will be are things going to change now that the government is looking to devolve powers? It will be interesting to see what happens. My understanding is that where they devolve the powers they will also devolve the decision making more into that area. It's quite different in terms of whether they spend a little bit more on the revenue side and perhaps a little bit less on the capital side. At the moment it's always the revenue side that takes the brunt."

Going forward, this could mean that local councils will have to start thinking about merging their highway authorities. This is something that Craig believes could create greater efficiencies.

"I think at least it gives a bit more flexibility to come up with more efficient ways of doing things," he remarked. *"Clearly combining the buying power of a few adjacent authorities could be quite interesting to the industry, and certainly some efficiencies back of house might be generated as well. We have already started to see that most local authority procurement processes now seem to have the potential for adjacent authorities to use that contract."*

Working together

Craig would also like to see closer cooperation between Highways England and local highway authorities.

"Highways England are very conscious of the fact that the road user probably starts their journey across the strategic network, on a local road, and if the road user has had difficulty with a small traffic jam on the local road network then that influences their satisfaction of the entire journey. It's a little bit like the aircraft industry, the airline itself has a customer satisfaction that partly depends on the experience of getting through customs. So I think Highways England are very conscious of that joined up thinking from when you first get into your car, through to when you get out at the other end, and go to wherever you may be going. I would like to see more sharing of ideas and sharing of capabilities across Highways England and the local authorities so we have got a joined up approach to highways."

Skanska work closely with a number of local authorities and its highways maintenance service includes planned and reactive maintenance, highway improvement schemes, winter maintenance, emergency response and horticulture management.

"Whilst local authorities are facing difficult challenges and will probably have further challenges to come during the winter, the one thing that we have seen consistently across them, is that they really do value service," notes Craig. *"Where you provide a consistent high level of service, they recognise it and they value it, and that's what we are about."*

In joint venture with Atkins, Skanska is delivering the asset support contract in Area 2, a five-year contract with the Highways England. It covers design and



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➔ maintenance of motorways and major A roads in the south-west of England. This new form of contract replaced the previous managing agent contractor model, with the aim of delivering substantial maintenance savings.

Craig is keen for Skanska to secure more work with Highways England, adding: *"We see Highways England as a key customer, and as a strategic customer, both in terms of major projects and on the maintenance side. I would love to do more work for Highways England as they are a good client."*

Collaborative schemes

Efficiency is a key word that stands out during my interview with Craig, who started out as a quantity surveyor when he joined Skanska in 2003.

With government funding set to start filtering down, he believes the relationship between highway authorities and the contracting supply chain must remain close.

"There is no way a job gets to the maximum efficiency unless you are working well together," he states. *"We really need to understand exactly what a local authority is trying to achieve and they need to understand what it is we are capable of delivering at any point and why."*

Earlier this year a Costain/Skanska joint venture was awarded a £600 million Highways England contract to deliver two of the three sections of the A14 Cambridge to Huntingdon Improvement Scheme.

And last year a joint venture of Balfour Beatty and Skanska was selected for a £55m scheme to upgrade junction 30 of the M25.

Craig says these type of JVs are now *"commonplace"* across the sector, adding: *"For the very large bids like the A14 we are likely to see a continuation of Highways England looking for a joint venture. When they came out with their Collaborative*

Delivery Framework (CDF), they were particularly looking for a linkage between the 3a and 3b supply chain, for very large projects – something which has ended up in their smart motorway programme. I think that's partly because they're looking for the width of thinking from the Tier one and Tier two supply chain. They are looking to go as far down the supply chain as possible for collaboration to generate as many ideas of efficiency as possible."

So how can we generate greater innovation in the way we construct and maintain our roads to ensure that we improve the efficiency of the road network?

"The thing that I would really like to see is designing in repetition," comments Craig. *"As an entire construction industry we're not brilliant at that. We should be working out what is today's most efficient way of doing something and then designing that in wherever we can until we find a better way of doing something. Then we design that in wherever we can. Sometimes that's products and sometimes it's methodology."*

Information is key

Craig doesn't believe there will be a problem attracting the required amount of people needed to carry out the upturn in work that is coming, as long as the industry is given enough warning.

"We have had a reasonable amount of warning in terms of the challenges that are coming up, so a number of the main contractors, us included, have invested in the front end of that by way of apprentices and other new entrance systems," he says. *"I think what we need to be careful of though is that there's only so far that you're going to go with investment, until you know that a volume of work is coming your way. You need to be careful with procurement processes. It's fine saying to the industry that there is lots of work coming, but unless that particular contractor knows the proportion that is coming its way then there is a limit to the amount that they're going to invest."*

According to Craig, the acquisition of Atkins Highways Services in 2014 has helped provide Skanska with *"full end-to-end capability"*.

"Because we've got the experts we've now got the ability to strategically plan best use of assets. We've got the ability to design an optimum solution, build it, then operate it and maintain it. But the most important thing is that if that's all in house you've got an opportunity to learn lessons from one another. So we can incorporate in our strategic plans and in our designs, the lessons that we have learnt both in construction, operation and in maintenance. So it's a full integrated service that will hopefully continue to improve," he concludes. ➔

