

MAKING TRANSPORT, HIGHWAYS AND PUBLIC REALM ASSETS WORK HARDER FOR LESS



“Difficult choices call for smarter choices. With looming public spending cuts predicted to be 10 - 30% by 2015, this is a time of ‘more for less’. Demonstrating efficient and thoughtful asset stewardship will increasingly become a vital part of the work of transport, highways and public realm officers as local authorities run into the most constrained financial climate for a generation.”

Brian Fitzpatrick - Partner, Head of Highways

In many ways these are bewildering times for local authority highway managers. While on the one hand dealing with the pot hole complaints still raining in after the cold winter, on the other, managers are being asked to respond to the equally strident cry to put more resources into nudging people into greener, smarter, transport choices.

CIPFA's new Transport Infrastructure Asset Code

Adding to this is the recent launch of CIPFA's new Transport Infrastructure Asset Code guidance while the Total Place agenda continues to gather pace, with transport and public realm issues bound to start needing proper representation at the table.

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Calling for a creative approach to Highways Asset Management Plans

It was recently reported that the number of car insurance claims for pothole damage has soared by over 600% in three years, as councils struggle to maintain the road network. The announcement in this year's pre-election Budget that £100 million will be invested in improving local roads is certainly welcomed, but difficult circumstances call for a more creative approach, which is why Highways Asset Management Plans (HAMPs) will have to be regarded as more than just another tick box exercise.

HAMPs must start being used as a tool that can deliver real cashable savings, while at the same time provide a solid evidence base for elected members wanting to choose between different approaches. For example, more modal shift 'nudging' and less guard-railing, or to start talking to other boroughs and public sector partners like the NHS about joining up services.

Platform for efficiencies

Having recently worked with the Department of Transport and CIPFA in supporting the new Transport Infrastructure Assets Code, we've found that a high quality HAMP can be turned into a tool that not only meets the Whole of Government Accounting requirements but can also secure

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investment, identify cashable savings, and be used as a platform to search for the efficiencies that come from effective joined up service provision. In particular it can be used to:

- Reduce insurance premiums
- Inform annual submission to the DfT or TfL
- Offer a focus for the role of the public realm in the Total Place agenda
- Provide the evidence base you will need to enter into joint agreements with other authorities
- Allow informed decisions to be made about the mix between ‘hard’ physical infrastructure works and ‘soft’ behavioural change initiatives
- Provide the information needed for the ‘triple-bottom-line’ accounting that will start to drive local authorities’ carbon reduction programmes.

Securing investment

Whether it be the Department for Transport or London TfL, annual bids for investment will come under increasingly close scrutiny. It will not be enough to rely on cosy relationships or rest on past performance. Officers sifting through bid submissions will be looking for reasons not to fund projects and schemes, and the quality of authorities understanding of the longer term performance of their assets will be critical.

Efficient asset stewardship will not only be the step-change to secure funding in this climate, for example making the most of S106 Agreements as the development market picks up, but will also provide information that will allow the offering of meaningful choices to politicians.

Cashable savings

There are very real opportunities for local authorities to save money. An improved asset management plan reduced one authority’s insurance premiums by £300,000. A more forensic approach to contract performance, particularly on cost reimbursable contracts, can reveal a saving of up to 15%.

Doing things differently can achieve the much needed efficiency savings. Joint working can generate real dividends through streamlining and waste elimination. A single asset register which integrates the needs of three authorities is just one example of many possibilities.

Are you on track to meet the regulatory challenges?

Dry-run responses to Whole of Government Accounting will begin in 2011/12. The Total Place agenda and other initiatives are of course already potentially changing the public sector landscape, as will the need to reduce both capital and revenue programmes by anything up to 20% in the next two to three years.

Since HAMPs are also a requirement of the drive to introduce Whole of Government Accounting regimes, the smart authorities will use theirs to set out clearly and plainly the costs of pursuing one path over another. Difficult choices will have to be smart choices.

Taking an outcome approach

By taking an outcome based approach to highways asset management local authorities will be more empowered to secure investment, make cashable savings and meet regulatory challenges ahead. Only then will HAMPs be used as an enabler for collaborative working, the Total Place agenda and go some way to meeting carbon reduction commitments.

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