

2013/14



LONDON
HIGHWAYS
ALLIANCE

London Highways Alliance Annual Report – Year 1 Executive Summary

Providing a valued street
environment for London



The road ahead

Dana Skelley, Chair of the London Highways Alliance Contracts (LoHAC) Strategic Board, reviews its first 12 months.

People know we need to invest in our roads. But it's no good just chipping away at the problems, London needs a transformational approach.

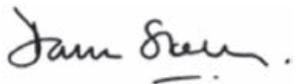
That was the starting point for LoHAC. One year on, we can see how well it has gone.

Having a group of local authorities working together with Transport for London (TfL) and the contractors has certainly been a transformation. But we knew from the success of the London Olympics in 2012 and the way we collaborated on the Olympic Route Network that it could be done.

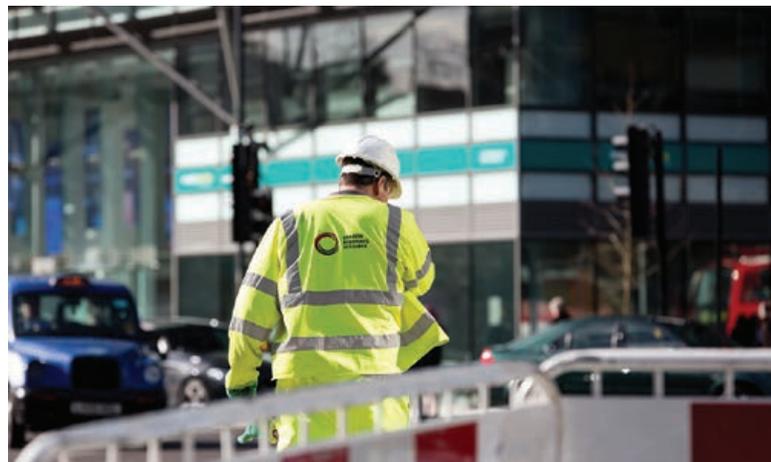
With LoHAC there is a real opportunity to learn how to achieve quality and uniformity in standards of work. We can benchmark costs and quality, and measure customer satisfaction. After all it's our customers who come first.

As the first alliance of its kind in Britain, LoHAC is pioneering collaborative working on our highways. Now other authorities around the country and the world are studying the model.

Yet there's still plenty of scope to increase its use within London, for example by involving the utilities as well as more boroughs. The benefits are there to be gained.



Dana Skelley, Chair of LoHAC Strategic Board
and Director of Asset Management, TfL



The case for change

Eighty per cent of all journeys in the Capital – 90 per cent in the case of freight – take place on London's 15,000km of roads.

Historically, all 33 London boroughs and TfL have managed their roads individually, giving rise to about 100 separate contracts totalling more than £500m.

With the creation of the London Highways Alliance there is now, for the first time in the Capital's history, the opportunity to improve efficiency and cut costs by bringing together highways services under a framework of contracts.

Authorities that join can expect to make initial savings of between 15 and 30 per cent. Over eight years, LoHAC contracts could save London's boroughs and TfL as much as £450m.

As the Chair of London Councils' Transport and Environment Committee, Councillor Catherine West, explained: 'The London Highways Alliance Contract will mean better roads for Londoners at a lower cost.'

LoHAC is at the vanguard of collaborative working arrangements across the UK and is leading the way in supporting the Department for Transport's Highways Maintenance Efficiency Programme (HMEP).

Also, LoHAC has developed a toolkit for cultural change with HMEP to illustrate how to influence the behaviour and approach to collaborative working, which is critical in delivering a successful and efficient alliance contract.

Budgets for highway services are going to become tighter and the challenge to maintain or enhance delivery will not go away. Our sector will not only need to transform its approach to service delivery to find savings of 30 per cent by 2020, but also meet the growing demands of our customers.'

Steve Kent, President of the Association of Directors of Environment, Economy, Planning and Transportation

About LoHAC

What is LoHAC?

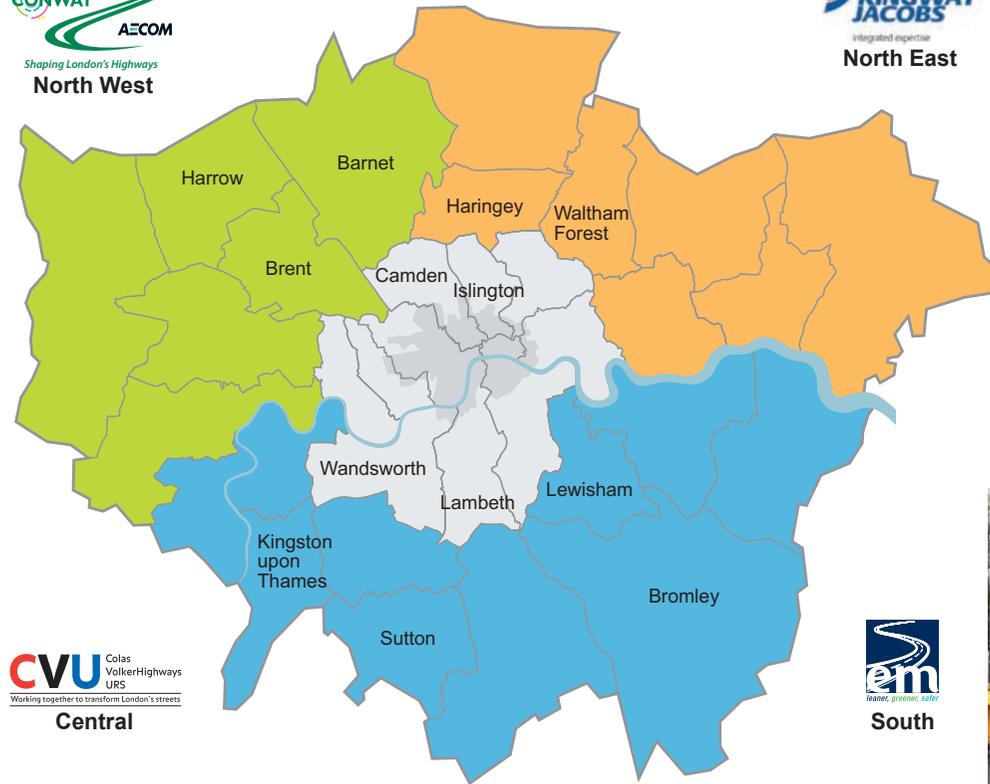
LoHAC is a framework of collaborative highways services contracts covering a variety of tasks. Authorities can form individual call-offs with no loss of sovereignty.

There is complete flexibility in the contracts – participants can take the whole range of services or simply choose elements that offer the greatest benefits.

There are no membership or usage fees and there is no obligation on any participant to use it exclusively.

Who can use LoHAC?

LoHAC can be used by any organisation requiring highways-related services within London. This includes the boroughs, utility providers and TfL.



Where does LoHAC cover?

London has been split into four geographical areas. Each has a contract that is served primarily by a single appointed supplier.

The map also shows the first tranche of London boroughs that have signed up to LoHAC.

When can you use LoHAC?

The contracts and agreements with the four suppliers will run until 2021. New clients can join at any time up to the end of Year 7.



The big question - why choose LoHAC?

The vision for LoHAC is to provide a valued street environment for people who visit or live and work in London.

It sets out an efficiency plan for the life of the contracts. LoHAC will produce savings in these areas:

- Lower cost contracts
- No costs of tendering to clients and providers
- Turnover-based discounts
- Scheme value discounts
- Prior-year ordering discounts
- Optional target cost and open book approach
- Maximum utilisation of resources, plant and fleet e.g. gritters



What else will LoHAC give me?

- Minimised disruption through collaborative planning
- 100s of apprentices across London
- Local jobs and local economic investment
- Better customer experience
- Improved road management
- Improved environment and air quality



Year 2 provides the opportunity to further improve performance based on customer feedback, to develop innovative solutions to historic problems, to collaborate more effectively with each other and share best practice.

'I strongly recommend that London's authorities consider adopting LoHAC when they are looking to replace their existing contracts.'

Garry Warner, Co-chair, London Technical Advisors Group

Collaboration - the heartbeat of LoHAC

Effective collaboration between the boroughs, TfL and the four contractors is what makes LoHAC possible.

Collaboration enables members to benefit from economies of scale, share plant and equipment and be more efficient as a collective. It also means LoHAC participants and neighbouring boroughs can join forces on works programmes to minimise disruption and congestion.

Contractors can also combine their resources when emergencies arise and get problems sorted quickly.

A path to the future for our apprentices

The importance of creating jobs and apprenticeships is recognised in the LoHAC contracts. For every £3m of expenditure, contractors are required to create opportunities such as apprenticeships and workless job starts.

Plans have also been put in place for an Apprenticeship Consortium. It will be aimed at specific groups of candidates, including women, ex-offenders, black, Asian and minority ethnic groups, and people not in employment.

A further plan for 2014 is to extend apprenticeship placements to include secondments into boroughs, TfL and suppliers, giving students the opportunity to experience both contractor and client-side working.

Safe, clean and good for London

Our contractors have safety and the environment at the top of their agenda, and together we are working to reduce our carbon footprint and maintain the highest possible safety standards.

For instance, all contractors have fleets that comply with the latest European limits on emissions. They have also been accredited to at least bronze level by the Fleet Operator Recognition Scheme, which sets standards on vehicle safety and driver training.

All vehicles weighing more than 7.5 tonnes have been fitted with extra cycle-safety features.

The benefits are there to be gained and LoHAC's second year promises to be an exciting one.

Further information

tfl.gov.uk/highways-alliance

Tel: 0343 222 1234



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