

Highways

A Regional Efficiency Programme

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Key Pressures

- Global Credit Crunch & Government Borrowing
- Next round of public spending going to be harsh
- CSR07 – 10% to 2011 (3% year on year plus 1% in budget)
- Councils planning further 10% reductions to 2013-14
- Customer Expectations haven't lowered!
- Protect front line services – education and social care
- Inevitably choices will have to be made



Current Membership

County (4)

Worcestershire
Warwickshire
Staffordshire
Shropshire

Unitary (3)

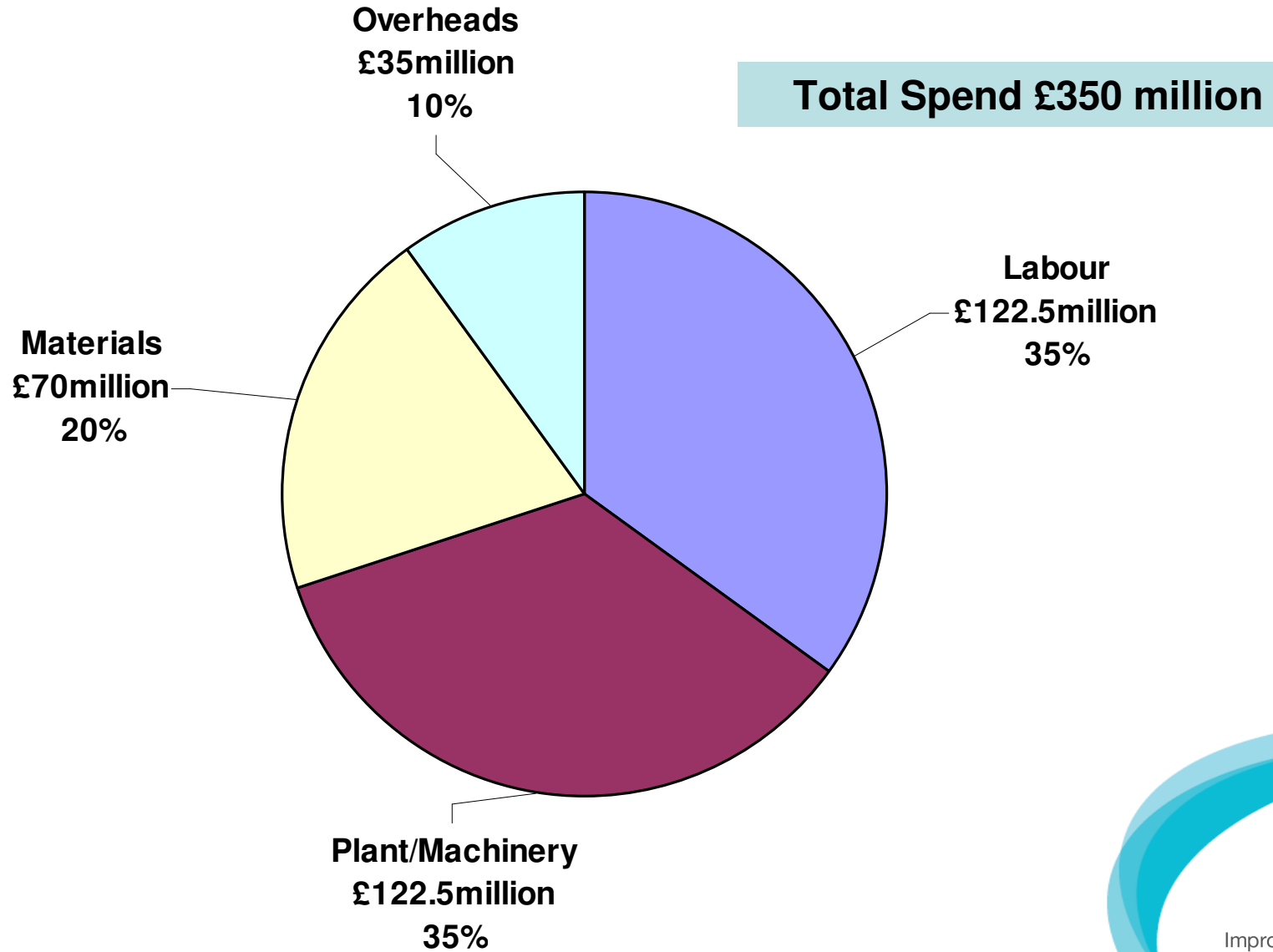
Telford
Herefordshire
Stoke
Birmingham – still to join (but participated in Salt)

Metropolitan (6)

Sandwell
Solihull
Dudley
Wolverhampton
Walsall
Coventry



West Midlands Highways Spend Profile



2009/10 Highways Programme

- Rolling out the 2008/9 Products
- Standardisation
- Collaborative Procurement
- Asset Management
- Protecting the Environment



The WMHA 2009/10 Programme

Standardisation – specifications top deliver efficiencies through collaboration, aggregation and leverage

Procurement – New ways of working (lean) and smarter collaborative procurement (including partnerships)

Asset Management – self assessment toolkits and training to radically re-assess funding and programme “fix” options

The Environment – use of recycled materials and lower CO2 production methods/materials – using whole life costing methods



A Strategic Efficiency Programme

- Products (what added value)
- Engagement (who wants to play)
- Take Up (who takes up the offer)
- Change Management (new ways of working)
- Collaboration (partnerships, risk and control)



The Savings Target

- Council's are planning for 10-20% savings
- In West Midlands = £35 - £70 million!
- Materials (total spend) = £70 million
- Commodities alone – isn't the answer!



The Savings Opportunities

- Medium and small Frameworks (planned and professional services)
- Re-active Repairs (clusters and partnerships)
- New ways of working (lean and partnerships)
- Standardisation (materials and contracts)
- Aggregation and collaboration
- Being More Strategic – Not margin bashing!



Commodities – Outline Programme

- Salt (£700k -2008)
- Energy
- Black Top
- Street Lighting (columns and lanterns)
- Vehicles (including green fleet and fuel)



WMHA - The Next Steps

- IEWM Budget Allocation = £160k
- Dft = £200k
- Total Allocation = £360k
- Preparatory work = December 2009
- Project Assessment Forms = January 2010



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