

8 Institutional Change

“Pressure will grow to get best value from highways as a national asset and to operate the network in response to society’s mobility needs. Innovation and flexibility over financial, contractual and organisational arrangements will follow.”

Long Term Goals

- ▶ Evolution of a Strategic Transport Group with DTLR and other stakeholders to oversee the development policies for the highways network, integrated with local roads, rail, ports and air transport, and to foster a market in mobility services.
- ▶ The strategic transport group will advise on highway network strategy in consultation with government regional offices, local and other highway authorities, Ministers, etc. The strategic group will help specify general policy on how the highway network is to be developed and operated.
- ▶ Evolution of the Highway network operator functions to develop integrated transport operations and essential user services, covering road safety, security, traffic control and incident management, active traffic management and demand management.
- ▶ This will involve close operating partnerships with the police services, local highway authorities, Traffic Control Centres, travel information services and many others.
- ▶ Strengthening of Highway asset managers to plan and carry out highway maintenance operations.
- ▶ Appointment of Highway asset developers to take on the traditional role of highways planning, construction work, and the development of dedicated transport interchange facilities.

Short term Actions

- ▶ On-going dialogue with DTLR and the Treasury on the Highways Agency mandate and the opportunities for improving delivery mechanisms for government transport policy as it affects highways.
- ▶ Continue the development of national and regional operating policies for the highway network in collaboration with Local Highway Authorities, Government Regional Offices, Regional Planning Conferences and DTLR.
- ▶ Separate out the development of network strategies, user services and everyday network operations from traditional highways construction and maintenance functions and the exploitation of the asset base.
- ▶ Develop performance indicators related to service delivery, with management accounting systems targeted at the three core business areas: highway network operations, asset management and asset development.
- ▶ Carry out a full analysis of business development opportunities in collaboration with other parties (e.g. bus, and rail operators, the police service, freight and fleet managers, port and airport operators, highway DBFO companies,

highway-linked property developers, telecommunications, VASPs servicing personal logistics, mobility user groups ...etc)

Case for Network Operator Action

- ▶ The network operator will come under sustained pressure from government, industry and commerce, as well as the travelling public, to achieve high levels of performance from the nation's highways.
- ▶ Operating the highway network safely and efficiently on a 24/7 basis, with the added dimension of dynamic controls to meet a diversity of demand patterns, will grow in complexity and importance.
- ▶ The delivery of integrated transport, personal logistics and mobility services will be an additional force for change.
- ▶ New contractual and organisational arrangements will flow from the need to secure efficient, integrated transport operations, probably extending across regional and national boundaries.
- ▶ Highway network operations will become a high-profile, public utility in its own right, requiring its own specialist skills, in parallel with highway construction and maintenance work.
- ▶ The goal of maximum economic gain from the highways asset, 'sweating the corridors' will be at risk of being compromised by organisational inefficiencies if there is no clear regulatory or institutional framework.

Supporting Information

- ▶ There are growing expectations that highway network performance should be improved, with greater accountability on the part of those who operate and manage the highways.
- ▶ Scheduling and management of highway traffic management, highway maintenance and construction operations requires ever greater sophistication as congestion on the network grows.
- ▶ Out-sourcing and public-private partnerships are being brought into network operations to secure new network management services, not only in England (TCC /TiS) but also in Germany (Berlin), USA (Cincinnati /Smart Route Systems) and more widely in toll road operations.
- ▶ Service delivery and the management of assets in a complex institutional environment has prompted new legal and contractual arrangements. Contract negotiations and contract management are becoming highly specialised (as with the National TCC project).