

Resource type: case study

Developing a strategic road map: the case of Highways England's Regional Investment Programme

This vignette provides a case study of how Highways England's (HE) Regional Investment Programme within its Major Projects Directorate is focused on improving its maturity, capability, capacity and focus over a series of four investment cycles. This is defined as moving *'From transactional to a high performing enterprise. Driving efficient and predictable delivery, with benefit focused teams and a value driven culture'* (HE, 2018)

Highways England (HE) is a government-owned company responsible for improving, operating and maintaining England's strategic road network. As an operator of a major UK Infrastructure Asset, HE saw the need to think about the direction of travel required for successful delivery for their Major Programmes and the need for clear strategies and action plans to deliver. HE's Major Projects Directorate is split into 3 programmes of delivery. The Complex Infrastructure Programme containing the major >£500m investments such as the Lower Thames Crossing; the Smart Motorways Programme focuses on all Smart Motorway investment across the network and the Regional Investment Programme which delivers all other major capital investments between £10m and £500m to support both local and national growth. The three programmes embraced the challenge to look at delivery differently. Each however faces different challenges and as such is developing its own strategies and action plans aligned under one Major Projects directorate.

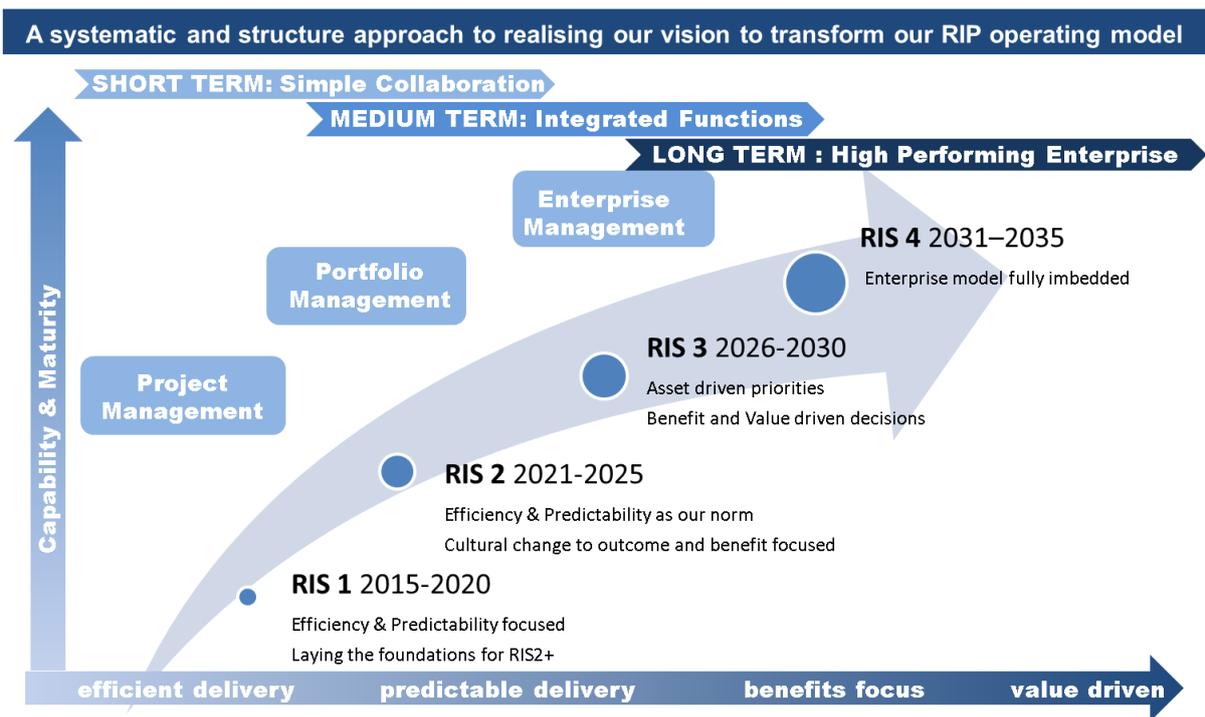
Here was an opportunity to change and enhance their organisation from the inside out. Highways England aspires to be seen as an industry leader; so it has grown more commercially-minded, and more outcome-focused with a better eye for value. This vignette focused in particular on the Regional Investment Programme's approach to developing its roadmap as a case study, but all Major Project directorates are on the same journey of transformation.

Highways England is now halfway into Roads Period 1 (RP1). The Regional Investment Programme represents a significant proportion of the first road periods capital investment portfolio with a value of approximately £7billion. This represents approximately 17 percent of UK public infrastructure investment in highways outside London with over 80 schemes nationwide ranging from £10m to £500m investments.

To define the strategic road map, the Regional Investment Programmes Senior Leadership Team carried out a visioning process to determine the operating model needed in the short, medium and long term. They identified and defined where they wanted to be over a series of horizons. They recognised the influence on delivery of changes in the market and operating environments as well as the other areas within the Highways England organisation. They began to align these to identify the further changes needed to deliver a successful Regional Investment Programme. Their programme was to be 'holistic, targeted and owned' and aligned with wider Major Projects and Highways England aspirations.

They developed a high-level 20-year roadmap. It sets out the roadmap for moving away from being a transactional organisation and becoming a high-performing enterprise (fig. 1) in line with Project 13. The pace of this journey is set by the 5-year road periods in which HE works. Each road period over the twenty years is framed by a Road Investment Strategy (so RIS1 to RIS4). Each road period focuses on a series of strategic themes which run throughout the activity as golden threads and together they provide the building blocks for owner capability maturity development.

RIP Future Strategy :High Level Transformation Vision



Through the visioning process, The Regional Investment Programme Senior Leadership Team first began to think in terms of the targets and outcomes they wanted within their delivery model. Four strategic delivery themes were identified: Efficient delivery; predictable delivery; benefits focus; and value-driven.

The focus on delivering value for money provides the foundation for the first 2 themes namely efficiency and predictability theme. This is about driving costs down; but in a smart way. It is about being a trusted deliverer. Efficiency and predictability underpin Highways England’s new proposed procurement model. This procurement model is focused on improving relationships with their supply base. By engaging suppliers, they can begin to understand the portfolio better, and can, for example, see more long-term work. Highways England however recognises that efficient and predictable delivery cannot be solved by procurement alone. Though important, procurement is an enabler, albeit it sits at the centre of the programme. Highways England wants to make sure that wider thinking is taking place in terms of how and why activities are done and that we have the organisational maturity to transform our delivery from the inside out. One interviewee said ‘we need to stop thinking about projects, projects, projects and start thinking about portfolios.’

The benefit and value theme are centred around the need for delivery teams to start thinking about the value for money and outcomes proposition driving decisions rather than the traditional time-cost-quality criteria alone. A shift in thinking is required, and that is going to be enabled by how the benefits are identified, valued, how they are embedded in contracts and how HE plans to realise these benefits and outcomes for customers. It is also about shifting thinking from value engineering to value management.

The HE Regional Investment Programme future strategy aligned to the five Project 13 areas with 12 focused work streams defined to deliver the strategy. All initiatives within these work streams are linked to one of the 4 themes of efficiency, predictability, benefit focused and value driven. To bring this strategy to life for people, the team have been working hard on engaging their internal and external stakeholders. The leadership team want to ensure the alignment of any identified strategic initiatives in clear and has a direct thread to the future aspirations of the programme and Highways England more widely. The Major Projects Programmes are committed managing their own future strategy through the capability is bringing into its teams.

As part of its Project 13 Capable Owner work, the Regional Investment Programme is developing its leadership culture and behaviour. One approach has been to provide creative forums across regions to connect teams and share learning. These engage HE's communities of practice, making them feel they have a supporting network. HE is trying to do this across the whole organisation, by focusing on creating the right environment for people to thrive.

Across the all Major Projects Programmes, Highways England is encouraging people to think about the business problem rather than the asset solutions. It looks to empower the project teams to help develop solutions with outcomes for customers at the heart of those decisions. The aspiration is that Highways England would challenge and empower their teams to move from output focused to outcome driven. This is a cultural challenge, but by doing this, "you change the behaviour whereby during options selection you don't simply pick the option that is closest to the solution that you were given initially; and you start the behaviour that challenges how well does each of these options resolve the business problem".

Lastly, Highways England has been investing in people and capability. Since 2015, they have seen their strategy and planning teams mature hugely, and their economics function grow. They have been recruiting into their central risk, project management office (PMO), benefits and value management teams and sponsorship teams within all the Major Project Directorates. They have commenced a number of training programmes and apprenticeships to grow our internal capability. They have started to draw on the expertise that is out on the market more to help, but with the intention of improving their skills as much as they can.

This transformation will not happen overnight. It will happen, said Laura Gilmore the Regional Investment Programme's Head of Programme Strategy and Development 'When we have the long-term vision and direction we all believe in, coupled with the targeted, measurable initiatives and building blocks to make that vision a reality. To make this a success we must focus efforts not only on the people, processes and the technology we need, but the culture we want to create within a programme where teams can thrive'.

Sources:

- Interview with Highways England's Head of Programme Strategy and Development. 16/02/2018.
- Cook, A. 2011. A fresh start for the strategic road network. Department for Transport. <http://webarchive.nationalarchives.gov.uk/20120606131143/http://assets.dft.gov.uk/publications/strategic-roads-network/strategic-road-network.pdf> (accessed 20/02/2018)
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