

**Part response to Inquiry into value for money of Motorway and Trunk Road Investment  
Assembly for Wales PAC**

The Highways Term Maintenance Association (HTMA) is the trade organisation which represents service providers who currently maintain around 90% of the highway network within the United Kingdom. The Association aims to deliver high quality maintenance and asset management services, whilst seeking to drive positive change within the industry, for the communities within which we work.

The following views are in response to the questions in bullet points 2 and 3 of your letter of 14<sup>th</sup> January 2015 on the above topic.

We understand that Welsh Government budgets are released on an annual basis and this causes difficulties for the Agents in programming the work packages leading to peaks and troughs of work. This has a knock on effect on contractors who have to respond by supplementing the local workforce to cope with the peaks and downsize the workforce to cope with times of lower demand. In addition, this approach creates pressures on local plant, quarries and coating plants. This approach is inefficient.

The HTMA is also concerned that budget allocations may not be confirmed until after the start of the financial year which makes it difficult to programme works effectively and can lead to short term inefficient works being prioritised.

The HTMA supports the adoption of longer-term budgets and workload forecasting. Provided that this is delivered it will give companies and their supply chain the confidence to invest in their people, plant and equipment and build better relationships with suppliers, leading to a reduction in costs. We recommend that a funding plan, based on asset management principles, for a minimum 5 year rolling period should be developed and implemented. This would allow the current framework contracts to deliver improved value on a consistent and coordinated manner. It will also provide longer term job security for the Welsh workforce and increase the effective spending of each Welsh pound.

The HTMA also recommends an industry wide collaborative approach to service delivery. There are many benefits to be gained, in both efficiency and effectiveness, from the Welsh government, local authorities and framework delivery partners meeting regularly to optimise programmes and resources.

I hope you find these comments helpful.

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23<sup>rd</sup> February 2015  
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