

The A45 transport improvement corridor scheme

A view from the top



In this month's industry interview, Highways editor Alec Peachey speaks to Colas chief executive Lee Rushbrooke

When you talk to Lee Rushbrooke about his career you quickly get a good understanding of why he ended up landing the top job at Colas.

Rushbrooke has held a variety of roles at the company working his way up from the bottom to the top.

He joined Colas straight from school as a trainee estimator. The chief executive then moved onto site work, testing and laboratory work before making the switch to engineering. On the management side he has held a variety of roles including sub agent, agent, senior agent, contracts manager, business manager, deputy chief executive and now chief executive.

"I'm fortunate that I've had exposure at pretty much most of the disciplines within the business," he told Highways Magazine.

"I know how the business ticks, but at the same time I understand the pressures and the difficulties that are there. I can make decisions based on a certain amount of credibility. By the same token I understand the problems that our teams can face."

Lee Rushbrooke: "PFI solution isn't a one size fits all"

Funding for roads

The Government recently announced its biggest programme of investment in roads for 40 years. Since then a new policy paper entitled 'Action for roads: a network for the 21st century' has outlined details of new arrangements for the Highways Agency and the Government's commitment to providing funding for roads.

This is a move welcomed by Rushbrooke, but he does offer a note of caution.

"We have been supporting the push for investment in infrastructure as a means to help kick-start the economy," he remarked. *"To try and secure long-term funding so that things are funded from a technical and not political point of view, is a step in the right direction. This supports what we've been pushing for a long time, in terms of intelligent asset management and timely intervention."*

"The concern I have is in understanding what effectively will be new money and how much of it is pre-announced."

The other concern is that we could do with the investment in infrastructure now instead of in 2015/16. The benefit could come in addressing some of the problems with the local road network. There is still time to plan for 2014/15 spend if announcements are made now."

Rushbrooke believes there has been deterioration in the local road network, but says solutions are available.

"I'm able to comment first-hand in terms of the journey I take to work. Up until recently I have been travelling along a road that was dangerous," he notes. *"There were a number of potholes forming and it got to a stage where road users were showing their frustration by taking it upon themselves to write messages on the road and marking up the defects with spray paint."*

"If you allow a road to get into a poor condition then it will end up costing you a lot more money to repair it. In between times it's costing local authorities more money in terms of third party claims, slips and trips, damage to vehicles, etc." ➔

➔ PFI in Portsmouth

Colas is responsible for rehabilitating and maintaining the highway infrastructure of Portsmouth, under a private finance initiative (PFI) contract signed by Portsmouth City Council.

The Portsmouth deal was Britain's first highways maintenance PFI, and according to Rushbrooke it won't be the last time that private finance is used to repair local roads.

"As the only PFI to have completed the core investment phase, one thing we can clearly show that we've achieved in terms of investment and the upgrade of the Portsmouth network is a significant reduction in third party claims," highlights Rushbrooke.

"I think you need to acknowledge that a PFI solution isn't a one size fits all. For Portsmouth it was the right solution. They had a network that was in a failed to critical condition. At the time they were spending all of their allocated Government budgets to try and arrest the decline. This was the solution for them to stop the spiralling decline, bring it up to standard and maintain it going forward. What we see is that the Government acknowledges that in order to go forward there will be a need for private investment. Where we can see value is taking lessons learnt from the PFI intelligent

asset management approaches and tailoring those to bespoke solutions for different clients. Every network has its own differences and subtleties. We provide a collaborative intelligent asset transformation model that allows local authorities or a client to build a better case for utilising funds.

"The key thing in Portsmouth was that you had visibility for a long-term programme. The political pressures were taken away so we could find the right technical solution. At the moment local authorities are strapped for cash and they will identify solutions that are offering what they would consider to be low cost today. We're looking at what is best value over a longer term. We may have put in treatments and solutions that are more expensive now, but they will pay dividends in the long run."

Diversification

Colas employs 1,700 people in the UK and as part of the A-one+ joint venture is the Managing Agent Contractor in three of the Highways Agency's MAC areas.

Through its 'we go further' message the company is highlighting that it is more than just a highways service provider.

"We are diverse in terms of our offerings. We operate across various sectors and some of that links to the strategic network though our

joint venture with A-one+," adds Rushbrooke.

"We have identified through stakeholder engagement that the history of Colas has always been that we're seen as a black top or surface dressing company. It is what people refer to us as. This is why it was important for us to continue to raise the awareness of what we offer. Another thing that people don't realise is that we have an airfield business. We are a significant player in the UK and we're looking to develop that overseas as well.

"We've also got a large business that revolves around manufacturing. We are major producers of bitumen and emulsion products in the UK and provide them both as a bulk product for our own activities as well as for third parties.

"When the market took a dip in terms of spending we identified that the highway market was becoming very aggressive. I would say there were many tenders fought solely on lowest prices against fixed specifications, which is not part of our strategy. We work on projects where we can provide low cost through different and smarter solutions."

Managed motorways

Rushbrooke would like to see further capacity added to the UK's road ➔

The switch over between the old and new carriageway on the A45





The M275 Tipner Interchange project in Portsmouth

➔ network and welcomes the Highways Agency's rollout of managed motorways.

"They've proved from the results of the M42 trial that it's actually safer now than what it was before," he points out. *"At a time when the economy is as it is you've got to have a basket of solutions. Managed motorways are just one solution that is available for the Highways Agency. There is still a need for more lanes as well, but the managed motorway is an effective tool at a relatively low cost to get extra capacity and reduce congestion."*

Innovation

For Colas innovation is key. The firm has its own research and development centre in the UK.

"We also work closely with Colas' CST research campus in France. The amount of investment that goes into it is significant and helps us to keep ahead of the game," says Rushbrooke.

"We link with the CST via our UK based value management team enabling us to come up with innovative applications and solutions."

In terms of innovation Rushbrooke notes that there is a marked difference in what is being used across the UK.

"Firstly, we see a difference between Europe and here," he states. *"In terms of technology that is widely accepted in Europe, it can take longer to be received in the UK. Locally you see some clients more receptive to innovation than others. You then get others that are stuck in their ways. That's the way of the world and you have to deliver what the client wants, but at the same time we work in*

collaboration to add value and show the benefits of new ways of working."

Staying selective

The company remains selective in terms of what projects it bids for.

"If we're going for something where we see there is no opportunity for development or innovation, then we have to say it's not for us," confirms Rushbrooke. *"That forms a big part of our selection process when we're going through what opportunities to bid for. By doing that we've increased our success rate."*

"We also have a strict process of risk management. We are not risk adverse but risk aware and I'm a firm believer that risk should be 'owned' by the party best placed to manage it. We are still finding some clients looking to pass on unquantifiable risk through the contract, a recent example being pension fund liability linked to TUPE transfers."

This selective attitude is something that the Colas chief feels will stand the company in good stead going forward.

"We have been strong in terms of our margin expectations. We're not just filling our order book for the sake of it. I don't think the same can be said for everyone. As the market improves I think some of our competitors are going to be left with order books with long terms to run that have been secured at aggressive levels. I think you'll see less of those contracts

as clients move towards best value through intelligent asset management."

"A significant area of new work will be procured by the Highways Agency with its new Collaborative Infrastructure Delivery Framework. It's going to be interesting to see what new entrants come into that market."

Contractors continue to face challenges around the increased cost of materials and this is something that Rushbrooke is well aware of.

"We have seen volatility in terms of some of our raw materials. If prices continue to rise it will have an influence in terms of what solutions we provide. At some stage there might even be a switch back to concrete as a solution rather than asphalt."

Whatever happens Colas, and Rushbrooke, will be ready. He has been CEO since the start of 2011 and has already steered the company through some challenging times.

"At the time the biggest challenge was to set our stall out in terms of a new approach and strategy. We have differentiated ourselves with an innovative approach and strengthened the research and development side of our business."

"I think that as a company, against the backdrop of the economy, we have actually bucked the trend in terms of our activity level, our margins and cash generation," he concludes. ●