



Highways Maintenance Efficiency Programme

Maximising Client/Provider Collaboration in Highways Maintenance Services

A toolkit covering the essential attributes for
successful implementation

Version 1

September 2013



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REVISION SCHEDULE

Rev	Date	Details	Prepared by	Reviewed by	Approved by
01	September 13	Version 1	Martin Duffy Jim Towey	David Hutchinson	Steering Group

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Bill Taylor (Ringway Jacobs) – large authority Provider representative

Peter Hyde (Volker Highways) – small authority Provider representative

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CONTENTS

1.0 FOREWORD	6
1.1 About the Programme	6
1.2 Context.....	7
1.3 Client and Provider Perspective.....	8
1.4 About This Toolkit	9
1.5 How Will This Help You Deliver More Efficient Services?	9
1.6 Fundamental Principles.....	10
1.7 Comments and Feedback.....	11
2.0 PART 1	12
2.1 What Do We Mean By Collaboration?	12
2.2 Why Would An Organisation Take This Approach?	13
2.3 What Can Be Achieved?	18
3.0 PART 2	20
3.1 How Can Collaboration Be Achieved?.....	20
3.2 Overarching Conclusions.....	35
4.0 LESSONS FROM THOSE WHO HAVE BEEN THERE	36
4.1 Area 1	39
4.2 Area 3.....	44
4.3 Bath and North East Somerset Highway Maintenance and Improvement Works	48
4.4 Blackpool Council.....	51
4.5 Borough Viaduct.....	55
4.6 Cambridgeshire Highways	58
4.7 Devon	61
4.8 Dorset.....	65
4.9 East Sussex Highways.....	70
4.10 Essex Highways.....	74
4.11 Haringey, Turnpike Lane Area - DIY Streets	78
4.12 Hertfordshire Highways.....	81
4.13 M25	87
4.14 Norfolk Highways	91
4.15 Northamptonshire Highways	94
4.16 Sheffield Private Finance Initiative.....	98
4.17 Southampton Highways	102
4.18 Staffordshire Highways	107
4.19 Transport for London Olympic Route Network	112
4.20 Urban Traffic Management and Control.....	116
5.0 ACKNOWLEDGEMENTS	120
6.0 SUPPLEMENTARY INFORMATION	122
7.0 CONTRIBUTORS AND CONSULTEES	123
8.0 GLOSSARY	124

1.0 FOREWORD

1.1 About the Programme

The Highways Maintenance Efficiency Programme (HMEP) is a sector-led transformation initiative that will maximise returns from investment and deliver efficiencies in highway maintenance services. The Programme started in April 2011 with sponsorship from the Department for Transport and is intended to run until 2018. It is being developed jointly by local highway authorities and the private sector, with assistance from consultants where necessary.

The Programme is offering local highway authority practitioners benefits from different ways of working. The vision is that, over time, those involved in highways maintenance delivery - the local authorities as Clients and their Providers, be they from the private or public sector - will adopt an ambitious and longer-term approach which will enable them to:

- Continuously find new and improved ways of managing highways assets and delivering services to highway users.
- Make use of collaborative partnerships to improve processes and outcomes.
- Deliver a sustainable balance between meeting the needs of highways users, improving quality and minimising costs.

The overall programme has been developed by the HMEP Programme Board through key personnel who support HMEP's development. This ensures that:

- The Programme is truly being driven by the needs of the whole sector ('by the sector for the sector').
- The solutions identified by the sector are relevant, realistic, repeatable, scalable and sustainable.
- HMEP is benefits-led, driving true transformation of the sector with tangible efficiency gains and a lasting legacy.

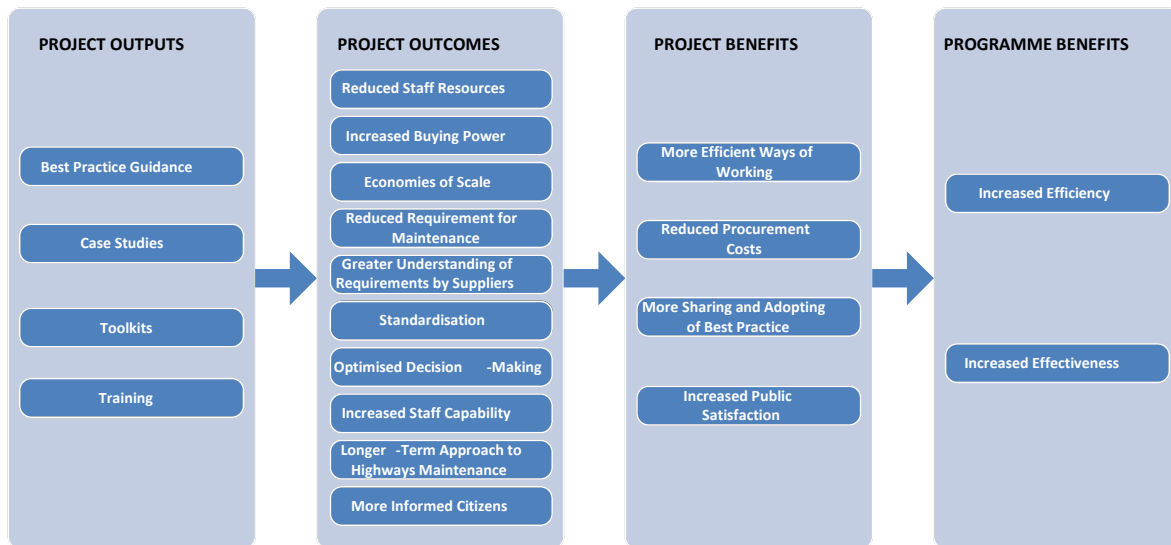
As a transformation programme, HMEP is targeting the ways in which Local Highway Authorities conduct their business. It invites the sector to adopt new ways of working that will deliver efficiency savings through:

- **Collaboration** –looking at how alliances between authorities, and Clients and their Providers, can be formed to share procurement activities which can achieve more competitive prices or bolster specialist resource. Also drawing on the experiences from a variety of partnerships between clients and their private sector providers, and renegotiating existing contracts with the supply chain.
- **Procurement, Contracting and Standardisation** – advising on the routes to procurement and the tools which will deliver efficiencies, such as a standardised form of contract and highway maintenance specification.
- **Asset Management** – by providing advice in the form of updated guidance, for both a simplistic and, where appropriate, a more complex lifecycle

planning tool to determine whole life asset costs. Thus moving to a longer-term approach for maintaining highway assets and away from a reactive one.

- **Benchmarking & Performance** – collecting, sharing and comparing performance data on Cost/Quality/Customer perceptions, in order to give a better understanding of the issues and show how effective Authorities are in delivering targeted efficiencies and hence value for money services.

Products and tools are being developed for each of these themes and are being designed to be interdependent but complementary, so that authorities can maximise the returns from their investments.



1.2 Context

The construction industry has long been recognised for delivering some outstanding projects within short timescales and tight budgets. This is true of highways maintenance where the introduction of new innovations, changed specifications and modified processes has led to significant cashable efficiencies in recent years.

There is little doubt that trust between public sector Clients and private sector Providers is growing as more of these arrangements are starting to focus on collaborative behaviours between the parties and the greater efficiencies possible through it.

To support the Government’s efficiency agenda the Highways Term Maintenance Association (HTMA) identified a need to accelerate collaborative behaviours in highways maintenance and approached HMEP with a case to develop a Toolkit around Client and Provider collaboration. Following the initial approvals from HMEP a Steering Group was established chaired by the HTMA consisting of both Clients and Providers. This Steering Group has overseen the production of this Toolkit.

1.3 Client and Provider Perspective

Provider – The challenge of achieving sustainable collaborative behaviours is not new and neither are the rewards. There have been many Government and Industry publications stating the case for collaborative behaviours. Our industry – Clients, Providers and suppliers - has yet to fully embrace this.

Within highway maintenance, we are all being pushed for increased efficiencies and higher customer expectations. I believe these can only be successfully addressed by working together in a combined culture of openness and trust where all parties are driven by a single set of customer-focused outcomes.

Providers have a good record of driving efficiencies in their own businesses, but far more significant benefits can be achieved through true collaboration with Clients. We must maintain our focus. If the Clients and their customers are satisfied, we have delivered and the implications for every Provider in highway maintenance are significant.

The case studies in this Toolkit celebrate the benefits of great collaboration and cover a range of situations and contracts. I hope they are an encouragement to others to take similar steps to improve their service delivery, lower total costs and achieve higher levels of customer satisfaction.

Tony Gates - Chairman of HTMA

Client – The highways maintenance sector is often perceived as ‘traditional’ in its approach to service delivery with innovation occurring mainly on new build and the capital programme. The Client, the main Provider and the various levels of the supply chain still operate on too much of an independent basis despite numerous guides on the benefits of partnering over the last decade or more.

This is well recognised in the sector and as a result a number of Clients and Providers have developed processes to engender greater levels of integration and a stronger focus on delivering the Clients’ outcomes. Over the past decade we have witnessed some successes but also some failures. We must expect more of the same if we continue to do the same things.

Budgets for highway maintenance are likely to become tighter and the challenge to maintain or enhance service delivery will not go away. There is little doubt that Clients will struggle to deal with this problem on their own – we need help from our partners.

I hope that this Toolkit will be embraced by Clients involved in highways maintenance, for I believe that this will help us meet the challenges that lie ahead.

Steve Kent - President of ADEPT

This Toolkit is based on a number of disparate case studies representing different sectors, scales and durations, levels of maturity and different circumstances. They all have one thing in common – only positive outcomes have come out of their collaborative effort.

The Toolkit acts as a ‘route map’ for those who wish to implement and benefit from collaboration which will have an enormous impact on the future delivery of highways maintenance.

1.4 About This Toolkit

The toolkit is in two parts; the first addresses the purpose behind collaboration under the headings:

- What do we mean by collaboration?
- Why would an organisation take this approach?
- What can be achieved?

The second part looks at how collaboration can be implemented, together with lessons learned from those who have already successfully undertaken collaborative working. This comprises a series of case studies structured as follows;

- What was it like beforehand?
- What was the vision for the future?
- What collaborative attributes helped to deliver the vision?
- What were the outcomes?

The focus of the case studies is about the mechanisms that were put in place to facilitate and enable successful collaboration, rather than the particular technical subject matter of the collaborative effort. They were compiled following a structured interview process, with representatives from both the Client and Provider, thus ensuring that the evidence is effectively corroborated. They have been condensed generally into 2-3 pages; consequently some information and knowledge received through the interviews may not have been expressly translated into the case study, but forms part of the advice and recommendations given in this toolkit.

In summary therefore, the first part essentially deals with the concepts associated with collaboration, and the second part provides the evidence of where these concepts have been successfully applied.

1.5 How Will This Help You Deliver More Efficient Services?

This toolkit is a guide to the main requirements needed for Local Highway Authorities and Providers (including their supply chain) who are seeking to improve operational performance by working together collaboratively.

It is principally aimed at the highways maintenance market; however the principles are equally transferable to other sectors.

In embarking on any collaborative effort, there will undoubtedly be a degree of unfamiliarity and uncertainty about whether it will lead to success and actually deliver the claimed benefits. The guidance given here should assist in easing those concerns and provide reassurance that others have successfully undertaken such an approach, very often with dramatic results.

It should be noted that adopting a collaborative approach together with the governance arrangements suggested can be done without disturbing the existing contractual accountabilities of the collaborating parties. Indeed one of the core requirements of the widely used NEC contract is that the parties shall;

“Act as stated in this contract and in a spirit of mutual trust and co-operation”

1.6 Fundamental Principles

The construction industry has long been encouraged to improve its operational performance including through research and reports from Latham, Egan and other eminent thought leaders. Their recommendations apply equally to the highways maintenance sector, but require some subtle interpretation to reflect the individual nature of our sector i.e. it is more service related and not biased towards a single one-off project.

Indeed we have made significant improvements, and there are countless examples of ingenious innovations and remarkable achievements at the operational level of the business. Many of these have, and will continue to be achieved by organisations working on their own, and this should be encouraged.

However, there is an emerging awareness that equally, if not more remarkable achievements can be attained through Clients and Providers (including their supply chain) working together in a structured and disciplined collaborative environment. This toolkit seeks to act as a catalyst for accelerating that awareness and providing an opportunity for Clients to deal with the relentless pressure to deliver more output for less cost, and for Providers to respond to those challenges in a way that allows them to maintain or indeed improve customer satisfaction, and protect or indeed improve their operating margins.

There are a number of fundamental principles about the approach that the reader of this Toolkit needs to be aware of in order to get the maximum benefit from its use:

1. It can be applied to any size and nature of contract, and is not in any way limited to the types included in the case studies. The activities can be scaled to suit individual circumstances;
2. The case studies cover a multitude of arrangements, all at different stages of development (some completed) and degrees of benefits realisation. In some of the case studies the benefits envisioned have not yet been achieved but the infrastructure is in place and work in progress to successfully deliver those benefits. In others the arrangement is more mature and the benefits can be declared;
3. A Client or Provider wishing to adopt a collaborative approach is not required to copy or recreate what has been done under any of the case studies – they describe a menu of some of the things that others have found beneficial. However it is recommended that the attributes shown in the toolkit should be

addressed to whatever is the most appropriate degree, in order for the effort to be successful.

4. As mentioned above the collaborative relationship can be adopted without in any way disturbing any existing contractual relationship and the accountabilities contained therein;
5. There are benefits to be gained from involving the extended supply chain and their specialist knowledge with regard to product and process innovation;
6. It can be used at any stage of the contract – the earlier the better in order to allow the time to realise the benefits, but the approach can be overlaid on an existing traditional contracting arrangement;
7. Although financial benefit/efficiency saving is the primary focus, it is not the only type of benefit being realised as shown in the summary of the outcomes from the case studies. Many Clients and Providers have also created a better place to work for their people from pursuing their collaborative effort.

1.7 Comments and Feedback

The HMEP Programme Board would welcome any comments and feedback on the Toolkit so that it may be reviewed, improved and refined to give the sector the best advice possible. If you wish to make a comment, please send an email to highwayefficiency@dft.gsi.gov.uk with the Header 'Feedback on the Client/Provider Collaboration Toolkit'.

2.0 PART 1

2.1 What Do We Mean By Collaboration?

There are many definitions of collaboration, but for the purposes of this Toolkit, the following is seen as broadly representative of the concept;

‘Working together with an attitude of cooperation and mutual success, and supporting each other’s interests and goals’

A relatively new (October 2010) British Standard (BS 11000 Collaborative business relationships) is dedicated to collaboration, and it contains an instructive statement about the value of collaborating;

“Collaborative working can provide the basis to create new value which could not be achieved by the organisation working independently”

The creation of value is an important issue. There must be a defined purpose to any collaborative effort, which must be understood from the outset by all the parties involved.

The idea about not working independently is also important. It is all too easy for Clients and their Providers to work in their own separate independent ‘silos’, whilst optimising their own interests and objectives. This can result in them effectively working against each other, which often means that ultimately neither of their objectives are realised to their full potential. This scenario can also exist between Providers and their supply chain.

In essence, collaboration is simply teamwork; working together to achieve common goals.

It takes us from this;

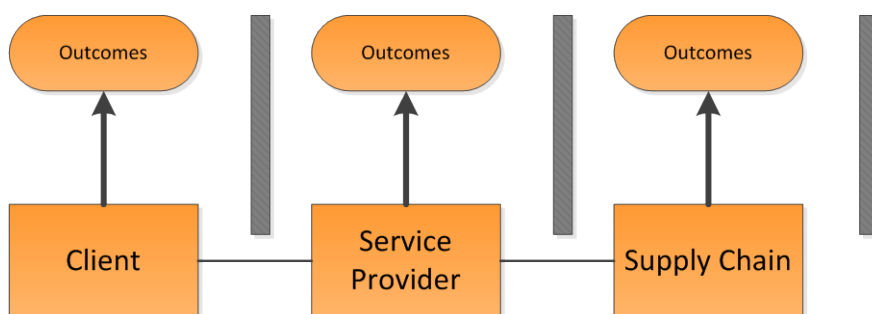


Fig 1 Silo Working

where each party works at delivering its own individual outcomes, using its own separate strategies and processes.

To this;

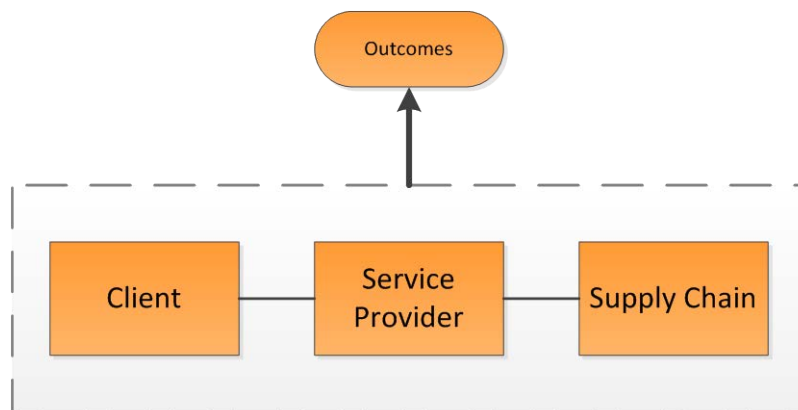


Fig 2 Integrated Working

where the parties work together in order to achieve common outcomes. In a collaborative environment these outcomes should be targeted at delivering value to the customer i.e. the users of the highway network.

Collaboration is the key to overcoming these functional and organisational boundaries.

2.2 Why Would An Organisation Take This Approach?

The evidence gathered from the case study reviews indicate that there are three primary reasons why a Local Highway Authority and its Provider would choose to collaborate;

- Firstly, when there is likely to be restricted budgets in the future and the current arrangements will not deliver the same (or an improved) level of service for a reduced cost. Many Local Highway Authorities are undertaking transformation programmes in order to address this scenario. The concepts described in this Toolkit and linkages to other HMEP products fully support such a transformational approach where a fundamental business change is being sought in pursuit of a dramatic improvement in operating performance.
- Secondly, a complex project is to be delivered where there are high risks for both parties associated with failure.
- Thirdly, executive leadership within the organisations have a belief that there may be better ways of doing things.

The case studies highlight a number of recurring circumstances that existed prior to Client and Providers undertaking their collaborative effort, including;

- Lack of focus on the customer including poor results from customer satisfaction surveys.
- Lack of appreciation of the social and economic value of the asset and hence the importance of the decisions being made about maintaining it.
- Poor financial performance and lack of understanding about actual cost.
- Minimal continual improvement and innovation.
- Work being fragmented across the organisations resulting in duplication of effort, e.g. excessive checking, 'man marking' etc.
- Different goals, resulting in argument and conflict.
- Poor asset utilisation and lack of focus on whole life asset management.
- Extensive amounts of information exchange, data re-entry and data redundancy.
- Coordination costs.
- High degree of reconciliation required e.g. resulting from multiple task orders and works instructions.
- Unsatisfactory levels of resource utilisation.
- Inconsistent faces to external parties e.g. Client and Provider adopting different approaches when dealing with customer and stakeholders.
- High cost / low yield controls.
- Large amounts of rework.

In assessing the possible options prior to embarking on a collaboration effort, the parties need to consider two significant aspects;

The business potential if they take action, and;

What is likely to happen if they don't take action?

What follows is series of quotations related to each of the case studies that reflects how collaboration has impacted on their arrangements.

**Area 1 – Arthur Hooper (CORMAC),
James Haluch (EM)**

'There was a high degree of mutual dependency between us and as a result of our long standing relationship we understood what each other had to do to maximise the benefits of our collaboration. Whilst neither of us could claim it was easy, it has certainly been worthwhile'.

**Blackpool - Will Britain (Blackpool
Council), Steve Birdsall (Gaist), Mike
Elford (Lafarge Tarmac)**

'Our collaboration developed from an appreciation of the value of the asset and a desire to make an upfront investment to arrest its declining state. The application of our complementary skills and knowledge has allowed us to do this whilst at the same time achieve a major reduction in our future costs'.

Area 3 – James Haluch (EM), Guy Berresford (Highways Agency)

‘The trust between us was built on the foundation of successful delivery putting the customer at the heart of our business. Our focus was on improving things rather than recrimination. The role of our supply chain community has been crucial in generating the benefits we have realised and this has been cemented by us all being involved in achieving formal certification to BS11000’.

Bath & North East Somerset - Craig Jackson (BaNES), John Wellstead (Atkins)

‘We used a major Lean review as a catalyst to enhance our collaborative working. This has enabled us to jointly search for efficiencies that has resulted in significant gain’.

Devon – Glen Robinson (South West Highways), Adrian Hale (Devon CC)

‘Collaboration has allowed us to come together and understand our individual influences on the cost of work. This has provided the opportunity to change specifications and operational processes to drive out cost for mutual benefit’.

Dorset – Andrew Martin (Dorset CC), Denis Curran (Hanson)

‘Collaboration has allowed us to develop a strong supply chain and increase our joint capability that sees us reducing cost and bidding for wider opportunities across the region’.

Borough Viaduct - Tim Ryall (Skanska)

‘An unsteady start to the project forced us to try something different and through the use of collaborative planning tools involving the whole team from steel fixer to lead designer we achieved a turnaround, resulting in completion ahead of time and budget and a high degree of satisfaction from those affected by the project’.

Cambridgeshire Highways - Andy Denman (Atkins) and Nicola Debnam Cambridgeshire CC)

‘In 2010, senior leadership on both sides of the partnership changed along with the emphasis on understanding each other’s objectives and constraints leading to a higher level of trust. Our service is now integrated, including the supply chain, and a successful major review of the cyclic element of the service gave us confidence to move forward and replicate that success on other elements’.

Norfolk - Paul Elliot (Norfolk CC)

‘The partnership recognises the importance of key interfaces between all three organisations and how joint operating processes allow us to work collectively to solve problems and improve efficiency against an ethos of performance delivery and customer focus’.

**Hertfordshire – Vince Gilbert
(Hertfordshire CC)**

‘There was no magic formula. We set a common stretch goal which meant we all had to win together. If one of us had lost, we would all have lost big, so our individual best choice at every single point was to collaborate. The result was a set of behaviours that supported us, and our parent organisations, pulling together to deliver an effective common outcome.’

**Essex CC – Bill Taylor (Ringway
Jacobs), Paul Bird (Essex CC)**

‘We act/operate/ behave as one organisation under a joint management structure with joint processes where we both win or we both lose as we jointly own the reputation.’

**UTMC - Bob Meekums (Mott
MacDonald), Andrew Wilson (HA)**

‘Our joint effort succeeded in proving the concept that a wider collaborative effort could deliver improved network management by more effectively controlling the impact of the decisions made by one authority on an adjoining authority’s network. It is only by working together using the same data and real time information that this could be achieved and the benefits to the road user could be significant’.

**East Sussex Highways - Roger
Williams (East Sussex CC), Sheldon
Yates (May Gurney)**

‘We operate an integrated service with minimal checking and duplication of effort. Our focus is on innovation and efficient end-to-end processes which has resulted in delivering the apparent divergent goals of cost reduction and increased customer satisfaction’.

**M25 John McNicholas (Skanska
Balfour Beatty JV), Martin Potts (HA),
John Worsfold (Connect Plus)**

‘On this busiest part of the nation’s network which is under continual strain, and on this major DBFO contract with all of its segregation of accountabilities, the culture of our collaboration is that we do things together and we don’t care who’s money it is, if it doesn’t need spending then we don’t spend it’.

**Northamptonshire - David Farquhar
Northamptonshire CC), Louise McCann
(May Gurney WSP)**

‘Our philosophy about collaboration is instilled into all of our people and following our very effective first year pilot we have successfully delivered cost savings and performance improvements through our joint working gaining the trust of our customers which has allowed us to expand the service’.

**Southampton - Paul Paskins
(Southampton City Council), David
Bailey (Balfour Beatty Living Places)**

'Our approach proves that a client can operate with a slender organisational structure together with a provider who takes on clearly defined risks and accountabilities with commercial consequences associated with any non-delivery of client requirements, and yet both parties by 'knowing the rules' can work together collaboratively to improve the way work gets done and share in the benefit from those improvements'.

**Staffordshire - Ian Turner
(Staffordshire CC), Mike McCafferky
(Enterprise)**

'We have worked hard to create a partnership with strong leadership that through formal integration of systems and processes together with alignment on vision we have rationalised service delivery resulting in a low overhead burden, cost reduction and improved operational performance to do this we needed the right people to drive, and the right contract mechanisms to facilitate, a truly collaborative arrangement'.

**Sheffield PFI –Mike Notman (Amey),
Steve Robinson (Sheffield City
Council)**

'The focus of our collaboration is easy - we jointly do what is best for the City and its future prosperity. We work hard together on our relationships and communications and on an inclusive approach to involving all stakeholders and interested parties in turning Sheffield's roads from the worst in the country to the best in a 5 year period'.

**TfL - Dana Skelley (Transport for
London)**

'We have left a legacy of unprecedented collaboration across London's highways' from a combined effort to successfully deliver one of the most high profile highway projects in recent times. We effectively operated as a single team with unwavering leadership support demonstrated by example, creating an environment that everyone wanted to belong to even though the effort and commitment required was extraordinary. We maintained a relentless focus on ensuring the right people at whatever level and from whichever organisation were empowered to drive operational delivery'.

**Haringey - John McQueen (Haringey
Council)**

'The approach we have taken is somewhat unique as we are collaborating not only with the constructors but with the end users those being the local residents. The result is a product which is fit for purpose as demonstrated by the exceptional high levels of satisfaction from residents'.

2.3 What Can Be Achieved?

This has been addressed in the case studies under the heading;

What were the outcomes?

The following represents typical outcomes (i.e. benefits) that can be achieved together with some examples from particular case studies. They represent what should be an attractive proposition to local highway authority maintenance contracts of whatever size and stage of completion – ignoring the opportunity would be hard to explain to the ultimate recipients of these benefits;

No	Outcomes		Case Study
1	Cost savings	Removal of duplication of effort including reduction in personnel	Dorset ; East Sussex ; Essex ; Staffordshire
		Innovations in product and service leading to rate and/or cost reduction	Dorset ; East Sussex ; Essex ; Hertfordshire ; Northamptonshire ; Staffordshire ; Devon ; Transport for London
		More prevalent use of ECI	Area 1 ; Area 3 ; Essex ; Southampton
		End-to-end processes	East Sussex ; Northamptonshire ; Transport for London
No	Outcomes		Case Study
2	Improved capability and reputation	Formal certification to BS11000	Area 1 ; Area 3 ; Borough Viaduct ; M25
		Improved capability to trade	Dorset ; Essex ; Northamptonshire
		Improved customer satisfaction	Bath ; East Sussex ; Haringey ; Northamptonshire ; Staffordshire
No	Outcomes		Case Study
3	Certainty of delivery	Delivery on budget and time	Borough Viaduct ; M25 ; Norfolk ; Transport for London
		Improved responsiveness and resilience of the Provider including the supply chain	Area 1 ; Area 3 ; Transport for London
No	Outcomes		Case Study
4	Improved safety	Improved road worker safety	Area 3 ; Dorset ; Essex
No	Outcomes		Case Study
5	Better relationships	Improved staff satisfaction	Dorset ; East Sussex ; Essex ; Northamptonshire
		Improved communications	Area 3 ; Cambridgeshire ; East Sussex ; Southampton
No	Outcomes		Case Study
6	Sustainable	Creation of new jobs	Essex ; Sheffield ; Southampton

	operations	Reduced carbon	Area 3; Dorset
		Improved levels of recycling	Dorset; M25; Staffordshire
No		Outcomes	Case Study
7	Less bureaucracy	Rationalisation of performance indicators	Bath; Essex; Hertfordshire; Northamptonshire
No		Outcomes	Case Study
8	Improved network condition	A move from reactive to planned maintenance	Blackpool; Dorset; Northamptonshire
		Reduction in 3rd party claims	Bath; Northamptonshire; Southampton

There are a number of considerations that influence and potentially limit the timeframe over which these benefits are realised including;

- Urgency of the need to deliver results e.g. cost reductions in the light of impending budget constraints.
- Degree of leadership commitment.
- Degree of alignment between the Client and Provider.
- Operational experience of the management team.
- Scope and duration of the collaborative effort.
- Approach to risk taking.
- Availability of resources.
- Other things going on – competing initiatives.

It is important to achieve some quick wins within the first year in order to reinforce the commitment to keep the effort going. Fully embedding the approach and delivering major results is more likely to take between 2 and 4 years.

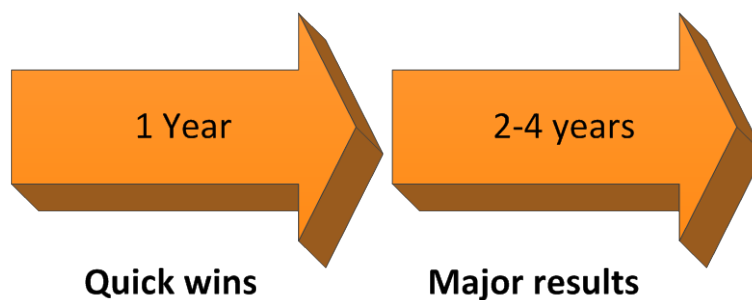


Fig 3 Benefits realisation

3.0 PART 2

3.1 How Can Collaboration Be Achieved?

A greater level of consistent results can be achieved when a structured and disciplined approach is taken to collaboration, and this is represented in Fig 3 below.

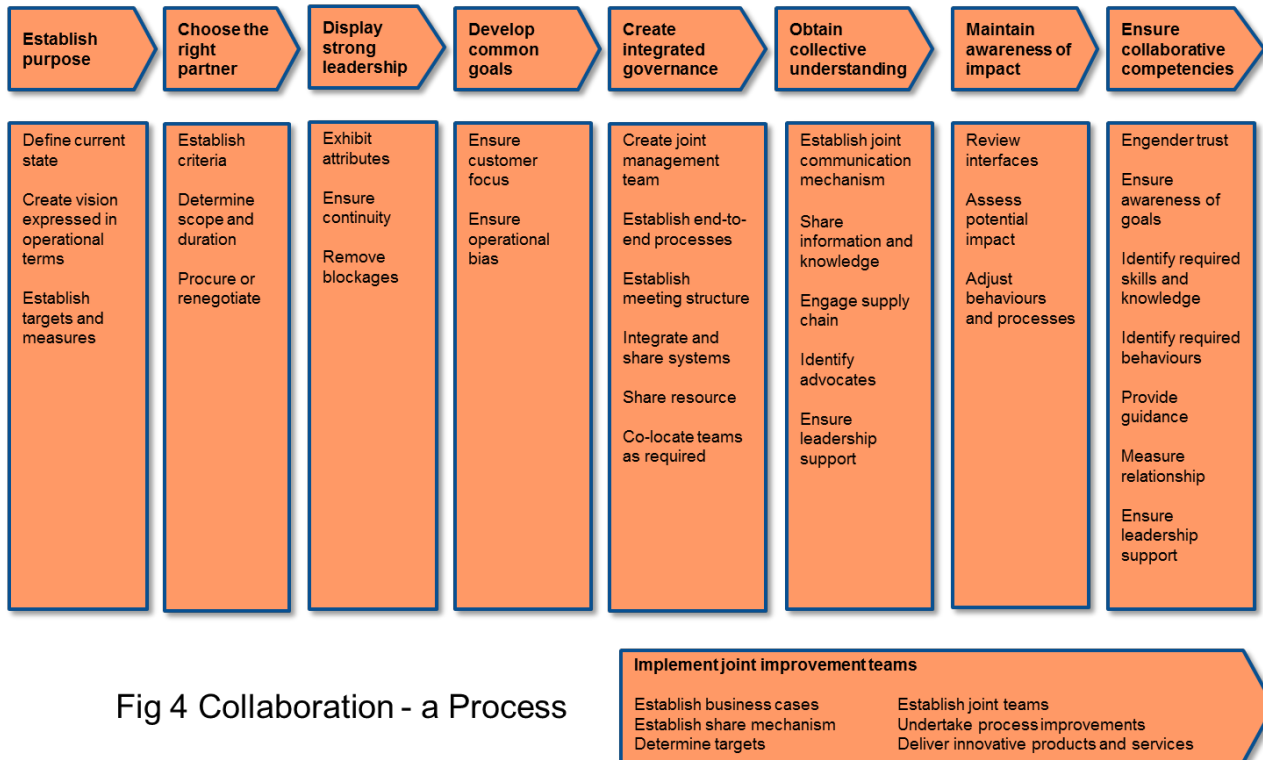


Fig 4 Collaboration - a Process

STEP 1 - ESTABLISH THE PURPOSE

This is covered in the case studies under the headings of ‘what was it like beforehand’ and ‘what was the vision for the future’

Define current state:

The current level of performance should be reviewed and a decision taken as to whether it is adequate to face the challenges going forward. Also what is the nature of the relationship between the Client and Provider – are they capable of collaborating under the existing arrangements?

The issues that are preventing the desired level of performance should be understood as it is the resolution of those issues that will form part of what needs to be addressed from the collaboration. Some typical examples that emerged from the case studies are shown in paragraph 2.2 above (reference recurring circumstances).

Create vision expressed in operational terms:

The organisation(s) should establish what they wish to achieve from collaboration. It is effectively the reason why the collaboration is being undertaken.

Included in the vision should be the following:

- The overall strategy for delivery.
- The kind of organisation that will emerge.
- The way in which the organisation will operate.
- The timescales to deliver results.
- It should be expressed in operational terms i.e. the change in performance being sought – the kind of results to be achieved.
- It should embrace any transformation change programme requirements.

Establish targets and measures:

There should be explicit targets and timescales set for what the collaboration is expected to achieve, and these should be reflected in Key Performance Indicators(KPI's) that can be measured at regular intervals. Any KPI's should have the following attributes;

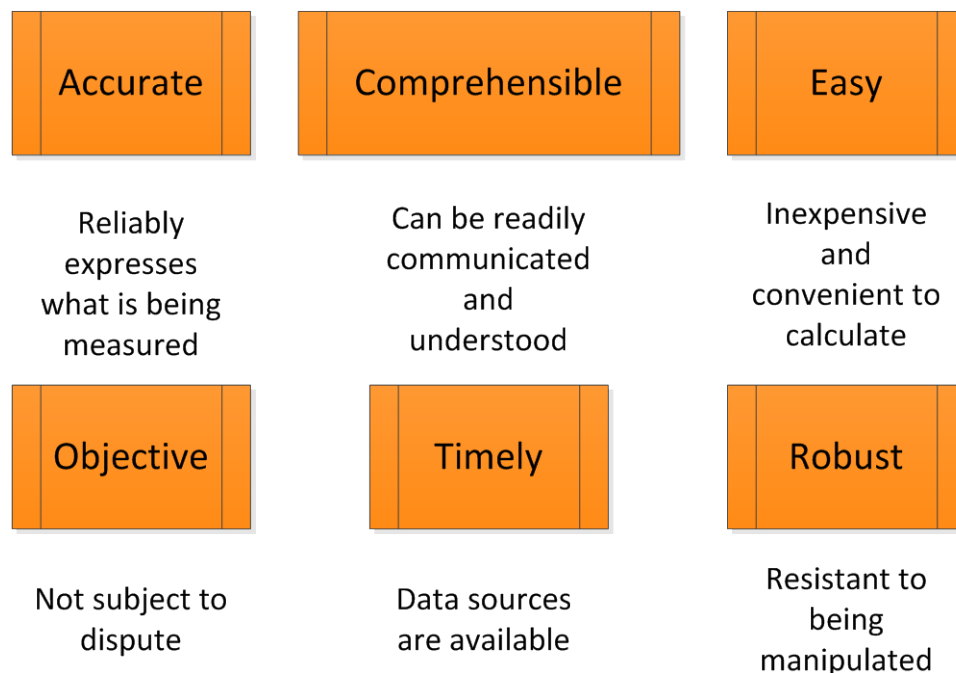


Fig 5 Attributes of an effective KPI

The remaining steps in the process are covered in the case studies under the following heading;

What collaborative attributes helped to deliver the vision?

A number of common themes (attributes) have emerged from the case studies - there is no weighting given to them, and they were present to greater or lesser degrees in all of the cases. Each attribute is represented by a step in the process and one or more case studies have been referenced – the case studies have been chosen because of a particular emphasis but that does not mean that other case studies do not demonstrate that theme.

STEP 2 - CHOOSE THE RIGHT PARTNER

Establish Criteria:

Having established what results are expected from the relationship, the criteria for partner selection should be considered i.e. the way the relationship is expected to work.

This could involve;

- The provision of reciprocal working arrangements.
- Analysis of the skills and knowledge required from the partner e.g. particular technical capabilities or strong asset management skills.
- Degree of supply chain involvement.
- Track record of successful collaboration.
- How the payment mechanisms will affect the relationship – complete risk transfer via fixed price lump sum or shared risk via payment of actual cost.
- The degree to which specifications are fixed up-front or developed in conjunction with the partner during the relationship.

Determine scope and duration:

The partners should agree the scope of the collaboration at an early stage – is it about one element of the business, or does it span across all of the activities of the business? There is an inherent risk in only applying the approach to individual elements of the business as that implies the remainder is not subject to collaboration, and also there could be two sets of governance arrangements, two sets of systems etc. – this confusion should be avoided. In terms of duration, most of the arrangements in the case studies are tied in to the duration of the contract or the life of a project. However, two conclusions could be drawn from the case study interviews;

- The longer the term of the relationship, the greater the benefits are from the relationship – this is likely to be due to a build-up of real trust and also being able to resolve issues – a number of interviewees commented that they put

in a lot of effort over the first two years to solving problems and this allowed the relationship to operate more effectively. The typical issues encountered were related to the commercial mechanisms and also how one partner organisation affected the other in terms of performance.

- The earlier collaboration is commenced, the greater are the benefits available over the term of the relationships – a number of interviewees commented that ‘*we wish we had started earlier*’, and invariably there was no apparent reason why they could not have.

Procure or renegotiate:

Either approach is possible:

- Enact a new procurement exercise and start afresh with a new relationship.
- Renegotiate the relationship without necessarily altering the contracting arrangement – the partners can realign their approach to embrace a more collaborative approach by setting common goals etc.

Either way both parties must be committed to working together and be capable of displaying the right attitudes and behaviours.

Case study reference

[Area 1](#)

Case study reference

[Northamptonshire](#)

STEP 3 - DISPLAY STRONG LEADERSHIP

Exhibit attributes:

Strong leadership is one of the most important attributes in making any collaborative effort work. It is the catalyst that ensures everything else happens, and involves;

- A goal setter, establishing the vision, defining direction and strategy.
- Senior and influential people, preferably with an operational bias and a customer focus. They will need to obtain political support for the effort.
- Someone who interprets the environment and recognises the need - sees what others do not.
- An instigator who challenges the status quo – ‘there must be a better way of doing things’ – who engages like-minded people.
- Creation of a sense of urgency to overcome inertia and scepticism, ensuring broad involvement and maintaining the momentum.
- Entrepreneurship and having the vision and courage and motivation to see it through.
- Provision of the required resources – engaging talented and dedicated people.
- Total commitment to the outcomes and staying personally engaged.

Aspects that should be avoided by leadership include:

- Sending out mixed messages.
- Diminishing support for the collaborative effort by diverting resources.
- Changing objectives and timelines part way through.
- Delegation or dereliction of duty – not promoting the changes required to collaborate effectively.
- Tolerating resistance and compromising – either from within each organisation or between the parties.
- Supporting conflicting initiatives.

Ensure continuity:

It should be recognised that it is not sufficient to have leadership alone; the approach must become embedded throughout both organisations in order that the effort is sustained over the longer term.

Also one leader isn't enough – there should be assured continuity and succession from within all of the collaborating parties.

One insightful example from the case studies involved an executive placing a number of like-minded leaders together in the same team on the basis that they would 'feed off each other' and be relentless in exhibiting the behaviours required and maintaining alignment with the vision – this proved to be highly effective.

Where the Provider operates a local team then leadership support from the Head Office is necessary to enable the local team to implement collaborative strategies.

Remove blockages:

An essential requirement from leadership including:

- Setting priorities, getting and keeping everyone committed.
- Monitoring progress to ensure everyone's compliance, mandating, enforcing and removing blockages.

Case study reference

[Devon](#)

Case study reference

[Southampton](#)

Case study reference

[Staffordshire](#)

Case study reference

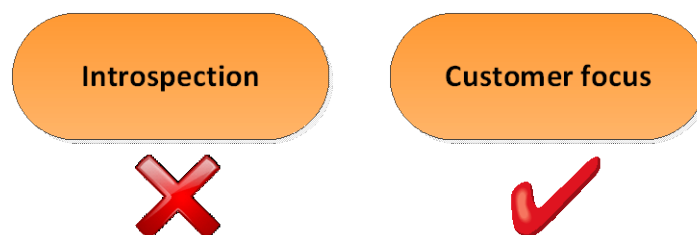
[Transport for London](#)

STEP 4 – DEVELOP COMMON GOALS

Ensure customer focus:

Commitment to the common goals or outcomes is essential if the parties are going to move forward together in the right direction.

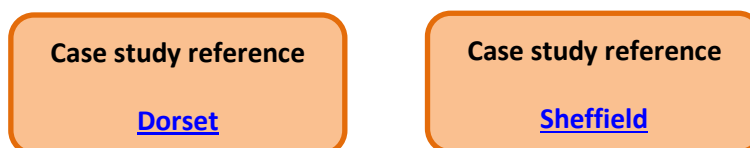
There was a consistent theme from the case studies – when deciding what direction to take, think about that from the customer point of view and the decision becomes self-apparent. The goals of the partners must not be introspective; they must be concerned with adding value to the customer.



Ensure operational bias:

Goals should be clear, practical and meaningful; they should relate to operational performance and be capable of being communicated to and understood by the partners' respective teams. There must be a line of sight from the front line day to day activities to the overall goals.

- There should be a relentless emphasis on the 'big picture'.
- Constant communication and reminders should be issued.
- There should be clear and understood measurable targets.



STEP 5 – CREATE INTEGRATED GOVERNANCE

This refers to the integration of the management approach and systems operated by the collaborating partners. In terms of the guidance in the Toolkit, integration means;

‘The activity undertaken in the Client operations is cognisant of, consistent with, and coordinated with activity undertaken in the Providers operations’

In practical terms this can involve:

- Joint overall strategy, priority setting and planning.
- Co-location.
- Integrated teams.
- Common performance measures.
- Consistent methodologies, specifications, standards etc.
- Consistency across processes.
- Consistent programme management.
- Dedicated communication and coordination across the teams.
- Alignment and agreement of approach across the teams.

Without such integrated governance;

- Work becomes fragmented across the organisations, with no focus on the end to end process and no ‘big-picture’ thinking – processes are optimised separately within the Client and Provider organisations.
- There is duplication and wasted effort, resulting in significant amounts of non-value adding work with the associated wasted cost and time.
- Different groups don’t know what each other is doing, and so they work at cross-purposes, and to different goals.

Some organisations have run a pilot (i.e. virtual integration) for a year or so in order to get their people used to the idea and resolve any issues before embarking on a more formal integration programme.

Create joint management team:

This is essential to ensure everyone is pulling in the same direction and the effort is progressing to plan. Existing arrangements should be utilised wherever possible i.e. avoid setting up new management structures if the existing ones can be made more collaborative. The case studies demonstrate a number of different arrangements that suited the partners’ circumstances.

In a number of case studies ‘silo working’ had developed within the organisations – this could be due to a geographical or functional split within the business resulting in

different teams with different approaches and objectives. The effect was varying levels of performance, poor communications and wasted resource. The creation of single joint management teams helped avoid this situation.

Some organisations have set up a strategic board or a partnership board to manage the effort. In some instances the Providers key supply chain partners form part of the joint management team and this can be done on a rotating membership.

Establish end-to-end processes:

Recognising that delivering any outcome will generally involve a contribution from both Client and Provider, many of the case study partners have opted to map out end-to-end processes to clearly demonstrate those individual contributions and focus on the big picture. In some instances those processes have been integrated into joint process maps and this can be achieved without disturbing the contractual arrangements i.e. avoid 'blurring' accountabilities.

Establish meeting structure:

This will probably be in existence in most organisations, but lessons from the case studies include reviewing these structures and rationalising them in order to avoid duplication of effort.

Integrate and share systems:

Clients and Providers will generally have their own individual systems (e.g. IT systems and quality management systems etc.) and inevitably this can lead to them adopting different approaches. Integrating their systems where possible, and in some instances sharing the use of one common system, avoids unnecessary duplication and can often be used as a tool to enforce alignment of approach. The benefits of having an integrated system where the Client and Provider view the same information can be significant enough to consider implementing even on a relatively short term contract.

Shared risk management processes are a common feature where both Client and Provider identify and jointly mitigate risk.

Share resource:

In the more mature relationships covered by the case studies, resources (both staff and operatives) are shared. This avoids one partner for example maintaining a specialist resource that may be under-utilised, thus delivering cost efficiencies. In some instances one partner manages the others resource, again a product of looking at end-to-end processes and determining who is in the best position to do the work.

Joint procurement is a common initiative resulting in lower prices and less material being held in stock where the Client is also using similar materials elsewhere in its business and so can share the stock with the Provider.

Co-locate teams as required:

This is a common feature across the case studies, however it has also been acknowledged by many of the interviewees that co-location alone doesn't guarantee collaboration – the partners' work has to be integrated in order for that to happen.

Case study reference

[Hertfordshire](#)

Case study reference

[Norfolk](#)

STEP 6 – IMPLEMENT JOINT IMPROVEMENT TEAMS

Establish business cases:

An obvious but often overlooked requirement. For each improvement initiative there should be a business case including cost: benefit analysis and a mechanism for approving the case prior to embarking on the improvement. The case should also cover timescales, risk and how benefits will be shared.

Establish joint teams:

An improvement initiative should be treated like a project. It should have an objective and a plan (based on the business case), and it needs a team to deliver it comprised of representatives from all partners as appropriate. The teams can disband when the initiative is delivered, or be maintained to deliver subsequent initiatives.

External specialist skills can be utilised as support where necessary e.g. universities, specialist consultants etc.

Also the Providers supply chain partners will add value to any joint improvement team where the initiative relates to their operations.

Establish share mechanism:

Gainshare mechanisms were a common arrangement throughout the case studies. It should be clear from the outset how any benefits are going to be shared amongst the partners. In many instances the partners agreed to reinvest cashable savings into delivering more work – in this way the Client receives more value and the Provider earns more turnover and margin.

Undertake process improvements:

Most improvement initiatives ultimately involve a change to process. In order to deliver the desired outcomes, changes need to be made to existing ways of working across one or more of the parties involved. These changes could be made using different mechanisms such as Lean, Process Reengineering/Redesign, Six Sigma and other similar tools as appropriate.

Typical areas of improvement include;

- Cost reduction from driving out non-value adding work and waste.
- Reduction in cycle times.
- Improvement in programming leading to more efficient operations.
- Better quality outputs.

Determine targets:

It is essential that a target is agreed between the partners for the improvement and that it is expressed in quantifiable terms.

Deliver innovative products and services:

Improvements must be delivered and benefits realised; they must not simply be documented as a theory. Innovations can include;

- Products – adoption of these may well require the Clients to change their specifications/standards.
- Services – new process designs i.e. a different approach to undertaking the work.

Case study reference

[Cambridgeshire](#)

Case study reference

[Devon](#)

STEP 7 – OBTAIN COLLECTIVE UNDERSTANDING

Everyone involved in the collaborative effort should be aware of the common objectives and be working towards them, including;

- A complete focus on meeting customer needs.
- Ensuring that different groups in both the organisations are aware of what each other is doing.

The difficult issue here is in identifying all the primary functions in each organisation and determining what each needs to know, in order that there is total alignment and agreement.

Establish joint communication mechanism:

When the partners decide to collaborate and act as one team, then communication requirements change – it is necessary to send joint messages that reflect the aligned position of both partners.

Share information and knowledge:

The vision and common goals must not be reserved for leadership – they must be shared amongst the wider team.

Many of the case studies illustrate situations where both partners share knowledge to their benefit e.g.

- Clients get a better understanding about commercial and project management mechanisms.
- Providers get a better understanding of Client requirements in order to tailor their delivery and in some instances widen out the scope of their delivery to provide other services.

Engage supply chain:

It was widely accepted by the case study interviewees that the Providers supply chain plays an important role in the creation of innovation. In some cases the supply chain was an integral part of the collaborative effort and this proved to be highly effective.

Identify advocates:

A technique widely adopted by the case study interviewees was to identify advocates within their organisations – people who were supportive of the new ways of working and capable of influencing others – this helps spread the message and reinforce the behaviours expected.

Ensure leadership support:

Common understanding must be reinforced by the behaviour of leadership – they should demonstrate by example and continually reinforce and communicate the message to all those involved in the effort.

Case study reference

[East Sussex](#)

Case study reference

[Southampton](#)

STEP 8 – MAINTAIN AWARENESS OF IMPACT

'Impact relates to how activity in one organisation positively or adversely affects activity in the other'

When the Client and Provider operate separately, working to their individual goals, they are often unaware of the impact that their work, or the decisions they make, have on other parties. Examples include:

- The setting of performance standards or requirements by Clients, without fully understanding the Providers operating processes, can introduce significant cost to the Provider's business.
- The Client's reputation with the public can be harmed by the way the Providers deliver their work.

An awareness of these issues is essential, albeit recognising that in some instances the Clients or Providers requirements cannot be altered, but at the very least the consequences of not altering them must be understood by both parties.

Review interfaces:

In order to determine the likely areas of impact the main areas of interface between the parties should be established.

Assess potential impact:

This is effectively a risk/opportunity assessment – in what way could there be a positive or adverse impact.

Adjust behaviours and processes:

The mitigation of a risk or creation of an opportunity would involve the partners changing their behaviour in order to minimise or maximise the impact as appropriate.

Case study reference

[Bath](#)

Case study reference

[Area 3](#)

STEP 9 – ENSURE COLLABORATIVE COMPETENCIES AND BEHAVIOURS

Together with leadership, this is probably one of the most important attributes in making any collaborative effort work. It relates to skills, knowledge and attitude.

There is a distinct culture associated with collaboration, defined for the purposes of this Toolkit as;

‘A set of underlying attitudes and beliefs about collaboration that are reflected in behaviour’

It is by changing those attitudes and beliefs that the collaborative culture can be created and the desired behaviours realised.

Engender trust:

This was a recurring theme throughout the case study interviews, and with two distinct approaches taken:

- Declare trust from the outset, and deal with any negative behaviour as it arises.
- Allow trust to be earned over a period of time, demonstrated by example and experience.

It would appear that either approach can be effective, but the latter takes time and can delay the realisation of the desired benefits from collaboration.

Ensure awareness of goals:

Although common goals should be established, the case studies identified circumstances where the partners had different (but not mutually exclusive) goals both aligned with the vision. It was crucial that each party knew what these were so that they could positively impact on them and not jeopardise their achievement.

Identify required skills and knowledge:

Skills (examples);

- Good decision making.
- Problem solving abilities
- Interpersonal and communication skills.
- An ability to self-manage.

Knowledge (examples);

- Of the processes – both the Clients and the Providers.
- Of the business goals and customer needs.

- Of the partner organisations.
- An awareness of the highways maintenance sector generally and what others are doing.

Identify required behaviours:

Attitude and behaviour;

- The 'right' people involved with the 'right' capabilities to collaborate (skills and knowledge and the 'right' attitude/behaviour) and in the 'right' role.
- The ability to work in a team – openness and trust, listening, sharing, speaking honestly, helping, accepting criticism, loyalty, and unselfishness.
- Working together as a unit to a common objective and using each other's strengths. Being 'easy to do business with'. The skills and knowledge present in the Client and Providers organisations are varied but complementary and there are great advantages in sharing these.
- Belief and buy-in for real commitment as opposed to mere compliance –a need to overcome cynicism and scepticism from those who:
 - Are unwilling to try anything new or unfamiliar.
 - Have a fear of losing authority.
 - Are uncomfortable with a perceived lack of control.
 - Are unwilling to share power.
 - Doubters need to be turned into believers by changing perceptions and opinion.
- A clear communication of the desired behaviour, including explicit role modelling by leadership and senior management, and demonstration of their commitment.
- Ensuring collective responsibility rather than seeking to allocate blame.

Provide guidance:

Attitudes are developed over time and can be a legacy of a previous (or current) culture within the organisation, and they influence behaviour. When a change of behaviour is required such as embarking on a collaborative effort some people will need guidance and help to understand and adjust.

This guidance can include;

- Constant communication about the vision and what is expected.
- Senior management leading by example.
- Training.

- Use of the advocates (see Obtain Collective Understanding above).

It was clear from many of the case studies that some people did not wish to operate in a collaborative environment – they were comfortable with the old ways of working and despite encouragement and support to make the change, decided not to continue with the new arrangement – this occurred to varying degrees but was present in some cases.

Measure relationship:

Many of the KPI's associated with the case studies were operational and didn't cover the relationship. All the interviewees recognised the need to improve their measurement of their relationship and many have embarked on that mission. The use of 360 degree appraisals both within and between the partners is becoming more widely used and in some cases a more sophisticated behavioural survey is undertaken such as personal profiling.

Some of the mature arrangements have obtained measurable evidence of improved relationships and collaboration. This is the exception rather than the norm and something our industry needs to improve on over time acknowledging that this is not an easy thing to measure, or indeed, manage.

'The soft stuff is the hard stuff'

Ensure leadership support; display strong leadership:

Inappropriate behaviours can destroy trust between the partners and ruin the chances of a successful collaboration, and leadership from all partners must stay engaged and ensure that this fundamental issue is closely monitored and effectively managed throughout the life of the collaborative effort.

Case study reference

[Area 3](#)

Case study reference

[Borough Viaduct](#)

Case study reference

[Essex](#)

Case study reference

[M25](#)

3.2 Overarching Conclusions

The following represents some of the key lessons learned from the case study interviews;

1. **Don't wait**– the sooner collaboration commences the earlier the benefits will flow.
2. **Include suppliers**– the Providers supply chain has a tremendous amount to offer by way of innovation and alternative work methods.
3. **Engage the right people**– invariably the right people with the right behaviours are a fundamental ingredient for success.
4. **Scale and duration is irrelevant**– the concept of working together as a team does not have a boundary imposed by size or duration of contract.
5. **Benefits are real**– collaboration has proven to deliver tangible commercial results.
6. **It's not easy**– the amount of effort put in directly correlates to the benefits realised.
7. **No more resource**– refocus existing resource on working together.
8. **It doesn't end**– those mature arrangements having achieved significant benefits have moved on to different opportunities that they didn't realise existed at the start of their journey.
9. **A better place to work**– those who have experienced successful collaboration have created a better working environment for their people.
10. **Customer centric**– effective collaboration puts the customer at the heart of the partnership and this becomes the beacon for all decision making.

4.0 LESSONS FROM THOSE WHO HAVE BEEN THERE

There are 20 No individual case studies as described below:

No	Name	Contact	Contact details
1	Area 1	Arthur or James	ahoop@cornacld.co.uk james.haluch@enterprisemouchel.com
2	Area 3	Guy or James	guy.berresford@highways.gsi.gov.uk james.haluch@enterprisemouchel.com
3	Bath and North East Somerset	Craig or John	Craig_Jackson@BATHNES.GOV.UK John.Wellstead@atkinsglobal.com
4	Blackpool	Will, Steve or Mike	will.britain@blackpool.gov.uk steve.birdsall@gaist.co.uk Mike.Elford@tarmac.co.uk
5	Borough Viaduct	Tim	tim.ryall@costain-skanska-jv.co.uk
6	Cambridgeshire Highways	Nicola or Andrew	nicola.debnam@cambridgeshire.gov.uk andrew.denman@atkinsglobal.com
7	Devon	Adrian or Glen	adrian.hale@devon.gov.uk glen.robinson@swhtd.co.uk
8	Dorset	Andrew or Denis	a.j.martin@dorsetcc.gov.uk Denis.Curran@hanson.biz
9	East Sussex Highways	Roger or Sheldon	Roger.Williams@eastsussex.gov.uk syates@maygurney.co.uk
10	Essex Highways	Paul or Bill	paul.bird@essex.gov.uk bill.taylor@RingwayJacobs.com
11	Haringey	Danny	danny.gayle@haringey.gov.uk
12	Hertfordshire Highways	Vince	vince.Gilbert@hertfordshire.gov.uk
13	M25	Martin, John or Jim	Martin.potts@highways.gsi.gov.uk John.worsfold@connectplum25.co.uk Jim.mcnicholas@sbbjv.co.uk
14	Norfolk Highways	Paul	paul.elliott@norfolk.gov.uk
15	Northamptonshire Highways	David or Louise	dfarquhar@northamptonshire.gov.uk lmccann@mgwsp.co.uk
16	Sheffield PFI	Steve or Michael	steve.robinson@sheffield.gov.uk michael.notman@amey.co.uk
17	Southampton Highways	Paul or David	paul.paskins@southampton.gov.uk david.bailey@bblivingplaces.com
18	Staffordshire Highways	Ian or Mike	ian.turner@staffordshire.gov.uk mike.cafferky@enterprise.plc.uk
19	TfL Olympic Route Network	Dana	Dana.Skelley@tfl.gov.uk
20	Urban Traffic Management and Control	Andrew or Bob	andrew.wilson@highways.gsi.gov.uk Bob.Meekums@mottmac.com

Some of the case studies involve projects that have been completed, and the contact has generally been named as the Clients representative, who should be able to provide advice about any further persons who could provide additional information.

What follows is an outline description of each of the contract types and the level of maturity of the contract. In respect of contract types the following should be noted;

- Integrated service represents where the Provider is carrying out design and construction/maintenance activities.
- Term maintenance represents where the Provider undertakes construction/maintenance activity but no design.
- The degree to which the above elements of work apply varies widely across the case studies e.g. some undertake winter service and incident management and some do not. Also, some arrangements exist where the Client retains an in-house service and uses the Provider as a top-up.

With regards to maturity the following broad categorisations have been made in relation to the term of the contract;

- Early stages – first third.
- Mid stages – middle third.
- Late stages – last third.
- Ended – contract term complete.

It should be noted that the maturity of the relationship does not always correlate to the time elapsed on the contract.

No	Name	Contact description	Maturity of contractual relationship
1	Area 1	Integrated service	Mid third
2	Area 3	Integrated service	Last third
3	Bath and North East Somerset	Term maintenance	Mid third
4	Blackpool	Term maintenance	First third
5	Borough Viaduct	Project – construction of a new rail viaduct at Borough Viaduct	Completed
6	Cambridgeshire Highways	Integrated service	Last third
7	Devon	Term maintenance	
8	Dorset	Term maintenance	Last third
9	East Sussex Highways	Term maintenance	
10	Essex Highways	Integrated service	First third
11	Haringey	Project – community improvement scheme	Completed
12	Hertfordshire Highways	Integrated service	Completed
13	M25	DBFO Project – road widening and maintenance	First third
14	Norfolk Highways	Term maintenance	Last third
15	Northamptonshire Highways	Integrated service	
16	Sheffield PFI	PFI Project	First third
17	Southampton Highways	Integrated service	First third
18	Staffordshire Highways	Term maintenance	Last third
19	TfL Olympic Route Network	Project – road operations during the games	Completed
20	Urban Traffic Management and Control	Project – proof of concept for integrated network management	Completed

4.1 Area 1

Cornwall Council (CORMAC Contracting) and EnterpriseMouchel

What was it like beforehand?

The parties have a long history of collaborating stemming back from when EnterpriseMouchel commenced Area 1 in 2006. However this case study relates to their more recent collaborative efforts in winning and delivering the Highways Agency Area 1 contract which commenced in 2010.

There were benefits for both parties of coming together to bid the Area 1 contract. For CORMAC these were;

- Increased turnover.
- Education – the knowledge that they needed to increase their commercial awareness.
- Visibility on the network – to enhance their reputation in Cornwall Council.

For EnterpriseMouchel (EM) these were;

- Retained business – Re-securing Area 1.
- A presence in Cornwall including use of depots and other facilities that would enable it to reduce their prices and provide a resilient solution in their tender submission.
- Resilience in fuel and the provision of salt.
- Dealing with “on-network” emergencies and closures.

Both parties stood to gain from a wider reputational perspective by maintaining their relationship and continuing to work together.

What was the vision for the future?

The overarching vision was to secure the Area 1 contract by making the best offer through a collaborative approach and then to make the best use of the combined resources with a view to reducing cost even further by driving innovation in delivering the service.

The vision positively addressed the nature of the network, which was predominantly rural with accessibility issues, by sharing resources made sound economic sense.

The collaborative relationship between a local road service provider and the strategic road service provider is not common. CORMAC and EM had a vision that their approach would be a potential model for other regional locations – both rural and urban.

What collaborative attributes helped to deliver the vision?

The 'Right' partner: The parties had some experience of working together in the same region on the previous Area 1 contract, although the level of collaboration was not so extensive. Both parties realised that more could be achieved with greater collaboration and decided to explore the compatible nature of the benefits to each party, which would accrue if they were to work together more extensively.

Strong leadership: The vision was created by strategic leadership from each organisation with suitable levels of empowerment and they have maintained a hands-on presence throughout. The leadership has ensured the reasons for this collaborative approach have been cascaded to all levels within their respective organisations in order to set expectations and identify the potential benefits.

Common goals: By collaborating both parties were hoping to achieve;

- Operational efficiencies through shared resources and processes.
- Improved purchasing power.
- Access to specialist resources and resilience of shared resources in times of need.
- The need to hold less materials stock.

In addition the joint strategic objectives include the contractual outcomes for the Area 1 commission.

Integrated governance: This was supported by;

- Co-location in depots.
- Joint procurement. E.g. salt, fuel, etc.
- Use by EM of CORMAC's training facilities.
- Sharing of each other's supply chain resource.
- Shared vehicle maintenance.
- Shared risk management.
- Joint management team in conjunction with other collaborative partners in Area 1.
- Shared knowledge management.
- Shared policy for collaboration.
- Shared communication plans.

Joint improvement teams: A number of joint improvement teams were established to consider a range of initiatives where waste could be removed and value added. The initiatives included;

- Planning & programming.
- Capture of initiatives & improvements.
- Programme for final accounts.
- Procurement/Work allocation.
- Safety reporting.

Collective understanding: Early on in the relationship a number of joint workshops were held with all staff in order to gain a common understanding of what the parties were trying to achieve. This was reinforced by joint training and shared communications.

Awareness of impact: At the start of the contract there was a presumed level of turnover available for CORMAC but inevitably budgets would fluctuate. EM has maintained an awareness of the impact this has on CORMAC and do what they can to minimise that impact.

In emergency situations CORMAC are aware of the potential impact on EM's capacity to deliver and potential reputational loss. They therefore seek to prioritise additional resources such as fuel, salt and gritters to minimise that impact.

Collaborative competencies and behaviours: In the early days of the contract a partnership manager was appointed who acted as a catalyst to enable all staff to understand the common vision and shared values and behaviours that was required. This role has been influential to both parties in developing a beneficial relationship.

The behaviours of both parties are measured via a 360 degree feedback mechanism. The measures include;

- Tasks, covering programming & planning, direction, systems and processes, evaluating performance and continuous improvement, and;
- Relationships, covering trust & integrity, teamwork, personal responsibility, mutual respect and feedback.
- Mutual trust and an understanding of the issues relating to the provision of good highway maintenance.
- Common goal of delivery an excellent service at a fair price.

What were the outcomes?

- The benefits from the efficiencies delivered through the previous contract were used to reduce the tendered price of the bid offering a lower cost solution for the client in Area 1.
- Through the partners' collaborative approach, EM was successful in being appointed to the Area 1 contract for a second term in 2010.
- CORMAC/EM has an agreement around the supply of road salt and fuel. This enables EM to offer the service to their Client at both a lower cost and with greater resilience. This has been demonstrated on numerous occasions since the contract was awarded. The Cornish network has not suffered from the lack of salt or fuel because of the relationship between the parties and their holistic view of the network.
- Offices, depots and meeting rooms are shared which increases the utilisation of space and reduces the overhead percentage.
- Training facilities are shared which maximises attendance at training courses and reduces the cost per head.
- Because the parties support one another in emergency situations (major incidents and severe weather) resilience is improved, costs are minimised and reaction times are improved.
- As CORMAC undertake the servicing on EM vehicles, this increases the utilisation of the mechanics and reduces the unit rates.
- The work carried out by CORMAC in Area 1 has increased their turnover and profitability.
- Sharing resources, people and plant, to cover peaks on the local or strategic network.

- Sharing of best practice and learning between the organisations such as Lean processes.
- Utilisation of a shared supply chain, especially smaller organisations, to avoid additional pre-qualification costs.
- Early Contractor Involvement for 'buildability' as well as resource smoothing (utilisation of plant and people) are kept maximised so to avoid excessive number of schemes on the network and thus the need to bring in other supply chain organisations from outside the County.

Area 1 – Arthur Hooper (CORMAC) and James Haluch (EM)

'There was a high degree of mutual dependency between us and as a result of our long standing relationship we understood what each other had to do to maximise the benefits of our collaboration. Whilst neither of us could claim it was easy, it has certainly been worthwhile'.

[Table of Outcomes](#)

[Steps in the Process](#)

[Table of Contacts](#)

4.2 Area 3



Highways Agency and EnterpriseMouchel

What was it like beforehand?

EnterpriseMouchel was appointed to this Managing Agent Contract (MAC) in 2008 as the principal contractor responsible for maintaining the strategic road network in central southern England. The local Client leadership, although confident that contract requirements would be delivered, was determined to investigate better ways of working through greater collaboration. In addition, Central Government funding changes allowed a higher than expected programme of work in the first year creating a sense of urgency to work more closely together and involve the Provider's supply chain in guaranteed delivery.

A cultural shift was required by those transferring from the previous contractual arrangement for separate design/management and construction contracts, the MAC being based upon a single integrated contract.

What was the vision for the future?

The primary vision was to put the customer at the heart of the business by ensuring the following;

- Getting the basics in place to enable delivery of the service, i.e. contractual processes and procedures established and the resources in place.
- Demonstrable year on year savings in the cost of the service.
- A move to focus on collaborative relationships between the Client, Provider and whole supply chain.

The client recognised that, in addition to fixing problems, there should be equal attention to leveraging successes, i.e. 'to do more of what you do well'.

What collaborative attributes helped to deliver the vision?

The 'Right' partner: This was a new relationship based on a quality/price procurement exercise that resulted in the appointment of EnterpriseMouchel. In order to demonstrate a willingness to support the Client, the Provider undertook some supervision and scheme development work during the mobilisation period.

Strong leadership: Both leadership teams had authority and were committed to strive jointly for better ways of working. The Client leadership embraced a strong ethos of trust that the Provider would do the right thing, but in the event of things going wrong, they would focus jointly on quick solutions as opposed to recriminations.

Common goals: The common goals agreed between the Client and Provider included;

- To deliver value for money.
- A focus on the customer.
- The development of a supply chain community that would embrace collaborative working.
- To provide a safe working environment.

In support of these goals, both the Client and Provider had different individual drivers, but their objectives were completely aligned. The Client needed to ensure that the services were delivered effectively and efficiently and for the Provider there was a high reputational risk to ensure this high profile contract was delivered successfully. Delivery of these objectives required experienced people who knew the business and 'what a well maintained road looks like'.

Integrated governance: A network board consisting of Client and Provider gave the strategic direction for the contract and assumed overall accountability, whilst the supply chain community acted as the hub for integrated governance including;

- A community board representing Client, Provider and supply chain.
- Working groups focused on safety, performance and process.

A jointly developed annual Area Business Strategy was put in place where the contractual outcomes were jointly championed by senior leadership in the Client and Provider.

Joint improvement teams: A number of joint improvement teams were formed, consisting of Client, Provider and supply chain to focus on improving safety and performance through the development of more effective end-to-end processes. Discreet Lean initiatives were identified looking at interfaces between the parties contributing to contract outcomes and then joint workshops were arranged to identify and develop improvement opportunities. Workshop teams were set targets and reported back to the supply chain community board.

Collective understanding: A charter was debated, drafted and agreed by the supply chain community which all parties including the Client and Provider signed up to.

This understanding was reinforced at the supply chain community conferences held bi-annually and a quarterly newsletter issued to all parties. The community also developed its own web site.

There were many advocates in the Providers supply chain who fully understood and adopted the Client's and Provider's vision and relentlessly worked on selling the message to their internal colleagues and other supply chain partners.

The supply chain community achieved real step changes in culture which allowed individuals to be catalysts of change by nurturing a willingness to allow others to succeed and to recognise benefits for all.

Awareness of impact: At a senior management level with Client and Provider, intensive personal awareness training was undertaken to consider individual and corporate goals, strengths and weaknesses, Understanding of intent and impact on each other supported the development and success of the supply chain community.

The supply chain community created a massive awareness of the impact on each other's work through regular contact, provision of operational support to each other, sharing of resources and embedment of personnel in each other's organisations.

Collaborative competencies and behaviours: During the first year of the commission a high degree of trust was developed through jointly delivering the large programme of work successfully.

A significant investment was made in a Relationship Management Cultural Journey Programme to facilitate a 'One Team, One Theme' approach to service delivery. As part of this programme the behaviours of all parties were measured on a regular basis through the adoption of a simple 360 degree feedback mechanism. The measures included;

- Tasks, covering programming & planning, direction, systems and processes, evaluating performance and continuous improvement, and;
- Relationships, covering trust & integrity, teamwork, personal responsibility, mutual respect and feedback.

In addition the Provider has included a number of collaborative competencies against which individuals are assessed on an annual basis.

Senior management from the Client and Provider were empowered by their organisations and the supply chain partners were represented by their owners/director level – this greatly helped in ensuring the right behaviours were maintained and cascaded through the respective organisations.

What were the outcomes?

- An outstanding industry achievement of 3.5 million worked hours without a reportable injury.

- Significant reduction in road worker carriageway crossings to help achieve the Highways Agency aspiration of zero crossings by 2015. Carriageway crossings are down by 65%, which equates to 35,000 per year by collectively challenging existing traffic management, national working practices and standards.
- A structured approach to delivering innovations through the joint improvement teams including extensive use of Early Contractor Involvement with supply chain.
- Realisation of approximately £12m cashable efficiency savings. This included 112 significant evidence based initiatives rethinking how the highways asset is managed and maintained to achieve better outcomes.
- In 2012, Area 3 delivered more than 30% of the national Highways Agency Network Carbon Reduction Target.
- The formal accreditation against BS 11000 - Collaborative Business Relationships, was awarded to Area 3 in June 2012. It is the first such award in the Highways Sector for the end-to-end delivery team encompassing the Client, Service Provider and the Supply Chain.
- A highly responsive and resilient supply chain.
- An appreciation by the Provider that collaboration delivers real business results and has subsequently introduced a formal collaborative approach across all of its contracts.
- This approach to collaboration was adopted by supply chain companies, particularly the smaller businesses who found that it supported their operations including with other clients.
- Successful embodiment by the Provider and its supply chain of a cultural requirement built into the Clients contract of being 'easy to do business with'.

Area 3 – James Haluch (EM) and Guy Berresford (HA)

'The trust between us was built on the foundation of successful delivery putting the customer at the heart of our business. Our focus was on improving things rather than recrimination. The role of our supply chain community has been crucial in generating the benefits we have realised and this has been cemented by us all being involved in achieving formal certification to BS11000'.

[Table of Outcomes](#)

[Steps in the Process](#)

[Table of Contacts](#)

4.3 Bath and North East Somerset Highway

Maintenance and Improvement Works

Bath & North East
Somerset Council

SKANSKA

Bath and North East Somerset Council and Atkins

What was it like beforehand?

The previous arrangement in Bath and North East Somerset (B&NES) didn't meet with Council expectations and the public were generally dissatisfied with the level of service being provided. The Council believed the arrangement had become;

- Very contractual and adversarial.
- Administratively intensive to manage.
- Difficult to develop positive relationships between the parties.
- Difficult to remove barriers to service delivery.
- Inflexible in operation.

In addition the Council faced further impending budget cuts and did not believe that the existing arrangement was robust enough to achieve those cuts whilst improving the level of service.

What was the vision for the future?

As the previous arrangement was coming to an end the timing was such that it allowed the Council to rethink what it wanted from a partner and a procurement exercise was commenced, which sought to deal with the issues outlined above regarding the existing arrangement. The key attributes of this vision were to engage the 'right' collaborative partner with a culture which aligned with B&NES that would;

- Think differently about how to do the work – be innovative.
- Be flexible in their approach with a focus on delivering service outcomes.
- Allow strong relationships to be developed between the client and provider.

What collaborative attributes helped to deliver the vision?

The 'Right' partner: A procurement exercise was undertaken based on a price/quality split and evaluation criteria which reflected the Council's vision for the new contract. Following this procurement, in October 2008 Atkins was appointed to deliver the highways term maintenance function up until March 2014 with a possible further 4 year extension.

Strong leadership: A strategic board from both parties was created, where leadership provides the direction which supports the vision, challenges the status quo and intervenes if necessary.

Common goals: Within the first year of the contract, a 'Lean Review' was conducted with the client and Atkins taking part. This resulted in managers of both organisations making a commitment to staff as they completed a series of projects to find better ways of working efficiently. The results from this Review represented the common goal of both organisations.

Integrated governance: A series of structured meetings provide the integrated governance for the contract. These meetings include;

- Strategic board – leadership from both parties.
- Operations liaison board – senior managers from both parties.
- Joint meetings – day to day meetings
- Joint commercial meetings including both parties.

The parties also jointly developed end-to-end processes and a much closer working relationship between the inspectors and the gangs.

Joint improvement teams: Joint improvement teams were established to undertake an end-to-end process design for reactive maintenance.

Collective understanding: Demonstrating openness with communications has helped both organisations to develop a common understanding of progress towards achieving the vision. This has been supported by;

- Communications are shared between the Council and Provider to ensure both parties are aware of the messages communicated in either organisation.
- The output from an internal contract audit was shared with both parties which confirmed that whilst opportunities for improvements did exist there had been a steady rise in service delivery.

Awareness of impact: Both parties recognised that their reputations were 'tied together' and that both would suffer if they didn't manage to deliver the required outcomes. For example the process used by the client to approve works was impacting on the productivity of the gangs and the subsequent level of complaints by the public. The process was changed in agreement with Atkins along with the payment mechanism from schedule of rates to actual cost in order to drive appropriate behaviours. This created a high level of responsiveness and a new pride in the service.

Collaborative competencies and behaviours: The organisations have developed a collaborative approach and the behaviours are supported by the following;

- Both parties have developed a shared environment where employees are encouraged to trial new methods of delivery, with no blame attached to failure.
- Significant trust is in place which enables defects to be rectified on a find and fix basis, with the cost controlled via the actual cost payment mechanism used.

What were the outcomes?

- Feedback to customers on reported defects has increased from 32% to 100%.
- Reduced number of contract Key Performance Indicators from 30 to 10 to simplify administration of the contract.
- There has been a 58% reduction in 3rd party claims.
- National Highways Transport survey identified the Council as 'most improved highway authority in 2011'.

Bath & North East Somerset - Craig Jackson (BaNES) and John Wellstead (Atkins)

'We used a major Lean review as a catalyst to enhance our collaborative working. This has enabled us to jointly search for efficiencies that has resulted in significant gain'.

[Table of Outcomes](#)

[Steps in the Process](#)

[Table of Contacts](#)

4.4 Blackpool Council

Blackpool Council, Gaist and Tarmac



What was it like beforehand?

The Council and its providers were working independently of one another with little focus on effective management of the asset and operating on substantially a reactive basis for highway maintenance. This operating model resulted in the following conditions;

- Underinvestment in maintenance for a number of years resulting in network deterioration and costly insurance claims.
- Constant pressure for reactive repairs.
- Insufficient funding to maintain the network to the required standard.
- A lack of awareness of the condition of the asset – data was not fit for purpose e.g. scanner data showed discarded chip papers as degradation.
- A lack of awareness of the importance of the network to the local economy – its social impact.
- Focus was on value of property and the Tower and not the true value of the highway as an asset, which led to a lack of awareness about impact of decisions concerning the network.
- A traditional arrangement was in place with Tarmac, for a low value with a schedule of rates.

What was the vision for the future?

To interrupt the cycle of decline within 4 years by early targeted investment including;

- Creating an asset management model that allowed the Council to know and understand when and how to intervene.
- Obtaining prudential borrowing to allow early investment.
- A move away from reactive to planned maintenance.

What collaborative attributes helped to deliver the vision?

The 'Right' partner: The collaboration required an IT solution which would manage the interaction between the client and contractor in addition to providing an asset management/deterioration modelling tool. Gaist was ideally suited to this role and

already had an existing relationship with the Council, the right expertise and was involved in research and development relating to deterioration modelling.

Tarmac was already on board through an existing contract and was very receptive to exploring the use of an asset management approach to determine the timing and nature of interventions.

Between the Council, Gaist and Tarmac the parties collectively believed they had the right blend of skills to deliver the vision.

Strong leadership: Executive management from all three parties maintained a consistent focus on delivering the agreed objectives. Obtaining political support was fundamental to reinforce leadership in driving the initiative forward.

Common goals: It was jointly agreed to;

- Develop a model that reflected the true asset condition and most suitable treatment.
- Present a strong financial case for prudential borrowing.
- Harness Tarmac's technical expertise looking at alternative treatments.
- Achieve efficiencies in relation to programming the work.

Integrated governance: A joint governance board was established with representation from each of the three partners meeting on a monthly basis. Consistent delivery teams greatly assisted achieving quality of product and service, with sophisticated use of integrated technology platform i.e. GRP2 with history, condition, details of latest involvement of statutory undertakers etc.

Also joint planning was undertaken to allow optimum use of Tarmac resources.

Joint improvement teams: Consistent joint working between the three partners in a team environment helped to maximise the effectiveness of the model. Joint improvement extended to a number of universities to also develop a life cycle toolkit for each element of the asset.

Collective understanding: There was a strong joint understanding amongst the partners about the need to get the right solution at the right time and for the least cost (hence the shift to target cost) and this was supported by extensive sharing of knowledge between the partners. In support of achieving the right solution, Tarmac offered alternative technical solutions and provided robust budget advice to facilitate effective operation of the asset management model. All parties recognised the importance of using a social network model to determine the true value of interventions.

Awareness of impact: The approach taken to ensuring this included;

- Management of impact of risks in target cost i.e. if risk allowance wasn't utilised then it was taken out of target cost, thus avoiding a cost to the Council by having to pay gain share on unused risk.
- Acknowledgement by Tarmac that a 'right first time' approach minimised customer complaints.
- Agreement to move from schedule of rates to target cost as this represented best value to the Council.
- If Tarmac decided, notwithstanding the data extracted from the model, when the top layer was removed the scheme wasn't in fact required then that decision would be made. Another programmed intervention could be brought forward, prioritised by the model, thus avoiding disruption to Tarmac's programme.

Collaborative competencies and behaviours: The approach taken to achieving these attributes included;

- Trust e.g. Tarmac stating that notwithstanding the survey the job doesn't need doing.
- Tarmac worked with limited drawings which demonstrated trust.
- Tarmac looked to develop necessary practical solutions not just chasing turnover, demonstrating honesty.
- The parties were encouraged to do the right thing.
- Transparency – open book and open access on all aspects of the arrangement.
- Lack of fear of being unconventional e.g. challenging existing industry asset data systems in terms of their suitability and applicability.
- An atmosphere of constructive challenge was created.

What were the outcomes?

The asset management model was successfully developed and prudential borrowing of £30m achieved. A programme of interventions was developed focusing on doing the right things at the right time resulting in;

- A potential saving of £150m in maintenance cost over a 25 year period.
- 7 new jobs in Gaist.
- 4 new jobs in Tarmac.
- Delivery on budget and programme.
- Retention of jobs/skills at Blackpool Council.
- Improved accuracy of programming and planning that has enabled excellent communication with the local communities on when the work will be completed.
- Knowledge transfer to the Council.

Blackpool - Will Britain (Blackpool Council), Steve Birdsall (Gaist) and Mike Elford (Lafarge Tarmac)

‘Our collaboration developed from an appreciation of the value of the asset and a desire to make an upfront investment to arrest its declining state. The application of our complementary skills and knowledge has allowed us to do this whilst at the same time achieve a major reduction in our future costs’.

[Table of Outcomes](#)

[Table of Contacts](#)

4.5 Borough Viaduct



Network Rail and Skanska

What was it like beforehand?

The project comprised of a £350m viaduct of simple construction on a very complex site. The project commenced in 2007 with Skanska missing 11 out of 11 of the initial promised repossession dates for traders on Borough Market – this was land used by traders that was required for defined durations to construct the viaduct. This resulted in;

- Poor relationships with Network Rail.
- Penalties for Skanska.
- Poor relationships with traders.
- Bad publicity for both parties.
- The contract was bespoke and very adversarial.

What was the vision for the future?

There was a high risk of the contract going into dispute and both parties recognised that something different had to be done and a new way of working established that would eradicate the problems encountered early on in the programme. It was decided that collaboration between the parties was the best way forward and in order to reinforce this vision they decided to follow the principles of a then new British Standard (BS11000 Collaborative Business Relationships) and seek formal certification for the project.

What collaborative attributes helped to deliver the vision?

The ‘Right’ partner: Skanska already had a contractual relationship with Network Rail, but both parties decided to widen the collaborative effort to include everyone involved with the project.

Strong leadership: The Project was led by a team comprising one senior manager from each party who jointly developed the vision and rigorously ensured that it was communicated through each other’s organisations and beyond that to other interested stakeholders. The leadership sought to embrace tried and tested collaborative systems and tools (see below) to support the effort not, just leave it to chance.

Common goals: The partners agreed that primary common goal was to deliver against the promised milestone dates in a safe manner and within budget.

Integrated governance: A requirement of BS11000 is to have integrated governance including;

- Shared objectives and goals.
- Knowledge sharing.
- Joint risk management.
- Joint improvement teams.

As a consequence of using 'Last Planner';

- An issues register was created addressing things that would solve programming and planning issues.
- There was a joint risk register with personal accountability.

As a result of the above, the parties came together as an effective integrated team in a single location to ensure effective communication – they referred to themselves as 'The Borough Viaduct Team'.

Joint improvement teams: Working with 'Last Planner' effectively created joint improvement teams comprising Network Rail, Skanska and the supply chain all working together to deliver the agreed common objectives.

Collective understanding: The parties adopted a collaborative planning tool known as 'Last Planner'. This involved all parties that were remotely connected with the works (e.g. including delivery lorry drivers) coming together in one place to obtain a common understanding of the programme and how the works were to be constructed. This also gave an opportunity for everyone to provide input relating to their own particular discipline.

Awareness of impact: The impact that the project was having on the affected stakeholders (market traders, public etc.) was highly visible and indeed as stated above the awareness of this impact was the primary catalyst to embarking on this collaborative approach. This awareness of impact became a common theme throughout this collaboration, where for example steel fixers were working with client and designers to describe the impact of their initial design on the practical execution of work in the field.

Collaborative competencies and behaviours: Strong collaborative competencies and behaviours were exhibited by the parties which were supported by the following;

- Use of last planner meant commitment to dates – because this was done at a personal level, the parties realised that they were 'swapping a contractual obligation for a moral obligation'.
- All transactions were open book and transparent.

- A hierarchy was established for issue resolution.
- Parties eliminated man-for-man marking adopting the philosophy of 'best man for the job' e.g. shared each other's workload saving considerable time.
- Established a 'trust index' covering 360 degree appraisals to monitor relationships.
- A collaborative champion was appointed by both partners and a facilitator to assist in relationship matters.
- Developed a strong culture of encouraging people by asking for their opinion.
- Collaboration has improved health and safety, in that successful planning has eradicated unplanned and rushed activities with inappropriate resource levels and risks.
- An element of the team (10%) didn't engage in collaborative working and needed help to understand the benefits.

What were the outcomes?

- All milestone dates were met or bettered.
- One section of the contract was delivered 16 weeks early, another section 12 weeks early.
- £734k was saved in the preliminaries.
- A £2.5m contract saving handed back to the client central budget.
- Final account details were known in advance of the completion of the works.
- Best safety record on Thameslink Project.

Borough Viaduct - Tim Ryall (Skanska)

'An unsteady start to the project forced us to try something different and through the use of collaborative planning tools involving the whole team from steel fixer to lead designer we achieved a turnaround, resulting in completion ahead of time and budget and a high degree of satisfaction from those affected by the project'.

[Table of Outcomes](#)

[Steps in the Process](#)

[Table of Contacts](#)

4.6 Cambridgeshire Highways

Cambridgeshire County Council and Atkins



What was it like beforehand?

In 2006, Cambridgeshire County Council (the Council) undertook a procurement exercise to integrate the existing 18 highway contracts delivered through four divisions into a single service designed to provide a consistent county wide service, removing duplication and waste. This approach laid the foundations for a collaborative partnership but the chosen approach alone was not sufficient to create the working relationship required to deliver the high quality, customer focused service and financial savings required by the Council. The early years of the relationship were difficult and challenging with mistrust at many levels along with a lack of clear direction and understanding of each other's political and economic drivers.

What was the vision for the future?

A step change was required to address the issues outlined above and this came with a change in leadership from both sides of the partnership.

What collaborative attributes helped to deliver the vision?

The 'Right' partner: A set of objectives for partner selection was determined and a formal procurement exercise carried out to identify the optimum partner. Atkins was selected based on their ability to deliver a fully integrated contract that included professional services, construction and maintenance activities.

Strong leadership: In 2010, senior leadership on both sides of the partnership changed along with the emphasis on understanding each other's objectives and constraints leading to a higher level of trust at a senior level. This filtered through the partnership and has been further enhanced with new appointments in the last twelve months at contract head level.

Common goals: The jointly agreed common goal was to put the customer back at the heart of service delivery. This was to be achieved by;

- Integrated service delivery and a single face of Cambridgeshire Highways to the customer.
- End-to-end processes in search of efficiencies with support from all stakeholders.
- Bringing the 4 operating divisions into a county wide approach

Integrated governance: Cambridgeshire Highways has formed;

- A Supervisory Board, consisting of Directors from the Council and Atkins and the Councils Portfolio Holder for Highways. The board sets strategic direction and monitors overall performance.
- A Senior Management Team (rotating Chair), consisting of the senior managers from the partnership responsible for delivering the objectives set by the Supervisory Board and the requirements of the contract.
- Co-located function led teams dedicated to the management of asset types e.g. cyclic maintenance, network management etc.

Joint improvement teams: As part of a series of transformation projects driven by the council, joint improvement teams have been established. These are built with representatives from the Council, Atkins and the supply chain. An example project includes major review of cyclic maintenance including identification and removal of barriers both within and between the organisations – this delivered significant cost reductions and enabled greater understanding of all parties' objectives and constraints.

This understanding built trust and reduced suspicion that had historically given rise to unnecessary and wasteful checking and duplication. Following on from this successful review, the joint improvement team approach was used on a prioritised list of issues over a rolling 12 month cycle to effect improvements. e.g. more efficient road space booking and joint programme management.

Collective understanding: This openness that was shared through the transformation projects has been extended to daily activities. The control and restriction of information had built mistrust across the partnership. The change in leadership and management resulted in a more open approach to sharing information. Simple measures put in place under a communication strategy had significant impact. These included wider distribution and circulation of management team meeting minutes, bi-monthly publication of newsletter and bi-monthly joint team meetings. These are delivered by senior managers from all parties to all employees

Awareness of impact: Substantial effort has been made by Atkins to understand the constraints that the Council team operate under and the impact this has on the operation of the service. Atkins modified their own operating methods to work within those constraints.

Collaborative competencies and behaviours: The behaviours exhibited by the Council and Atkins were supported by the following;

- A relationship management survey was undertaken to determine areas of strengths and weakness with key actions established with plans. The survey

is repeated on an annual basis with the results forming part of the contract performance indicators.

- Strong emphasis given to empowerment of people to overcome a previous command and control culture.
- Although co-location has helped it did not entirely solve the poor communications. The relationship management survey identified the need to improve communications further with an action plan (see collective understanding above).
- Model behaviours demonstrated from the leaders as exemplar that the business follows.

What were the outcomes?

- KPIs refocused to reflect customer outcomes.
- Continually improved accident statistics for road users and road workers.
- Cost reduction amounting to 6% of turnover during 2012.
- Moved to a new structure in 2012 resulting in 17 % reduction in personnel on the Council side. A similar exercise had previously been conducted with the Provider some months earlier to reduce personnel numbers to an optimum level.
- £90m of prudential borrowing was secured.
- Greater resilience on delivery of programme of works.

The lesson over the past few years has been that success requires an open mind set, honesty and trust between parties, alongside an understanding of each other's political and economic drivers.

Cambridgeshire Highways - Andy Denman (Atkins) and Nicola Debnam Cambridgeshire CC)

'In 2010, senior leadership on both sides of the partnership changed along with the emphasis on understanding each other's objectives and constraints leading to a higher level of trust. Our service is now integrated, including the supply chain, and a successful major review of one element of the service gave us confidence to move forward and replicate that success on other elements'.

[Table of Outcomes](#)

[Steps in the Process](#)

[Table of Contacts](#)

4.7 Devon

Devon County Council and South West Highways

What was it like beforehand?

South West Highways Ltd (the Provider) was in a traditional 'schedule of rates' highways term maintenance contract with Devon County Council (the Council). This contract had been re-tendered in 2007 which had realised £2.7M pa cashable efficiencies. The contract term was 5 years with the potential for a further 5 years extension.

In 2010 the Government undertook its Comprehensive Spending Review which indicated cuts to local government funding of 25% over the subsequent 3-4 years. In the light of these significant cuts DCC recognised that it had to deliver considerable efficiencies, including within its highways service and associated contracts.

In order to determine what measures ought to be taken to generate these efficiencies the Council undertook a comprehensive review of its highway service to identify where savings could be made. As well as identifying where internal savings could be made the review also identified the need to generate savings through the highways contract.

To inform any changes the Council conducted a 'value for money' exercise of 27 county councils nationally, looking at various models of delivery and which appeared to provide the best value

What was the vision for the future?

The above value for money exercise revealed a distinct trend in what worked well. It highlighted that whilst there were examples of traditional 'schedule of rates' contracts providing good value for money on the whole this was not the most efficient model. The most effective models were clearly where there was a close relationship between the client side and the contractor side, either in 'in-house' arrangements or in effective partnerships with private sector contractors.

The Council therefore concluded that the biggest driver for securing efficiencies was not simply to lower unit costs but more importantly the effectiveness of the relationship between client and provider. As the Council was already in a long-term contractual arrangement with the Provider both parties recognised the need to move away from traditional ways of working and move to a culture of working together and sharing intelligence in a 'virtual joint venture' approach, in order to focus on doing the 'right things' as efficiently as possible.

What collaborative attributes helped to deliver the vision?

The 'Right' partner: The Provider (a joint venture with Colas and Ringway) and the Council had already built up a strong relationship that had developed over successive formal procurement exercises, through which the Provider had consistently offered the best combination on price and quality for the Council's requirements.

Strong leadership: There was strong leadership from both parties which encapsulated the vision and the step change required to achieve it. Senior leaders from the Council made presentations to the Board of the Providers parent companies to convince the shareholders about the commitment of the Council to the proposed approach and to reinforce the trust necessary to make this work.

Common goals: The parties recognised that the vision needed to be translated into operational goals which included the following;

- Delivering quality and cost-effective services for customers.
- Removal of duplication and man marking.
- Challenge conventional standards e.g. inspection and pot hole repair.
- Re-engineer processes to drive out waste and unnecessary cost.
- Reinvest savings back into the service.
- Take an asset management approach to budget spend.
- Improve programming of works to allow efficient resource allocation.
- To establish a process to deliver continual innovation.
- Shared resolution of problems.
- Open-book on cost data.

Integrated governance: This is primarily achieved by;

- A new integrated organisational structure was developed to ensure good collaboration.
- The parties have co-located their programme teams at County Hall and have other teams at the local depot level.
- The parties have joint access to cost management systems.
- The Devon Highways Board was established to oversee performance.

Joint improvement teams: The parties jointly work on almost every aspect of the service including the following;

- A new system set up for checking productivity including minimising travel distances which was well received by the operatives.
- Introduced new technology such as iPads – used initially for defending third party claims with plans to capture work outputs to provide better intelligence on cost drivers.
- Investigating areas where more efficient use of labour and plant could result in cost savings that offset the use of more expensive materials and still make the service cheaper – e.g. use of cold material for defect repair.
- They engaged the pothole gangs to help determine what changes should be made to the process and the laboratory to help determine a better specification.
- Both parties agreed changes to the payment mechanism.
- They engaged staff in developing the new cost model.

Collective understanding: This was achieved by the following;

- Engagement of staff by asking their opinions on better ways of working – ‘they told us where to look and what to change’.
- Joint presentations to both parties to reinforce the message.

There was also a relentless reinforcement by leadership from both parties of the approach required.

Awareness of impact: The primary focus is on two aspects;

- The impact of the Councils specification and processes on the cost of operations.
- The impact on cost caused by the Providers processes.

As described above in the JIT both parties relentlessly work to address both of these issues by changes in Client specifications and requirements, re-engineering of Provider processes.

Both parties recognise the issues faced by each other e.g. political pressures faced by the Council and commercial pressures faced by the Provider and they work together to ensure these are positively addressed.

Collaborative competencies and behaviours: Because of the degree of integration there is a strong sense of ‘if one fails, we both fail’ and this drives the behaviours of everyone and is supported by the following;

- Recognition that middle management was the key area to convince about the approach – this was done by demonstration such that ‘they can see this is beginning to work’.
- The Providers structure was designed specifically around this contract so everyone is focused on delivering the outcomes.

What were the outcomes?

During the past year cost savings have been delivered amounting to almost £6.5m including;

- Re-negotiated rates for the 2011 generate an annual saving of £550k.
- Improved site selection and planning of resources resulting in improved efficiency and productivity over previous year generating a saving of £90k.
- Optimisation of the primary gritting routes - reduction resources saving £210k.
- Establishment of a central coordination team and the introduction of inspect + fix gangs has improved communication between teams and the overall efficiency of the work. Current cost per defect is approximately £42 compared to TMC Rates of £70 saving £4m overall.
- Saving on inspection cost of £600k.
- Lump sum saving against current contract rates - £ 50k.
- Better efficiency of resources, higher outputs and negotiations on material prices on surfacing and patching gave an overall saving of £650k.
- Better approach to asset management is now producing larger schemes plus better efficiency of resources generating higher outputs on drainage and footways saving £250k.
- More efficient programming and alternative laying methods for white lining resulting in a saving of £50k.

‘Devon – Glen Robinson (SWH) and Adrian Hale (Devon CC)

‘Collaboration has allowed us to come together and understand our individual influences on the cost of work. This has provided the opportunity to change specifications and operational processes to drive out cost for mutual benefit’.

[Table of Outcomes](#)

[Steps in the Process](#)

[Table of Contacts](#)



4.8 Dorset

Dorset County Council and Hanson Contracting

What was it like beforehand?

In 2002 the Client undertook an exercise to select a strategic partner to work alongside its own direct labour organisation to deliver the highways maintenance programme. Hanson Contracting was selected for a 7 year term and during this period the relationships between the Client and Hanson Contracting continued to improve and the level of trust and mutual respect was high. The contract remained under the spotlight throughout its term as it was a 'Government Pathfinder' which meant it was subject to numerous audits and external reviews. Whilst both parties were generally satisfied with what had been previously achieved, the Client wanted to use the contract as a springboard into a new procurement, in order to guarantee a minimum level of reciprocal working, to be flexible enough to accommodate variations in budget and work type and be of sufficient duration to allow collaborative working to develop.

What was the vision for the future?

Following the positive lessons learned from the 'Pathfinder' project, the Client wished to enter into a potential long term performance based arrangement that would provide a high quality and value for money service based upon;

- Collaborative working.
- Mutual trust.
- Respect.
- Fairness.
- Integrity.
- Reciprocal work opportunities.
- A maximum term of 10 years.
- A wider scope than the previous arrangement to include recycling of materials and construction of waste management sites.

The new arrangement, which commenced in 2009, also needed to be sufficiently flexible to deal with the budget variations which the Council was expecting to face in the coming years.

What collaborative attributes helped to deliver the vision?

The 'Right' partner: The Council invested time and effort in finding the right partner and during the procurement process itself, the Council refined its specification and evaluated responses from potential providers so that there was alignment on operational methods before the contract was finally agreed.

Following the robust procurement exercise conducted by the Client, Hanson Contracting was appointed for a second term commencing in 2009 for an initial 5 year period with a possible 5 year extension in 1 year increments. The procurement exercise was based upon a price/quality submission against predetermined criteria which also included an unusual, but important, requirement – reciprocal work that the provider could offer the Client. Hanson Contracting was able to offer opportunities for Council staff in the following;

- Grounds maintenance/landscaping.
- Sign manufacture.
- Plant and equipment servicing.
- Provision of labour.

Strong leadership: Senior leadership from the Council and Provider had remained the same since the 'Pathfinder' project was commissioned in 2002, which ensured strong continuity and an unwavering joint commitment to delivering the vision.

Common goals: Common goals were jointly developed which resulted in the following;

- Securing efficiency targets – the partners were targeted with delivering £2m of efficiencies.
- Delivery of sustainable highways infrastructure improvements – including those for 2012 Olympics Games – on time and on budget.
- Excellent workforce help, welfare and development.
- Strong community relations.

Integrated governance: This was achieved by;

- Creation of a strategic partnership board.
- Appointment of partnership liaison manager.
- Continuity of key personnel.
- Integration of teams e.g. Provider staff are part of Client design team.
- Integration with the supply chain where the Council has direct access to the Providers suppliers.

- Procurement Officers sat on the strategic partnership board to ensure the spirit of the partnership is maintained.

Joint improvement teams: Joint improvement teams were established to;

- Improve operational processes e.g. review and change of specifications to reduce cost.
- Improve carbon reduction and waste recycling.
- Remove duplication of resources.

Collective understanding: The parties are aligned on an approach to deliver the common goals as outlined above including;

- The ability to maintain flexibility in value i.e. capability to undertake a range of schemes with values of £15k to £20m.
- The capability to deal with annual budget variations.
- To maintain flexibility of service e.g. signs, grounds maintenance, vehicle maintenance, etc.
- To provide reciprocal work.
- To use integrated teams.
- To maintain an emphasis on performance based contract
- To provide a best value approach resulting in efficiency savings and innovation.
- To develop a strong local supply chain.
- To ensure a transfer of knowledge to the Client.
- Access to specialist resources from the Provider and its parent companies.

Awareness of impact: This is reflected in the following;

- The strategic importance of winter service and carriageway defect rectification is recognised and all parties accept that this service is retained in-house by the Council.
- The Provider recognises the impact of variable workload on the Council's resources and acts as a top-up resource pool where required and also as a potential work stream for Council employees where this is mutually beneficial.
- The Provider is aware of the impact of 'fee on fee' (i.e. where the Provider adds his fee to the sub-contractors rates that already includes their fee) and agrees a lower fee percentage on works that are substantially sub-let.

Most of the issues around the awareness of impact that one party has on the other were substantially dealt with during the procurement phase when methods of delivery were being agreed.

Collaborative competencies and behaviours: The behaviours were supported by;

- Commitment about the required behaviours is provided by the leadership.
- Partnership liaison manager has cemented relationships.
- Longevity of relationship has allowed for the development of staff with the right culture and promoted a high level of trust between the parties.
- Public satisfaction surveys are conducted on both the Council and Provider.
- Both parties spent considerable time early on in the contract convincing the doubters that collaboration would be effective by joint presentations and asking for individual inputs.

What were the outcomes?

- £2.1m saving following fundamental highways service review (challenging traditional service delivery arrangements in the highways function resulted in the three in-house contractor, client and consultant units integrating into one team, reducing bureaucracy while protecting service delivery).
- The Provider gave an efficiency saving of £100k, above the contractual agreement, assisting the Council in achieving its Government efficiency savings.
- The Council has begun investing £11m (sourced through prudential borrowing) over the next three years to improve the unclassified highway network. Defect cluster sites have been identified and put into the programme to halt the decline in road condition and reduce the cost and inconvenience of reactive maintenance. This is projected to save £2.9m/year for the next 15 years (£43.7m).
- £806k in reciprocal working benefits to the Council. The partnership is targeted with offering the Council £250k of reciprocal work/year. Since the contract began in 2009, level achieved has been over 2.5 times this figure.
- £195k/year through documentation preparation and supervision reductions as a result of having one team.
- £105k on materials as the Provider has integrated itself with the Councils efficiency programme.
- £1.5k/scheme on tendering costs through adopting schedule of rates within contract documentation.

- Joint tendering for projects has resulted in robust predictability of cost/time for work carried out.
- Zero accidents during 2011/12 with a workforce of 883.
- Olympic projects delivered on time and on budget.
- Staff satisfaction survey – 90% saw the partnership as worthwhile.
- Establishment of a strong local supply chain.
- In 2011/12, 35,715 tonnes of the waste generated through the Councils highways programme was recycled.
- In 2011/12 the partnership repaired 5,500 defects on rural roads using the velocity patcher and 5,900 in more urban areas with the Nuphalt infra-red system. The velocity patcher resulted in a saving of £1.2m and 1,200 tonnes of CO2 emissions over conventional patching techniques, while the Nuphalt patcher saved £140k and 280 tonnes of CO2 emissions.

Dorset – Andrew Martin (Dorset CC) and Denis Curran (Hanson)

‘Collaboration has allowed us to develop a strong supply chain and increase our joint capability that sees us reducing cost and bidding for wider opportunities across the region’.

[Table of Outcomes](#)

[Steps in the Process](#)

[Table of Contacts](#)

4.9 East Sussex Highways

East Sussex County Council (ESCC) and May Gurney



What was it like beforehand?

The arrangement began in 2005 based on a full schedule of rates. The initial term was for 7 years with the possibility of a 3 year extension. By 2010 the client had reached a point of either negotiating an extension to the contract or planning a re-procurement of the service. At that point in time the arrangement reflected the following approach;

- A traditional approach to contracting – ‘them and us’.
- There was little or no alignment of objectives between the client and provider.
- Very little effort was put into developing a ‘partnering culture’.
- Processes were disjointed resulting in inefficiencies in service delivery.
- Customer satisfaction scores were relatively low.
- There was a lack of integration between the client and provider.
- There was poor knowledge of asset data.

What was the vision for the future?

The new approach aimed to achieve;

- Transformation of the service – a shared vision.
- An integrated highways service – ‘one team’ approach.
- Better use of technology.
- Thinner and more enabling client.
- Removal of duplication of effort.
- Delivery of short, medium and long term efficiencies.
- Change the culture of both client and provider.
- Move to a needs based approach following sound asset management principles.
- To put the customer at the forefront of ‘everything we do’.

What collaborative attributes helped to deliver the vision?

The 'Right' partner: A thorough evaluation took place to ensure that a contract extension should be granted as opposed to a re-procurement exercise. The client had an established relationship with the incumbent who was able to demonstrate past experience of successfully delivering such changes with other clients. The concept of the shared vision was truly embraced by MG.

Strong leadership: Under the newly integrated structure, the joint leadership team underwent a profiling exercise in order to develop a better understanding of their combined strengths and weaknesses. Leadership in both organisations has remained committed to delivering the shared objectives and as a result of this focus much has already been achieved, including full co-location (including key supply chain partners) and the implementation of a new control room.

Common goals: As part of the renegotiation of the contract, the partners sought to develop a mutually compatible set of objectives which include improving customer satisfaction levels from 30 to 70% by 2015 through;

- Trust, empowerment and support of all staff.
- The creation of a safe professional environment.
- An organisation that is passionate about innovation.
- An open, honest and collaborative approach.
- A commitment to customer service excellence.

Integrated governance: ESCC and MG have implemented a single integrated governance structure to set strategy and oversee operations. Neither party will have separate management team meetings thus encouraging and reinforcing behaviours such as openness, honesty and trust.

Joint end-to-end process mapping has been completed to remove waste from the service and deliver the 7% targeted savings.

Joint improvement teams: The partners have introduced a form of 'Dragons Den' where ideas are brought from both sides of the business. This forum has led to innovations in the use of grass retardant, the design of a new edge of carriageway treatment and better communication with the customer.

Collective understanding: Co-location has facilitated a stronger and closer working relationship, which has made it more straight forward for all key decisions to be taken jointly. A single shared communications plan has been developed to ensure consistent messages are received across both organisations and this helps to reinforce a common understanding of how all parties can contribute to the shared vision. The partners have introduced a communication tool that is aimed at providing

a better understanding of roles and who does what in either organisation, including the contribution made by the different groups.

Awareness of impact: Joint team meetings are held at all levels through the business to ensure total integration and common understanding of the issues. This provides the most appropriate forum for discussions around the impact of change on both organisations.

Collaborative competencies and behaviours: The partners have developed their relationship to a high degree of maturity including;

- Strong leadership commitment to maintaining focus on the customer.
- Openness, honesty and trust.
- More knowledgeable staff.
- Greater staff satisfaction.

What were the outcomes?

- A staff engagement survey to gauge the mood and morale has seen an increase in well-being and belief in the partnership.
- Openness, honesty and trust have grown significantly due to integrated governance.
- Staff are more knowledgeable about the holistic highway service due to collocation, joint meetings and regular communications.
- Both parties demonstrate a greater understanding of the impact that decisions can have on each other.
- Customer satisfaction has increased by 12%.
- Workforce productivity has increased by 100% - previously an average of 10 jobs per day was delivered by the workforce gangs. This has increased to 20 jobs per day due to better information and a one team approach with gangs and stewards working closer together.

- Removal of 'man marking' resulting in a reduction in personnel of 33% of ESCC staff without affecting service delivery.
- Implementation of a new control centre with co-location of client, provider and supply chain.
- Introduction of alternative materials and construction techniques including in-situ recycling, infra-red patching and proprietary materials has led to cost reduction, improved network condition and increased sustainability.

East Sussex Highways - Roger Williams (East Sussex CC) and Sheldon Yates (May Gurney)

'We operate an integrated service with minimal checking and duplication of effort. Our focus is on innovation and efficient end-to-end processes which has resulted in delivering the apparent divergent goals of cost reduction and increased customer satisfaction'.

[Table of Outcomes](#)

[Steps in the Process](#)

[Table of Contacts](#)

4.10 Essex Highways

Essex County Council and Ringway Jacobs



What was it like beforehand?

Following a review of the highways service in 2010, Essex County Council (ECC) recognised that their existing delivery model was more complex than it needed to be. Key issues included;

- Recognition that there would be commercially restricted budgets in the future and the traditional arrangements in place wouldn't be capable of driving the culture change necessary to reduce inefficiencies and improve the quality of service delivery going forward.
- Multiple outsourced contracts (10 No) in place within the Council that had been in existence since 1995. There were many operating silos and considerable duplication and wasted effort.
- Customer satisfaction needed to improve as verified by NHT Survey
- Complex pricing mechanisms, which meant that it was difficult to track the 'work done' with 'invoices received' - 40,000 task orders issued per annum which made it difficult to track progress.
- Inadequate measurement - the contract was measuring the wrong things i.e. inputs rather than outputs/outcomes which again made it difficult to track the quality of service being delivered.
- Lack of systems integration between the various Council departments and existing service providers.

What was the vision for the future?

The Council recognised that a single integrated service provider with the ability and experience to deliver the majority of the services in highways and transport would provide opportunities to;

- Enhance the service offering by getting the best out of the public and private sector working together.
- Move to a leaner organisational structure in the Council.
- Change the culture and go for a longer deal which offered better value through efficiencies, thus avoiding traditional Term Maintenance Contracts (TMC) arrangements.
- Generate savings in cost over the long term rather than assuming a one-off procurement exercise is the only key to generating such savings.

- Develop a better performance management framework based on asset condition and outcomes.
- Maintain a degree of commercial tension – avoiding complacency.
- Gain efficiencies from better use of technology.
- Generate income opportunities from trading in the market.

What collaborative attributes helped to deliver the vision?

The ‘Right’ partner: A fundamental requirement to deliver the vision was the selection of the correct collaborative partner through a formal procurement exercise. The procurement process had a strong focus on allowing the Council and potential providers to test the compatibility of cultures and behaviours together with the capability to provide the service. Ringway Jacobs was the partner finally selected by the Council.

Strong leadership: The senior leadership of both partners has remained absolutely committed to the joint objectives and regular and consistent joint messages have been given to all team members in order to ensure 100% commitment to the initiative.

Common goals: Both parties understood that government budgets were likely to be tight over the coming years and that costs needed to be removed from the delivery process. It was agreed that a joint approach was the only way that this could be successfully achieved without compromising the quality or scope of work. These joint objectives form the basis of an annual business plan.

Integrated governance: During the first year of operation the partners co-located under a joint management structure and whilst TUPE was not applied, the performance reporting lines were based on activity as opposed to organisation resulting in more effective management of the processes. 20% of the joint resources were removed by the end of the first year having agreed that any redundancy cost would be met 50/50 in order to remove organisational bias.

Joint improvement teams: Joint improvement teams were established to review end-to-end processes in order to eliminate non-value adding activity.

Collective understanding: The decision to consolidate a number of contracts into one also led to a rationalisation of the supply chain. By inviting the supply chain to participate in the development of joint processes focused on end-to-end seamless delivery, the relationships within the new partnership have become stronger. The joint processes have all been targeted at improving customer satisfaction whilst driving out non-value adding work.

Awareness of impact: There remains a strong sense of ‘we both win or we both lose’ which has created a mutual dependency that drives an attitude about caring for the effect that the Council has on the Provider and vice versa. Risk is jointly managed.

Collaborative competencies and behaviours: Competencies and behaviours were supported by the following;

- There was significant early dialogue about how things should work if the right behaviours were exhibited by both parties. This continues to be developed where the parties think and act as one organisation in order to minimise the overall cost of the operation by the removal of non-value adding work.
- Creation of a Partnership Board to deal with any issues that arise with no blame attached (‘we jointly own the reputation’).
- Both partners recognised that company and individual behaviours play a significant role towards successful collaboration and have implemented a series of measures that will allow them to determine the extent to which behaviours are improving.

What were the outcomes?

- Ten separate contracts were consolidated into one – this arrangement commenced in April 2012 and could run for 10years with a 5 year extension.
- Significant operational savings built in to the procurement due to the style of integrated contract e.g. programme management, Early Contractor Involvement, etc., in addition to guaranteed efficiency savings of £2m on £65m through reconfiguration of the service, in addition to 20% reduction in personnel by removing duplication of effort
- The integrated structure now has the right people performing the right tasks in co-located offices throughout the County.
- Only 30 to 40 task orders issued in the first year compared to 40,000 previously.
- More relevant measurement systems are in place focussing on outcomes related to asset condition, safety and congestion.
- Target Cost has been used as a principal payment mechanism for all scheme work and commercial tension is ensured by market testing a percentage of the works each year. For maintenance activities the principal performance metric is aligned to road condition indices and payment is directly linked to achieving agreed targets.

- The partners recognise that there may well be an opportunity for the venture to trade in the future, but for now they wish to retain focus on the core service to ensure that satisfactory performance levels are being consistently achieved.
- Other Council departments will need to develop their own understanding of interactions with the new partnership and may need to make changes themselves to ensure a high level of efficiencies can be delivered through this collaboration.
- Some people continued to favour the ‘traditional’ approach where there was distance between the Client and Provider. The partners have had to deal with this robustly.
- Staff ‘good will’ level is high.
- Safety performance has improved (no RIDDORS) and behavioural joint safety training introduced – move towards alignment of the Council and Provider safety procedures.
- Ten apprenticeships have been started.
- Some product and equipment innovation has already been delivered e.g. jet patchers, alternative surface treatments etc.

Essex CC – Bill Taylor (Ringway Jacobs) and Paul Bird (Essex CC)

‘We act/operate/behave as one organisation under a joint management structure with joint processes where we both win or we both lose as we jointly own the reputation’

[Table of Outcomes](#)

[Steps in the Process](#)

[Table of Contacts](#)

4.11 Haringey, Turnpike Lane Area - DIY Streets



Haringey Council, Sustrans and Volker Highways



What was it like beforehand?

There was general dissatisfaction from residents, resulting in a high number of public complaints, including;

- High traffic speed.
- The level of accidents.
- High crime rate.

What was the vision for the future?

This case study shows that anyone undertaking a community led project is in fact collaborating. However, it should be noted that unlike many other instances of collaboration, this project is being done with the ultimate customer – the end user.

The vision was to engage with local residents to improve the effectiveness of scheme designs in order to;

- Reduce traffic speeds and accidents.
- Improve the local environment for pedestrians and cyclist.
- Reduce the level of crime.
- Promote sustainable methods transport including smarter travel.

What collaborative attributes helped to deliver the vision?

The 'Right' partner: Volker Highways were the existing term maintenance contractor and already had a good working relationship with the Council. They were perceived by the Council as the ideal construction partner for this project.

Sustrans was specifically appointed by the Council as a partner to lead on public engagement, because of their previous national experience of other community led projects.

Strong leadership: The Leadership within the Council had decided to explore the benefits of community led projects and arranged for Officers to learn from the experience of others. Subsequently, senior people from the Council and the Providers gave support and direction to the project.

Common goals: Common goals were developed at the project level, where community priorities were set and agreed, with a number of issues identified under each priority and action plans developed. The importance of this was that in addition to the Council and Providers the setting of common goals was extended to include the customer. This resulted in the residents effectively signing up to the long term legacy that the project design would give them.

Integrated governance: At the planning stage meetings were held jointly with all three parties and residents. In addition other functions were integrated into the planning meetings including schools, refuse collection, fire service, police, etc. The concept of the meetings was based upon more than just consultation; they were a mechanism to translate the 'voice of the customer' into the design of the works.

Joint improvement teams: The Council, the Providers and the residents effectively formed a team dedicated to improving the solution on the ground in line with the common objectives described above.

Collective understanding: Having set the community priorities extensive work was undertaken to communicate these requirements to all interested parties including;

- A number of community workshops were run utilising 3D modelling.
- Self-experiments by residents leading to selection of materials.
- Use of community engagement officers.
- Involvement of other teams in the Council such as street lighting and the smarter travel team.
- Use of stalls and events on the project site to promote the joint effort.

Awareness of impact: The solution, which included the use of less traditional materials, was bespoke to the Turnpike Lane area. The impact of these choices took into account the future maintenance costs to the Council.

Collaborative competencies and behaviours: Trust was substantially in place between the Council and Volker Highways because of their existing relationship. The Council had received good feedback about Sustrans' methods of engagement and attitude in dealing with residents on other similar projects.

There was initial scepticism from;

- Within the Council - where some team members questioned the need to engage Sustrans, as it was seen as work they would normally do themselves, and;
- Sustrans who had concerns about whether the Council would actually follow through on their commitment to this new approach.

The success of the project has cemented the relationship and allayed those fears.

What were the outcomes?

- Improved accident statistics – Previously 4 accidents had been reported in 4 years, 2 of which were serious. Subsequently there have been 0 accidents in a 2 year period.
- In a particular location the project achieved a 20% reduction in through traffic. This avoided a change to a one way system and a restriction of access, which the residents had objected to.
- There has been no need to return to the project to make any changes or rectify defects in 2 years.
- The project has achieved;
 - A 10% reduction in traffic volumes at monitoring sites.
 - A 23 percentage point increase in traffic travelling 20mph or less.
 - A 61 percentage point increase in residents who felt the street was attractive.
 - A 24 percentage point increase in the number of residents who felt they had a say in decisions about their neighbourhood.
 - A 34 percentage point increase in the number of residents who felt the street is a place to socialise.
- ‘Local people have taken ownership of their neighbourhood’ – quotation from a resident.
- There has been a 185% increase in residents feeling that their streets are safer for their children to play.
- A 60% increase in residents feeling that the roads are safer in terms of personal safety and security.

Haringey - John McQueen (Haringey Council)

‘The approach we have taken is somewhat unique as we are collaborating not only with the constructors but with the end users those being the local residents. The result is a product which is fit for purpose as demonstrated by the exceptional high levels of satisfaction from residents’.

[Table of Outcomes](#)

[Table of Contacts](#)

4.12 Hertfordshire Highways



Hertfordshire County Council, Amey Lafarge and Mouchel

What was it like beforehand?

Two separate contracts with two separate providers for design and construction, commenced in 2002 for a maximum 10 year term. By 2007/8 the service had to a considerable extent recovered from initial troubles but the following were still true;

- Some areas of service were still disjointed and relationships were variable.
- The service had a poor reputation with both elected members and the public.
- There was a significant gap between original Client and Provider aspirations, and what was being delivered. This had been exacerbated by early turnover of senior people.
- There was a misalignment between Client/public aspirations, network needs, budget availability and both the design and delivery programme.
- There was continuous pressure for scheme preparation to get ahead of delivery, with consequent inefficiencies.
- Very little effort had been put into 'partnering' beyond high level statements and off-site workshops which hadn't been translated into daily working.
- In a number of areas, silo working, complex processes and entrenched attitudes created friction and inefficiencies at the point of interface.

What was the vision for the future?

The negotiated contract extensions called for the delivery of a rate of year on year cashable savings which the parties believed could only be achieved if their teams were forced to work together at project, programme and service levels. The new collaborative approach aimed to achieve;

- A target of £14.2m of cashable savings between April 2009 and October 2012 whilst maintaining service provision and quality (a figure based on a percentage of final turnover figures).
- A complete alignment of the design and construction programmes with budget availability and Member/public aspirations.
- Integrated and seamless service delivery.

- The removal of duplication of effort.
- Strong leadership to drive the right culture; finding efficiencies was to become the normal way of business – for everyone, not just managers.
- Full auditability of savings such that no efficiency could be included unless the budget holder certified that he or she was happy to deliver the specified service after the budget had been reduced.

What collaborative attributes helped to deliver the vision?

The 'Right' partner: By late 2007 the Council was at the point of considering a re-procurement or contract extension to commence in 2009. Negotiations with the two providers took place and an extension was agreed for both parties subject to the following as one of the conditions;

- The delivery of cumulative cashable efficiencies year on year amounting in the 1st year to 2% of the designer's turnover, 2% of the works contractor's turnover, and 3% of the remaining Client budget. In subsequent years, previous targets were included in the baseline, so that the effect was cumulative and in the final six months the target was approximately 9% saving from baseline.
- Each party was to be equally committed to the efficiencies even if this meant moving work from one party to the other. The incentivisation used was an equally shared pain/gain mechanism applied to the Client, designer and contractor.

Strong leadership: Consistency of personnel at a senior level was seen as a distinct advantage in driving forward a common set of objectives. Single messages were communicated jointly by the leadership team to each of the partners to ensure a common understanding by all staff and to demonstrate the combined strength and alignment of the 3 organisations. Throughout the three and a half year period the operational leadership team remained largely constant.

Common goals: The agreement of a common set of objectives was relatively straight forward for the partners. Each wanted the contract to be extended, if the conditions were acceptable, and they were committed to delivering the targets which they recognised as achievable through "deep" collaborative working throughout the service. The large, shared financial commitment aligned the organisations, including their offsite parents, to act as one as opposed to three separate entities.

Integrated governance: A Strategic Alliance Board (SAB) of offsite directors and Performance Review Board (PRB) of on-site leaders had been in place since the start of the original contract. Due to the efficiency programme, some of the responsibilities changed, and an Efficiencies Group added;

- Strategic Alliance Board –
 - Approve and certify all efficiency savings identified and reported to SAB.
 - Provide strategic / policy advice and guidance in connection with efficiency projects and for actively managing significant Projects, as proposed by PRB.
 - Responsible for the final sign off of the agreed total value of the efficiency holding account.
 - All partners were represented on this board.
- Performance Review Board -
 - Review on a monthly basis the efficiency report as issued by the Efficiency Group to agree and approve the projects identified and ratify action plans of the progression of efficiency ideas.
 - Provide advice, guidance and support to the Efficiency Group in connection with Efficiency Projects, and actively manage significant Projects assigned by SAB.
 - All partners were represented on this board.
- Efficiencies Group -
 - Drove the development of the processes and also staff awareness and compliance.
 - Managed the detail for PRB, which supported it with targeted management influence when necessary.
 - Managed the administration and reporting, including making projections and keeping accurate certified records.
 - Comprised one representative from each partner; these people were given authority outside their "home" organisation when on Efficiencies business.

- Commercial Group -
 - This group was found to be necessary during the first year of the programme.
 - Certified the methods of calculation of savings, and the numbers themselves, both within the service and to the accountancy and commercial departments of the home organisations.
 - Comprised the lead on-site commercial representative from each of the partners.

Joint improvement teams: Project teams were the driving force that actually delivered the £14.5m saving. They were called that to emphasise that they were business as usual – but the new usual. They consisted of the team which was responsible in any way for that part of the service, which usually included the group or individual responsible for the efficiency idea.

A total of 49 project teams were established throughout the three and a half year efficiency programme. As the number of active projects grew, they were organised into workstreams: overheads and general, schemes, routine service, network management and electrical. No targets were set by individual workstreams for fear of limiting ambition: instead, their self-set targets were re-presented to them as objectives to be attained or surpassed.

Collective understanding: A significant ‘efficiencies campaign’ was launched early in the process to facilitate the generation of ideas, along with a re-launch of the service to everybody – roadworker and clerk to senior manager – with the theme "A Service to Be Proud of". On the hard-edged side, a single process was adopted which ensured each approved efficiency idea was managed as any other project in the Hertfordshire Highways, with a Sponsor and Project Manager. Ideas flooded in from each of the partners from staff at all levels – all with a single focus; to deliver cashable efficiencies without having an adverse impact on service quality. The whole campaign was continually reinforced by focused communications which changed and developed over the years to ensure efficiencies remained on everyone’s radar and to make everyone aware that they were able to influence a process or product choice.

Awareness of impact: The partners were committed to identifying and delivering efficiencies regardless of where they lay between the organisations. No individual efficiency targets were set for each of the partners, and the pain/gain mechanism was to be applied based on the collective value of efficiencies achieved. The impact of moving work from one partner to another was viewed as beneficial by all, so long as it resulted in a cashable efficiency saving. Individuals involved in delivery were made responsible for processes, so that they could optimise the trade-off between simplicity and robustness; the impact that one organisation had on the other became apparent and any negative implications were mitigated.

Collaborative competencies and behaviours: Competencies and behaviours were supported by the following;

- Trust developed in relationship, facilitated through a structured relationship management model which gave all parties a common language and techniques for understanding and developing their relationships.
- Open and honest discussions around the renegotiation of the contract, and the choice of a target which was significant at the corporate level. Right up to the last week of the contracts, the participant organisations were incentivised to deliver a good service because that was the way to deliver the efficiencies target;
 - Shared incentives on savings over £14.2m.
 - Shared risk if the target savings were not achieved.
- The delivery of efficiencies was put into the annual staff appraisal process for each organisation.
- The culture was such that positively intentioned challenge was welcomed.
- Continual communications and visible accountability.
- New performance management arrangements deployed by all parties during the Contract Extension. These new performance indicators and management arrangements underpinned the ability to be able to effectively capture and measure generated efficiencies whilst demonstrating no drop in service levels.

What were the outcomes?

- Almost £14.5m of cashable efficiencies delivered between April 2009 and September 2012 – just above target. In the final six months the efficiencies “run rate” was a saving of approximately 9% on total Client budgets.
- The design and implementation through the formal efficiencies process of some 178 ideas were suggested by staff across the 3 organisations. These were prioritised based on agreed criteria, resulting in the development and implementation of 49 innovations.

- Benefits to routine service – cost savings and risk based approach meant less interventions on network.
- Despite the success, the integrated leadership wished they had directed even more resource into the efficiencies programme, as the amount of effort was directly related to the level of efficiencies achieved.
- Recognition that efficiency saving was good, even if it meant less work for one party.
- Overall service delivery benefited from increasing efficient, reliable working across the organisation. As just two examples;
- The reliability and reputation of small-scale maintenance improved markedly, and;
- Effective design, handover and delivery systems resulted in 80% of the Authority's 2012/13 main works programme being delivered by mid-September – despite roadspace embargoes for the Olympics.

Hertfordshire Highways–Vince Gilbert (Hertfordshire County Council)

'There was no magic formula. We set a common stretch goal which meant we all had to win together. If one of us had lost, we would all have lost big, so our individual best choice at every single point was to collaborate. The result was a set of behaviours that supported us, and our parent organisations, pulling together to deliver an effective common

[Table of Outcomes](#)

[Steps in the Process](#)

[Table of Contacts](#)

4.13 M25



Highways Agency and Connect Plus

What was it like beforehand?

The DBFO contract for widening a section of the M25 commenced in 2009 and in the early part of the contract the following conditions existed;

- The arrangement was based on a unique contract that took time to understand by both parties.
- The Client (Highways Agency) is multi-faceted with many internal departments sat behind the team that faces the Provider (Connect Plus).
- Impending Olympic works.
- Challenging programme delivery for the Capital Works Delivery Partner (Skanska Balfour Beatty Joint Venture).
- Legacy issues on asset improvements that required attention.
- Policy issues with regards to proactive interventions with regard to the structures asset.

What was the vision for the future?

The following two ideals drove the behaviour of the parties in their vision for collaboration;

- It was always the Clients intention to procure a step change in performance in relation to the M25 – it is the busiest part of the network and under continual strain.
- From the Delivery Partners perspective the attitude was taken from the outset that ‘we don’t care who’s money it is, if it doesn’t need spending then don’t spend it’.

Notwithstanding that it is a DBFO contract there is a gain-share mechanism in place on the capital schemes that allows a share of the cost benefits to be returned to the Client

What collaborative attributes helped to deliver the vision?

The ‘Right’ partner: A number of alternative procurement options were considered and it was decided that a single large DBFO contract would provide best value on this strategically vital section of the road network. The Provider was selected after an extensive procurement exercise.

The final DBFO Contract awarded for the 30 year maintenance of the M25 Asset included the nomination of the Delivery Partner for the Widening Scheme works to be executed prior to the Olympic Games.

Strong leadership: The requirement for leadership applies at multiple levels i.e. Client, Provider and the Delivery Partner constructing the works. The leadership from all parties were engaged at the highest level to provide their continuing support for this collaborative initiative.

Common goals: An important strategic requirement is to protect the reputation of all the Contracted parties including the following goals;

- To deliver the requirements outlined in the contract including journey time reliability, improved safety on the motorway, reduced congestion and improved driver information.
- On time delivery of all work including all milestones.
- To deliver the Olympic requirements.
- To drive innovation.
- To operate efficiently and share any financial benefits arising from the widening scheme construction works – see note on gainshare above.

Integrated governance: This is achieved by the following;

- The parties recognise that co-location is important but on its own is not enough – there needs to be integration of working processes.
- A director from the Provider acts as a coordinator between the Client and the Delivery Partner to ensure integration. The Client ensured that internal departments within the Highways Agency were co-located for the purposes of this scheme.
- The parties developed a comprehensive structure of meetings including the coming together of the various boards on a regular basis.

Joint improvement teams: Joint improvement is undertaken between the contracted parties and in some key elements, the Delivery Partner secured the involvement of key supply chain partners including the following;

- Programming and coordination of works – use of Lean collaborative planning techniques.
- Safety – looking at ways to reduce night time work.

- Operational efficiency – The Delivery Partner removing time and cost from the construction processes and programme resulting in savings on preliminaries etc.

Sharing of the benefits above is supported by the gainshare mentioned above.

Collective understanding: The use of collaborative planning techniques by the Delivery Partner involving the Client, Provider and the supply chain during the construction works helped all the parties to understand the approach required which is then communicated through weekly meetings and Reporting is coordinated to avoid duplication and misinterpretation.

Awareness of impact: This is such a high profile project that all parties are intensely aware of the criticality of avoiding adversely impacting each other's reputations i.e. 'We all win or we all lose'.

Consideration is given to the impact of Client activity not just on the Provider but also on the Delivery Partner as the gainshare is between the JV contractor and the ultimate Client.

Where changes are required by the Client e.g. new policy or standards, the Provider (due to the nature of the DBFO contract) needs to fully understand the impact of the change on the future maintenance and operating cost for which the he is liable. The analysis undertaken by the Provider on this contract becomes useful knowledge transfer for the Client on other non DBFO contracts.

Collaborative competencies and behaviours: The parties invested time in the early stages of the contract on relationship management including;

- Facilitated workshops on self-awareness and the required behaviours.
- 360 degree feedback on performance and relationships.
- Trust was developed early in the programme with the completion of a major section of the work to the required standard and ahead of schedule.
- During the mobilisation phase for the provider, there was a learning curve associated with the embedding of the collaborative culture, The Providers leadership devoted a significant amount of time to ensuring that the required approach and behaviours were fully understood and accepted by the whole team.
- Accountability is delegated to a personal level.

What were the outcomes?

- Olympic programme finished early.
- Gainshare arrangement has generated cashable savings for the Client.
- Introduction of a number of innovations e.g. converting incinerator ash to be used as fill material.
- 50% reduction in Client supervisory staff on a major section of the works due to a reduction in checking – due to build-up of trust. This attitude also transferred to other parts of the project.

There are various cost saving initiative including;

- Use of recycled materials.
- Value engineering on change of design.
- Product innovation.
- Operational efficiencies through 28 Lean projects.

M25 John McNicholas (Skanska Balfour Beatty JV), Martin Potts (HA) and John Worsfold (Connect Plus)

'On this busiest part of the nation's network which is under continual strain, and on this major DBFO contract with all of its segregation of accountabilities, the culture of our collaboration is that we do things together and we don't care who's money it is, if it doesn't need spending then don't spend it'.

[Table of Outcomes](#)

[Steps in the Process](#)

[Table of Contacts](#)



4.14 Norfolk Highways

Norfolk County Council, May Gurney and Mott MacDonalds

What was it like beforehand?

The previous arrangement had developed over the course of a number of years through the Compulsory Competitive Tendering and Best Value regimes. The governance was such that there was insufficient co-ordination between the design and construction process resulting in lost opportunities to generate efficiencies. Traditional contracting arrangements were in place between the Council's Direct Labour Organisation and the design function with two separate top-up contracts managed independently.

What was the vision for the future?

The vision was to improve the effectiveness of programme delivery including;

- Increased responsiveness to changes in demand.
- Greater focus on early interventions on the asset.
- Ability to provide a seamless end-to-end service, i.e. from planning through design to construction.
- Provision of extra capacity and capability in design and construction resource.

What collaborative attributes helped to deliver the vision?

The 'Right' partner: Two separate procurement exercises were run in 2004, which resulted in the appointments of May Gurney for construction and Mott MacDonald for design, both for a 10 year period with break clauses at year 5 and 8.

Strong leadership: There was a strong message from leadership of the Council that the providers should be 'part of the way we run the authority and not just people delivering a service'. This set the scene for how the service was to be provided and this approach was fully supported by the two Providers.

Common goals: The Council recognised that the key issues to address in the relationships were - culture, systems, leadership and process. The common objectives derived from this were;

- A major emphasis on delivery.
- A drive to deliver cost efficiencies through a consistent approach to service delivery.
- A greater level of integration, with a focus on end-to-end processes.

- A commitment to ensure that the Providers become fully integrated with the Council.

Integrated governance: Integration was achieved across the organisations and included;

- Part co-location.
- Integrated fleet and training teams with shared management.
- The arrangement operates as an unincorporated joint venture.
- Creation of a strategic partnership board, consisting of the Council (Member and Officer) and Providers.

The Council took the view in relation to integration that it was better to see 'the joints' between the organisations and their processes and ensure that those joints were effectively managed as opposed to unorganised integration where accountabilities become blurred.

Joint improvement teams: An efficiency group was established comprising joint teams looking at;

- Achieving efficiency through consistent processes.
- Value engineering through early contractor involvement.

Collective understanding: A collective understanding was primarily reinforced by a strong cultural ethos within the Council of 'we deliver'. This rubbed off on all stakeholders and is further supported by;

- Joint communications being issued to all parties.
- Clear personal accountabilities being established.
- Joint training.

Awareness of impact: The message was clear from the outset that the Providers were to act as ambassadors for the Council at meetings with Parish Councils and also in the interaction with the public, where there was a greater risk of damage to the Council's reputation.

Joint monthly meetings were established in order to improve resource utilisation and improve understanding concerning the deliverability of the programme.

Collaborative competencies and behaviours: These were evidenced by the following;

- An attitude of everyone not wanting to let one another down.
- Trust gradually increased and this correlated with the amount of supervision required by the Council.

- Regular meetings ensured that issues come to the surface quickly and they are dealt with as they arise and are not left to stagnate.
- The parties are all prepared to speak openly with each other.
- Staff surveys are undertaken to monitor the health of the relationships.

What were the outcomes?

- 99% delivery on programme – previously 90-95%.
- This is an exemplar contract for the Providers.
- There is high confidence from all parties that public's interest is protected.
- Client capability has increased.
- Benchmarking has demonstrated cost effectiveness.
- Strong robust relationships, where no one is afraid to raise issues.
- Fast Lane Training Centre – Joint Training (1/3rd turnover is generated by May Gurney who also have a place on the board of this independent trading unit.
- 5% (£2.3m) reduction from renegotiation agreed in April 2011 for last 3 years of contract.
- Secured reward monies, such as reward funding on LPT2 of 25%.

Norfolk - Paul Elliot (Norfolk CC)

'The partnership recognises the importance of key interfaces between all three organisations and how joint operating processes allow us to work collectively to solve problems and improve efficiency against an ethos of performance delivery and customer focus'.

[Table of Outcomes](#)

[Steps in the Process](#)

[Table of Contacts](#)

4.15 Northamptonshire Highways

Northamptonshire County Council and May Gurney WSP



What was it like beforehand?

The contract commenced in 2008 just prior to the onset of significant national budgetary pressures. As a consequence the Council was soon having to look at how it could maintain service quality at a lower cost. Some monies were invested in reducing the backlog of defects and some cost efficiencies were made such as;

- Reducing a £3m bus subsidies budget by £2m.
- Turning off street lights saving £2m.
- Dissolving the casualty Reduction Partnership saving £3m.

The real challenge that the Council faced was where the rest of the required savings were going to come from without adversely affecting service quality. The client recognised that a different way of working was essential in order to meet the expectations of the public.

What was the vision for the future?

The contract was initially focused on highways, but the Council was hoping to expand this way of working into other areas, such as transport and related services, in order to generate greater economies of scale.

The Client recognised that it was also necessary to work more collaboratively with the Provider in order to deliver the level of cashable efficiencies that were required.

What collaborative attributes helped to deliver the vision?

The 'Right' partner: As stated above May Gurney WSP (MGWSP) had been appointed to the contract in 2008 initially focused on the provision of the highway service with the possibility of this being extended into other service areas, subject to satisfactory performance and agreement of terms. The new integrated arrangement operated as a pilot for 1 year before a formal transfer of 350 staff from the Council to MGWSP was carried out in April 2013 to form a new integrated operating structure.

Strong leadership: The leadership from both parties had demonstrated a commitment to delivering the vision despite changes in key personnel. The philosophy was instilled into each organisation from the outset, so the approach gradually became embedded. The leadership has retained a hands-on approach and remains at the forefront in promoting this initiative including identifying wider opportunities – the culture is now in place for the next iteration.

Common goals: Common goals were agreed which were centred on the customer including;

- Ensuring delivery of schemes to the correct scope, on time and to budget.
- A move from reactive to preventative maintenance.
- Streamlining performance measurement to make it meaningful and manageable.
- To seek out opportunity for increased turnover (from both within the Council and externally) – this is equally important to the Council as they received a reduction in the unit rates as the turnover increases.
- To reduce maintenance and overall cost by leaner processes and innovation.

Integrated governance: The governance arrangements have been given careful consideration as only 40 people remain employed by the Council as part of Northamptonshire Highways. The governance arrangements in place include the following;

- The statutory functions remain with the Council and regulatory functions with the Provider.
- Joint process mapping has been undertaken to add value and remove waste from all key activities.
- Joint service and business plans are prepared each year which reflects the requirements of the Councils Corporate Plan.
- The partners jointly secure and deliver private development work.
- The partners jointly consider and address all risk.
- The Provider systems are open and accessible for Council to review/use.
- Through the arrangement access to skills within the wider MGWSP organisations is available.
- Duplication of effort was removed with the restructuring.

Joint improvement teams: Joint improvement teams were created and included work on the following;

- A depot rationalisation.
- Revision of standards with regard to maintenance repair times.
- Business process re-engineering on schemes and maintenance work
- Formation of a new Programme Delivery Unit.

Collective understanding: The parties have ensured that there is one common understanding by delivering consistent joint messages that are regularly reinforced. The open and honest communications resulted in 297 out of 300 staff supporting the structural changes and a formal transfer from the Council to the Provider. The parties also undertook workshops with elected members to ensure the vision for the arrangement was understood by all.

Furthermore, a number of 'ambassadors' have been identified across the different groups who help to embed messages and act as an immediate point of contact to deal with any issues at source.

Awareness of impact: The success of this arrangement is heavily reliant on the parties having a full appreciation of the potential impact that one can have on each other - from poor workmanship by the Provider resulting in a poor reputation for the Council through to inappropriate expectations from the Council which the Provider is unable to deliver.

As a result the following actions have been taken;

- The Provider has undertaken design and construction work at risk (no budget availability) in order to deliver key projects to ease network congestion and improve safety that would otherwise have to wait until the following year.
- The contract was set up on an actual cost basis as a payment mechanism and this has enabled the Provider to focus on what work was required to be done on the asset rather than what work generated the greatest margin. It has also facilitated and promoted an entirely open and true partnering relationship.

Collaborative competencies and behaviours: The competencies and behaviours that are evident are as follows;

- A move to actual cost has helped to create right behaviour e.g. the Provider has been able to invest in systems that it may not have done if it was on fixed cost. The payment mechanism creates flexibility.
- A culture of empowerment has been created across both parties e.g. parish gangs find and fix defects at their discretion which negates undue delays and unnecessary cost.
- A high level of trust has developed between the parties, which has been helped by longevity of relationship.
- 360 degree reviews are carried out in order to surface and address issues and develop self-awareness.

What were the outcomes?

- The cost of highway maintenance has reduced by 15% (£2m).
- Temporary repairs have been cut to 11% (60% in 2011).
- There has been a 23% reduction in potholes.
- A shift to outcome focused performance measures.
- Reduction in number of performance indicators from 76 to 48, (35) this includes 13 new ones to reflect the new areas of service transferred.
- There has been a significant shift to preventative maintenance, from 10% to 50% of budget spend
- Insurance claims from the public are down by 55%.
- 118 roads were repaired between March 2009 and March 2010 while 366 were repaired during the same period in 2011/12. The number of roads resurfaced in Northampton itself has increased from nine in 2009/10 to 89 in 2011/12. Predominantly through cheaper preventative measures as opposed to more expensive repairs.
- Parish Council satisfaction survey has improved by 23%.
- Trust has built up between the Council and Provider, resulting in the formation of an integrated unit, Northamptonshire Highways, generating new confidence levels.

Northamptonshire - David Farquhar Northamptonshire CC) and Louise McCann (MGWSP)

'Our philosophy about collaboration is instilled into all of our people and following our **very effective** first year pilot we have successfully delivered cost savings and performance improvements through our joint working gaining the trust of our customers which has allowed us to expand the service'.

[Table of Outcomes](#)

[Steps in the Process](#)

[Table of Contacts](#)

4.16 Sheffield Private Finance Initiative



Sheffield City Council and Amey Case Study

What was it like beforehand?

The service was operated by the Council's own Direct Labour Organisation with minimal private sector involvement and with the following characteristics;

- Insufficient funding to maintain status quo of network – funding was prioritised away from highways into other departments'.
- Poor condition of asset – 'worst roads in the country.' and 'pothole city'.
- Little emphasis on performance targets.
- Weak governance/strategy.
- Limited drive for change or improvement.
- Highways budget being spent on keeping the network serviceable.

What was the vision for the future?

The vision was to undertake a major transformational change in order to enable inward investment and growth by moving from the worst roads to the best roads in the country within 5 years, partly through securing Government backing to procure a PFI. (In addition to highways, this application to Government included the street scene activity).

In preparation for this the Council moved all appropriate personnel into one team known as Street Force. However, silo working still prevailed and staff motivation was difficult due to lack of available funding and uncertainty from the impending move over to the PFI provider.

What collaborative attributes helped to deliver the vision?

The 'Right' partner: An extensive procurement exercise was conducted which followed a traditional PFI route. The evaluation criteria used clearly identified Amey as the optimum partner. Although it was essentially designed as an outcome based contract there were very detailed requirements included by the Council in the bid process and these defined the outputs that were necessary. The Providers approach, articulated through a series of developed Method Statements, demonstrated an appropriate balance between achieving compliance in delivering the specified outputs and maintaining a focus on achieving the Councils desired outcomes.

Strong leadership: From the outset the senior leadership from both the Council and the Provider were completely aligned to the vision and common goals that exist for Sheffield and these are constantly reinforced within each other's organisation.

Common goals: The following primary high level goals were established;

- To always do what is best for the city.
- To relentlessly look for better ways of doing things.
- Learn from mistakes and use this knowledge to consistently drive up performance levels and standards by working in a collaborative environment

Integrated governance: The organisations work seamlessly together utilising the following;

- The partners have created a joint management team.
- Individual service improvement plans were completed jointly by the partners for high profile activities which required a significant step change from previous arrangements, such as Street Cleansing and Street Lighting.
- Communications are developed jointly to update employees, elected members and citizens.
- A significant move has been made towards the development of improved end-to-end processes including the engagement of the workforce in process re-engineering.
- A meeting structure has been developed that will ensure no duplication of effort and everyone is focussed on 'doing the right things'.
- Joint media training and shared involvement with the press.
- Openness always and generally joint presentations or trust in representing the other party.

Joint improvement teams: It was recognised by both organisations that the 25 year contract would need to flex with the changing priorities of the city. Process improvements are discussed and agreed between the parties. As the contract is outcome focused, this often leads to impact and involvement of other Council departments and external agencies such as Education, Keep Britain Tidy and special interest groups.

Collective understanding: The parties devote a considerable amount of time and resource to ensuring that all interested parties understand both the vision and the goals for this collaborative effort. Of significant importance is ensuring that effective communication is continuously maintained both on forthcoming works and the positive benefits that the contract is bringing.

A key aspect of the communication strategy has involved the development of an Education Centre and Tour Bus which are utilised to teach children about highways and the street scene environment, while also raising awareness around important areas such as Road Safety and not dropping litter, and again this work is done jointly.

The Provider has put considerable effort into understanding and delivering what is important to the Council such as getting long-term unemployed back into work, recruitment of local people, increasing local spend, graduates and apprentices and up-skilling existing employees in numeracy, literacy and IT skills. . The Provider has structured their recruitment strategy and their operations to accommodate these requirements.

Awareness of impact: This has been achieved in many ways including;

- Good communications with residents and businesses before and after network improvements have been put in place, highlighting the high levels of satisfaction regarding completed works.
- There is recognition by both parties that they can have a positive impact on issues across the City such as crime and fear of crime through the world leading LED street lighting solution which is being installed.
- Working innovatively with other bodies, such as Public Health, to enable a joined up strategy of positively impacting on vulnerable highway users and on the health and wellbeing of the citizens and contributing to agendas such as the aging population.
- The Council make themselves aware of any constraints imposed by the specified method statements and performance reporting requirements and ensures that these do not present barriers to effective delivery of the outcomes.

Collaborative competencies and behaviours: There is a strong focus on relationship management including;

- Attitudes where trust is given out first as opposed to waiting to be earned.
- Getting the message across through shared 'leadership by example'.
- Strong communication and engagement with the workforce.
- Awareness by staff of how they are contributing to the City's outcomes.
- Constant reinforcement of the message – 'we do what is best for the city'.
- An attitude of not arguing about issues but agreeing what needs to be done better and working together to achieve it.
- Telling it like it is by cutting through to the issues.

- Sharing successes and then seeking more.

What were the outcomes?

Within the first year of operation the following has been achieved;

- Creating opportunities for people;
 - Recruited over 250 new staff since the contract started.
 - 22 new starters from long term unemployed.
 - 28 apprentices have joined the Provider.
 - 12 new graduate positions filled.
 - 3 ex-military personnel have gained work experience on the contract and subsequently retained full time.
 - 1 ex-military person has now been given a position of Supervisor.
 - 10 student placements have joined during the summer.
- Local SME's have been engaged and encouraged to put themselves forward resulting in over 90% of all sub-contract activity being based locally.
- Successful transition of the service to the Provider with many areas identified for further improvement.
- Establishment of stretching benefits realisation package that will see the project impacting positively of the City Councils wider outcomes including health and wellbeing.

Sheffield PFI –Mike Notman (Amey), Steve Robinson (Sheffield City Council)

'The focus of our collaboration is easy - we jointly do what is best for the City and its future prosperity. We work hard together on our relationships and communications and on an inclusive approach to involving all stakeholders and interested parties in turning Sheffield's roads from the worst in the country to the best in a 5 year period'.

[Table of Outcomes](#)

[Steps in the Process](#)

[Table of Contacts](#)

4.17 Southampton Highways

Southampton City Council and Balfour Beatty Living Places

What was it like beforehand?

The Council was previously directly responsible for delivery of the highways service, carrying out its own design and construction activities and supplementing the in-house resource through contractors via a call-off arrangement. The service was attracting criticism from elected members and the public and the budgets were set to become even tighter, making it more difficult to manage the service. At this time the following conditions were apparent;

- The service was seen as failing and they were struggling to make themselves efficient.
- Poor reputation and customer focus.
- 3000 defect backlog.
- 900 reported defects per month.
- £500 to £800k in claims per year.

The Council didn't possess all the necessary skills to create the changes required to become an effective customer focused service. Therefore, with the impending budget cuts they believed they needed greater support from the private sector due to the flexibility this would give.

What was the vision for the future?

The vision was to engage a private sector partner who could deliver a cost effective and integrated service that would improve the levels of satisfaction with the public and elected members.

They envisaged a long term arrangement that would challenge more traditional structures, be performance based and outcome/customer focused and would only require a small team acting as the 'intelligent' client with less 'man marking' to manage the service.

The Council wanted to avoid specifying inputs (this was the Providers responsibility) and focus on outputs and outcomes.

What collaborative attributes helped to deliver the vision?

The 'Right' partner: The procurement process allowed the Council and potential providers to assess the compatibility of cultures and behaviours together with the capability to provide the service. The Council was able to develop the specification

jointly with potential providers during the procurement and in doing so was able to place risks with the party best able to manage it. Following a robust procurement exercise Balfour Beatty was appointed to a 10 year contract with a possible 5 year extension (performance based) for a fully integrated highway service. The contract commenced in 2010.

Strong leadership: The first priority for the Provider was to ensure delivery of service and earn the trust of the Council. The leadership from both parties were totally committed concerning this objective as they realised that ‘if one fails, we both fail. The leaders from both organisations supported each other during mobilisation in order to minimise distractions and remove barriers so that the Provider could focus entirely on delivery. A high level of leadership involvement was fundamental at the start of the contract, as limited resources had been retained by the Council. It was necessary to address process issues within the Council to enable the Provider to operate effectively.

Common goals: A number of common goals were agreed at the pre-contract stage during the procurement exercise. These were to;

- An understanding of the condition and value of highway assets.
- To reduce the maintenance backlog.
- A reduction in the number of 3rd party claims.
- To apply a whole life cost approach to maintaining the asset.
- Transition towards long term planning.
- To improve the reputation of the service with the public and elected members whilst at same time reducing cost
- To robustly apply a performance based contract
- Open book approach.
- Have a clear and appropriate allocation of risk e.g. Provider is responsible for third party claims and there are financial penalties attached to certain performance measures (otherwise there are no consequences if performance is flawed)
- Shared margin on extra work e.g. private developer work.

Integrated governance: During the mobilisation phase, the Provider co-located with Client teams to begin the process of integrating Council employees into the Provider's culture. This gave the Provider an early sight of where they would need to invest additional efforts in order that the service could be run smoothly from day one of the contract. The early co-location was not conducive to teamwork due to layout, split offices etc. but this was successfully rectified in a subsequent move.

The governance structure is based around a strategic board consisting of both parties. As the Client function is small in number, they adopted the stance of agreeing the parameters with the Provider and then simply letting them get on with delivery and only maintain those controls that are necessary. The Client is entirely satisfied that they are able to control, manage and influence those aspects of service that requires their intervention without the traditional duplication of effort, checking, man marking etc.

Joint improvement teams: Joint improvement teams have been created to deal with specific activities aimed at making the service more effective. Agreements have been reached on a range of topics where changes have been implemented such as performance standards and levels of authority.

The Provider's supply chain provides value engineering support through early contractor involvement.

Collective understanding: The collective understanding was substantially developed during the procurement stage, which provided the necessary confidence for the Council to transition to an 'intelligent' client. Since this point, the parties have worked together to refine the contract to make sure it delivers the best outcome. There are regular joint communications from both organisations, so that a united front is shown in reporting all matters concerning the service.

In the early days of the contract the Client leadership ensured that the elected members and other Council departments were entirely aware of what the Council had 'bought' from the Provider through various communications to ensure their expectations were based on the contractual obligation.

The Provider retains any efficiency savings generated on the core maintenance function, which has enabled the Provider to invest resource in securing new work particularly with Developers in the City.

There is a 'Promises Schedule' that allows all parties to understand what the Provider is going to deliver.

Awareness of impact: During the first 6 months of the contract the defect backlog was cleared, resulting in a significant reduction in customer complaints and an improved reputation of the service with elected members and the public. Coupled with the earlier communications to elected members, this has reduced the resource that the Client needs to invest in dealing with reported issues on the network. Getting this right from the outset was fundamental, as it allowed both parties to focus entirely on front line delivery.

A lot of effort has been put in to understanding the impact of the Councils processes on the Providers delivery – this also affects the performance measures – the Provider can only deliver what is in his control and the Council has to ensure that it

does its part – this is especially important where there are limited resources in the Council team.

Collaborative competencies and behaviours: A collaborative approach was a strong theme during the procurement phase where the parties were able to develop a common understanding and assess the cultures that were prevalent in both organisations. The competencies and behaviours have developed in the first 3 years of the contract and include;

- Trust between the parties.
- An attitude of 'doing the right thing' and 'right first time'.
- A shared reputation.
- A strong customer focus.

These attributes and more are assessed through an annual staff engagement survey. Behaviours are influenced by the contracting arrangement – a lot of effort was put in to the contract in order to be fully explicit about what was required, and that there was no ambiguity and inconsistency. This removed any potential for dispute or misinterpretation – it was clear from the outset what was expected (even with financial penalties for any poor performance) and that has been fully accepted and embraced by all parties – the effort then is put in to working together collaboratively to deliver the requirements and continual improvement.

What were the outcomes?

- Over 5550 hours of staff training since beginning of the contract (to September 12) - Shortlisted for South Coast Business Awards for Commitment to Education & Training.
- 7 Graduate placements and 6 apprentices employed so far.
- Workforce increased by 8% since the contract start (despite redundancies elsewhere in the council).
- CCTV service involved in approximately 8300 incidents each year, leading to almost 1150 arrests.
- Pothole enquiries have reduced by 47% (comparing the two years pre-contract with the two years post award).
- Corporate complaints have reduced by approximately 80% in the same period.
- With the exception of the first month of contract delivery, the Provider has consistently met and exceeded all performance targets.

- In 2012 no money was paid out in compensation claims for potholes, compared to over £137k in 2010/11.
- Defects cleared in first 6 months – first time fix.
- 5-600 defects being reported per month compared with 900 previously.
- Full asset data collected –quantity and condition.
- All scheme work is approximately 20% cheaper than previously.
- Better understanding of cost within the Council team.

***Southampton - Paul Paskins (Southampton City Council),
David Bailey (Balfour Beatty)***

‘Our approach proves that a client can operate with a slender organisational structure together with a provider who takes on clearly defined risks and accountabilities with commercial consequences associated with any non-delivery of client requirements, and yet both parties by ‘knowing the rules’ can work together collaboratively to improve the way work gets done and share in the benefit from those improvements’.

[Table of Outcomes](#)

[Steps in the Process](#)

[Table of Contacts](#)

4.18 Staffordshire Highways



Staffordshire County Council and Enterprise



What was it like beforehand?

The need for a new procurement strategy was identified in 2002 following extensive market research into service delivery models across England. The strategy focused on delivering a core highway maintenance function and highway schemes with just two providers in order to address the following;

- A backlog of defects.
- The complexities and time consuming annual tenders.
- Consistency of approach to service delivery.
- To draw a correlation between the prices paid and service delivered.
- To build on the Council's previous experience of partnering.

These contracts commenced in 2004 and ran to a break point in 2009 during which time the Council was satisfied that it had transformed from traditional service to a dynamic partnership, creating a platform for further efficiency savings. In the lead up to the break point in 2009, the Council identified a number of issues that it wanted to address such as;

- Ability to deal with declining budgets.
- Lack of integration across the service – limited end-to-end processes.
- Duplication of effort to remove unnecessary cost – between Council and Provider.

What was the vision for the future?

The vision that followed a strategic review in 2007 was developed to address declining budgets, integration and duplication of effort and centered on the creation of a 'virtual joint venture' (VJV) where Council and Provider staff would operate as a single team with a shared set of objectives. In doing so the Council hoped to develop a collaborative approach which would achieve the following;

- A more customer focused service in order to improve public perception.
- A more efficient and effective service delivery generating cashable savings and value for money.
- Development of a culture which would embrace change in working practices.
- Development of highway budgets.

- Identify how the relationship could be further integrated and enhanced to improve the highway service.

What collaborative attributes helped to deliver the vision?

The 'Right' partner: Enterprise had been working with the Council since 2004, delivering both highways maintenance and scheme work and a strong relationship was developed. A new procurement exercise was unnecessary as the original contract that commenced in 2004 was extendable by a further 5 years and so the Council chose to negotiate this extension with Enterprise on the basis that they could jointly offer a better service. Prior to this there had been two providers.

Strong leadership: Leadership in both the Client and Provider has remained relatively constant since 2004 resulting in a shared commitment to delivering the objectives of the VJV. In meeting these objectives, the leaders have had to deal with some staff concerns, particularly on the Council side, where the consequence of change could be significant. This was dealt with by a series of staff briefings to explain openly and honestly the reason for the changes, the benefits sought and the possible consequences for staff. These briefings were given jointly to reinforce the 'single service' message.

The leadership also had to ensure the continued delivery of an effective service during this transformational change to a VJV such that there was no loss of confidence in the service by local elected representatives or members of the public.

The Council recognised that having the support from the Provider's local leadership was important but essentially 'corporate' leadership from the Provider was also required.

Common goals: A number of common goals were agreed between the parties and included the following;

- Reduced overheads.
- Improved operational efficiency through the development of end-to-end processes.
- Cashable/non cashable efficiencies.
- A stronger customer focus.
- Integration of systems.
- An outcome focused service.
- Co-location.
- Rationalisation of depots.
- An asset management based approach.

Integrated governance: The shift to a single provider in 2009 gave the Council and the Provider an ideal opportunity to restructure and integrate and this led to the creation of a VJV. This structure was less complex than it would have been had two providers remained in place. A full integrated structure was implemented from the 'board room to the workforce' through the creation of;

- A VJV board.
- Co-located integrated delivery teams.
- Line management responsibility being based on task as opposed to organisation.

Joint improvement teams: Staff from both the Council and the Provider was involved in a comprehensive exercise to;

- Modify existing processes.
- Identify efficiencies through the removal of duplication in roles.
- Generate cashable savings through the single integrated organisation.
- Enhance service and project delivery through improved working practices.
- Introduce new technology.
- Undertake joint resource planning – 'smooth' work throughout the year.

Collective understanding: This was achieved by;

- Extensive communications e.g. joint newsletter, joint staff briefings, etc.
- A single ICT system – web based discussion forums etc.
- A single set of processes.
- From the outset the Chief Executive of the Council ensured the leadership team was made up of like-minded individuals who collectively bought into the vision and knew how to go about achieving it. This was done on the basis that it would spread the collective understanding across the Council and Provider teams.

Awareness of impact: The payment mechanism is based on actual cost. The intention being, to ensure that there are no perverse commercial motivators from the Provider which may adversely impact on the delivery of the service. There is a strong culture of wanting to improve the way work gets done and it was decided that this payment mechanism would incentivise the Provider to do the right things, which would ensure value for money. Cost comparisons are carried out on key areas of work both within other parts of the Council and through external benchmarking.

The reputation for successful delivery rests equally with both parties.

Collaborative competencies and behaviours: The move to an actual based cost contract has greatly assisted in building up trust between the parties and ensuring complete transparency of cost whilst maintaining an appropriate commercial tension to deliver value for money to the Council. The behaviour of both the Council and Provider is driven by a culture which drives down cost.

Both parties recognised that it is essential to have the right people with the right behaviours in order to successfully collaborate and they are relentless in maintaining this approach.

What were the outcomes?

Since the creation of the VJV the following has been achieved;

- Delivery of the LTP was considered to be 'excellent' increasing the financial allocation by an extra £1.5m p.a.
- The number of Council staff employed in the service has reduced by 12% releasing over £1.3m back to front line operations.
- Provider overhead reduction of £800k. Operating overheads have reduced by 3% in real terms year-on-year since the VJV was created, again releasing much-needed funds back to the front line.
- Recycling savings in project specific reuse of materials £750k.
- Savings in winter maintenance provision of £440k.
- Savings in rural grass cutting provision of £88k.
- Gully emptying saving of £78k through gully waste recycling.
- Recycling of over 50,000 tonnes p.a. of highway arisings back into Staffordshire highway schemes, producing a saving of £604k.
- The highway service won an Award again in April 2010 for the development of a combined household waste and gully emptying recycling facility.
- The Councils customer care policy during the construction of projects has improved with scores under the Considerate Constructors Scheme improving from an average score of 32 in 2006-07 to 35.5 in 2009-10.

- £30m additional capital investment all spent on actual delivery with no on-cost in overhead.
- 25% reduction in revenue funding. A number of bad winters and the service was still successfully delivered.
- Improved road condition 2009-2013.

***Staffordshire - Ian Turner (Staffordshire CC) and
Mike McCafferky (Enterprise)***

'We have worked hard to create a partnership with strong leadership that through formal integration of systems and processes together with alignment on vision we have rationalised service delivery resulting in a low overhead burden, cost reduction and improved operational performance to do this we needed the right people to drive, and the right contract mechanisms to facilitate, a truly collaborative arrangement'.

[Table of Outcomes](#)

[Steps in the Process](#)

[Table of Contacts](#)

4.19 Transport for London Olympic Route Network

Transport for London, TfL Roads, TfL Traffic, Parsons Brinckerhoff, Ringway Jacobs, Enterprise Mouchel, Amey, FM Conway and JB Riney. Euromark, WJ Roadmarking, Eurosigns, Eurovia TM, Gavigan Paving Ltd, Middlesex Haulage Ltd, , Orbitals, RWR, Rediweld and J Costa Ltd.

What was it like beforehand?

As part of the preparation for the London Olympics, the Client was commissioned to design, build and operate over 100 miles of the Olympic Route Network (ORN). Although the use of the existing Client's Highway Maintenance Works Contractors (HMWC) offered a potential solution it was acknowledged that;

- Although there was a solid history of collaborative working with the HMWC Providers it was not of the scale that was required for the Olympics.
- There was a requirement to involve tier 2 suppliers via a direct relationship with the Client.
- For obvious reasons, success of delivery was imperative, and failure not to be contemplated.

What was the vision for the future?

The delivery of a highly complex, large high profile intrusive project with minimal disruption to the travelling public during both construction and operation by;

- Actively and collaboratively managing risk, central co-ordination and seamlessly controlling all works across London in order to provide flexibility, depth of support and resilience.
- Creating an integrated partnership team with designers, contractors, client and commercial teams all in one location.
- Collaborating with several London Boroughs.

What collaborative attributes helped to deliver the vision?

The 'Right' partner: The HMWCs were already in place, with a prior history of collaboration success. Adjacent Boroughs also had their own service providers. Separate consideration was given to engaging with tier 2 suppliers. An example of this was for white lining works, which was the subject of a joint procurement exercise. WJ Road markings were chosen via this rigorous process, notwithstanding that the main Providers each had their own supply chain partners in place for this work.

Strong leadership: Leadership was provided by the top level management of all parties throughout the whole duration of the project. Hands on leadership from the Client was prominent in setting the right example.

Common goals: Under the intense scrutiny of the world press, the project set out to achieve the following;

- Certainty of delivery and reliable quality.
- Minimise disruption.
- Flexibility to make changes whilst maintaining a focus on value for money.
- That no athlete or official would be late for their event due to traffic congestion.

Integrated governance: Strong governance arrangements were put in place from the outset and included;

- Client and Provider Teams were co-located.
- All team members worked in matrix management and across projects in order to provide challenge and resilience.
- Regular joint project team meetings were held with all parties.
- Payment was made on a cost reimbursable basis against a tightly controlled budget (including daily reconciliation of cost) which removed unnecessary distraction from a focus on delivery.

In this arrangement work took precedence over management - priority was given to efficient and effective delivery as opposed to management bureaucracy. This resulted in the right person for the right job where WJ Roadmarking took on numerous project lead activities for the white lining, which represented one of the most critical elements of the ORN.

Joint improvement teams: Following on from the comment above about the cost reimbursable payment mechanism, particular emphasis was given to ensuring that the components of cost such as work outputs, processes and product cost were efficient and economic. Wherever the cost of work appeared excessive a joint improvement team was established comprising all interested parties including the product manufacturers. This was done to drive out non value added work from the process in order to reduce cost. The client took on an extremely hands on approach to this analysis.

Collective understanding: A category management style approach was taken to key elements of the work. An example of this was white lining, where a top to bottom analysis of the work and cost structure was undertaken managed by the appropriate category expert - in this instance the white lining contractor. This, coupled with an open-book transparent approach ensured that everyone was aware of the real issues that were affecting productivity and cost.

Common procedures were developed in order to achieve collective understanding. A good example was with WJ Roadmarking, where despite the main Providers having their own different induction procedures, they negotiated one single safety induction procedure across all the organisations.

Awareness of impact: This awareness was managed by a relentless focus on delivering the agreed objectives. It was acknowledged that due to the speed of operations, formal decision making processes may not be sufficient to deal with every situation. All parties adopted an approach with decisions taken against the context of the impact they would have on delivering the agreed objectives.

The commercial team was integrated with the operational team so that the impact of operations on cost could be monitored daily.

Collaborative competencies and behaviours: There was recognition at the highest level in the Client organisation (TfL) that this could not be done working in the normal manner. They believed a new collaborative approach was essential and based upon the following;

- New supply chain partners were joining an existing collaborative team and had to fit in and behave accordingly – if such behaviour wasn't displayed, the Clients leadership addressed the situation immediately.
- There was constant communication from the leadership to the workforce in order to ensure that the message about the required behaviours was understood.
- A rapid build-up of trust was required - each party had to respect the contribution made by others.

- Performance measures on relationship, contractual performance and safety were used as an improvement tool and not a 'stick'.

What were the outcomes?

The project was completed on time, under budget and achieved all of its objectives outlined above including the provision of;

- Approx. 130km linear metres of road marking tape and 90km linear metres of paint were installed over a ten day period
- 1200 Olympic ring symbols were stencilled to the road
- Around 5000 layered 'peel off' signs were installed, with 1880 of these being peeled off in a five hour overnight window prior to the 'go live'
- Placement and removal of measures for all Road Events
- 3600 pedestrian barriers
- 4000 carriageway delineators and over 5000 water filled barriers
- Doubling of emergency response resources during the Games
- 177 centrally controlled VMS were procured and installed

One of the most important outcomes from this project has been the reinforcement of the need to have the right people in place who understand and display the required behaviours.

It has left a legacy of unprecedented collaboration across London's highways.

Transport for London - Dana Skelley (TfL)

'We have left a legacy of unprecedented collaboration across London's highways' from a combined effort to successfully deliver one of the most high profile highway projects in recent times. We effectively operated as a single team with unwavering leadership support demonstrated by example, creating an environment that everyone wanted to belong to even though the effort and commitment required was extraordinary. We maintained a relentless focus on ensuring the right people at whatever level and from whichever organisation were empowered to drive operational delivery'.

[Table of Outcomes](#)

[Steps in the Process](#)

[Table of Contacts](#)

4.20 Urban Traffic Management and Control

Bristol City Council, Highways Agency and Mott MacDonald Case Study



What was it like beforehand?

This work relates to the interface between Bristol City Council and the Highways Agency (Area 2) in relation to effective management of traffic across local and strategic roads within the region. It was one of 3 'proof of concept' projects (development of an outline business case) under the overall umbrella of Integrated Network Management. This case study therefore identifies the benefits that are likely to be achieved should the business case be implemented. In the existing arrangement;

- All party's operated in silos, each looking after their own 'patch'.
- There was no awareness of the likely or actual impact of decisions made by the Highways Agency on Bristol and vice versa in terms of managing congestion levels on the overall combined network.
- The proliferation of existing systems has meant it has been difficult to achieve a best value solution from a technology perspective.

What was the vision for the future?

The vision was to create a common database (using Urban Traffic Management and Control - UTMC) with the same data visible to all parties in order to enable better decision making. This resulted in;

- Reduced effort to manage the network
- Organisational development to align more closely with provision of services required on the network.
- Improved quality of network management, facilitating more efficient end-to-end journeys.
- Reduced costs of future capability and capability enhancements.
- Reduced technology maintenance costs with fewer 'stand-alone' systems.
- Improved visibility of supply chain performance.

What collaborative attributes helped to deliver the vision?

The 'Right' partner: Facilitated by Mott MacDonald, who had some wider experience of Integrated Network Management (INM) models, Bristol City Council

and the Highways Agency sought to investigate the benefits of INM. As such, all parties were well placed to take part in this 'proof of concept'.

Strong leadership: Leadership from all parties was engaged in delivering the 'proof of concept'. However, a separate level of leadership would be required to take the concept forward to full implementation should the project progress.

Common goals: The goals for the project were centered on the INM system, which would provide a wide range of future efficiency savings to the Highways Agency and Local Authorities through;

- Increased system lifespan.
- Increased supplier competition.
- Reduced risk resulting from unspecified defects, supplier failure and operational inappropriateness.
- Simpler system integration.
- Reuse of core solutions (HA owns the Intellectual Property Rights).
- Easier integration of private sector data.
- More valuable end-to-end journey information.
- Procurement of the off-the-shelf technology products.
- Dynamic real-time decision making regarding control of traffic flow on the network following unforeseen events.

Integrated governance: A Common Database to provide stakeholders with a real time integrated view of road conditions, facilitating information sharing and promoting informed and shared management of the network.

The application of the system has led to a direct sharing of information between neighbouring traffic authorities covering adjacent sections of the national strategic and local networks. This sharing of information enabled the operators to be aware of incidents on the neighbouring network significantly faster and more pro-actively than by the current indirect mechanisms, which in many cases are simply by observing the effect as it affects the network in a reactive manner. The sharing of information directly led to the reduction in the Traffic Manager's response time to incidents and other events which affected one or both networks.

Joint improvement teams: The formation of the project team itself represented a joint improvement team.

Collective understanding: The sharing of information enabled Operators to be more informed and able to disseminate accurate information to the travelling public, making them aware of potential issues and enabling them to change their route or

time or mode of travel. This should lead to improved public satisfaction and reduced operator costs, by avoiding the production of redundant or repetitive information.

Awareness of impact: The entire focus of this 'proof of concept' was based upon an appreciation of the impact that one party's decision making would have on the other. In particular, the case of incidents on the strategic network that required diversions onto the local network, there is need for a significant amount of coordination and communication. The solution being proposed was to automate this coordination and communication via the use of a system i.e. INM.

Each party developed a greater understanding of the effects of their actions on the neighbouring network and the need to coordinate actions for the common good. A particular example was in the coordination of traffic flow on strategic diversion routes, where prior to the sharing of information the two highway authorities working to their own objectives occasionally set control priorities which opposed the others..

Collaborative competencies and behaviours: The collaborative behaviours exhibited by the parties were supported by;

- Stakeholder engagement was managed by a dedicated resource
- Efforts were made to ensure only necessary work was undertaken – workshops were held to agree 'must have's' and 'should have's' aimed at ensuring that the highest level of requirements was obtained at the lowest level of cost.
- Effective communication and feedback between the parties was seen as a major issue and this would need to be fully resolved before progressing the project.

What were the outcomes?

The benefits which follow are those that may be realised if the project moves beyond this concept stage to implementation;

Benefits to UK Plc;

- More effective management of congestion.
- More effective management of incidents.
- More valuable journey information.

Benefits to Highways Agency and Bristol City Council;

- Reduced effort to manage the network.
- Organisational development to align more closely with provision of services required on the network.
- Improved quality of network management.
- Reduced costs of future capability and capability enhancements.
- Reduced technology maintenance costs with a lower diversity of systems.

As part of this 'proof of concept' the parties recognise that before you have a system to integrate work, the processes of the stakeholders have got to be integrated first, and without this there are limitations to taking this initiative forward to full implementation.

It should be noted that this case study relates predominantly to client/client collaboration which is the subject of an earlier HMEP publication 'Collaborative Alliances' and its applicability is somewhat less to this Toolkit. Notwithstanding this, it remains a good example of collaboration.

UTMC - Bob Meekums (Mott MacDonald) and Andrew Wilson (HA)

'Our joint effort succeeded in proving the concept that a wider collaborative effort could deliver improved network management by more effectively controlling the impact of the decisions made by one authority on an adjoining authority's network. It is only by working together using the same data and real time information that this could be achieved and the benefits to the road user could be significant'

[Table of Outcomes](#)

[Table of Contacts](#)

5.0 ACKNOWLEDGEMENTS

The Client Provider collaboration Project has been carried out under the HMEP. The help and support of the Steering Group, Consultees and Project Team is acknowledged.

In addition elements of this Toolkit were presented at a recent conference organised by Local Transport Today held in Manchester on 18 June 2013. The delegates voted on the relative importance of Client/Provider collaboration. The audience was made up of approximately two thirds Clients and one third Providers who provided input by scoring a series of questions. The following questions were based on scores out of 10 where 1 is the equivalent of very low and 10 the equivalent of very high;

1. Has collaboration between Clients and Providers got a place in our industry?
Average score = 8
2. To what extent do you think collaboration between Clients and Providers is being used successfully in our industry?
Average score = 5
3. Do you think we already possess the right skills and competencies to get the most out of a collaborative arrangement?
Average score = 5
4. How important is it to choose the RIGHT collaborative partner?
Average score = 9
5. How important is it for collaborative partners to display strong leadership?
Average score = 9
6. How important is it for the collaborative partners to have common or mutually compatible goals to work to?
Average score = 9
7. How important is it to for collaborative partners to have a fully integrated structure i.e. systems, processes and management?
Average score = 7
8. How important is it for staff at all levels in the collaborative partners to have a common understanding of what the organisations are trying to achieve?
Average score = 9
9. How important is it for the collaborative partners to maintain an awareness of the impact of their decisions and actions on each other?
Average score = 9
10. How important is it for the collaborative partners to develop and maintain collaborative competencies and behaviours?
Average score = 9
11. Do you think the organisation you represent would benefit from greater collaboration?
Average score = 8

One final question was asked and the views expressed in percentage terms as shown below;

12. Which of the following offers Client organisations the greatest scope for realising efficiencies?

- Sharing highway services with other parts of same organisation – 10%
- Collaborating with 2 or more Clients – 14%
- Setting up a formal alliance with more than 2 organisations – 12%
- Collaborating more closely with Service Providers – 64%

The conclusion from this snapshot shows that Client/Provider collaboration has a significant place in our industry and will be welcomed by those involved in highways maintenance. There is recognition that more effort needs to be put into developing collaborative skills and competencies in order to maximise the potential benefits.

Our thanks go to those who attended the conference and took part in the survey that has provided this insight.

6.0 SUPPLEMENTARY INFORMATION

A number of documents support this project and these are located on the HMEP website at the following address;

www.dft.gov.uk/topics/localauthorities/hmep/

Examples of such documents include the following:

- Collaborative Alliance Toolkit
- Shared Services Toolkit for Highway Maintenance Services
- Standard Specification and Standard Details
- Standard Form of Highway Maintenance Contract
- Term Maintenance Contract Documentation Hosting Platform and Compiler
- Creating the Culture to Deliver Toolkit
- Procurement Route Options

Further Toolkits are likely to be added during 2013 including;

- LEAN Toolkit for Highway Maintenance Services
- Supply Chain Review
- Building Intelligent Client Capability

7.0 CONTRIBUTORS AND CONSULTTEES

HMEP is grateful to the following organisations for the valuable contribution they made in developing this Toolkit;



8.0 Glossary

ADEPT	Association of Directors of Environment, Economy, Planning & Transport
BaNES	Bath and North East Somerset
CC	County Council
CCTV	Closed Circuit Television
EM	EnterpriseMouchel
HA	Highways Agency
HMEP	Highways Maintenance Efficiency Programme
HTMA	Highways Term Maintenance Association
ICT	Information and Communication Technology
IHE	Institute of Highway Engineers
IT	Information Technology
KPIs	Key Performance Indicators
LED	Light Emitting Diode
LPT	Local Transport Plan
NHT	National Highways and Transport Network
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995
SME	Small and Medium Enterprise
TMC	Term Maintenance Contract
TfL	Transport for London
TUPE	Transfer of Undertakings (Protection of Employment)
UTMC	Urban Traffic Management and Control
VMS	Variable Message Sign