

## Introduction



The year started optimistically with good progress being made on our plans to merge the MHA with MSIG and the WMHA, the Professional Services framework being awarded and more authorities joining. Attendance at task groups was increasing and more savings and efficiencies were being made. Little did we know what was lying in wait!

The completion of the Professional Services Partnership procurement process meant that we were going to have some new partners to work with. As you will recall we moved away from our original arrangement having a sole provider to having two lots with two providers per lot. This brought the benefit of some healthy competition whilst trying to maintain a collaborative approach.

Following on from the Medium Schemes Framework, a sub-regional call off was introduced, with the aim of developing good working relationships between the suppliers and the clients, and ultimately with the contractors on MSF4.

During the year the West Midlands Combined Authority joined the MHA, bringing a significant workload for both the frameworks. The forthcoming Commonwealth Games meant that they had a lot to do in very tight timescales and we welcomed the opportunity to be involved. The number of member authorities reached 24 when Bedford Borough Council joined the alliance.

The Medium Schemes Framework continued to flourish, with the emphasis on collaboration. Collaborative Partnerships developed between several major clients and their sub-regional framework contractors. There was a lot of discussion about the use of a clause to encourage Early Contractor Involvement.

Work on the merger with the Midlands Service Improvement Group and the West Midlands Highway Alliance has gone on at pace and was looking good for being in place for the end of the financial year. It was one of the first activities that was affected by Covid 19, as the Executive Board meeting to ratify it was cancelled. We are now looking at how to get the ratification by other means and hope to have it in place by the end of July.

The whole world has changed, and it will take a while before we understand what getting back to normal will mean. In the meantime, the MHA will carry on, by having virtual meetings to reduce travel and face to face contacts.

I hope you are all keeping safe

Mike Ashworth
Chair of the Executive Board



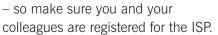
## **Sharing information**

#### Information sharing platform (ISP)

The Information Sharing Platform (ISP) can be accessed direct from the MHA website as well as via hyperlinks on specific documents - providing a seamless transition from the previous SharePoint platform.

The ISP offers a more secure platform for specific documents as well as providing access to a range of helpful resources, reference documents and notes of meetings. The ISP has been created with enhanced functionality – such as ranges of accessibility option so that specific role can access 'areas' - this enables nominated

viewers to access and download secure documents. Other functionality includes ISP viewers to download / upload documents; make comments and 'like. To date 24 members authorities have a registered ISP viewer with 104 member registrations.





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#### **Learning Management System (LMS)**

The LMS continued to play a key role in delivering the MHA Plus vision of integrated learning, training and skills development opportunities for members and their supply chain. With over 700 registered learners now accessing e-learning, face to face and offline learning via our secure, cloud-based system supported by Virtual College the LMS continues to go from strength to strength. The wide functionality of the LMS enables us to extend our content 'offer' and now includes presentations from our supply chain.

The LMS supports the MHA's scrutiny role in the development of learning and training opportunities by providing comprehensive data on how participants' knowledge, skills and confidence (KSC) improve during their learning journey (see page 17 for further details).

#### MHA website

During 2019/20 there were over 9,500 sessions on the website (a session is when a user is actively engaged with the website) this represents an 8.5% increase on last year. First time users accounted for over 80% of these sessions.

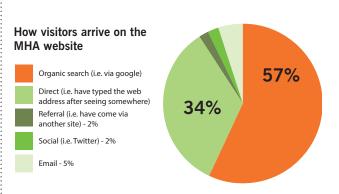
Breakdown of sessions on MHA website 2019/20

Returning visitor

New visitor

62.83%
5,998

Organic searches (i.e. via google) for the MHA website remain the most popular way for visitors to find the site, as the detailed breakdown shows.





## Finance 2019-20

Each year the MHA Executive Board consider the annual business plan, which sets out the key outcomes required from each work stream. The plan details what funding is available to support that work and where it will come from:

#### INCOME 2019/20

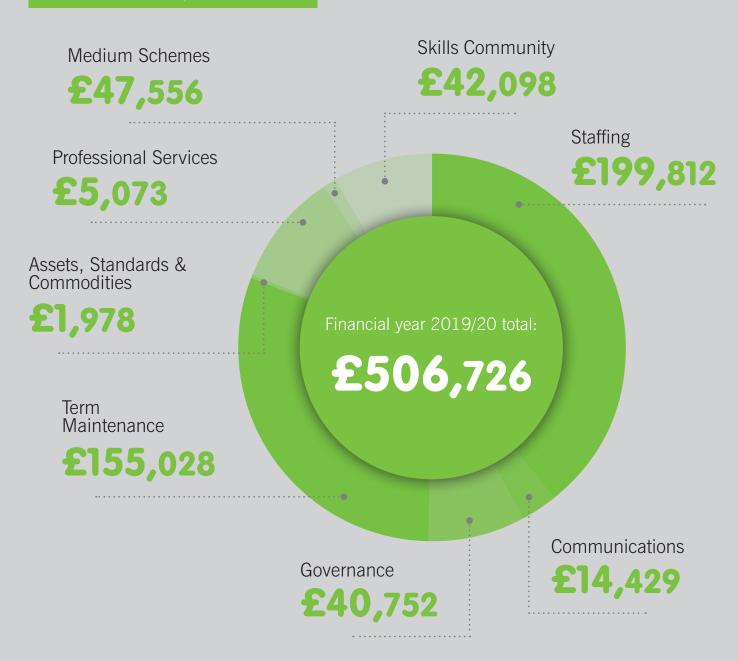
Budget Category	Income 2019/20	
Governance, Development & Advice	£142,000	
Medium Schemes Framework	£184,096	
Professional Services	£76,289	
Assets, Standards & Commodities	£20,000	
Skills Community	£4,800	

Financial year 2019/20 income total: £427,185



## The whole is greater than the sum of the parts Aristotle

#### EXPENDITURE 2019/20



The 2019/20 overspend of £79,541 was offset against the balance bought forward from 2018/19 of -£519,502 which left a balance of -£439,961 to carry forward to 2020/21.

### Medium Schemes

#### Early Contractor Involvement (ECI) goes from strength to strength

From the beginning of the latest MHA Framework in July 2018 eight authorities have adopted the NEC two stage open book approach to project delivery. In eighteen months, 16 contracts containing the X22 early contractor involvement option, have been awarded using the Medium Schemes Framework 3 (MSF3).

Since MSF1 introduced the concept of early contractor involvement almost ten years ago our approach has proved popular with clients and contractors alike. MSF2 has clearly demonstrated the benefits to project delivery of developing joint team working long before the start of construction on site. Big decisions around how to deliver complex highway projects can be taken with the whole team, improving health and safety and allowing better planning of available resources. Clients on MSF2 have recorded savings of over £26 million.

The MSF3 Framework Community Board this year established two working groups to bring additional rigour to the considerable resources now being invested in early contractor involvement, typically over twelve months before the start of construction.

The first working group developed a process map to guide project teams through the early stages of project delivery to help identify the optimum point to place a MSF3 Works Order. Additional guidance was made available through the MHA website on how to develop a contract strategy and define project scope to deliver both programme and budget certainty.

The second working group adapted the existing MHA performance toolkit to introduce monthly reporting on both stages of MSF3 projects. Brand new measures were introduced around compliance with quality statements made in the original Framework Submission and delivering value and innovation through effective engagement with the supply chain.

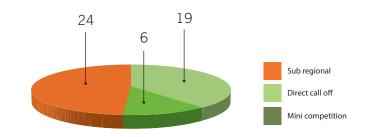
#### Sub regional selection

The MHA frameworks have always provided rapid access to industry leading contractors working closely with members authorities to deliver highway projects from the earliest stages of project development. Our established selection procedures have a track record of reducing procurement costs and saving time, whilst still being fully compliant with Public Procurement Regulations 2015.

As shown below there has been significant support for the new MSF3 sub regional approach to selection, aimed at building longer term, local relationships over several projects rather than a single project.

Since the introduction of the sub-regional approach Leicestershire and Morgan Sindall have used this approach to launch their own partnership model. Whilst Buckinghamshire, Galliford Try and Aecom have together developed a three-way relationship plan. Eurovia has held a series of popular sub regional events this year which have explored the use of the NEC contracts and developed some of the softer skills around team building and negotiation.

This alternative sub regional approach to contractor selection provides an enhanced opportunity for continuous improvement within established teams moving from one project to the next, learning lessons as they go.



#### MSF3 - first finished project

Oxfordshire County Council and Balfour Beatty have successfully completed the first works order procured through MSF3. The works were to improve an existing junction, including new traffic signals, cycle and pedestrian facilities and new bus stops.

The capacity of the newly signalised junction will be sufficient to accommodate the forecast traffic arising from the anticipated growth and the prospective development at Harwell, Oxford.







"The site teams and all supply chain worked very well together on this high profile site to deliver this project. Good relationships were developed and maintained throughout the entire project. The Contractors project manager and team were very positive in their approach to delivering value for money while always maintaining high standards of safety and this was reciprocated by the Council site team."

Patrick Mulvihill, B.E., C.Eng., M.I.E.I., Group Manager, Contracts and Construction Management -Major Transport Projects Infrastructure Delivery, Growth and Economy Community Operations

0.12 AAFR\* 1,128,039

hours worked since last accident \*average accident frequency rate

#### **Zero Reportable Incidents**

Over 1.1 million hours have been worked on framework projects this year without a single RIDDOR. The framework community receives regular reports of hours worked across all our construction sites, together with details of any lost time or reportable accidents. Framework contractors meet regularly to share details of safety alerts from across the industry. These are shared on the MHA website.

## Term Maintenance

#### Improvement in the Targeting Process

In May 2019 the MHA Term Community Board (TCB) agreed to sponsor an improvement intervention requested by Rutland County Council (RCC) and their key supply chain, who recognised that there was room for improvement within their target process (NEC Option C).

Their objectives for the improvement works were jointly agreed as:

- Communicate a good understanding of target cost objectives across Client & suppliers
- Improve efficiency of the Targeting process for "Thin" Client teams
- Improve cost certainty
- Improve value for money
- · Achieve a more structured approach to auditing
- Better prioritised schemes to fit with local constraints

RCC operate as "thin" Clients with the supply chain carrying out works that were traditionally the role of the "Client". RCC currently operate target costing for surfacing schemes and improvement schemes they intend to introduce this process for their cyclic works in the near future.

The methodology adopted was:

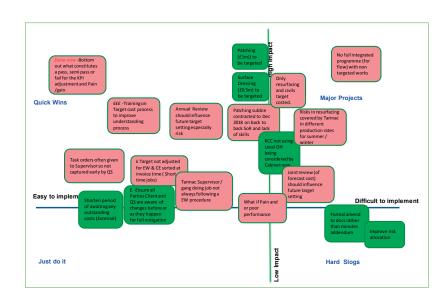
- First step Fully define the current issues and opportunities through the Lean improvement tool of Process Mapping
- Second Step Determine Workable Solutions and quantity expected benefits.
- Third Step Implement the chosen improvement solutions.

The overall objective was a more efficient and effective target costing process.

#### **Key achievements:**

Defining and prioritising the opportunities for improvement in the current end to end process

These were established through a focused process mapping workshop. Once the issues and therefore opportunities were defined the solutions to theses were explored and ranked in order of ease to implement the solution and how high the impact would be on improving the process. These are displayed in the priority matrix reproduced below.



Any solutions placed in the lower left quadrant are identified as immediate actions, "just do its" those in the lower right-hand quadrant are solutions that require a great deal of hard work to implement for very little reward and should be avoided. Those in the top left quadrant are easy to implement and high benefits should be tackled first.



## Professional Services Partnership

With the PSP2 framework coming to an end in April 2019, the main area of activity was in finishing the procurement of the replacement PSP3.

PSP2 was used by all the MHA's members, an indication of how well it worked. The OJUE limit of £30 million was exceeded by over £35 million, making it the largest professional service framework that the MHA had procured to date.

The new framework differs from the previous one, in that it is split into two lots with two providers on each lot. The aim is to increase the resilience of the framework by not relying on one supplier, and to give some choice to commissioning authorities. After a detailed assessment of the submissions for the two lots, AECOM and Amey Consult were appointed to Lot 1 Professional Services, and Waterman and Matchtech were appointed to Lot 2 Secondments.

Clients have the choice of using a call off selection process or a mini competition.

The take up of work through the new framework to the end of the financial year is likely to reach £7m.

This figure would have been higher if it wasn't for the number of projects carrying over from PSP2. The Framework Board has been set up and has met once. Two Community Board meetings have taken place, and the intention is to hold these meetings on the same day as the Medium Schemes Community Board meeting where possible, to maximise the collaborative opportunities.

Several working groups have been set up, one to develop a Process Manual, and one to look at performance indicators. These have made good progress and the suppliers have been very keen to contribute and are working together well.





## **Assets Standards and Commodities**

#### **Highway Inspectors Competence Framework (HICF)**

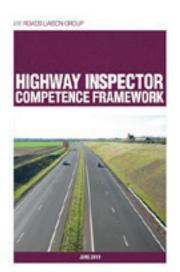
Atkins were commissioned to develop a Highway Inspector Training Framework building on the outcomes of previous workshops undertaken jointly by MSIG/MHA to identify the next steps and activities to deliver UKRLG code of practice Well Maintained Highway Infrastructure. Research funding was secured from the UK Road Liaison Group, MHA matched this funding and MSIG led the project.

The competency framework was launched by Paul Boss at the Local Council Roads Investment Group (LCRIG) annual conference in September 2019.

#### The objectives behind the framework are to:

- Outline the role of the highway inspector;
- Raise the importance of the highway inspector role and provide a framework to help role progression;
- Recommend a set of competence areas and associated competences for the highway inspector role;
- Suggest evidence to demonstrate each specific competence;
- Support highway authorities in aligning the highways inspector role with the latest Code of Practice's risk-based approach; and
- Provide a framework that can be used by professional bodies in helping to support the development of appropriate qualifications/ training for highway inspectors, helping to professionalise this role.

This is now being used by nationally accredited training organisations for Inspector Training and Certification. Candidates who successfully complete the course, led by an approved centre are eligible for inclusion on the National Register of Highway Inspectors for a period of five years. Registration with the Highway Inspectors Board can contribute positively to risk management and defence of either compensation or liability cases.



"By working collaboratively with the UK Asset Management Board and the MHA, we successfully acquired match funding from the UKRLG and MHA to enable us to develop and implement a national Highway Inspector Competency Framework (HICF). This has enabled our members (and others) to have confidence in investing in training in accordance with the HICF and having their Inspectors appropriately certificated. It is difficult to put a figure on the total saving, but match funding totalling £40k for the development of the HICF is an efficiency in itself and the ongoing saving from successfully defending more claims where the policies have been followed could be in excess of £1m per annum across all our member authorities."

Paul Boss, Staffordshire County Council



## Supporting skills and organisational development

The Midlands Highway Alliance (MHA) continues to make sustained progress towards the provision of an extended workforce development programme to build capacity and capability in the highways and transportation sectors.

Skills and community development provide learning, training, and development opportunities that underpin the work of both MSIG and MHA. Other organisational development activities are undertaken, including procurement and design.

A variety of media is used, including the MHA website **www.mhaweb.org.uk** both to provide information and enable easy access to the cloud-based systems to support learning and access to secure information

Learning and development priorities are identified as part of the annual planning and review process. The Executive Board, along with workstream leads, provide oversight so that skills and development objectives are both advised and achieved.

The early work undertaken to establish a Skills Academy, based on citb employment and skills planning has been augmented by a range of other activities to enable the realisation of the MHA ambition to develop a broader workforce development remit.

Priority is given to supplementing the existing skills and knowledge of MHA members, their supply chain and framework contractors. In 2019/20 the skills community has evolved to support delivery of MHA programmes, shared priorities with Midlands Service Improvement Group (MSIG) projects and schemes, via the MHA learning management system that:

- offer construction/ highways learning events
- enable access to accredited management opportunities
- deliver content that will address skills gaps

- commission activities that support shared priorities
- procure suppliers to deliver agreed objectives
- commission products that underpin shared priorities
- deliver content that will support delivery of key guidance/imperatives
- enable access to graduate and trainee scheme opportunities

all in conjunction with partners such as Institution of Civil Engineers (ICE) and the Transport Planning Society (TPS).

In 2019/20 workforce and organisational development resourcing included:

- comprehensive evaluation for all learning to evidence either and increase in or acquisition of skills, knowledge and confidence (see graphs)
- analysis of the current and future workforce skills that are needed
- assessment of bids submitted to be considered to deliver professional services (PSP 3)
- expansion of the learning, training and development opportunities to meet level 4 on the MHA competency matrix
- building our workforce to support entry to a construction career and pertinent training opportunities
- designed and procured systems to support organisational development, including the new Information Sharing Platform (ISP)
- procure a MHA learning management system http://mhskills.virtual-college.co.uk that provides access to online learning; workshops; face to face events -supporting

 continuous professional development – there are now over 700 registered learners

#### Other skills and development planning

A shared aspiration of the Alliance is that every effort is taken to organise, maximise and develop resources. At an early stage in the Alliance's development, a high priority was placed in National Skills Academy for Construction (NSAfC) client-based Employment and Skills Plans (ESP). This approach secured accreditation as a citb skills academy and embedded best practice principles across all Medium Scheme Framework (MSF) projects. The ESP is now used as a proxy measure

to evidence how social value is achieved.
MSF schemes incorporate Early Contractor
Involvement (ECI) and performance management
processes initiate discussion and subsequent
identification of relevant benchmark targets and
develop an ESP. These are reported on a bimonthly basis.

#### MONITORING OF MSF 3

328 ESP TARGETS ACHIEVED

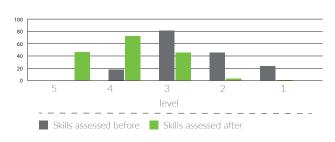
#### 29 COMPLETED SCHEMES

#### MHA learning, training and development

The MHA continues to undertake its scrutiny role in relation to learning, training and development opportunities they commission. Data collection includes evidence that determines the extent to which the MHA skills community is contributing to improving the knowledge, skills and confidence (KSC) of participants. The graphs show that there is a perception of an increase in the levels of KSC for participants in our learning events in 2019/20 – where 1 = low and 5 = high

100
80
60
40
20
5 4 3 2 1
level

Knowledge assessed after





The skills community has undertaken procurement activities on behalf of MHA/MSIG as a follow on from the successful workshops provided to support delivery of the UKRLG code of practice.

Subsequent learning events (to support the competency matrices developed for highway inspectors and asset managers) were procured, with financial support from UKRLG, in 2019/20.

During 2019/20 our learning and development programme has been extended - in particular:

- ✓ MHA accreditation 'programmes' using virtual programmes direct from the MHA lms; supplemented by content direct from ICE and intensive face to face content delivered by industry experts;
- ✓ learning content provided by our supply chain the flexibility of the lms enabling this;
- ✓ bespoke learning events to support adoption of NEC 4: engineering construction contract;
- ✓ bespoke learning events to support the use of the NEC 4: professional service contracts.

Some of our virtual learning content replicates face to face content – both negating the need to travel to a venue and enabling learners to access content at their own pace. Other virtual learning content is mandatory - ensuring learners are assessed as 'competent' prior to accessing higher level training - so that participants' fully benefit from the face to face content.

Prior to the cessation of our programme, due to COVID 19, we had provided learning and development events to over 230 members and their supply chain partners to promote upskilling, re-skilling and conversion to maintain an agile workforce, with transferable skills.

2019/20 - delivered efficiency savings in commissioning learning, training and development of nearly £45k to MHA members.

## Case Study: Collaboration

#### Background

The Northern Gateway scheme consists of a new dedicated right turn lane inbound to the city of Wolverhampton. Right and left turn lane improvements inbound and outbound at both Broadlands junction and Springfield Lane, plus a service road upgrade to Stafford Road north bound.

Both junctions were updated with new traffic signals, and the introduction of a new crossing facility for pedestrians and cyclists was built early in the programme servicing Milldale shops and the surrounding area situated at the southern end of the scheme.

Early Contractor Involvement (ECI) commenced in April 2017. Underground investigations into Statutory Undertaker utility apparatus took place during July and August with works starting in October 2017.

Project:

Stafford Road, Wolverhampton

Client-

**City of Wolverhampton Council** 

Design consultant:

**AECOM** 

Contractor:

Eurovia

Contract value:

£5.6M

Length of project:

30 months

Completion date:

September 2019

#### Key elements of ECI

Extensive utility diversions were identified, and a series of open agenda meetings were held with utilities to review these diversions and the positions of apparatus. This approach was adopted as a result of the positive outcomes we achieved on a previous scheme (Birmingham New Road, Shaw Rd junction).

Plans showed diversions were required for BT; Gas; Electric; Water and multiple Cable providers. Following the meetings, it was agreed that a set of 54 trial holes would be undertaken by Eurovia and Aidien to assist with Ground Penetration Radar and tracing. Trial holes were completed during July and August 2017 during summer holidays to avoid delays to the network. Once locations were established, further meetings were held with utilities to agree any changes, costs and programme implications.

The impact of the tree removal and the project in general was addressed through local business liaison. Parking availability during and after the construction programme as well as an awareness of local future developments within the scheme boundaries were also identified as key priorities.



#### Benefits of ECI

Eurovia controlled the programme of activities due to their understanding of the scheme deliverables, this allowed utilities and the main contractor to work in tandem. Our collaborative site set up achieved a working environment where shared space meant "shared space".

Traffic Management was designed to allow utility work within the contractor's temporary traffic management through all phases of the programme.

Utility providers provided specific timescales for the works that they were to undertake. Following the results from the trial holes which proved that utilities in certain places didn't need diverting these timescales were revised, resulting in 26.4 weeks of proposed allocated statutory undertaker diversions being saved. This in turn reduced the time staff, client and traffic management were required to supervise/facilitate the utility diversions on site.

**TOTALS** 

During the ECI, utility providers quoted a total sum of £1,754,411.18 for all diversions of their apparatus on the C4 estimates dated July/ August 2017. Following the trial holes, site investigation, including ground penetration radar survey, core sampling and meetings held on site, the utility providers' revised C4's dated Sep / Oct 2017 came in at £816,381.89 resulting in a £938,029.09 saving.

Cost savings on design were also achieved along with the time saving for Contractor, Client and traffic management totalling £157,988.31.

"As my first major scheme as Project Manager, this was a successful and rewarding piece of work. This section of Stafford Road was in need of modernisation and struggling to cope with an increasing capacity, and the scheme realised these goals whilst still allowing for future developments in the vicinity. Working collaboratively with the contractor and stakeholders from the beginning meant that any issues were dealt with quickly and efficiently, a model that we have successfully used for many years and look to continue for future schemes."

Mark Nicholls, Project Manager, City of Wolverhampton Council.



£816,381.89

£1,754,411.18

£938,029.29

Further benefits included changes to physical elements of the design, such as retaining kerb lines unaffected by the works, there was no need to change them because they were still fit for purpose.

Splash strips were omitted from design in favour of beany kerbs as they created a natural splash strip due to their dimensions.

For details of the savings on carriageway makeup and tree removal, see the table below:

No.	Code	Date	Initiator	Description		Estimated saving
ST1	13/11	Oct/Nov 2107	ST	ECI. Review STATS carry out trial holes, liaise with providers and report findings for STATS savings.		£1,045,795.98
ST2	13/11/94	Oct/Nov 2107	ST	ECI review of existing Kerb, footways, Beany and splash strip at ECI stage.		£195,000.49
ST3	13/9/5	Oct/Nov 2107	ST	ECI review of existing trees and hedgerow to remain.		£42,597.09
ST4	13/5/9	Oct/Nov 2107	ST	ECI review of construction make up at target cost build-up of the service road.		£39,399.70
Summary of savings identified as being applicable to other works			Savings b/f			
		Full audit on utility C3/C4 between client and contractor in ECI.			Total Savings	£1,322,793.26

#### **Programme Management**

ECI allowed the programme to be developed with all statutory undertakers incorporated within the proposed timescales.

Float was generated on non-critical elements also allowing for changes to the scope if required during the construction phase.

#### Local supply chain

A key element in delivering this project on time and in budget was the locally supplied workforce and supply chain. The gangs employed had local knowledge of the area and client understanding.

Our sub contract SME's H3G and Hilton Main added value through their local knowledge and workforce, strengthening the social value of our schemes.

#### **Project Team insights**

Inception of schemes at ECI to delivery are now part and parcel of the working relationship with longevity of the site management team.

This has been built on trust, honesty and

transparency within the team with an open door policy throughout the phases from design to delivery and everything in between.

Shared offices with engineers, project managers and Quantity Surveyor sitting alongside the client and contractors ensured that decisions were made together for the good of the scheme and the end user at all times. The use of a shared office space enabled instant 'there and then' decisions to be made to keep the construction programme moving forwards at all times.

#### Lessons learned

- Trial holes proved invaluable as utility plans were inaccurate.
- Lead in period of six months for ECI was sufficient to make a difference.
- Value of joint meetings with utilities which allowed decisions to be made sooner.
- By changing constraints, savings can be substantial.
- Combined training courses at regular intervals beneficial to all parties (NEC4, CDM, webinars, refresher courses).



## Looking forward

#### Things can only get better - D:Ream 1993

What a difference three months makes. In March, the main concern was completing the merger with MSIG and WMHA, and whether the construction framework could cope with all the work identified for it.

Now it's all what will a post Covid 19 highway sector look like??? Clearly it won't be the same as it was before the virus struck, before we knew what social distancing was. We will all have to adjust the way we live and work. Will public transport recover – or will people be too frightened to use it? Will the number of cars increase because of that, or will the number of people that will be working at home balance that out?

As an Alliance we rely very much on engagement and whilst we can do most things virtually it is clear that a lot of what we do needs face to face meetings. Whether its sharing ideas or gaining trust, nothing beats meeting with our peers and discussing things on a one to one basis.

One thing we must do on the road to recovery is to take the opportunity to make things better, to bring in new ways of doing things that'll improve scheme delivery. It's a perfect time for getting rid of outmoded ways of doing things and make the move to the new agenda of collaboration and alliancing. That is what the MHA+ will aim to do.



MHA, MSIG, WMHA: Moving Forwards Together





#### **Contacts**

For more information about any of the items in this report, please contact the MHA Manager:

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