

# Introduction



I'm delighted to say it has been another busy and successful year. Two major procurements were implemented, and major progress has been made on the proposed merger of the MHA with the Midlands Service Improvement Group and the West Midlands Highway Alliance. We also welcomed our first combined authority, the West Midlands Combined Authority, as a member.

I'm very proud that we have two leading edge frameworks, both based on the New Engineering Contract 4 (NEC4). The procurement of our construction framework Medium Schemes Framework 3 (MSF3) was completed earlier in the year and the contract started in July. Already the pipeline of work lined up to go through it looks very healthy, so our four framework contractors will be kept very busy. Social value and BIM are two areas that the Framework Community Board will be looking at as the framework progresses.

After considerable soft market testing, the format for the replacement Professional Services Partnership was decided, with two lots, one for Professional Services and one for secondments. There will be two suppliers in each lot. At the time of writing the tender assessment was nearing a close, with a healthy interest from the market being in contrast with the previous procurement of PSP2.

The work on the merger of MHA with MSIG and WMHA gathers pace and I am encouraged by the positive attitudes being shown by all

those concerned. Initially the groups will act together as an alliance, but it is planned that they will join into one organisation in March next year. Discussions on funding and detailed structure will take place over the forthcoming summer, with the aim of ratifying the proposals at the Autumn Executive Board.

To cap it all, a very well attended annual event took place at the National Motorcycle Museum in September where the speakers reminded us of how our industry was trying to become more collaborative, as well as looking at projects delivered through MHA frameworks throughout the year.

The construction industry continues to have its ups and downs, but at the moment we are definitely on the up, and long may it last. I hope you will enjoy reading about our achievements.

Mike Ashworth Chair of the Executive Board



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"Riding along on the crest of a wave"

Ralph Reader

# **Sharing information**

### **SharePoint**

Following consultation with MHA members on their requirements for the future, work was undertaken to explore the options available to the MHA regarding the hosting of the MHA SharePoint site in future to ensure uninterrupted access for members.

Work continues on developing the new Information Sharing Platform (ISP) which will be accessed from the MHA website providing a seamless transition from the current SharePoint host.



The new ISP will continue to host a range of helpful resources, reference documents and notes of meetings – from shared to confidential documents depending on your level of access – so make sure you and your colleagues are registered for the new system.



# Learning Management System (LMS)

The LMS plays a key role in delivering the MHA's vision of integrated learning, training and skills development opportunities for members and their supply chain. With over 500 registered learners 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 LMS continues to support the MHA 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 pages 14-15 for further details).

# MHA website

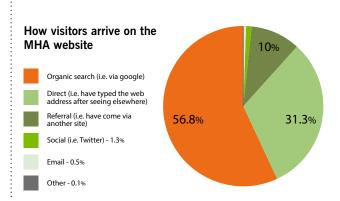
During 2018/19 there were over 8,800 sessions on the website (a session is when a user is actively engaged with the website) this represents a 21% increase on last year. First time users accounted for almost 60% of these sessions.

Breakdown of sessions on MHA website 2018/19

Returning visitor
New visitor

5,272
59.89%

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**

In March 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:





Medium Schemes Framework:

£114,039



£2,500





Governance,
Development & Advice:

£145,000



Professional Services:

£162,625









# **EXPENDITURE 2018/19**

**Professional Services** 

£10,355

Medium Schemes

£65,936

Assets, Standards & Commodities

£29,750

Term Maintenance

£27,550

Governance

**£715** 

Skills Community

£49,902

Staffing

£218,817

Financial year 2018/19 total:

£435,374

Leicestershire Financial Support

£3,000

Communications

£29,349

# **Medium Schemes**

# Celebrating MSF2

During the year, construction on a further 17 MSF2 projects has continued. By the end of March 2019, most of these projects had been completed.

As the work on MSF2 projects draws to a close, it is a good time to reflect on the overall success of these projects. The projects listed have all been recognised with regional awards from the Institution of Civil Engineers or the Chartered institute of Highways and Transportation.

# Award winning MSF2 projects

Old Flatts Bridge refurbishment	Rotherham Metropolitan Borough Council	Eurovia
Lichfield, Liberty Park Bridge Replacement	Staffordshire County Council	Galliford Try
Hucknall Rolls Royce Access	Nottinghamshire County Council	Galliford Try
Lubbesthorpe Strategic Employment Site	Leicestershire County Council	Eurovia
Hucknall town centre	Nottinghamshire County Council	Tarmac
A43 Moulton Bypass Phase 2	Northamptonshire County Council	Balfour Beatty
A50 Growth Corridor	Staffordshire County Council	Tarmac

In addition, the Framework Community Board of framework contractors and regular users of the framework, has, this year, been commended for its ongoing work in support of MSF2.

We look forward to reporting the successful completion of the few remaining MSF2 projects listed below in future reports.

- A52 Wyvern Junction, Derby City and Galliford Try
- Leicester North West Phase 2,
   Leicestershire County Council and Tarmac
- A43 Moulton By Pass Phase 1b, Northamptonshire County Council and Balfour Beatty
- Lincoln Eastern By-Pass, Lincolnshire County Council and Galliford Try

### MSF3 Launch

In July 2018, the MHA awarded its third construction framework, Medium Schemes Framework 3 (MSF3). Following an extensive process (see last year's annual report for more details) involving colleagues from ten member authorities, the successful contractors were announced as:









All four contractors are now working with MHA authorities across the region to develop an extensive programme of infrastructure projects.



"A continuing development of a collaborative approach across several local authorities that recognised the need to improve collaboration from earlier phases by placing it at the core of the relationship."

CIHT judges comment

Following the successful development during previous frameworks MSF1 and MSF2 of the MHA approach to early contractor involvement, the new MSF3 adopts NEC4 including the secondary option X22 to be used with the Engineering Construction Contract Option C. This will strengthen the already established collaborative approach to project preparation. The provisions of X22 allow for the client and contractor to enter into contract at an earlier stage in the project programme, before the design has been completed and the target price agreed. This will provide improved cash flow for the contractor and improved cost and programme certainty for the client.

The introduction of NEC4 and X22 has been supported by MHA working with ICE Training Ltd. This has included both virtual learning and face to face training with Rob Gerrard, a member of the NEC4 drafting team. In addition, the MSF3 Framework Community Board has established a working group to develop common processes and share experience in the use of new contract forms.

# Term Maintenance

# **Term Community Board (TCB) Objectives:**

- Develop Benchmarking information
- Sharing Best Practice
- Encouraging Continuous Improvement and savings by carrying out interventions

DCC Reactive works improvement	344
Rutland Target cost improvement	46
Staffordshire Reactive Improvement Works	100
DCC partnering charter	325
Lincolnshire Incentivised delivery project	284

SAVINGS	1099
Lincolnshire Incentivised delivery project	284
Doo partifering charter	323

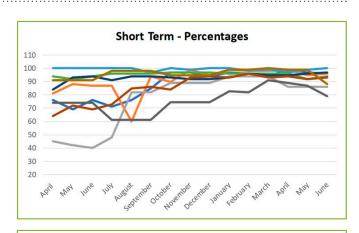
# **Savings**

This year the group has produced savings for our members worth in excess of £1 million. The savings shown left have been agreed with the authority concerned.

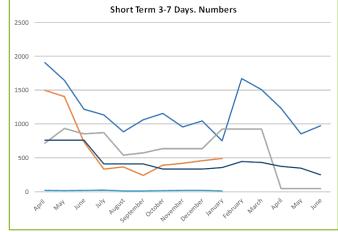


# Benchmarking

The TCB has always understood the importance of good performance information. The agreed common KPIs provide data that enable the group to analyse and directly compare performance between members. This has led to a number of improvement projects that support members to adopt best practice.









The newly set up Confirm sub-group, which meets immediately after the TCB, has made great strides this year by developing an understanding of the difficulties of delivering a risk-based approach to Term Maintenance using the Confirm software. The meetings allow members to share their experiences and have led to requests for clarification and updates from the software provider.

# Watch This Space

The TCB have continued with its programme of Best Practice Intervention with several members including Buckinghamshire CC and Staffordshire CC. The auditable benefits and savings from this year will be available in spring in 2020.

# **Lincolnshire Best Practice Intervention**

Improving pothole works through a practicable incentivisation to produce efficient delivery and VfM

LCC have imbedded the incentivised reactive process in to their new contract model being procured this year. Over the next three years the agreed financial benefits for this project are estimated to be over £850k.

"This new process incentivises both parties to deliver investment in the service by creating a winwin solution. The model has been tested during the procurement process to ensure the drivers for continuous improvement are viable for all parties."

Jonathan Evans, Lincolnshire County Council

### **What Next**

A group of members are due to start the collaborative framework exercise shortly.

The TCB have agreed to develop the MHA common Highways Inspectors Benchmarking Framework Toolkit linking to several of the recommendations from the Well Managed Highway Infrastructure Code of Practice.

If you have any queries or would like to get more involved with the works being undertaken by the TCB. Please contact Stewart Corbett at **stewart.corbett@watermanaspen.co.uk** 

# **Assets Standards and Commodities**

In October 2018, the Assets Standards and Commodities workstream in conjunction with the Midlands Service Improvement Group (with funding support from the Department for Transport and the UKRLG Asset Management Board), commissioned Atkins to develop a Highway Inspector Training Framework. It is intended that this framework be made available nationally when completed.

Some of the work commissioned builds 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.

This task is being procured through Leicestershire County Council, with a steering group made up of MHA/MSIG members

The framework builds on the outcomes of previous MHA/MSIG workshops and I'm delighted that we were able to be involved in the development of this important document." Peter Barclay, MHA Manager

The outcome of the project will be the provision of a "competence and training framework" including supporting templates, and criteria to allow local highway authorities to deliver the code of practice. The project is due to be completed in April 2019 with a national launch over the summer.





# **Skills Community**

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.

The Skills Community provides learning, training and development opportunities that underpin all the MHA workstreams and uses the MHA website **www.mhaweb.org.uk**. both to provide information and enable easy access to the MHA learning gateway:

Learning and development priorities are identified as part of the annual planning and review process by all workstreams. 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's ambition to develop a broader workforce development remit – building both capacity and capability.

Priority is given to supplementing the existing skills and knowledge of MHA members, their supply chain and framework contractors. In 2018/19 the skills community has evolved to support the delivery of MHA programmes, shared priorities with Midlands Service Improvement Group (MSIG) projects and schemes, and via the MHA learning management system will:

2018/19 - delivered efficiency savings in learning, training and development of nearly £35k to MHA members.

- offer construction/ highways learning events
- enable access to accredited management opportunities
- deliver content that will address skills gaps
- commission activities that support shared priorities
- 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 2018/19 skills and development resource planning activities included:

- comprehensive evaluation for all learning to evidence either and increase in or acquisition of skills, knowledge and confidence (see graph)
- analysis of the current and future workforce skills that are needed
- 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
- providing a competencies framework (MHAF) that is linked to the MHA portfolio, priorities and professional guidance
- developing the 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 500 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. The Alliance has always placed a high priority on 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

MSF2 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.



citb benchmark descriptors

MONITORING IN 2018 SHOWS

158 ESP TARGETS

# 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 forms part of the MHA performance management programme and is used to determine 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 2018/19 – where 1 = low and 5 = high







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. It is anticipated that subsequent learning events (to support the competency matrices developed for highway inspectors and asset managers) will be commissioned in 2019/20.

During 2018/19 our learning and development programme has been extended - in particular:

- ✓ MHA accreditation 'programmes' using virtual programmes direct from the MHA Ims; supplemented by content direct from ICE and intensive face to face content delivered by industry experts;
- ✓ Learning events to support adoption of NEC 4: engineering construction contract.

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.

In addition, we have provided learning and development events to over 220 members and their supply chain partners to promote upskilling, re-skilling and conversion to maintain an agile workforce, with transferable skills.

# Professional Services Partnership

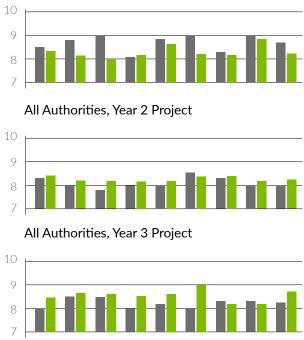
It's been another year of growth for the Professional Services Partnership PSP2 as it heads towards the end of its four-year contract.

All 22 MHA member authorities have continued to use the framework, a fact that clearly demonstrates that AECOM Waterman have given the client authorities pretty much what they want. The projected out-turn for the framework is in the order of £61 million pounds, which is just over twice the OJEU limit. Over 650 commissions of varying types were carried out during the four years involving over 1,250 staff from AECOM and Waterman.

Savings in the order of £7.4 million were achieved both through procurement saving and through collaborative projects, and much work was done on developing collaborative relationships between client authorities, AECOM Waterman and the MSF3 Contractors.

Quality scores continued to be excellent, with the average for the consultant being 8.7 and the client 360 review being 8.7.

# All Authorities, Year 1 Project



# All Authorities, Year 4 Project All Authorities, Year 4 Project All Authorities, Year 4 Project Bied Time Control Republic Management Contributed in Innovation Republic Management Contributed Republic Management Republic Mana





# **Background**

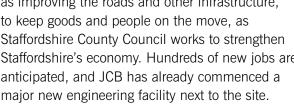
The A50 Trunk Road f Network running throu with the M1 in the eas

In December 2013, the Gover a major infrastructure investm A50 Growth Corridor. Stafford (SCC) on behalf of the Depart and Highways England has de these growth projects, Project

The A50 Growth Corridor prog fundamentally about supporting

communities right along the A50, to make this area an even more attractive and competitive place to do business. This has contributed to a number of major commercial and industrial developments being attracted to locate adjacent to the route. Rolls Royce, Toyota and JCB have all made significant investment in the area. Traffic to Alton Towers also

as improving the roads and other infrastructure, to keep goods and people on the move, as Staffordshire County Council works to strengthen Staffordshire's economy. Hundreds of new jobs are anticipated, and JCB has already commenced a major new engineering facility next to the site.



# Project:

A50 Growth Corridor Project A, Uttoxeter, Staffordshire

Client:

**Staffordshire County Council (SCC)** 

Design consultant:

**Amey Consulting** 

Contractor:

Tarmac

Contract value:

£28M

Length of project:

30 months

Completion date:

December 2018

### Scheme details

- Construction of a new junction to the west of
- The construction of new slip roads to link the new junction to the A50 and the widening of the A50.
- The construction of a new bridge on concrete abutments with bored pile foundation over the A50.
- Extensive traffic management, including extended closures of the A50 during bridge beam installation in 2017.
- Extensive co-ordination of diversions and/ or protection of the statutory undertaker's apparatus.
- Realignment of the existing A522.
- Extensive earthworks in the construction of new embankments.
- · Demolition and removal of the existing overbridge carrying the A522 over the A50 (T)



# Key achievements of the Scheme include:

- Over 375,000 safe hours worked
- Providing cost certainty to deliver within Highways England/SCC's budget
- Over £6.7m savings made during an effective 18-month ECI period
- Management of opportunities resulting in over £300k of VE through the contract period
- Early recognition of risks through the Early Warning notification process
- Collaborative working initiated through partnering workshops
- Programme certainty, through agreed monthly programme updates
- Effective communications with stakeholders

# **ECI**

The Amey design team progressed the design through planning in 2014 and a successful Compulsory Purchase Order in 2015.

Through 2015, extensive ECI was progressed with the contractor, who was appointed via the MHA's MSF2, this ECI led to £6 million worth of savings prior to the contract award.

The main contract Target Cost (NEC Option C) was agreed in May 2016.

Early development of a risk and opportunity register during the ECI period identified a number of opportunities to drive down the cost of the scheme and reduce the risk to the programme to deliver the scheme within the budget.

Initial Target estimates were considerably more than the client's budget and the team had to find savings to drive the cost down. To ensure certainty of the budget, risks were assigned during the Target process so that all parties clearly understood who owned them.

Being fully aware the outturn cost and risk of overspend allowed the client to make informed choices. An example of this was to delete a section of slip road widening and spend the money on building a new filling station access thus maintaining an existing business which would otherwise have been closed down as part of the scheme.

An ECI proposal was made to use 210,000 tonnes of waste product, pulverised fuel ash (PFA) from a coal fired power station, around 10 miles away, saving £ 2.5 million. This lightweight fill along with the ecological benefits had the added advantage of reducing the programme due to a reduced settlement period.

# Management of risk and opportunity through ECI

The statutory undertakers' diversions were identified as a common risk, in particular; BT had to divert a strategic fibre optic cable across the A50. This was identified during the ECI stage as a potential issue to delay the works. Various iterations of the programme identified the preferred solution would be to take the BT cable under the carriageway by directional drill rather than wait for the bridge to be complete before commencing the diversion which also reduced the programme

Poor ground conditions were also identified as a key risk. Through consultation with geotechnical experts Coffey and further deep cone penetrometer testing, alternative solutions were found to the ground improvement techniques initially priced as deep soil mixing. It was found by producing scenario programmes, that by using the lighter fill material and with the introduction of a settlement period the extent of the ground improvement works could be reduced without extending the programme and therefore overhead costs.

In addition to identifying and managing risk, opportunities were managed in a similar way to reduce the costs and the effects of changes that had a negative impact on the budget. Through regular focus on the higher value and more probable savings, over £300k of Value Engineering was achieved.

Throughout the duration of the project Early Warning Notices (EWN's) were used as a tool to manage risk and not just as a precursor to a Compensation Events.

They enabled the team to efficiently and collaboratively identify problems and potential problems and possible solutions, early. Over 750 EWN's were issued by the team, this was seen as positive in terms of identifying risks and managing them through weekly EWN meetings.

By identifying risk early and managing it only three Compensation Events affected the Contract Completion date

### Collaboration

Collaborative workshops were key to the scheme's success, and as a result of these the scheme benefitted from close working relationships across the board.

Collaborative working sessions were instigated at the start of the scheme to involve the site teams and key stakeholders. This resulted in the formation of a Relationship Management Plan based on BS1100

These sessions were hosted by Dr Jon Broome (NEC contributor) which allowed all stakeholders to contribute to the risks management process by raising their concerns from each individual's perspective or to identify the "Moose Under the Table". Plans could then be instigated to mitigate the risk or develop the opportunity.



# **Effective Management of the Programme**

Last Planner or Collaborative Planning process enabled the foremen, engineers, SCC representatives and subcontractors to jointly manage operations and meet key milestones by ensuring jointly that the focus was on the critical elements. Any constraints or blockages were highlighted, and the process allowed issues to be resolved or activities prioritised.

Key to management of Health and Safety was the dealing with the small things prior to leading to bigger issues. Safety observations were encouraged with over 2,500 safety observations recorded from the site team and actioned throughout the works.



### **Communications**

Led by SCC, with assistance from Amey, Tarmac and Highways England, extensive communications updates were regularly carried out via newsletters, social media, one to one meetings, letter drops, matrix signs and local media.

During the complex six 44m span bridge beams lift in 2017, the A50 (T) was closed for over 48 hours. A major communications exercise was undertaken on social media and using Highways England's motorway and trunk road matrix signs as far afield as Manchester and Birmingham.

The major A50 closure communications exercise was repeated in 2018 for the demolition of the redundant A522 bridge. Extensive planning was carried out, with activities detailed to every 30 minutes. Environmental Health were fully consulted and fully on board for the weekend.



# MHA the Future

Well, who would have thought it. After awarding the Medium Schemes Framework in July 2018, we are already looking at whether we need to begin replacing it with a new framework, as the workload outlined in the pipeline of scheme looks as if it'll exceed the OJEU limit by more than double. We'll wait and see whether all these projects happen, but it does show the value of having a collaborative framework, with an accurate pipeline of work, which will allow us to plan the delivery of these schemes with our partners. A decision on whether a new framework is needed will be made at the Executive Board in October 2019.

The new PSP3 framework will take shape over the summer, with various groups working on the processes needed to make this framework as successful as PSP2. The increase in the number of consultants involved will enable us to be more resilient and be able to cope with the ever-increasing workload. The challenge here will be to keep the ethos and culture that PSP2 was renowned for, whilst allowing our partners to compete.

The merger of the MHA with MSIG is seen by all as the way forward. There will be some difficult questions about areas of overlap, and about the level of fees, but there is also a resolve to make the merger work, that is encouraging to see.

Another change to look forward to, is the migration from the SharePoint platform to the Information Sharing Platform. Whilst SharePoint served its purpose the new platform will be much easier to access. If you haven't done so already, please register and have a look. And, while you are looking, also see what there is to offer in the MHA LMS. The training opportunities being provided are being increased as we help our members increase their capability and capacity.

Finally, much good work has been done on building relationships between MHA authorities, contractors and consultants and we will need to look at how we continue to develop this. It is clear that this is the way the government want us to go, moving away from the transactional relationships we had previously to a more collaborative approach.

Collaboration is our middle name – and it's a challenge that we are up for.

The road is long, with many a winding turn
That leads us to (who knows) where, who knows where?

Hollies 1969





# **Contacts**

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

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