

> MHA Annual Report



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“I’m delighted to review another challenging but successful year for the Alliance.”

Peter Barclay,
MHA Manager.

➤ Welcome to our annual report for the 2014-15 financial year.

Last year, I mentioned the success in procuring the Medium Schemes Framework 2 (MSF2), an excellent example of what local authorities can do if they work together. After a year, 18 schemes with a combined value of around £50m are already progressing through this framework arrangement.

A 'Framework Community' is growing, where clients and contractors regularly meet to discuss how the framework is doing. This is proving to be an excellent vehicle for sharing good practice and innovation, and identifying areas where joint training would be beneficial.

Not to be outdone, the successful Professional Services Partnership 1 (PSP1) framework came to a close at the end of March. With a turnover of £29m, with savings of over 10% and 14 authorities using it, the framework far surpassed its original targets. As well as enabling member authorities to deliver their works programmes by topping up staff resources, it has acted as a fulcrum for several major collaborative projects such as climate change. At a time when the construction market is buoyant, a lot of hard work has gone into jointly procuring its replacement, PSP2, which was awarded in April 2015.

The Term Maintenance Working Group turned its attentions to the benchmarking of term services, based on indices developed in conjunction with the Highways

Term Maintenance Association (HTMA). Coupled with lean interventions and procurement support, this work stream is clearly aligned to what our authorities want.

Following a refocus and a change of lead, the Assets Standards and Commodities Working Group has developed its links with the supply chain by joining up with the Mineral Producers Association (MPA) to look at materials specifications, particularly blacktop. The idea that a local blacktop plant has recorded 276 different mixes for the Midlands region cannot be efficient. The group is also linking with the Midlands Service Improvement Group (MSIG) to look at asset management across our members, as well as Building Information Modelling (BIM).

I'm delighted to confirm that the Skills Academy is now accredited by the Construction Industry Training Board (CITB) as a 'client based approach' academy, a major achievement. This enables it to help our framework contractors provide Employment Skills Plans (ESPs) more effectively.



Phil Crossland,
Chair of the
Executive Board

Highlights from 2014/15

- MSF2 Launch with Peter Hansford
- CITB accreditation
- PSP1 event
- Stewart Ibbotson retires
- Karen and Martin take over workstreams
- CECA conference
- RSTA conference
- Theodora Elston appointed as Skills Academy Manager



MSF2 Launch with Peter Hansford



Peter Barclay, Mark Stevens and John Hooper

PSP1 event



“The Skills Academy can now benefit from a more holistic approach to employment skills planning, building on strong foundation work in project employment skills plans, technician and graduate training schemes, and shared training programmes.”

Karen Notman, Skills Academy Workstream Lead.



PSP1 event



Karen Notman and Martin Carnaffin take over workstreams.



Stewart Ibbotson retires

> Finance

- > In March each year, the Executive Board approves the annual business plan which sets out the key outcomes the MHA requires from each working group. They also outline what funding is available to support that work, and where it will come from.

Income 2014/15:

The two sources of income are annual membership and levies for the use of the two frameworks.

Financial year 2014/15 total:

£373,500

Annual Membership:

£149,500

Medium Schemes Framework:

£119,000

Professional Services:

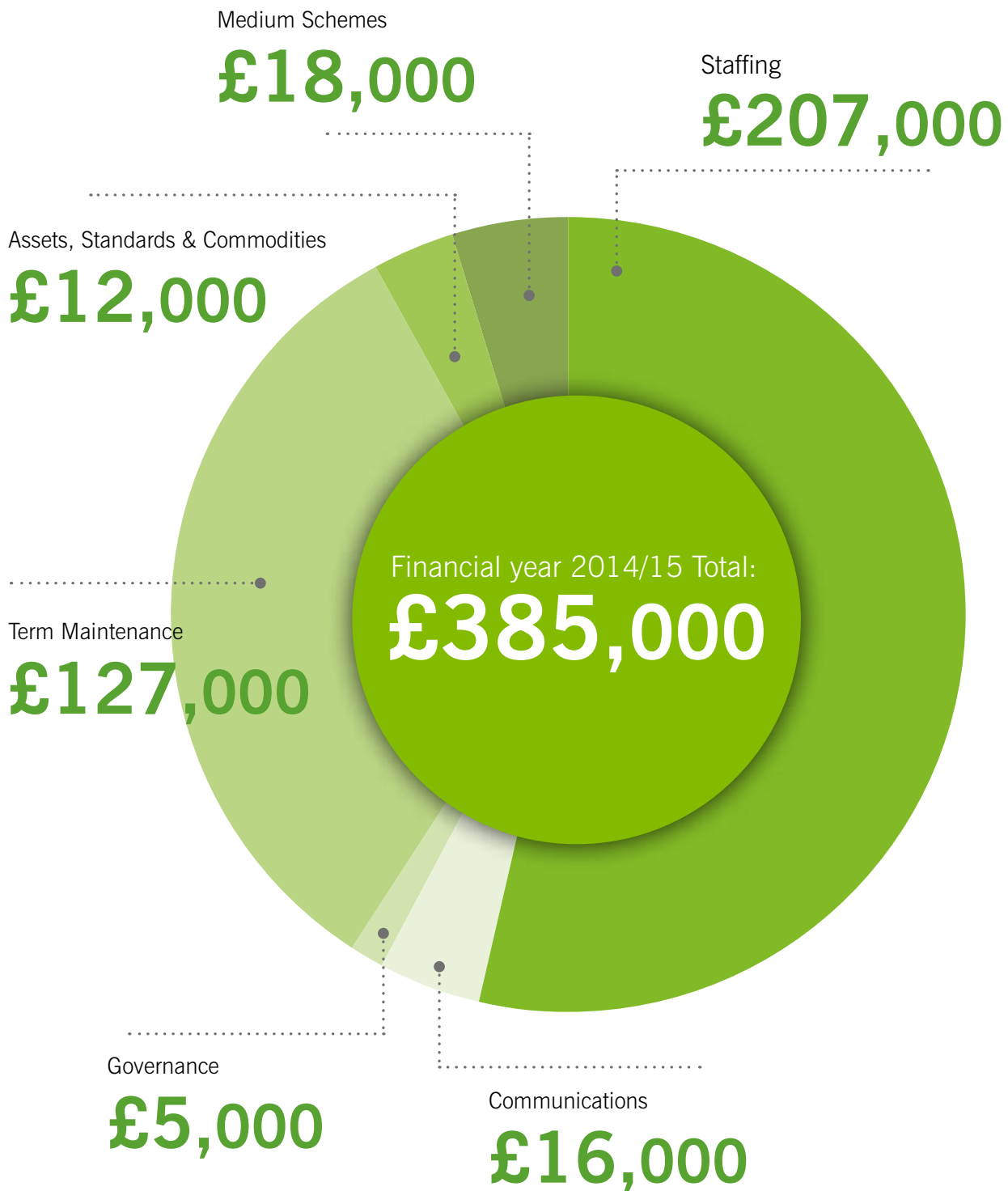
£105,000

“The MHA continues to be self-sufficient, generating enough income to support all its activities.”

Peter Barclay, MHA Manager.

Expenditure 2014/15:

Expenditure is split between running costs and investment costs for each of the working groups.



➤ Medium Schemes

MSF2 launch

The year started with the high profile launch of the MSF2. The event held at the National Space Centre, was well attended and reported by the technical press with a double page spread in the New Civil Engineer magazine.

All the new MSF2 contractors were represented on a question and answer panel which gave each contractor the opportunity to set out their approach to future projects. Invited speakers Peter Hansford, Government Chief Construction Advisor and Steve Radley, Policy and Strategic Planning Director CITB gave interesting and challenging presentations setting out

ambitious targets for MSF2 to address the Construction 2025 national agenda and make inroads to the skills gap facing the industry.



Station Road in North Hykeham - Lincolnshire

MSF2 in action

Lincolnshire County Council and Eurovia have successfully completed the first works package procured through MSF2. This is also the first time Lincolnshire has used the Medium Schemes Framework, becoming the fourteenth local authority to let works through the framework. The works to construct a 550m stretch of combined cycle/footway were up against a tight timescale from the start, with funding conditions requiring the money to be spent before the end of March 2015.

By choosing to use the direct call off procedure to select a framework contractor the council saved enough time to fit in a short period of Early Contractor Involvement. The team worked

together well from the start to review the drawings and specification to improve the buildability and agree a target price. The works on site, which had to accommodate both a Network Rail level crossing within the traffic management and a nearby section 278 development, went very well. The team finished the works before Christmas taking five weeks off the originally agreed fourteen week programme which helped make significant savings.

The scheme final account has now been agreed and paid in full ahead of the funding deadline. Station Road in North Hykeham becomes the first MSF2 project to reach this stage, all within the first year of the new framework. Congratulations!

MSF1 and MSF2 progress

MSF2 gets off to a quick start with seven projects on site in the first year, and another eleven already engaged with early contractor involvement, working towards construction in 2015/16.

MSF1 is still being delivered, with 46 out of 60 projects now complete. The financial out turn and performance measurement data from these projects will provide the baseline for measuring continuous improvement across the Midlands. A further interim report is planned for later this year.

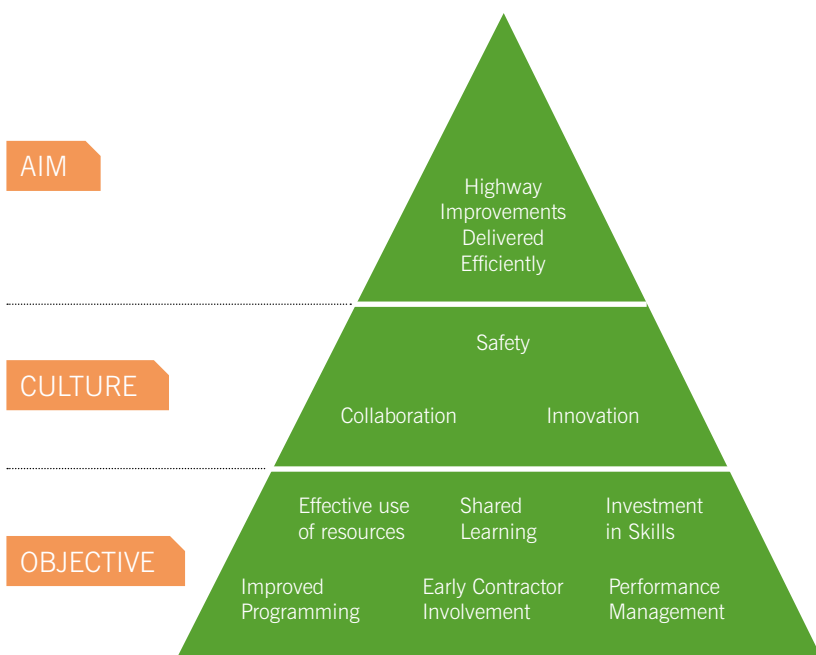
597,530hrs
of work without a reported incident.

The Framework Community Board on the move

Since the beginning of the year attendances at the bi-monthly Framework Community Board meetings have more than doubled with typically 25 -30 colleagues attending each meeting. The meetings have been held in a number of different venues around the region. There have been visits to the Redhill Development Site near Stafford and the Jaguar Land Rover engine plant on the i54 near Wolverhampton.

Representatives from our supply chain accepted an invitation from the Framework Community Board to make presentations on a series of topics including:

- » PAS 128 Ground Radar Investigation - Subscan
- » Planning for utilities - Fuel Solutions
- » CDM Regulations 2015 – AECOM (Formerly URS)



A major achievement of the Framework Community Board has been to establish a clear set of aims and objectives and agree a way of working, which includes not only regular meetings but a rolling twelve month action plan, and a number of working groups. These groups which focus on performance management, employment skills plans and health and safety, include representatives from all six contractors as well as from Derbyshire, Leicestershire and Staffordshire.

➤ Term Maintenance

- The Term Maintenance Working Group has celebrated a number of achievements in the past year. Building on the foundations of last year's success the group has been able to work more collaboratively incorporating best practice principles into its planning and evaluation.

During 2014/15 the workstreams main achievements were:-

- » Continued pro-active collaboration through the Term Community Board. This met on a quarterly basis allowing clients and providers to share ideas and good practice and was well attended by both client representatives and providers.
- » The start of the collection of common KPIs and savings on a monthly basis. These indicators are then reviewed at each Community Board meeting and any trends are discussed to see if any lessons can be learnt. This work is becoming increasingly important with member authorities now delivering their services in many different ways.
- » The carrying out of three lean intervention reviews of local authorities' practices. The board carried out peer reviews of the initial outcomes to ensure experiences and knowledge were shared. After which final reports were issued to the authorities concerned recommending improvements to their services. Two of the reviews were related to the customer interface and the other to the internal organisation of areas.
- » The group has improved its identification of total potential savings and cost avoidance which are now well in excess of £4.6m. This is due to best practice in procurement and service delivery due to the use of the MHA rationale in supporting earlier procurement exercises for four authorities.
- » The continued interaction between the Term Community Board and the HTMA and the Highways Maintenance Efficiencies Programme (HMEP). An HTMA representative regularly attends the





“The outcome of open discussion with clients and providers never fails to throw up innovative and effective ideas.”

Stewart Corbett, Chair of the Term Maintenance Working Group.

board meeting and provides feedback from its workstreams. MHA representatives also attend HTMA meetings, including most recently, workshops on developing the latest indexation factors. The board keeps a close eye on the HMEP developments to ensure the work it does is complementary to the HMEP products.

» The establishment of the culture framework identifying areas where the commissioners, providers and other stakeholders are acting efficiently or where there are areas of potential improvement. A pilot is currently being undertaken with Nottinghamshire County Council.

» The group has undertaken an assessment of where its wants to be both in the short and medium term and is implementing the actions required. Part of this is to group best practice philosophies into deliverable packages utilising toolkits developed both within the MHA and from other organisations such as the HMEP.

The group is now well placed to support authorities in maximising funding bids, and address the government’s drivers for good asset management and collaboration.

“One year on from procuring with the MHA (HMEP+) contract and we are still realising the benefits.”

Dave Brown, Rutland County Council.

➤ Skills Academy

➤ The Skills Academy has had five key achievements in 2014/15:-

Jointly with ICE and contractor Eurovia the Skills Academy supported 20 Bridge to Schools events in the year.



(L-R) Karen Notman, Peter Merrick, Dan Turner, Leonora Hanna, Theodora Elston and Jon Harvey

Workstream Lead

Karen Notman was recruited as the new workstream lead following the retirement of Stewart Ibbotson. Stewart had led the workstream since the Academy was launched in 2009 and his input will be sorely missed. Karen has worked hard with Skills Academy Manager, Theodora Elston to set up the new steering group. With her interests in learning and development of staff; she is a perfect replacement for Stewart.

Accredited Skills Academy

In February 2015, CITB confirmed that the MHA had successfully been accredited as a 'client based approach' Skills Academy. This is a significant achievement as it shows that the work that the MHA is doing is aligned with the national skills agenda.

Employment Skills Plans

It has worked closely with the MSF1 and MSF2 contractors on embedding ESPs into framework packages and 59% of projects now have ESPs. Each of these ESPs contributes to a better trained workforce and a better awareness of the industry in the community.

Joint training

The Skills Academy entered a contractual arrangement with Premier Partnerships to provide a Learning Management System and work has begun on populating it with training events, so that authorities can use it to collaborate on training. Joint training on NEC, identified by the Framework Community Board, has already been arranged, and one authority is starting to pilot the system.

Bridges to Schools

Closer relationships have been developed with other industry bodies, including the Road Surface Treatment Association, Chartered Institution of Highways and Transportation (CIHT), and the Institution of Civil Engineers (ICE). Jointly with ICE and contractor Eurovia the Skills Academy supported 20 Bridge to Schools events in the year.

The MSF2 framework pipeline has been discussed regionally and it's clear that the Skills Academy will continue to have a key role in promoting the industry, attracting a diverse workforce and developing the right skills to address the skills shortage.

➤ Assets, Standards and Commodities

➤ Following the retirement of Stewart Ibbotson, the membership of this group has been reconfigured and a new chair appointed - Martin Carnaffin.

This change in personnel has allowed the group to take advantage of the extensive resources and expertise available from bodies such as the HTMA, MPA, MSIG, ESPO and AECOM (formerly URS) the MHA's professional services provider. The participation of such a wide range of organisations allows the group to work collaboratively to arrive at mutually beneficial solutions.

One of the major tasks the group has set itself is the review and updating of the Harmonised Specification. This document is used extensively in the MSF2 and MHA Common Form of Term Service Contract. However, various developments in the industry mean the time is now right for it to be revised. This ongoing review will allow the group to remove obsolete requirements, eliminate duplications with other applicable specifications (i.e. the HMEP specification and the Manual of Contract Documents for Highway Works) and merge the Harmonised Specification with the 6Cs Design Guide. The

consolidation of specifications will prevent confusion and allow consistent design standards to be applied throughout the MHA region.

Allied to the revision of the Harmonised Specification is the work the group is undertaking to support MHA's acquisition of a document management system. This system will be a web based application which will allow all member authorities to access the MHA suite of documents. It is anticipated that the introduction of the proposed system will also assist members to comply with the requirements of BIM. To ensure that the MHA adopts the most effective solution, liaison is taking place with the BIM Implementation Group which has also been established by the MHA and is co-ordinated by AECOM (formerly URS).

The third major piece of work the group is currently pursuing is the movement towards alternative methods for specifying bituminous materials. It is yet to



Outgoing Chair
Stewart Ibbotson

be determined whether this will result in an innovative outcome specification being adopted or simply be a rationalisation of existing products; either way this promises to be an exciting opportunity for the entire MHA.

As well as the newer initiatives described above, the group will continue in its tried and tested role of exploiting the advantages made possible by the collective purchasing power of the MHA. The group will seek to do this by expanding the scope of goods and services which are available through such arrangements.



Collaborative salt purchase saves £315k a year

Group savings for
2014/2015
£315,000.

CASE STUDY:

➤ Early Contractor Involvement

Project:
Lichfield Bridge

Client:
Staffordshire County Council

Partner/Associate:
Galliford Try

Contract Value: **£3m**

Length of Project: **10 months**

Completion date:
October 2015

➤ Background:

Over 15 years of discussion between local authorities and a developer culminated in a plan to develop a prime business site within the city of Lichfield, Staffordshire. Access to the site required an existing bridge over the West Coast Main Line (WCML) to be replaced, as it was inadequate for the intended use of the development.

Objectives:

To create access to and enable development of a prime modern business park in Lichfield. It was necessary to replace Network Rail (NWR) owned and maintained bridge No. 98, carrying Burton Old Road over the West Coast Main Line (WCML). To avoid a years delay, the first objective was to gain NWR permission and procure/secure sub-contractors for the demolition of the existing bridge deck and abutments within a 54 hour rail possession over Christmas 2014. The second objective was to build a replacement bridge where half of

the business site would become inaccessible by any established access.

The project was jointly funded by Staffordshire County Council (SCC), with Liberty Property Trust UK Limited as the fund for the Business Park and Stoford Developments (SD) as their developer who had been working on project feasibility with Lichfield District Council for over 15 years.

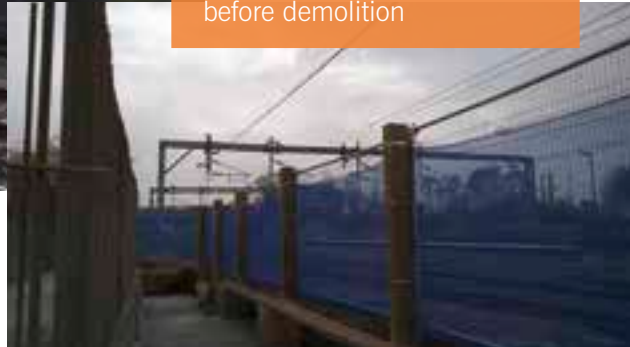
Network Rail were heavily involved as it owned the bridge which needed to be transferred to SCC. SCC/NWR would

Galliford Try and Network Rail discuss collaborative working





Bridge No. 98 over the West Coast Main Line (WCML) before demolition



then enter into a Two Party Overbridge Agreement, which would effectively allow SCC to construct the new bridge (subject to NWR technical checks and approval process) over the WCML and ultimately retain ownership and liability.

Galliford Try was initially selected using MSF2 to provide Early Contractor Involvement (ECI) services in August 2014, and joined the other stakeholders to work on finding solutions. Stakeholders worked intensively together to not only surmount the challenges, but also realise substantial project savings through the ECI process.

Railway possession

Although at the time of the ECI process the professional relationship with NWR was progressing well and the Christmas 2014 possession had been booked and secured, NWR had concerns that due to the delay in appointing a contractor, the availability of Overhead Line Equipment (OLE) and other specialists, that

would be required to enable the bridge to be efficiently and safely demolished, would be limited. NWR was prepared to consider a demolition strategy which did not involve the lowering of the OLE, however, this increased the contractual risk between SCC and Galliford Try and the contractual/commercial risk throughout the project. It also would have required an additional Christmas 2015 possession to demolish the outstanding elements. The lowering of the OLE would be the only methodology which would allow the bridge to be completely demolished, thereby negating a further Christmas possession over the WCML.

Galliford Try deployed its rail specialists to work with NWR and SCC to find solutions: firstly drawing on supply chain partners to secure the NWR approved specialists to dismantle the structure within the busy Christmas window: secondly satisfying the prerequisite NWR safety procedures in extremely short timescales and lastly,

working with supply chain to make proposals, giving NWR confidence in allowing the lowering of OLE during demolition.

Outcomes:

The primary objective was met and both the bridge and abutments were removed. The railway line was handed back to NWR with time to spare, which not only saw a significant amount of risk removed from the overall project, but saved the client, funder and developer a significant amount of capital and time

“The Midlands Highway Alliance provided the perfect opportunity for us to collaborate with stakeholders and make this challenging project the success that it is.”

Gary Morris, Framework Manager Galliford Try.



Land locked site

Working areas north of the bridge were bounded by the elevated A38 trunk road and the railway line, effectively isolating this part of the site once the bridge was removed. Two level crossings into the site could not be improved for use by construction traffic and the use of both crossings was strictly prohibited and prescribed within the many legal agreements in place between SCC and NWR. This meant that once the bridge was removed, all resources required to build the north abutment would have to be established within a land locked area prior to demolition and throughout construction (a period of up to nine months).

The team worked hard to try and find other options for access. A new temporary slip road and access ramp off the A38 was refused by the Highways Agency. Through its work on WCML widening, Galliford Try investigated the presence of historic haul routes provided for that project and one was identified as suitable. SD and SCC negotiated with landowners to secure a wayleave allowing the haul route to be extended into the land locked site. They then designed an alignment, undertook the environmental and ecological surveys, and secured planning permission for the 2.5km haul route. Galliford Try detail-designed the 2.5km of road sufficient to carry all construction traffic across the arable land. The combined efforts of all involved enabled the site to be unlocked and negated the costly process of isolating the resources required to build the north side works (which

was estimated to be in excess of £1m and would have made the project financially unviable).

SCC supported SD and Liberty to enter a separate build contract with Galliford Try for the haul route and introduced protection clauses within the overarching site implementation agreement.

Value Engineering

ECI provided a unique environment to explore and refine a number of Value Engineering (VE) options. One of these options was born out of a need to solve a particular problem. The existence of an old high pressure strategic 450mm diameter water main was the source of significant construction risks. The team expanded to include officers from South Staffordshire Water (SSW) to review the complex and high risk interface between the high pressure water main and the retaining walls required to all four corners to the new bridge over the WCML.

The solution reached was to revise the alignment of the highway. It resulted in a slight re-design/reduction of the bridge width and angle of skew, and a change in length for the retaining walls. In addition, the team designed out the retaining wall to the north east corner of the bridge and replaced it with an embankment, which removed the major risk interface between the retaining wall at the greatest height and the high pressure water main. SD secured the land from the landowner and a transfer agreement was established between SD and SCC.



The ECI process resulted in a significantly reduced SSW diversion cost, and avoided licence agreements and work on private land, which would have caused further complications.

SSW was then able to complete the diversions which directed the water main away from the works and enabled the project to progress as planned, programmed in line with the works information. Further savings were made through contractor designed reinforced earth retaining walls

which replaced the original reinforced concrete designs, reducing direct and future costs of these features.

Efficient working meant the ECI team were able to make significant financial savings. SCC designers routinely worked through weekends to provide information for budget assessment by Galliford Try, and to gain agreement from NWR and SSW for the proposals. SD equally moved quickly to negotiate with third parties and sanction changes.

Finances:

£1,791,382

Total savings made

Lowering overhead line equipment

£110,000

Changes to highway alignment

£275,032

Alternative access arrangements

£991,350

Design out water main diversion

£100,000

Re-design retaining walls

£40,000

Changes to reinforced earth walls

£275,000

Key lessons learnt

- Strong project management and leadership are important to ECI success. The SCC project manager set clear goals and remained proactive in driving the team throughout the process.
- Decision makers need to retain close involvement within the ECI team. The speed required to achieve the results was only possible by people with authority making timely decisions.
- The ECI team should expand to include additional stakeholders as required. As the significance of the water main diversion became apparent, inclusion of SSW to work with the team to explore options and find the optimal solution was necessary. This ensured that all stakeholder perspectives and priorities were weighed together and a balanced solution was found.
- Investment in ECI should be proportionate to the potential to gain value from the process. SCC committed to fund GT throughout the ECI process. This was in recognition that the level of contractor resource required to surmount the challenges could not reasonably be provided otherwise and project success was the paramount consideration.

MHA PSP1 Year 4 Annual Report

Professional Services

It has been another year of success for the Professional Services Partnership. The number of authorities using the services of our partner URS (now AECOM) and their key supply chain partner Waterman through our framework PSP1 reached 14, more than twice the original number planned for.

Performance and client satisfaction continued to improve and turnover in the fourth year increased to £9.13m from £8.57m the year before. Most of this work was in general civil engineering, transport planning and bridge disciplines.

URS) did with Leicestershire County Council on the Personal Travel Plans (PTP) where lessons learnt and efficient ways of working were transferred to neighbouring authorities. Joint training on BIM requirements has brought further economies.

A wide range of projects have been worked on, from specific projects such as Ilkeston Station and Fletton Parkway, to collaborative work on issues such as external funding opportunities, climate change, BIM, transport models and Low Temperature Asphalt (LTA). The collaboration on BIM and LTA was extended to include the MSIG thus maximising benefits to a significant number of local authorities.

In June 2014, the PTP work for Leicestershire won the Sustainability category of the Chartered Institute of Highways and Transportation (CIHT) Awards, and was also 'commended' under the Effective Partnerships category. The project has previously featured in the Local Transport Today magazine supplement supporting both the Rebooting Smarter Choices conference (Bristol, 2012) and the Mainstreaming Smarter Choices conference (Manchester, 2013).

There have been real benefits in collaborative working with good practice being shared between authorities. A prime example of this is the work AECOM (formerly

AECOM/Waterman and Leicestershire County Council collect their Sustainability Award at the Chartered Institute of Highways and Transportation (CIHT) Awards



Over the year, savings of £940k have been achieved, taking the overall savings to a total of £3.5m over the four years of the commission.

The last day of this contract was 3 April 2015. AECOM (formerly URS) together with Waterman have won the successor contract Professional Services Partnership 2 which starts 28 April 2015. Work will get under way to communicate the new framework to a wide audience including press releases. There will be a launch event and a series of roadshows at each participating MHA authority.



AECOM's Telford Office has developed skills in the use of the 3D visualisation created in AutoCAD Civil 3D environment as an effective communication tool that brought business benefits to Wolverhampton's City Centre Project.

3D visualisation of Princess Street pedestrian zone works in Wolverhampton City Centre

> MHA future

For some of our member authorities, it has been a year of significant change as they transformed the delivery of services in their area.

It seems a perfect time to look at the MHA agreement and the alliance's objectives, to make sure they are still relevant, challenging and suitable for the needs of our members. As part of this, a series of one-to-one meetings took place between

Executive Board members and the Midlands Highway Alliance Manager, Peter Barclay, and it is clear that the work the alliance is doing is still very important to its members.

Challenges that we face:-

- > The need to increase the innovation and savings that we generate
- > The buoyant construction market and the demands that will place on core skilled staff mean that we will need to look at service delivery in new ways
- > The need to develop further skills in the staff that we have
- > Building relationships across the industry
- > Making sure that we highlight our successes

These ideas are being explored and will be built into the 2015-16 Business Plan.



“Looking forward, we need to ensure our objectives remain relevant to our member’s needs and challenging enough to make a significant difference to what we do.”

Peter Barclay, MHA Manager.





Contacts

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Or visit our website at: **www.mhaweb.org.uk**