

Improving Infrastructure Delivery: Project Initiation Routemap Case Study

ANGLIAN WATER'S AMP6 ALLIANCE STRATEGY

Background

The alliance model used by Anglian Water was first established in 2009 as part of its Asset Management Plan 4 (AMP4). The initial contracts under that model have delivered improved performance particularly with respect to greater efficiency and capital carbon targets.

In early 2013, Anglian Water began work on planning the next phase, with an aspiration to let 15-year contracts and for the Alliance to take on a greater proportion of Anglian Water's overall investment programme in AMP6.

How Anglian Water Applied the Routemap

Anglian Water used the Routemap to review the proposed strategy for the procurement of the Alliance and the supply chain. The review was undertaken early in the overall process (8 months before the first contracts were to be let) to test the principles of the proposed model and to ensure that any gaps identified could be sufficiently addressed and incorporated into the existing development plans.

The AMP6 Routemap review adopted a consolidated approach to information gathering; followed by a structured workshop session that included representation from senior management and the existing supply chain, Independent input and facilitation was provided by IUK and the University of Leeds. Key stakeholder perspectives were used to stimulate discussion and the outputs of the routemap assessments and the implications for strategy development, agreed as a group. Tailoring the Routemap methodology to suit the project stage and the desired outputs is key to getting the most from any Routemap application.

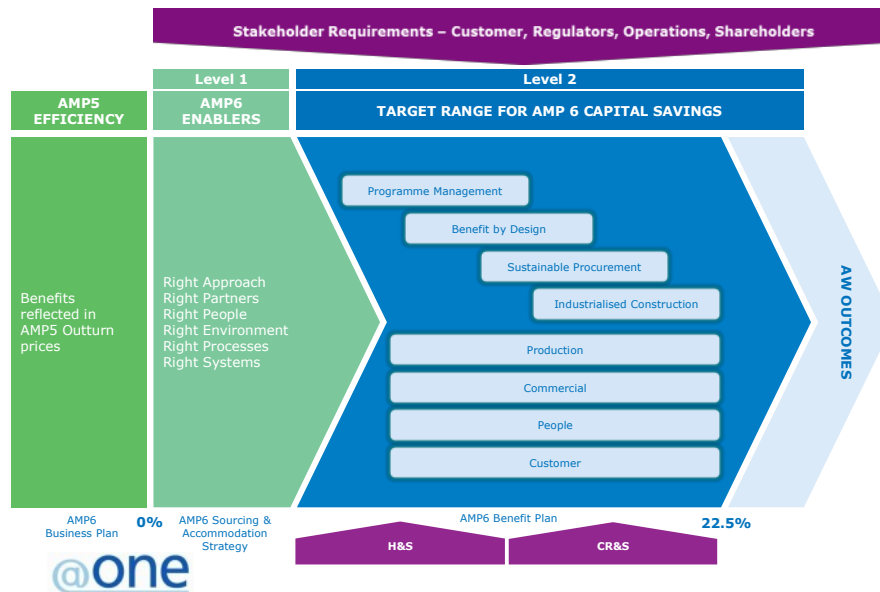
Key Outputs

There were a number of key outputs from the review. These included;

- Recognition of the importance of strategic alignment and the ability to clearly articulate the respective benefits of the approach for all partners and suppliers. This involves first understanding the varying business drivers and different 'types of work' required from the market
- Although the existence of cultural blockers had been identified when compiling the improvement initiatives for AMP6, the actions required to overcome those blockers had not been specifically identified.
- Recognition of the critical dependency between a contracting model that sought benefits from greater integration of the supply chain and the AMP6 initiatives that required a different way of working, such as industrialised construction.
- Identification of the need for a more coherent change programme that ensures the various elements of wider programmes are integrated into a sequenced, deliverable and focused delivery plan. In this case an Execution Strategy (see below). The execution strategy was an important part of Anglian Water's approach and a cornerstone in delivering the new Alliance model.

Structure of the overall execution plan for the Anglian Water @one Alliance in AMP6;

AMP6 Capital Delivery Plan



What Anglian Water did with the Routemap learning

Following the workshops the change programme was reviewed to ensure that all potential blockers were covered off by actions - ones designed to provide the right cultural and organisational change. These were then integrated into a more comprehensive programme. The overall change programme evolved from one where key risks had been identified, to one that included specific programmes to deliver underlying cultural change.

An exercise was undertaken to map the entire supply chain for AMP6 (and beyond), from strategic sub-contractor to equipment suppliers. This mapping highlighted the different capabilities needed to deliver this new way of working and included capabilities outside the traditional water industry supply chain.

This subsequently led to a procurement programme that included a greater degree of market making; assessing cross sector capability and introducing new supply chain partners that could support the changes required in AMP6. The procurement strategy also identified the appropriate commercial model for each part of the alliance supply chain, with a general shift towards greater collaboration and incentivised contracts.

What were Anglian Water able to achieve as a result;

- Greater alignment of the overall Alliance strategy with Anglian Water’s key business requirements. This alignment was reflected in the proposed commercial model for the Alliance and in the performance structure for the extended supply chain.
- Integration of the key improvement initiatives, such as supply chain management and industrialised construction. Significant work had been undertaken in developing improvement initiatives for AMP6, but the added focus on an overall execution strategy provided a more coherent delivery plan that better integrated the initiatives into a single programme.
- Greater alignment and timing of initiatives. For example, completing the sign-off of business requirements and outcomes before structuring the main procurement activities.
- The AMP6 delivery plan includes targets for over 20% efficiency, a further 20% reduction in capital carbon (on top of the 50% delivered in the previous AMP period) and a 40% reduction in construction time.

Notes:

This review was commissioned by Anglian Water and carried out in April 2013 by Infrastructure UK and the Engineering Project Academy, University of Leeds.

For further information on the Routemap; <https://www.gov.uk/government/collections/infrastructure-cost-review>

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