



INFRASTRUCTURE CLIENT GROUP

Infrastructure Client Group **Improving infrastructure delivery**

October 2014

Infrastructure Client Group (ICG) support

The ICG core group includes the following organisations



“ For the first time the Infrastructure Client Group has brought together key infrastructure organisations to deliver a set of common objectives and improvements to the way we deliver the UK’s infrastructure needs”

Simon Kirby, Chief Executive, HS2

Infrastructure UK and the Infrastructure Client Group

Infrastructure is the backbone for the UK economy. It provides the networks and systems that supply and support reliable and cost effective transport, flood protection, energy, communications, water and waste management. These are vital to ensuring that the UK remains a competitive force in the global race.

The government is committed to establishing a long-term sustainable plan for infrastructure investment. **Infrastructure UK (IUK)**'s Cost Review Report 2010 identified the opportunity to improve infrastructure delivery. It set a target to remove wastage and make efficiency savings of at least 15 per cent by 2015 across public and private sector infrastructure delivery. The government's Construction 2025 Strategy goes further, setting a target of lowering costs by 30 per cent and reducing time by 50 per cent.

The government, through IUK, continues to work with industry to drive improved productivity and remove wastage in the delivery of infrastructure investment. These measures are providing better value for money for taxpayers and consumers. Across public and private sectors, these combined efforts are starting to yield success. However, there is no room for complacency. There is still much to be done to match the levels of efficiency and productivity seen in some other sectors.

The **Infrastructure Client Group** is demonstrating the value of effective collaboration between government and industry to support the development and exchange of best practice and delivery improvement. Initially brought together by IUK to support the Infrastructure Cost Review work, the membership of this group is representative of the major infrastructure clients. It has been instrumental in setting a common agenda for change and supports a programme of activities and applied knowledge transfer across the public and private sectors. The success of this initiative has been made possible by the continued and valuable support from industry and academic partners.

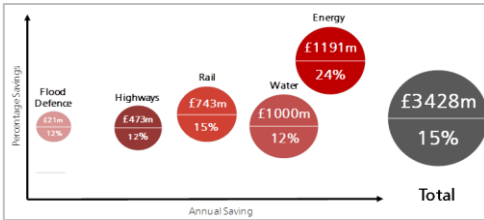
A handwritten signature in black ink, appearing to be 'D. Deighton', with a long horizontal flourish extending to the right.

Lord Deighton
Commercial Secretary to the Treasury

A handwritten signature in black ink, appearing to be 'S. Kirby', with a stylized, cursive style.

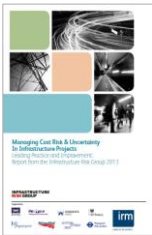
Simon Kirby
Chair of the Infrastructure Client Group

IUK Cost Review and ICG outputs



The 2014 Cost Review report, 'Measuring and Improving Delivery', set out evidence of improvements in collaborative behaviours and reduced costs of delivery. Over £3.4 billion per annum of cost savings have been measured improving the cost effectiveness of infrastructure by over 15 per cent.

IUK and the ICG have published a number of key reports to help drive changed behaviours and support improved outcomes.



Managing Cost Risk and Uncertainty

This guidance looked at the management of cost risk and uncertainty throughout the project lifecycle and the approach to using optimism bias.



Specifying Successful Standards

This report sets out recommendations as to how clients can simplify their approach to the maintenance and specification of technical standards.

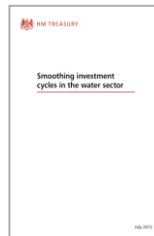


Project Initiation Routemap

Built on lessons learned by both public and private sector, the Routemap provides a framework to help identify and address common and recurring

problems, particularly during the early stages of projects.

Water cyclicity



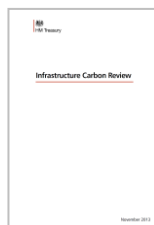
The objective of this study has been to identify best practice and to make recommendations to enable key stakeholders to help smooth out investment cycles. This will in turn result in reduced costs to

consumers and promote growth and sustainability in a vital sector of infrastructure delivery.



Alliancing Best Practice

This Best Practice in Alliancing document highlights the areas in which alliancing can potentially add value and the key elements that drive a successful alliance.



Infrastructure Carbon Review

This report set out recommendations which could save the UK economy £1.46 billion per year and reduce carbon emissions.

Measures of success

There has already been strong progress on implementing the recommendations from these reports, including:

- **£440m of transition investment** in the water sector has been identified to bring forward work from AMP6 helping to reduce costs to consumers and mitigate cyclical impacts on the supply chain;
- **11 Routemap assessments** have been undertaken on major infrastructure projects for 9 different clients in 5 sectors worth over £60 billion helping to support successful project initiation.
- **27 signatories to Carbon Commitments** from both client and supply chain organisations who have committed to implement the recommendations of the Infrastructure Carbon Review.

Future Priorities

The government will work with the ICG to strengthen its remit and ability to help drive delivery improvements and report on progress. The ICG published Work Programme for 2014/15 builds on the successes to date. The work will be taken forward as a series of projects under four main themes. The ICG and IUK will report on progress annually each autumn, starting 2015.

Improved pipeline visibility and certainty

We will continue to improve the visibility and certainty of the infrastructure investment pipeline, publishing biannual updates and working with stakeholders to drive these principles further into sector or individual organisations' approaches.

Improving project initiation and procurement

We will continue to extend the implementation of the Project Initiation Routemap across priority infrastructure projects and programmes. We will seek to improve collaborative behaviours on projects and promote a common set of principles to support faster, smarter procurement and more effective risk allocation.

Whole life planning and cost control

Alongside commitments to longer-term funding we will seek to maximise the opportunities to incentivise whole life planning and delivery outcomes. Building on the published report we will undertake further work to embed greater transparency and management of risk and contingency. We will promote the principles of the Infrastructure Carbon Review. We will consider the impact of technical standards and codes as obstacles to innovation.

Supply chain skills and construction delivery

We are improving our modelling and understanding of critical skills and supply chain gaps to inform actions for government and industry. We will improve our understanding of how our supply chains are performing across projects.



ICG members

Simon Kirby, HS2 Ltd
Andy Mitchell, Thames Tideway Tunnel
Peter Adams, Highways Agency
Miles Ashley, Transport for London
Roger Bailey, Thames Tideway Tunnel
Jim Barlow, Environment Agency
Nick Baveystock, ICE
Denise Bower, Major Projects Association and University of Leeds
Martin Buck, Crossrail
Alan Couzens, Infrastructure UK (HM Treasury)
Dale Evans, Anglian Water @one Alliance
Adam Green, Carillion
Mark Hagger, Environment Agency
David Hancock, Major Projects Authority (Cabinet Office)
Steve Hudson, Infrastructure UK (HM Treasury)
Nirmal Kotecha, UK Power Networks
Simon Murray, Independent
John Oliver, BG Group
Nick Roden, Tesco
Keith Waller, Infrastructure UK (HM Treasury)
Beth West, HS2 Ltd
Phil Wilbraham, Heathrow
Andrew Wolstenholme, Crossrail and Construction Leadership Council
Mark Worsfold, Ofwat

ICG related groups

Richard Coackley, URS – Chair, Water Cyclicity Group
Terry Hill, Arup – Chair, Industry Standards Group
Dr Diana Montgomery, CPA – Chair, Supply Chain Capacity and Skills Group
Chris Newsome, Anglian Water – Chair, Infrastructure Carbon Group
Beth West, HS2 – Chair, Infrastructure Risk Group

Where to find out more?



www.gov.uk/government/collections/infrastructure-cost-review



www.ice.org.uk/topics/Industry-initiatives/About



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