



An Alliancing approach

Iain Anderson - Interim Alliance Director

Midland metro delay clocks up damages

7 JANUARY, 1999 • BY MATTHEW JONES

Public inquiry will examine Edinburgh trams fiasco



The screenshot shows a news website interface. At the top, there are several promotional banners: "BRUMMIES' CHOICE AWARDS" with a "Vote for your favourite venues" link, the "Birmingham MAIL WEBSITE OF THE YEAR" logo, and "WOW BRUM" with a "Your guide to the best of Birmingham" link. Below these are navigation menus for "Most read", "Live feeds", "What's on", "News", "Sport", "Nostalgia", "Celebs", "Quizzes", and "In Your Area". A "TRENDING" section lists "PEAKY BLINDERS", "WIN A WEDDING", "EASTER IN BIRMINGHAM", and "PRIDE OF NURSING AWARDS". The main article headline is "Midland Metro to New Street delayed after Grand Central work overruns", dated "16:46, 9 NOV 2015" by "GRAEME BROWN". The breadcrumb trail reads "News > Midlands News > Midland Metro".

West Midlands Combined Authority

1.7 MILLION
JOBS IN TOTAL
rising private sector employment
+43,000 JOBS
BETWEEN 2009-2013



1.3 MILLION JOBS
in the
PRIVATE SECTOR



£7 BILLION
EXPORTS

THIRD LARGEST
EXPORTING REGION
IN THE UK

OVER
130,000
BUSINESSES



ONE OF THE TOP
PERFORMING AREAS

FOR FOREIGN AND DIRECT
INVESTMENT (FDI) IN THE UK



172 INWARD INVESTMENT
PROJECTS IN 2013/14 (74% RISE)

CREATING OVER
9,000 JOBS

£6.5BN
OF GVA
FROM
MANUFACTURING



£80
BILLION OF GROSS
VALUE ADDED (GVA)
contributed to the UK economy

% OF EMPLOYEES IN
MANUFACTURING
IS **50%**
HIGHER THAN
THE AVERAGE
FOR ENGLAND

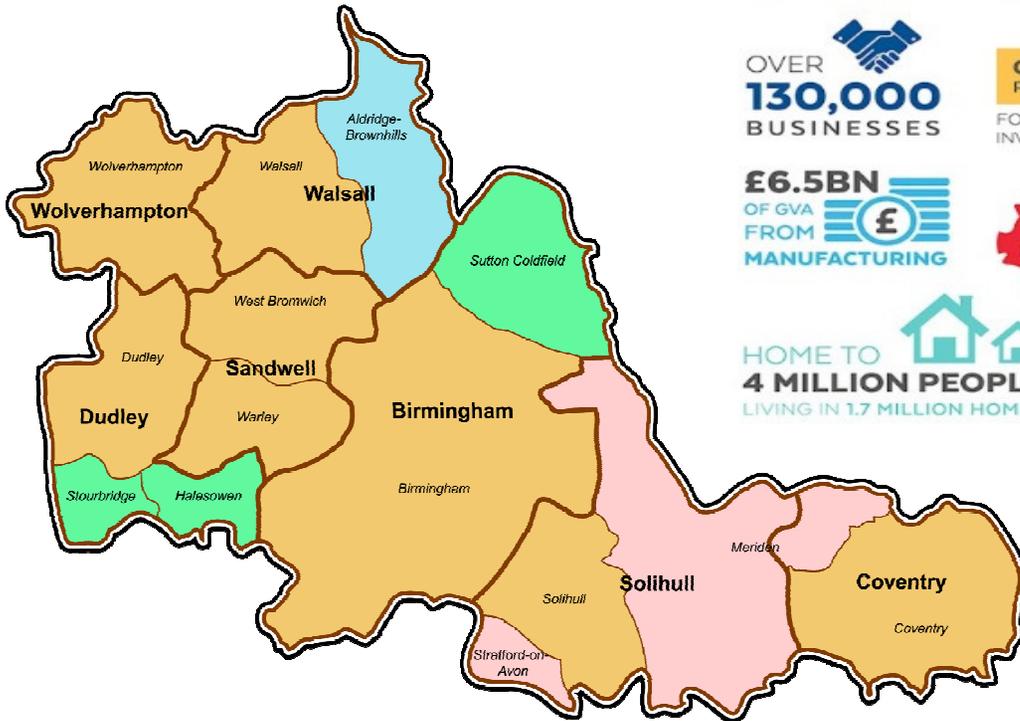


FASTEST
GROWING
LEP AREAS AT
4% GVA GROWTH

HOME TO
4 MILLION PEOPLE
LIVING IN 1.7 MILLION HOMES



300,000 JOBS
IN HIGH VALUE
MANUFACTURING



History Of Midland Metro in Birmingham



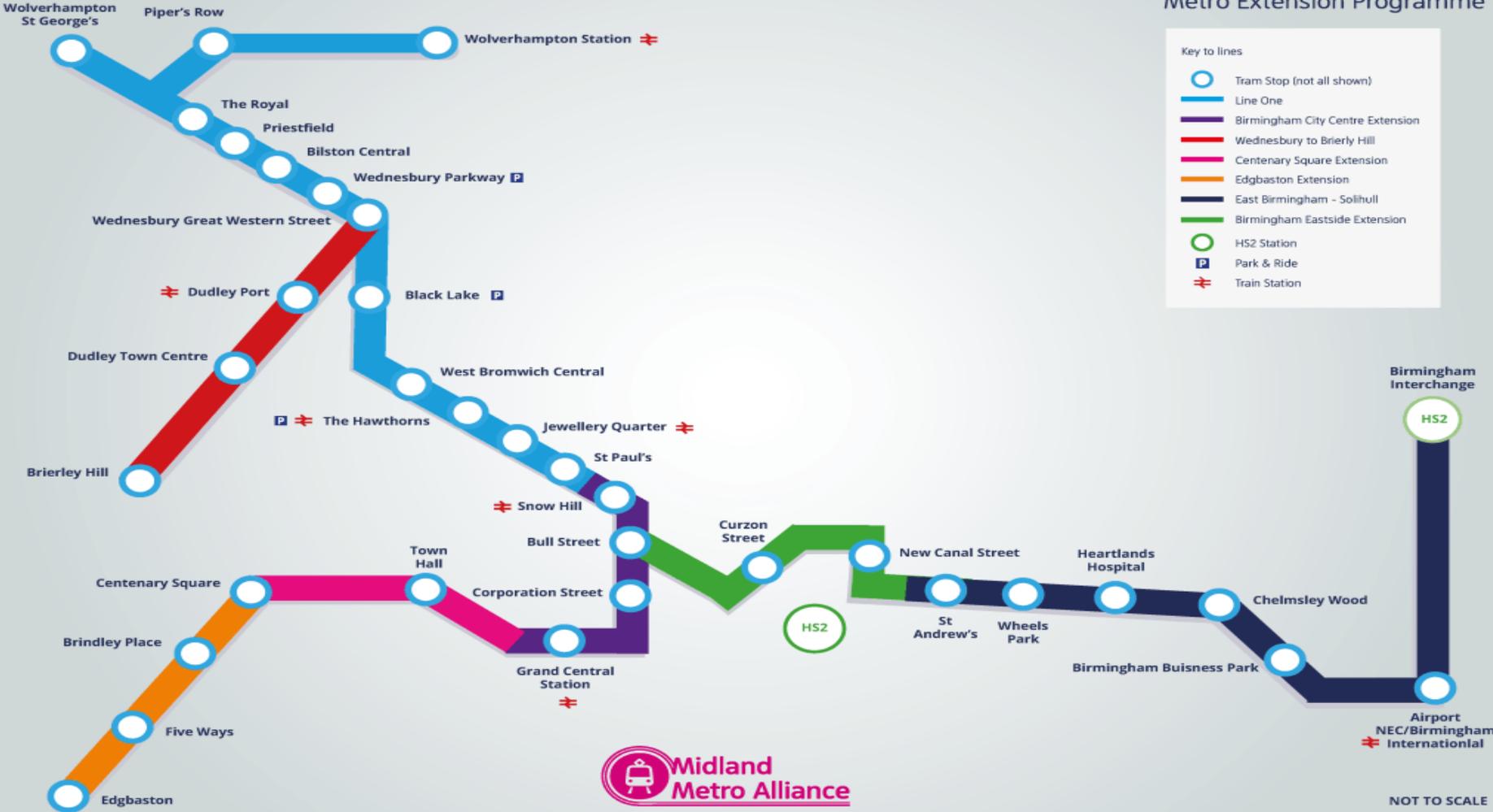
- Midland Metro Line 1 opened 31 May 1999
- 21 km route between Birmingham Snow Hill and Wolverhampton St Georges
- 23 stops including West Bromwich, Wednesbury and Bilston
- 16 Ansaldo-Breda T69 Trams
- 5 million annual patronage

Delivery in 2015 of 21 trams from CAF

Metro Extension Programme

Key to lines

- Tram Stop (not all shown)
- Line One
- Birmingham City Centre Extension
- Wednesbury to Brierley Hill
- Centenary Square Extension
- Edgbaston Extension
- East Birmingham - Solihull
- Birmingham Eastside Extension
- HS2 Station
- Ⓟ Park & Ride
- ≡ Train Station



NOT TO SCALE

So what is an Alliance?



“An Alliance is an arrangement where a collaborative and integrated team is brought together from across the extended supply chain. The team shares a set of common goals which meet client requirements and work under common incentives”



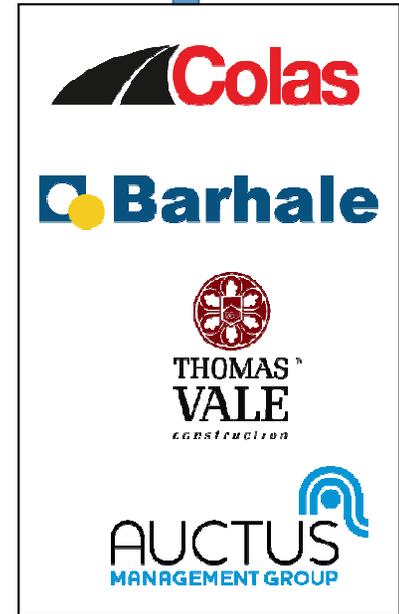
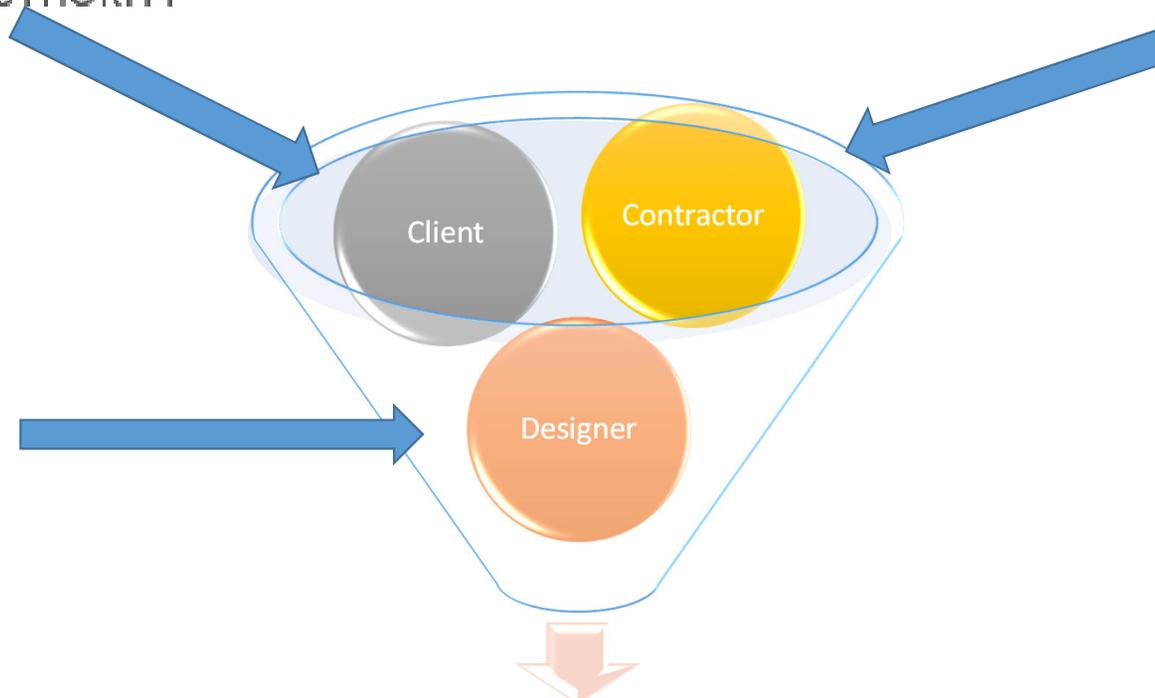
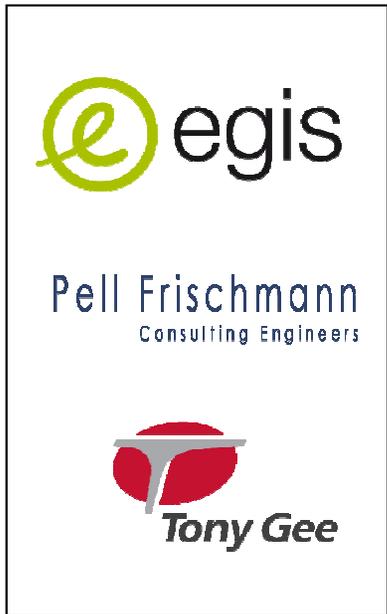
Project Alliancing first used by BP for the North Sea Andrew Field in 1990's. The project was delivered 6 months ahead of schedule for an actual cost £290m against a initial target of £450m

Alliance member selection



Quality 70%		Commercial 30%
Behavioural 50% <ul style="list-style-type: none">• Safe delivery• Inspirational, strong leadership• High performing collaborative culture• Transparency, openness & honesty• Stakeholder management• Extending collaborative culture into supply chain• Commitment to Alliance	Technical 20% <ul style="list-style-type: none">• Light Rail expertise• Best people• Approach to innovation• Understanding stakeholder needs• Understanding specific challenges of Midland Metro• Management systems• Quality & Assurance	<ul style="list-style-type: none">• Overhead• Profit• People rates• Risk appetite• Transparency• Auditability

Members of the Alliance



Key Principles underlying the Alliance

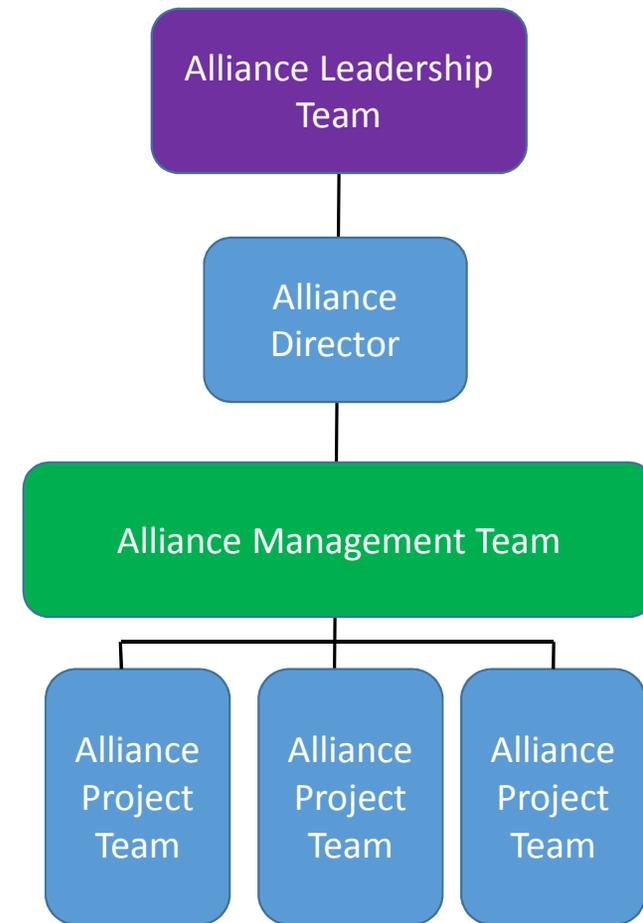


Leadership

- The adoption of 'Best for Alliance' as the fundamental principle underpinning all decision making
- Clear accountabilities within a “no blame culture” and a self governing group
- Leadership that role models the values and approach

Integration

- Development of a single culture and Alliance identity
- Co-location of the team and early contractor involvement to realise innovations and efficiencies early in the development process
- Single IT platform for all parties to ensure smooth communication and remove 'fire wall frustrations'.



Key Principles underlying the Alliance

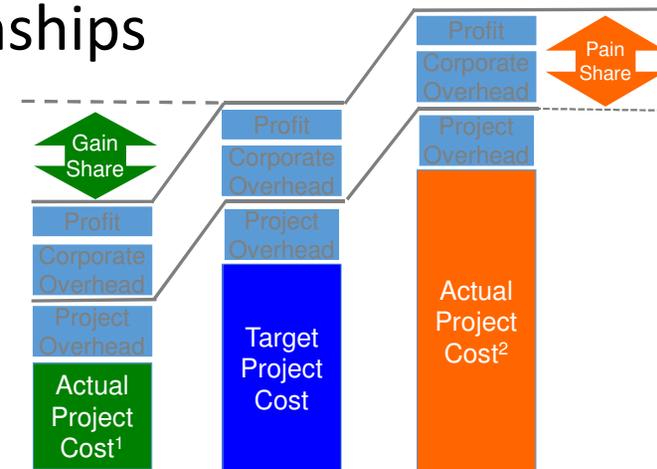


Behavioural

- An emphasis on creating and sustaining the right behaviours
- Need to appoint the right people with the right attitude
- Honest, open communication and “peer” relationships
- Proactive engagement with external stakeholders

Commercial

- Single Project Alliance Agreement signed by all parties
- Open book – gain share / pain share
- Equitable sharing of risk rather than risk transfer
- Aligned goals which ensure a ‘win-win’ / lose-lose’ environment
- Commercial model supported by suite of KRAs and KPIs



The Benefits of Alliancing



- An Integrated team with aligned commercial goals and a single suite of KRAs for all parties ensures focus with end to end engagement
- Shared risk and reward and a win-win commercial model ensures all parties remain focused on 'Best for Alliance'
- Access to high quality resources from industry leaders and global best practice
- Long term 10 year view allows decisions to be made on a strategic basis and economies of scale to be realised.
- Benefits of efficiencies from the learning curve to be realised over the life cycle of the Alliance
- Early contractor involvement to maximise the benefit of potential innovations and constructability efficiencies
- Removes man-marking, adversarial approaches and win – lose attitudes which traditionally hamper efficient project delivery



So where are we in the process?



- Alliance has been working together since May this year with the Alliance Agreement formerly signed in early July.
- Business plan has been agreed for the first year and we have moved into an interim office in Victoria Square, Birmingham
- Appointing key roles – with staff numbers currently around 85 and anticipated to grow to circa 120 by Christmas and an ongoing programme of induction, orientation and team building
- Taken ownership of the partially completed designs for CSQ and WCCE and undertaking an efficiency review whilst also developing the target costs for approval
- TWAO approval received, utility diversions well underway with construction anticipated to start on both CSQ & WCCE in 2017
- Proactively engaging with stakeholders for early stage development for WBHE, BEE, and EBC

Leaving a Legacy.....

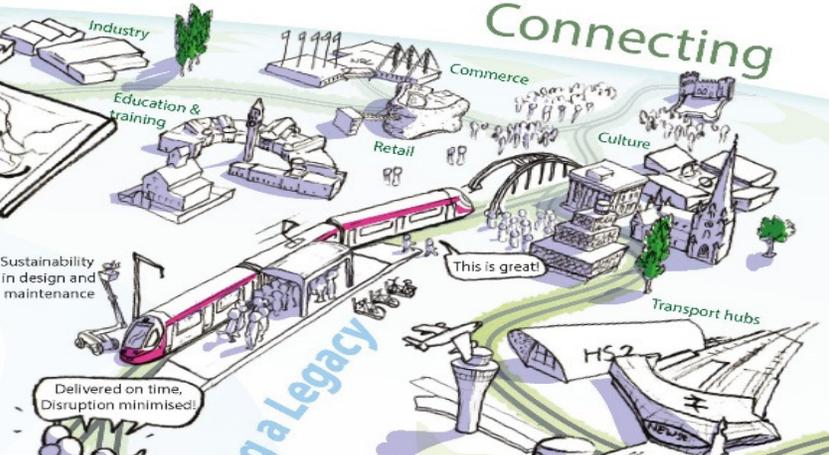
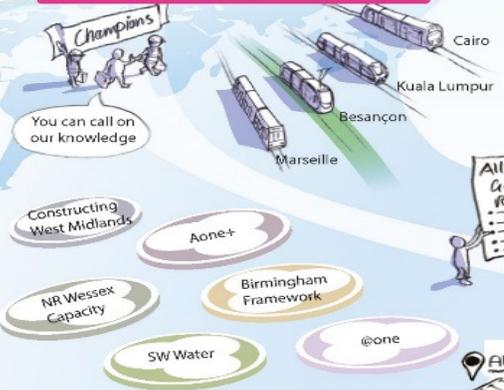


- We recognise this is a bold decision by Combined Authority to try something different and to drive further efficiencies
- It is also a fantastic opportunity to drive the regeneration of the West Midlands as this will be more than just a tram.
- It will be:
 - A key trainer in region – focusing on training and developing local resources to deliver their tram for their future through our Midland Metro Academy
 - A driver of economic regeneration along the route by bringing employment and enhancing connectivity
 - A contributor to increased accessibility and mobility as part of an integrated transport solution
- We are all committed to deliver on our promises and to repay the trust that has been shown, both in the approach and in us as the team to deliver it.

Global light rail leadership

Our vision for Midland Metro Alliance

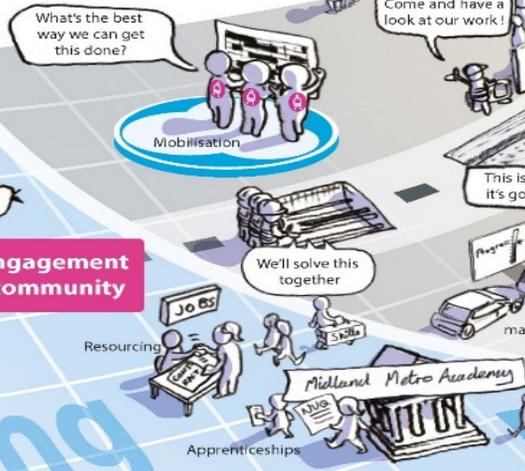
Connecting



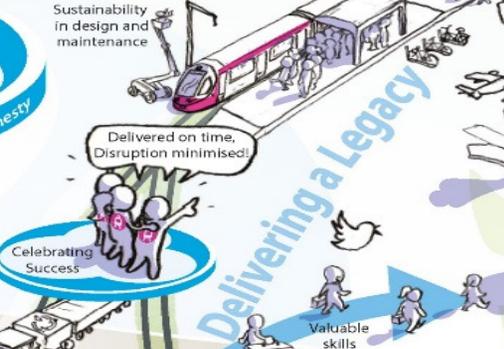
Expertise in alliance and partnership working



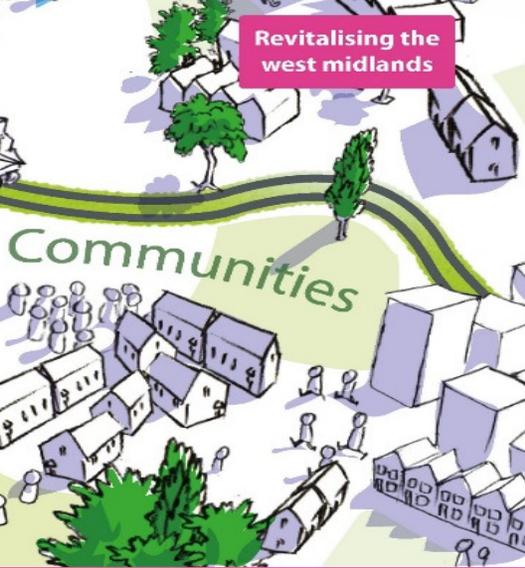
One team



Delivering a Legacy



Revitalising the west midlands



Early engagement of the community



Using and developing local resource

Planning

