



## 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".

# 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

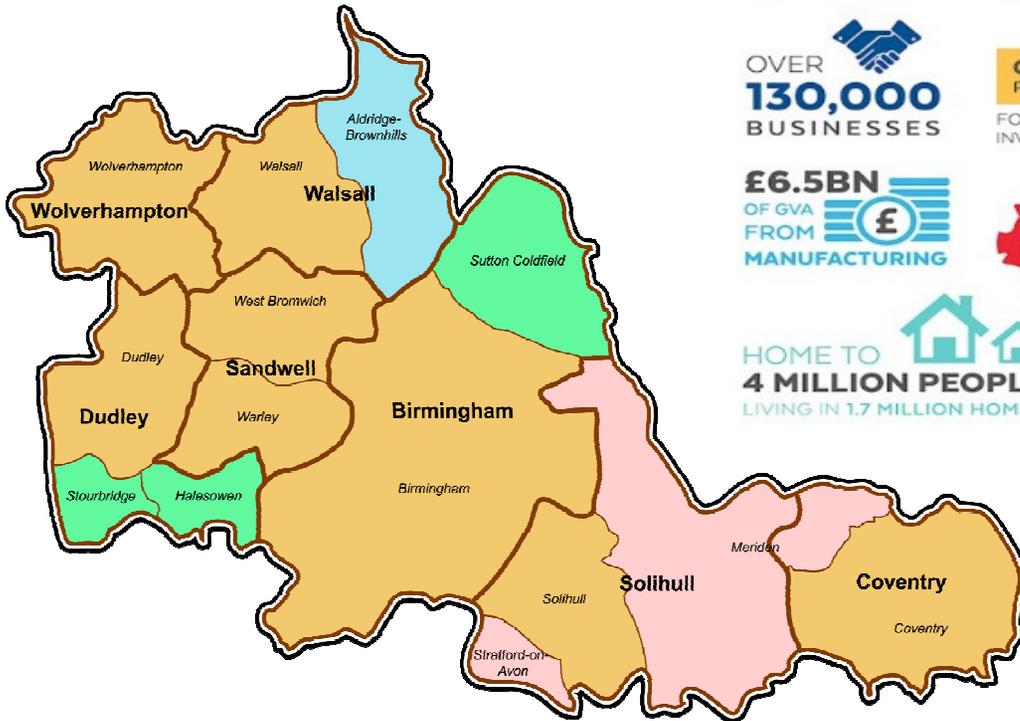


**FASTEST**  
GROWING  
LEP AREAS AT  
4% GVA GROWTH

HOME TO  
**4 MILLION PEOPLE**  
LIVING IN 1.7 MILLION HOMES



**300,000 JOBS**  
IN HIGH VALUE  
MANUFACTURING



# History Of Midland Metro in Birmingham



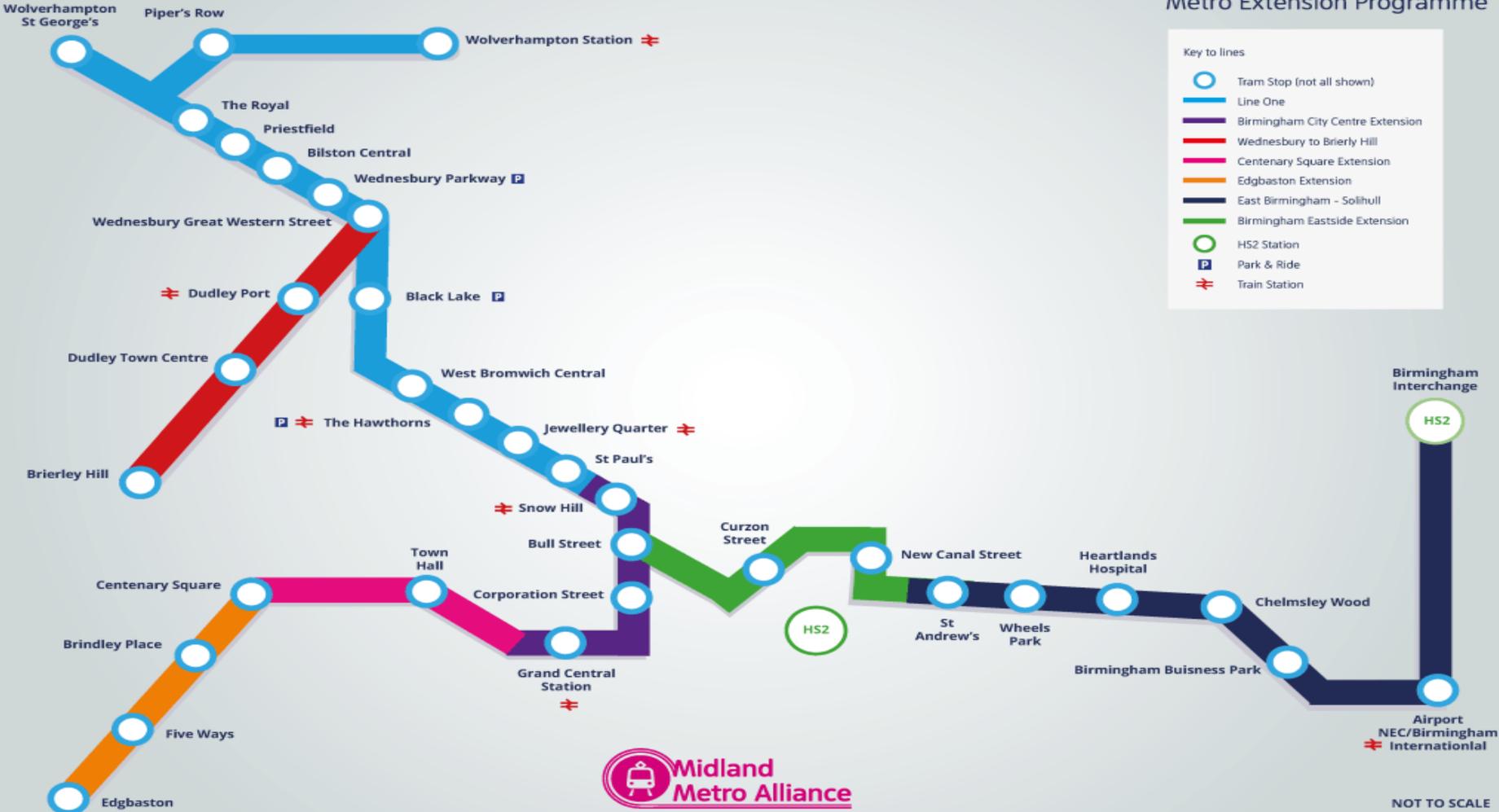
- Midland Metro Line 1 opened 31 May 1999
- 21 km route between Birmingham Snow Hill and Wolverhampton St Georges
- 23 stops including West Bromwich, Wednesbury and Bilston
- 16 Ansaldo-Breda T69 Trams
- 5 million annual patronage

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



## 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”*



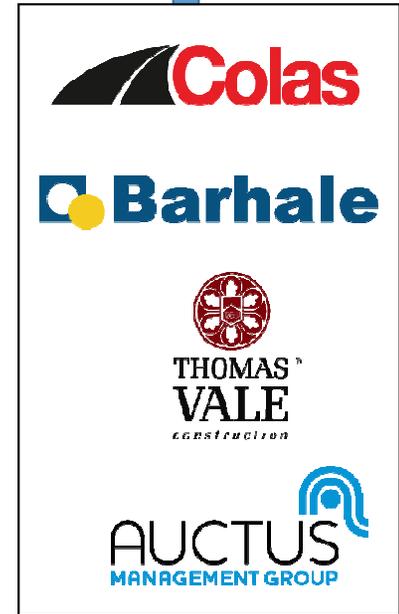
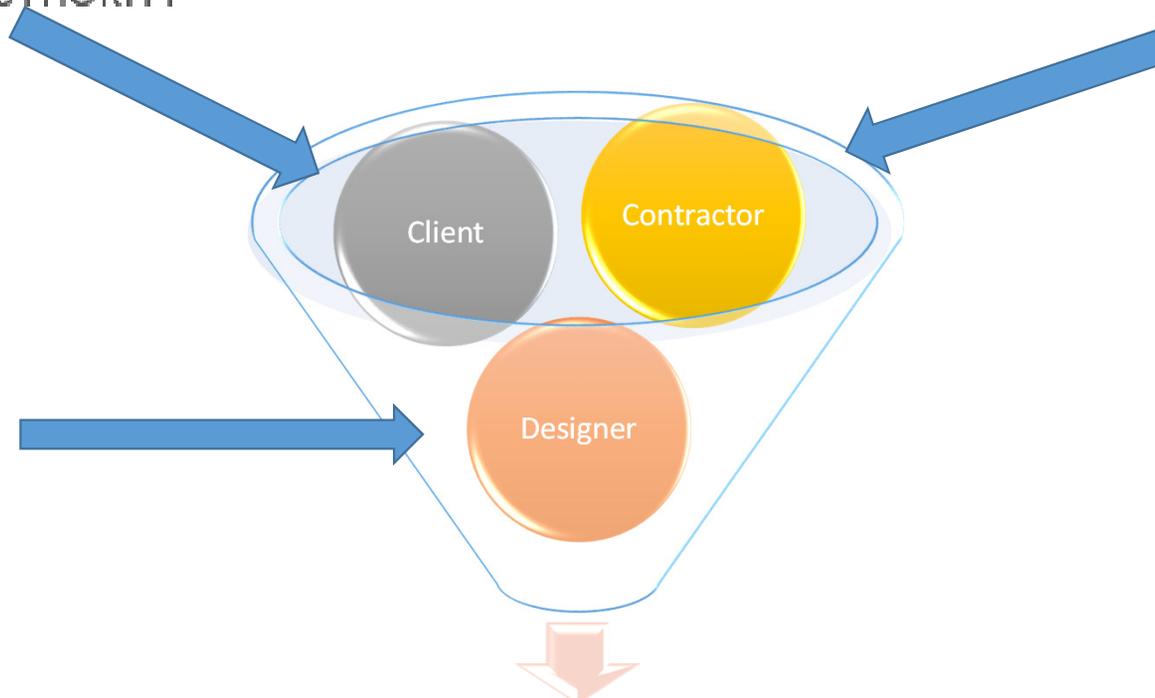
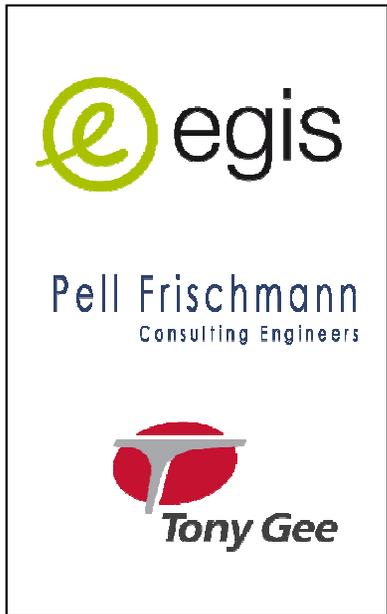
Project Alliancing first used by BP for the North Sea Andrew Field in 1990's. The project was delivered 6 months ahead of schedule for an actual cost £290m against a initial target of £450m

# Alliance member selection



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

# Members of the Alliance



# Key Principles underlying the Alliance

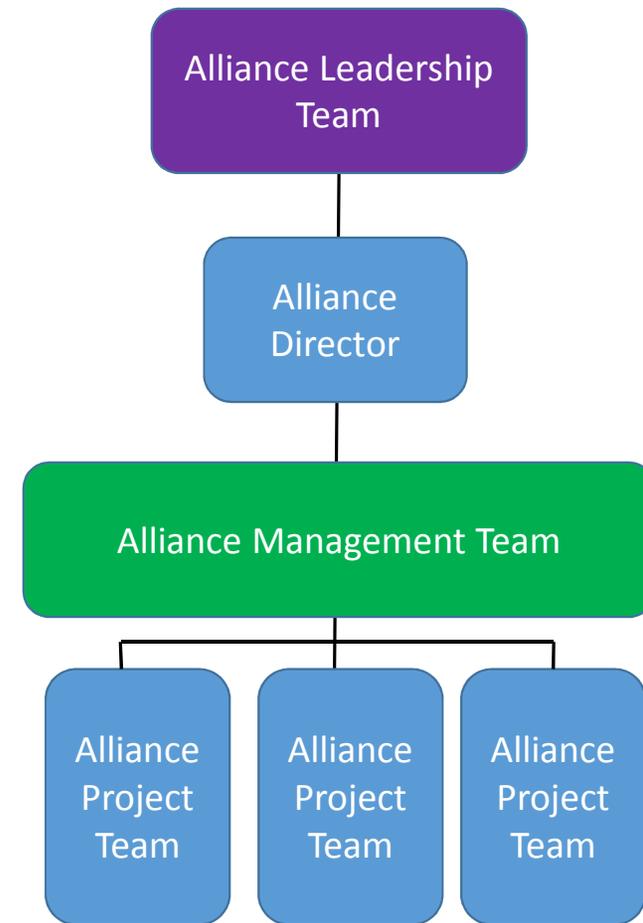


## Leadership

- 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

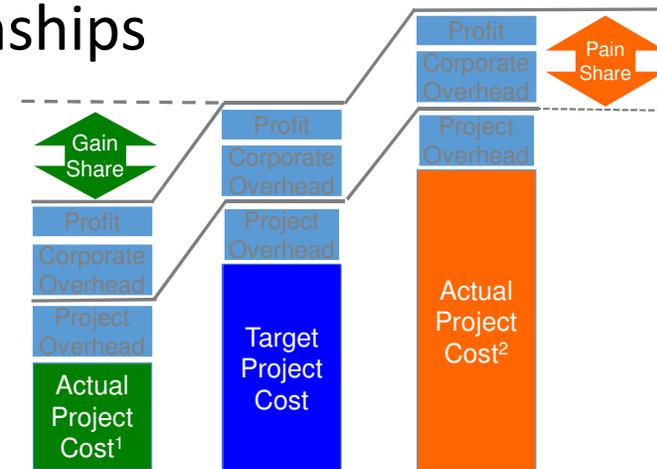


## Behavioural

- 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.....

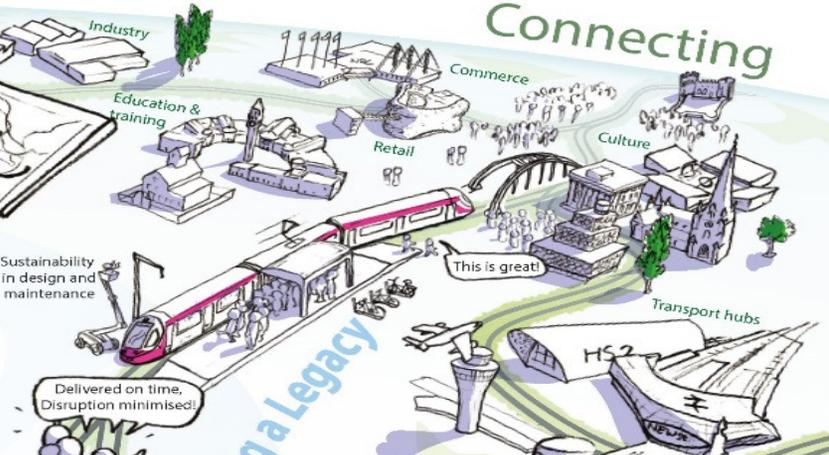
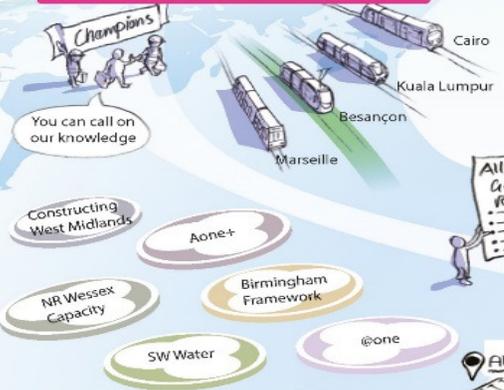


- We recognise this is a bold decision by Combined Authority to try something different and to drive further efficiencies
- It is also a fantastic opportunity to drive the regeneration of the West Midlands as this will be more than just a tram.
- It will be:
  - A key trainer in region – focusing on 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

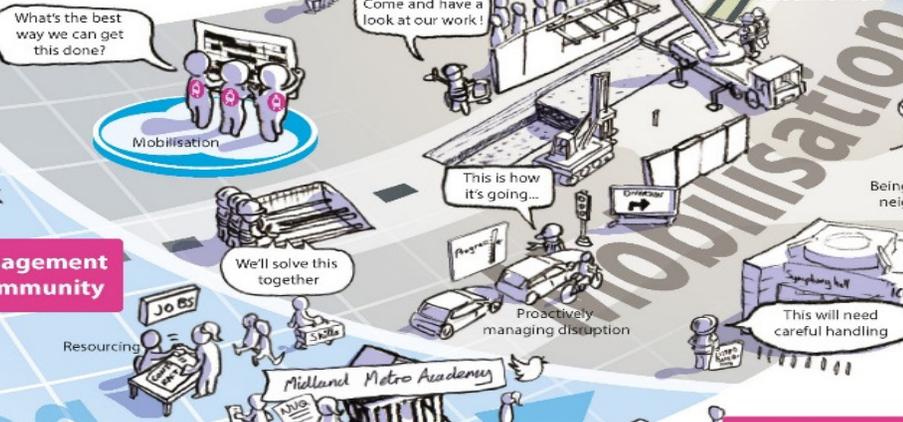
### Connecting



### Expertise in alliance and partnership working



### One team



### Delivering a Legacy

### Revitalising the west midlands

### Communities

### Using and developing local resource

### Planning