



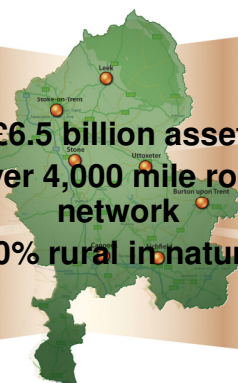
Staffordshire County Council and Enterprise  
Virtual Joint Venture – Efficiency savings through Collaborative Working



**Virtual Joint Venture**



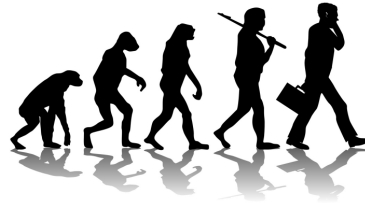
- £6.5 billion asset
- Over 4,000 mile road network
- 80% rural in nature



Driven Evolution not Revolution

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“It is not the biggest, the  
brightest or the best that  
will survive, but those  
who adapt the quickest” -  
Charles Darwin



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**John Cleese, Ronnie Barker,  
Ronnie Corbett.**

**“ I Know My Place. ”**





## The Issue

- Dozen of price based contracts
- Significant back office procurement costs
- Prescriptive and process driven contracts
- Lack of 'contractor' ownership
- Limited performance, partnering, and early contractor involvement (ECI)

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HIGHWAYS TERM MAINTENANCE CONTRACT  
1998 - 2002

**JDM**  
Midlands Ltd

CHARTER

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Development Services

MISSION STATEMENT

To effectively deliver a highway maintenance service, within budgetary and time constraints, and in an environment of mutual trust and teamwork.

Key Objectives

- To ensure that all work is carried out safely for everyone.
  - To achieve best value in the delivery of the maintenance service for the highway users of Staffordshire.
  - To administer the contract in a manner which enables the Contractor to achieve a reasonable financial return and, wherever possible, a positive cash flow.
  - To work as a team in a spirit of understanding, mutual trust and openness.
  - To minimise any disruption and nuisance caused by the works.
  - To carry out the maintenance operations in an environmentally friendly manner.
  - To continuously seek improvements in the manner in which the maintenance service is achieved to the mutual benefit of both parties.
  - To empower staff to make decisions and deal with problems effectively and efficiently.
  - To minimise duplication of effort and maximise utilisation of the resources of both parties.
  - To be a happy team.
- 24 April 1998
- Eddie Smith*

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## Key Contract Objectives

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- Innovation and flexibility
- Strategic relationships
- Reduced contract preparation costs for all
- Reduced costs of administration and supervision
- Early contractor involvement
- Supply chain management
- Continuous improvement
- Risk managed by the appropriate organisation
- A Performance Management Framework (PMF) based on desired outcomes



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## Development of Staffordshire Highways

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## Development of the Virtual Joint Venture

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- Improved customer focus
- Improved performance through integrated systems, integration
- Sustained cash releasing savings
- Streamlined operations through strategic depot reduction
- Improved design processes and earliest contractor involvement through integrated teams responsible for design and build
- Improved operational efficiency through centralising operational management



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## Transformation Programme

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- Front Line Support
- Operations – detailing all programming & workflow management processes
- Information Management systems
- Organisational Development and structure
- Strategic direction, directed by the Transformation Project Board
- A comprehensive Business Process Re-engineering



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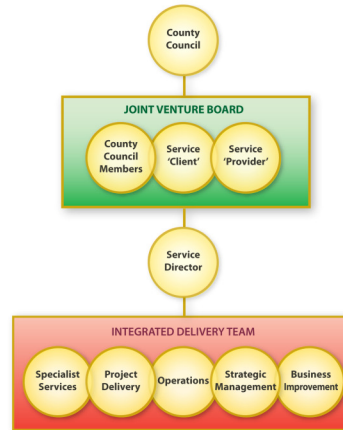
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## Driven evolution, not revolution

- Virtual Joint Venture – all of the benefits, none of the legal hang-ups
- Governance and leadership provided through fully empowered VJV Board
- Fully integrated delivery structure
- Improved communications
- Culturally aligned and motivated employees
- Standardised end-to-end business processes and enabling systems
- Leaner, more agile, creative and innovative organisation

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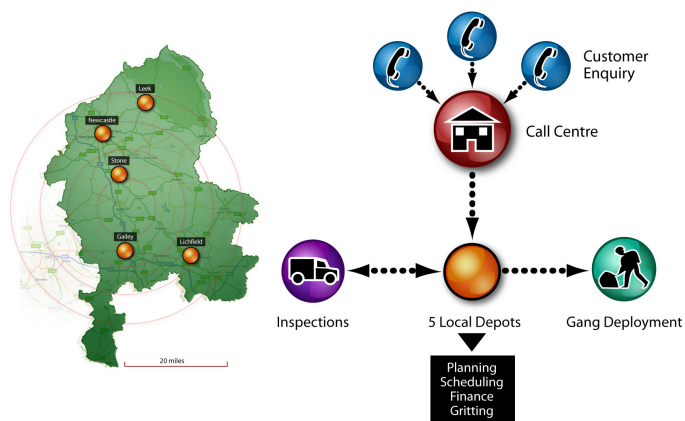
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## De-centralised model

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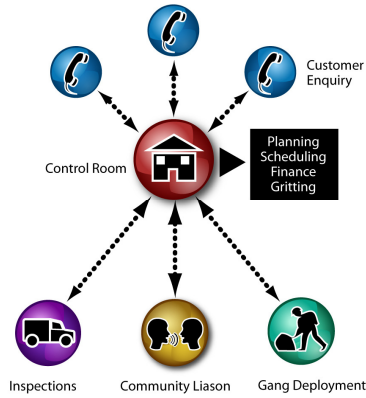


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## Centralised model

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## Benefits achieved – Project Patch

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## Savings achieved

Re-structure 2006	£0.9m
Project Vistah 2009	£2.15m
Recycling and re-use of materials	£2.60m
Procurement gains mitigating inflationary increases 2009/10	£0.70m
Winter maintenance routes optimisation and removal of duplicate roles	£0.44m
Re-engineering activities and value engineering through ECI	£1.01m

Total £7.80m

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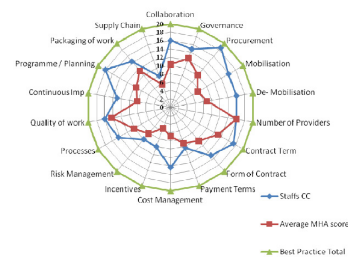
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## Successes

- Top ten shire county “Gershon” highway savings
- Lyons Report “focus on improving efficiency, service quality and budget management”.
- Midlands Highway Alliance Term Contract Best Practice Model 2010
  - “exemplary practitioner of integrated working and at the forefront of collaborative working and best practice”
  - highest scoring authority
- Considerate Constructors Schemes - scores in top 5%
- IdeA/HELG case study – collaborative working
- Other authorities adopting the ‘Staffordshire Way’

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The Staffordshire Highways model works!

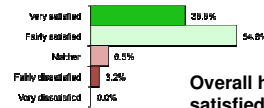
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**Quality & Compliments Up –  
Complaints Down**

Innovation	
Compliments	121% ↑
Complaints	12% ↓

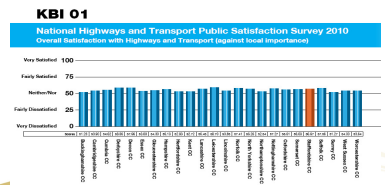
- Improving road condition despite....
- Substantial Network Growth
- Heavy Network Utilisation km/annum
- Longest Road Network in West Midlands

**Member, Our Place, Our Priority**



**Overall how satisfied are you with the highway service?**

**NHT Public Satisfaction Survey 2010**



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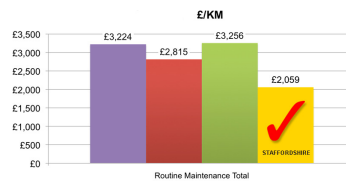
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The Staffordshire Highways model works!

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**Costs Down – Costs Lower Quartile**

- Improving road condition despite....
- Midlands Service Improvement Group Price Evaluation Model – good containment of costs
- Low cost per km
- Cost of delivery below price based contract with indexation



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## Key learning points

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- The best of the public and private sector
- Culture & leadership
- Early identification of barriers
- Allow time to change
- Perceived threats
- Select the right partner
- New working practices and roles
- Cost plus



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## Change Ahead

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“Change is the law of life. And those who look only to the past or present are certain to miss the future.”  
John F. Kennedy,



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