

Strategic Transport Forum

14th October 2016

Agenda Item 7: New Model for Delivery

It is recommended that the Strategic Transport Forum note the progress made in the discussions with the 'delivery partners' and identify any issues that need further consideration in developing this area of activity

1. Context

- 1.1. A key part of 'the offer' to the Government that was set in the original transport proposition was the opportunity to work with the major delivery partners already working with the Strategic Alliance partners across the Heartland area.
- 1.2. In particular the opportunity to develop a new model for delivery was identified: one that offered the potential to develop and deliver proposals faster and more cost effectively.
- 1.3. This paper provides an update on the discussions to date and sets out an indication of the direction of travel. Throughout the discussions the point continues to be made that no presumption is being made as to how a new model for delivery might be implemented: that will be a matter for further discussion and consideration at the appropriate time.

2. Overview of Progress to Date

- 2.1. The major contractors continue to be committed to working with the Strategic Alliance. To that end they propose to develop a statement of collaboration that could form the basis for developing a new model for delivery. The expectation is that any such statement would look to set out in terms of outputs/outcomes the benefit of collaborative working. Interestingly the discussions with the contractors have confirmed that they are not aware of anything being attempted at this scale before, either in the UK or elsewhere.
- 2.2. Based on the discussions to date it is envisaged that the statement of collaboration will set out:
 - The benefit, in terms of improving the efficiency of delivering investment, that could be realised through having a single, strategic transport strategy across the Heartland area
 - The opportunity to realise cashable efficiencies in the medium term through enhanced collaborative working
 - The potential operational benefits to be realised through aligning route structures and approaches to network management
 - The added value to be realised through collaborative working, in particular in terms of sharing resources, and the development of a common supply chain at scale
 - The potential benefit of a co-ordinated approach to ensuring access to the required skills, including potential linkages with higher/further education

- The commitment of the delivery partners to provide support to the Strategic Alliance through the identification of a 'single point of contact' ;
- Exploration of the opportunities – either through existing contractual arrangements or via framework contracts – to access the additional skills and capabilities required to improve delivery
- Exploration of the opportunities to improve transparency in the planning and delivery of infrastructure proposals as a means of realising efficiencies
- A commitment to explore the added value of having a longer term programme of investment that has greater certainty and confidence of implementation, in particular the benefit of operating within an agreed funding envelope
- Benchmarking of delivery mechanisms with the best of the rest of the world

3. Next Steps

- 3.1. Pulling these opportunities together into a programme of work it is proposed that the work to develop a new model for delivery be taken forward under three broad headings:
- a) *Cross Border Collaboration* – exploring opportunities to align operational activities: this could include sharing resources where appropriate, sharing the delivery of activities across geographical boundaries where this is beneficial and sharing knowledge/experience across teams where this helps improve the delivery of services
 - b) *Common Supply Chain* – ideas already identified as worth exploring further include; bulk purchasing/ordering as a means of achieving economies of scale, sharing programming information as a means of helping the supply chain plan and deliver services and supplies in a more cost efficient way; providing leadership in terms of identifying future needs from the supply chain.
 - c) *Use of Framework Arrangements* – there are a number of framework arrangements already in place that provide clients with a range of options in securing support for the development and delivery of proposals. The discussions to date have identified that there may be scope to make better use of existing framework agreements as the Strategic Alliance pursues its ambition to deliver faster at a reduced cost.
- 3.2. The contractors have agreed in principle to invest in employing a technical lead on their behalf: someone who can act as a 'single point of contact' on their collective behalf. Once appointed the SPOC would work as part of the core Programme Team to develop the proposal for a new model for delivery.

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