



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

the knot unites



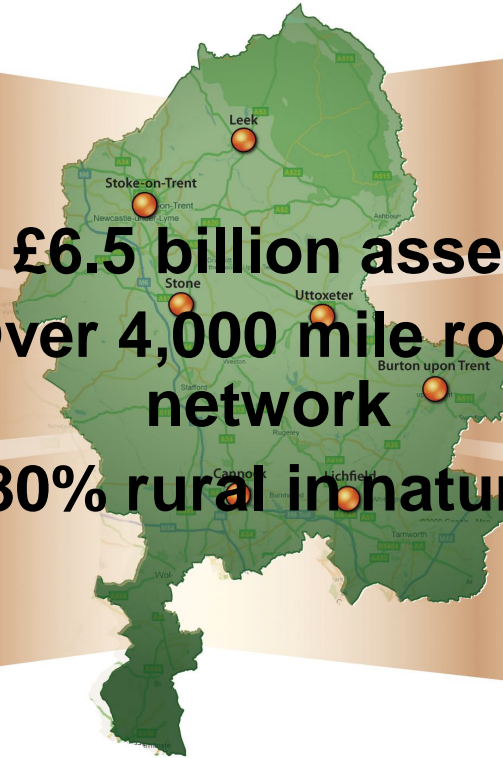
Virtual Joint Venture

Enterprise

maintaining the infrastructure of the UK



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



the knot unites

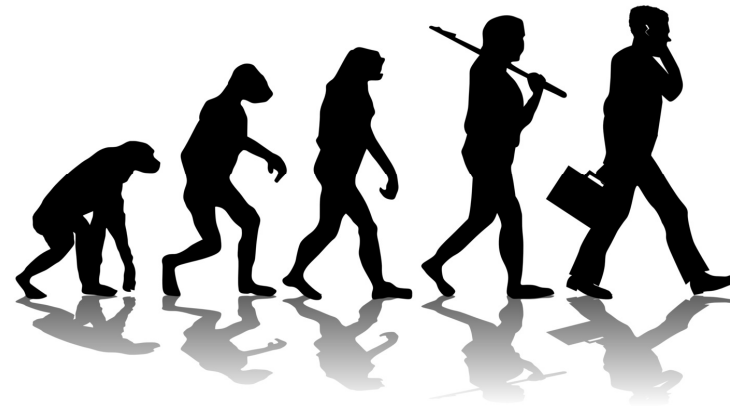
 **Staffordshire**
County Council

Driven Evolution not Revolution

Enterprise

maintaining the infrastructure of the UK

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



the knot unites



Staffordshire
County Council

**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)

Enterprise

maintaining the infrastructure of the UK



the knot unites

Staffordshire
County Council

Key Contract Objectives

- 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

Enterprise

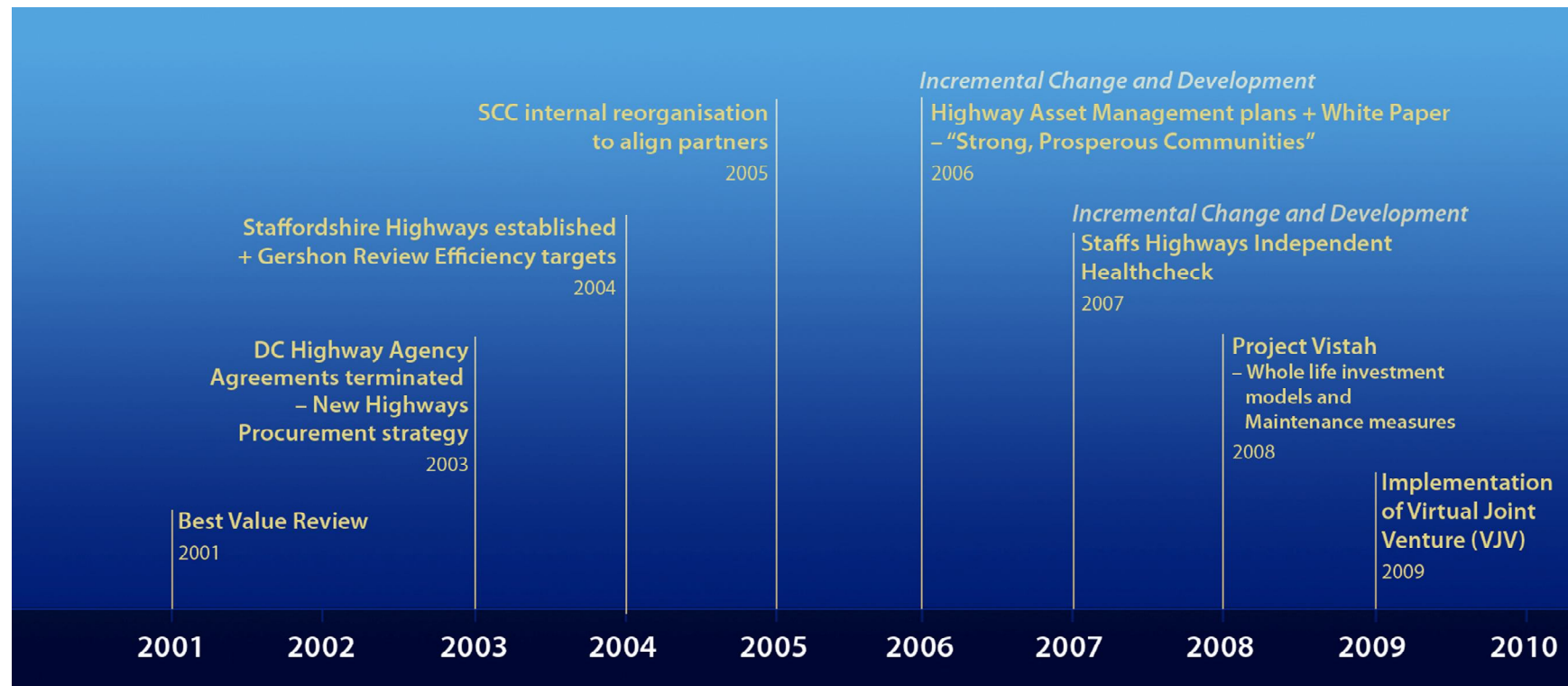
maintaining the infrastructure of the UK



the knot unites

Development of Staffordshire Highways

Enterprise
maintaining the infrastructure of the UK



the knot unites

 **Staffordshire**
County Council

Development of the Virtual Joint Venture

Enterprise
maintaining the infrastructure of the UK

- 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



the knot unites

 **Staffordshire**
County Council

Transformation Programme

Enterprise

maintaining the infrastructure of the UK

- 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



the knot unites

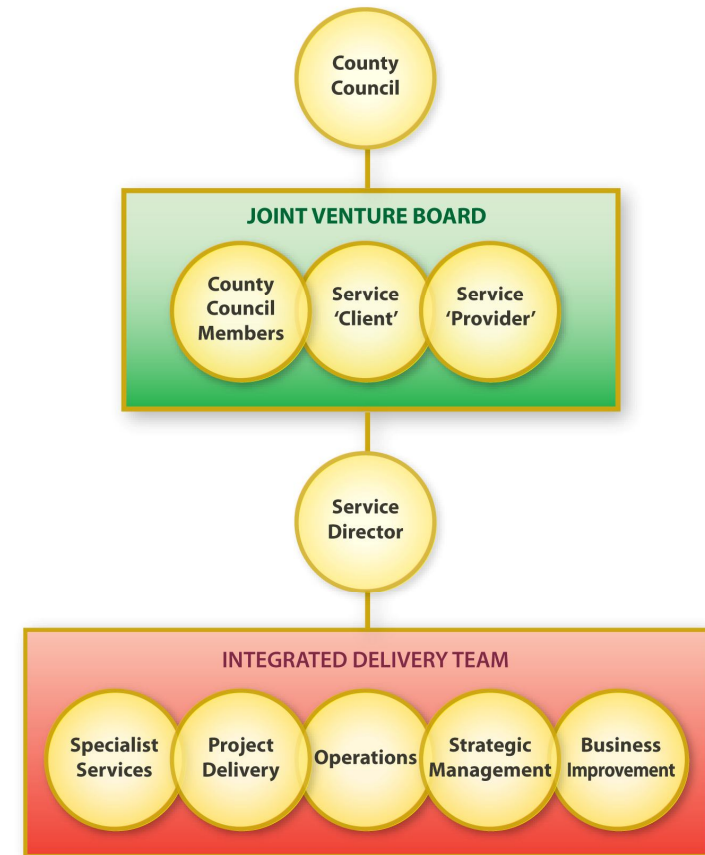


Driven evolution, not revolution

- 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

Enterprise

maintaining the infrastructure of the UK

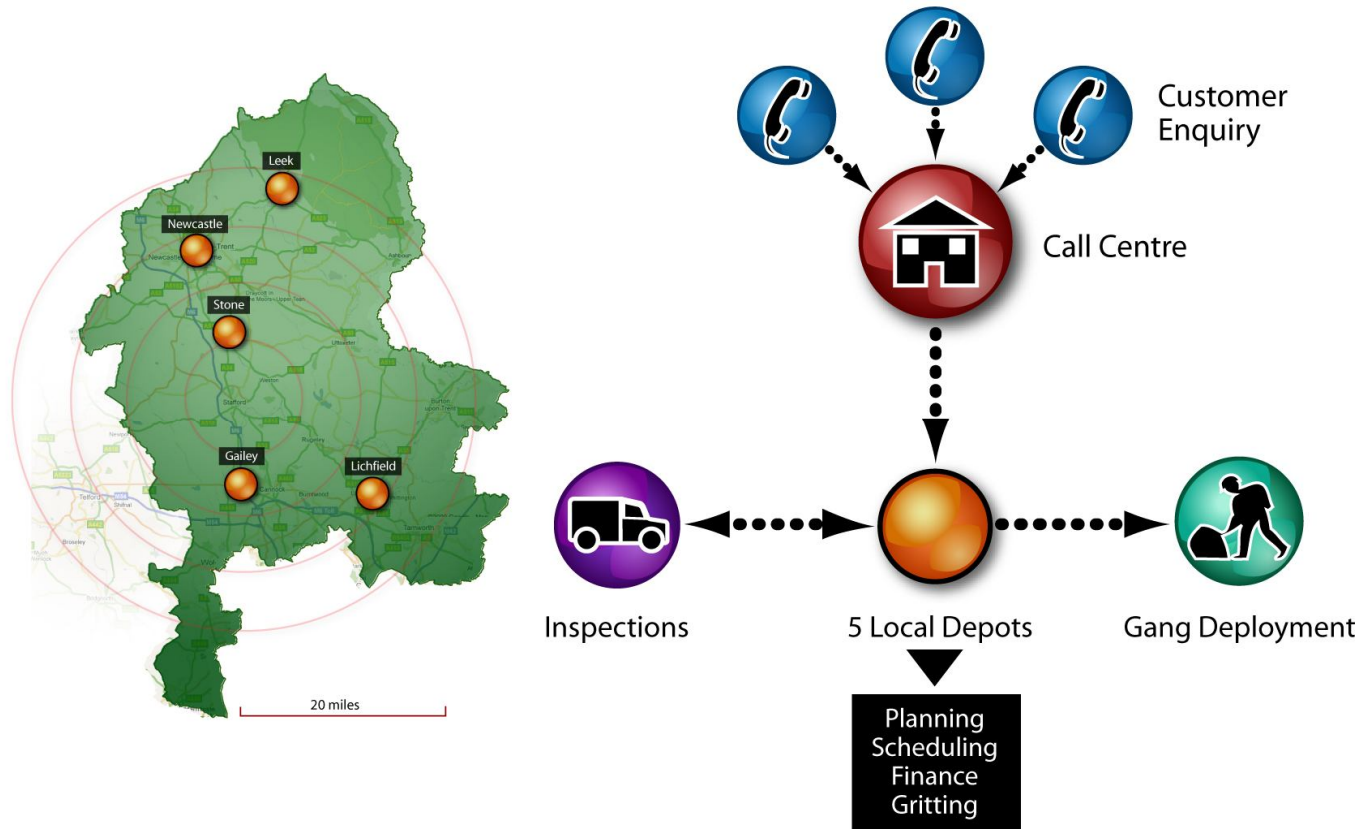


the knot unites

De-centralised model

Enterprise

maintaining the infrastructure of the UK



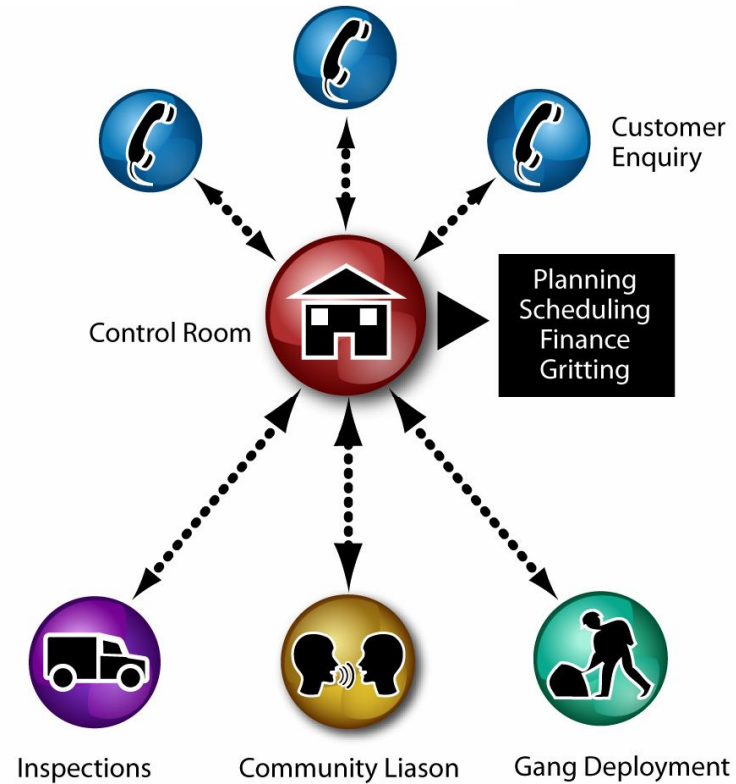
the knot unites

Centralised model



Enterprise

maintaining the infrastructure of the UK



the knot unites

Benefits achieved – Project Patch

Enterprise

maintaining the infrastructure of the UK



the knot unites

 **Staffordshire**
County Council

Savings achieved

Enterprise

maintaining the infrastructure of the UK

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



the knot unites



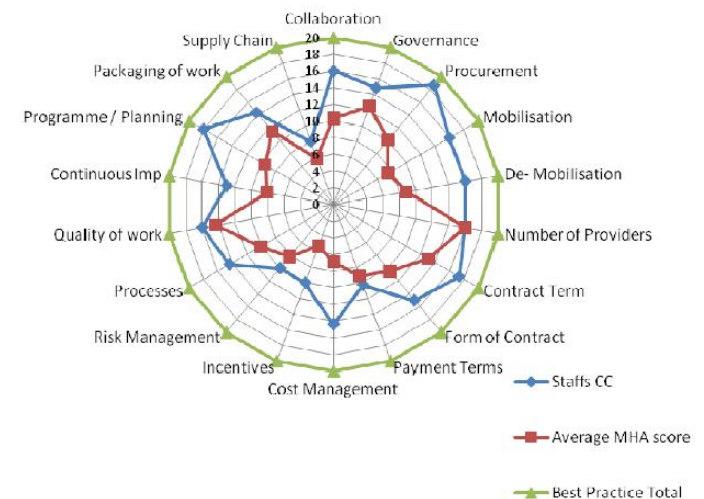
Staffordshire
County Council

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’

Enterprise

maintaining the infrastructure of the UK



the knot unites

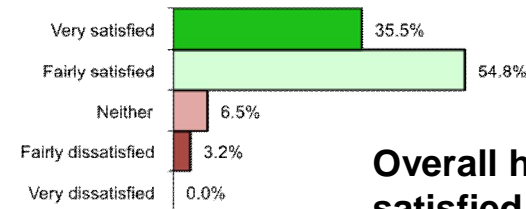
The Staffordshire Highways model works!

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

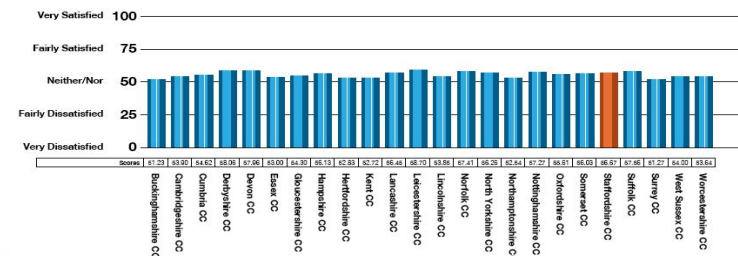


Overall how satisfied are you with the highway service?

NHT Public Satisfaction Survey 2010

KBI 01

National Highways and Transport Public Satisfaction Survey 2010
Overall Satisfaction with Highways and Transport (against local importance)

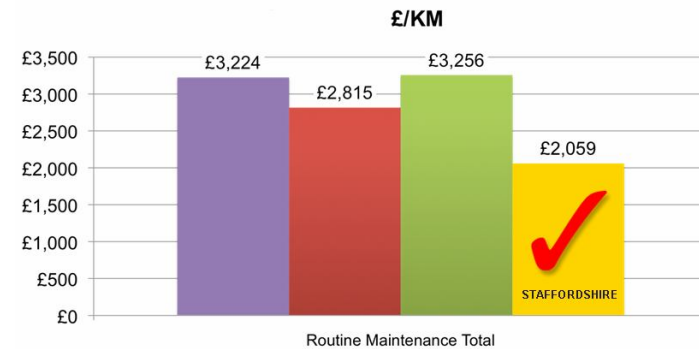


the knot unites

The Staffordshire Highways model works!

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



the knot unites

Key learning points

Enterprise

maintaining the infrastructure of the UK

- 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



the knot unites



Staffordshire
County Council

Change Ahead

Enterprise

maintaining the infrastructure of the UK

“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,



the knot unites

 **Staffordshire**
County Council