



Case study

Name: Highways England in partnership with Amey Plc
Sector: Site/Depot Based Maintenance
Location: East Midlands, UK

Embarking on the collaborative journey on the road to industry excellence

The introduction of a new ‘asset led’ delivery model in Highways England Area 7 sought to deliver both greater control and improved value for money in delivering maintenance and response services across the East Midlands. However, three years into the contract, it was clear to both Highways England and their service provider, Amey, that the contract was not working as intended.

Recognising that issues were preventing optimal delivery of the contract, Senior Managers from both organisations were keen to understand how they could develop a solution to improve current performance. The solution needed to be developed collaboratively, to strengthen working relationships across the partnership and ensure it built a platform for continued success through the contract term, shaping the ‘best practice’ model for other asset led delivery contracts.

Using a facilitative approach focusing on re-engineering processes and developing an effective management operating system within the service provider’s operational and commercial teams, Managementors helped both organisations to reassess how they delivered against the expectations of the model.

Key challenges

- End-to-end processes not fit for purpose
- Limited visibility of operative utilisation, lack of effective operational measures and poor operative productivity
- Substantial aging Commercial WIP
- A need to reduce the cost to deliver, enabling Highway England’s budget to go further and deliver the service provider’s margin expectations

Key gains

- Jointly agreed end-to-end processes
- Bespoke scheduling and reporting tool collaboratively developed providing a holistic view of planned works, shift utilisation, productivity and cost/value tracking
- Key operational performance measures (utilisation, effectiveness and productivity) introduced, delivering a step change in productivity performance
- Agreed, joint EMAD Commercial process, with clearly defined ownership, reporting and a collaborative review structure resulting in better communication and a 35% reduction in aged debt

Background

In 2016 Amey was awarded a 15-year maintenance and response contract for Area 7 of the Highways England network. This contract marked Highways England's move to a new 'asset led' (AD) delivery arrangement in the East Midlands. Under the AD model, Highways England has direct control of the East Midlands' network and related investment decisions, with the Service Provider responsible for delivering routine highway maintenance services, repairs to defects, emergency incident response and severe weather services on strategic roads.

Three years into the contract, management teams across the partnership recognised things weren't operating as smoothly as intended. Weaknesses within the job management, categorisation and planning processes

prevented Amey from being able to effectively schedule works to optimise road closures. Poor visibility of operative utilisation and a lack of operational performance measures meant that the operation's focus was on "has the job been done?" rather than "how effectively has it been done and how are we using our resources?" Furthermore, substantial gaps within the commercial management operating system and an absence of clear ownership, had led to an aging WIP that was growing month-on-month.

Having previously demonstrated results with both Highways England and Amey, Managementors was engaged as a trusted partner to provide an external view on the root cause of the frustrations within EMAD, and to work with both partners to implement change.



"Managementors did an excellent job – the integration is far stronger than before. When Managementors stepped back, the improved behaviours remained. Where we take this contract to next is completely founded upon a collaborative approach, which wasn't quite there before."

Stephen Knott,
Account Director, Amey

The Challenge

Three years into the contract, the EMAD partnership joint processes had not been developed and agreed between the two organisations – each partner was working to its own processes and consequently there were elements that did not align. Understandably this was the cause of significant frustration for staff across the partnership and numerous delivery challenges. Alongside this, there was a lack of measures to monitor and control performance at key stages throughout the process, making it difficult to identify and take action to alleviate the blocks and bottlenecks that existed.

Catherine Brookes, Regional Director at Highways England comments, “We had very clunky processes and excessive touch-points, which meant it was proving challenging to adhere to payment deadlines. This, along with the lack of visibility of how the contractor was performing, meant that relationships between Highways England and Amey were becoming strained and everyone was starting to get weary. People were working very hard, but it wasn’t having the desired effect.”

Adrian Oulds, East Midlands Head of Service Delivery at Highways England, added “We had embarked on looking at the end-to-end process ourselves and realised it was a mess – and a means of improving was to improve those processes, so the timing of the Managementors team joining us was perfect.”

Ineffective programming and an absence of shift-by-shift planning were leading to both the under and over-utilisation of resource, reliance on sub-contractors and delivery delays. This frequently led to a feeling of ‘firefighting’ immediate issues, rather than having the ability to forward plan for success.

Alan Chambers, General Manager at Amey noted that “We certainly weren’t efficient with our processes. Improvements needed to be made right through from planning to operations.”

Productivity was not a key focus and wasn’t being measured. Operational issues impacting productivity were not being effectively picked up and resolved, leading to repeat issues and increasing the cost to deliver the service.

Disconnected commercial processes, SILO’d reporting and a lack of ownership to resolve issues meant that significant WIP had also built up, with little in the way of actions to resolve fundamental issues.



Approach

With both Highways England and Amey recognising the need for a collaborative reset, Managementors was engaged to support the teams in the development of new shared processes and to implement new ways of working. By reducing issues faced in delivering the end-to-end process, and addressing gaps and weaknesses within the management operating system, the operation could look to conduct work more productively, easing pressure on the OPEX budget and delivering better value for the tax payer.

“I thought the Managementors team integrated really well,” comments Alan. “They were very highly driven but also very personable. They all had slightly different qualities but all had a common approach, and were able to get their message across in a way that we understood and were receptive to.”

Ultimately the project focused on three areas of work:

1. Process Re-engineering

Building on the initial analysis as well as the work commenced by the EMAD partnership, the Managementors team facilitated a series of workshops engaging 30+ Highways England and Amey stakeholders from Senior Management to Operative level, to critique the ‘as is’ commercial, cyclical and reactive maintenance processes from end-to-end. This exercise was the first time many members of staff had seen the other side of the operation; and quickly frustrations were raised and disconnects realised.

During these workshops opportunities for improvement were identified and logged. The opportunities captured formed the basis of developing the ‘to be’ processes, as well as a number of improvement initiatives tackling key operational challenges. These included reducing the number of 7-day defects, improving the quality of jobs raised by Inspectors, strengthening key interfaces, and the development and trial of a “Find and Fix” process.

Cross-partnership working groups were formed to develop, validate and agree the new processes; providing joint ownership of how maintenance should be delivered within EMAD going forwards. Joint measures and Power BI reporting were developed alongside the new processes, giving managers the tools and visibility to control and manage performance.

“I was particularly impressed with the speed that Managementors got to grips with the complex set up of the organisation. They identified the key individuals and were successful in building positive relationships with them.”

Catherine Brookes,
Regional Director,
Highways England



2. Development of an Effective Management Operating System (MOS)

Gaps and areas for improvement within the existing Amey Operations' MOS were identified during the analysis and addressed collaboratively through the project. These ranged from quick wins, such as rolling out a consistent issue capture mechanism across the depots and the installation of vehicle availability whiteboards, to more substantial changes, such as the development and implementation of a bespoke scheduling tool and new operational performance measures and reporting suite. Active Management training workshops were also held with supervisors and managers; to accelerate their understanding of the key principles underpinning an effective MOS. Staff were also trained in conducting "day in the life of" studies to build cross-team knowledge and to be used as a management tool for identifying and resolving issues.

Alan Chambers commented that the Active Management training was a key benefit resulting from the project. "I think that this training really helped the supervisors. The tools that Managementors gave them in the depots certainly helped them work as a team, take ownership, and ultimately solve problems as they arise."

The development of a bespoke Integrated Scheduling and Reporting (ISR) tool was a key focus of the MOS implementation. Designed in collaboration with stakeholders across Amey Planning and Operations, the tool integrated cyclical and reactive planning for the first time, using a suite of planning guidelines (PGLs) to provide a holistic view of planned works and capacity on a shift-by-shift basis. The introduction of key operational performance measures and targets against planned utilisation, effectiveness and true productivity, ensured that day-to-day operational issues were brought to the surface and quickly started to provide direction for management focus and action. Coaching on using the new operational measures as part of the daily, weekly, monthly review structure to drive continuous improvement was held with managers at all levels of the supervisory chain.

Stephen Knott, Account Director at Amey comments that, "The ISR has provided a very solid foundation to further build upon. It is a platform which better enables us to monitor and proactively manage utilisation and productivity across our contract, which ultimately leads to enhanced value for money and outcomes for our customers. The joint dashboard and ISR tool have improved communications between Highways England and Amey – with conversations becoming increasingly data-led and focussed, thereby facilitating continual improvements."

3. Tackling the Commercial WIP

Developing a joint EMAD Commercial Management Operating System through which to sustainably reduce the Commercial WIP was a key objective of the project.

Once the intricacies of the WIP had been understood, accountability for each 'pot' was defined, with a reporting suite developed to provide transparency of the movement between statuses and any bottlenecks. Joint weekly reviews were established, facilitated by the Managementors team, to drive progress through clearly defined actions against the issues raised. Furthermore, EMAD commercial performance measures were established, providing a joint ownership of performance as well as a 'single version of the truth' for the first time. Coaching of both the Highways England and Amey Commercial teams was key to improving the communication between the teams and overcoming the underlying issues faced.

With a focus on resolving issues at their root cause, establishing the right process and controls to support the payment cycle and a renewed collaboration between the Commercial team, EMAD commercial is now in a strong position to prevent the accumulation of WIP going forwards.

Commenting on the work within the Commercial area, Stephen added "There's now a real understanding of the position, and a joint focus to achieve month-on-month improvements."

"The Managementors team built up a really good rapport with the Highways England team. I certainly enjoyed working with Managementors and they've left us with some key tools that can really make a difference."

Adrian Oulds, East Midlands
Head of Service Delivery,
Highways England

Outcomes

Highways England and Amey now have joint cyclical, reactive and commercial processes, and are transitioning towards these becoming BAU.

Catherine comments that, “Both the Highways England and the Amey teams have had to work closely together on developing these processes, giving them a really good shared ownership. It’s great to be in the position where our processes are slick, consistently adhered to and are giving us the outcomes that we want.”

“We have now got end-to-end processes, which is great”, adds Adrian. “Over time, we can tweak things and make them even better – Managementors have given us that really good basis for making things better and really understanding one another. Understanding what ‘good’ looks like from A to B was a key aspiration which we have now achieved,” he concludes.

In addition, jointly agreed measures have been established to ensure visibility and control of the process; and to understand and drive operational performance.

“The cultural integration is the most significant gain for me,” said Stephen. “This is a big step forward – we now have far better, strengthened and more open conversations at all levels, which in turn has created a stronger focus on the performance of the overall contract, opposed to either organisation.”

A significant step change in operative productivity has been achieved through providing the operation with increased visibility and the tools to utilise their resource more effectively. Improved planning and a more robust review structure has enabled the operation to deliver more work internally, enabling Amey to reduce sub-contractor spend across three key outsourcing areas.

“The improved relationship with Highways England has put the whole maintenance and response community in a different place,” comments Alan. “I think in the long run it will have quite an impact on how future maintenance and response contracts go. We would never have had the same impact without Managementors.”

As a result of the work with EMAD commercial, a WIP reduction of 27% during May and June was realised. This has continued to decrease following the close of the project. Furthermore, the average number of days taken for Commercial to certify jobs decreased by 91% from January to June. Stephen commented that, “Seeing legacy WIP reducing, and current WIP no longer increasing – is a big success.”

Alan continues that, “The combination of each team now having ownership of their work and measuring efficiencies of the work profile led to the reduction in WIP.”

The base established during the project demonstrates both a better value service being delivered for Highways England - with a 21% reduction in the average cost of reactive jobs vs the Winter base, as well as greater efficiency in delivering cyclical works - with the cost for Amey per head reducing by 43% across the same base period.

Ultimately, significant and sustained improvement has been demonstrated within the contract since January. “Highways England and Amey are both continuing to build upon the initiatives developed with Managementors and drive continual improvement – which demonstrates that the enhanced behaviours are now ingrained across the contract,” concludes Stephen.

“The relationship between the teams has improved and will continue to improve. Being able to sit across the table from each other and solve problems together has helped to build better relationships and gain trust. It feels like it’s made people’s lives easier – the processes are quicker, slicker and more visible.”

Catherine Brookes,
Regional Director,
Highways England

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