

## Resource type: case study

### Anglian Water as an asset Owner

Anglian Water provides water services to an area stretching from the Thames Estuary to the Humber. It provides 1.2 billion litres of water a day, to six million customers, through 112,000 kilometres of pipe and 1,257 water treatment sites. Anglian Water is responsible for maintaining and improving this network, delivering high quality drinking water to their customers and recycling the resulting waste water.

Anglian Water's programme is defined in five year Asset Management Periods (AMPs), typically investing £4.5bn in each AMP, covering replacement and refurbishment of above and below ground assets.

Historically, in line with infrastructure generally, projects were delivered in a largely transactional manner with Anglian tendering works and selecting the most economically advantageous proposal. AMP 3, whilst successfully delivering the required outputs through a partnering approach, was felt to be less effective than it could have been. With AMP4 requiring a further focus on efficiency, effective solutions and customer service, Anglian Water decided to shift to a different delivery model, developing both its capability as an asset owner and more effective relationships with its' partners. A review of best practice across different sectors and an identification of the underpinning best practice characteristics, led to Anglian adopting a strategy based on a more integrated and collaborative working and the development of long term supply chain relationships.

These relationships were aligned directly with Anglian Water's customer outcomes, which had already been defined through a process of engagement and consultation with customers. Partners were selected against their capability to deliver these outcomes and incentivised to deliver improvements against historic baseline performance. Anglian and the main partners were brought together in an alliance. This alliance, as an integrated and collaborative organisation, was engaged at outcome level, not at project or scope, giving partners and the wider supply chain the opportunity to develop more innovative solutions and to challenge standards.

The alliance team is the Integrator, developing strategies for how the programme should be delivered and driving improvement initiatives. The partners that make up the alliance, along with Anglian Water, are shareholders that generate a return by outperforming historic benchmarks for delivery of outcomes.

All parts of the alliance work collaboratively, taking a best for task approach to the development of integrated teams. The alliance manages the wider supply chain, with a longer term framework used to develop more effective relationships and secure earlier involvement of the right suppliers. As with the main Integrator, framework suppliers generate a return by delivering value against historic baselines, not by delivering work or providing hours.

An example of the alliance acting as Integrator was in the development of product based delivery. The alliance was able to shift from the historic project approach, recognising the opportunity to translate repeatability within the programme into standard products and components and to use a 'product catalogue' as the starting point for delivering the programme. This created significant value when compared to a previous approach that amplified variance and redesign at all levels, including unique project led solutions and multiple variations of critical components.

This was allied with a digital transformation strategy which has seen the alliance design and build everything virtually, including rehearsing and optimising construction in virtual rehearsal suites before going to site. Not only has this shifted delivery from construction to assembly, it has provided health and safety benefits through off site construction of products. Digital transformation has also led to more effective engagement with users and operators, with greater involvement in the virtual development of solutions improving operability and operator buy-in. The progress of digital rehearsal demonstrates the value in delivering through integrated teams, where all the influential parts of the wider supply chain are involved in optioneering and solution development.

The alliance has established a strong track record, delivering significant improvements in cost, carbon and time. Anglian Water's Future plans commit to further development of aligned and collaborative relationships with its supply chain partners.