

## A strong reliable, resilient, and sustainable background

At Morrison Water Services (MWS) we pride ourselves on our ability to forge strong working relationships over long term framework arrangements, this is testament to both the performance, culture, and behaviours of our people. We've experienced significant changes in the industry remaining innovative and current by being future focussed within the changing regulated environment and adapting to the ever-changing landscape. Throughout many AMP cycles we have always looked to support our clients' outcomes as if they were our own. We are planning and looking forward to building this kind of relationship with NWG on the Living Water Enterprise (LWE).

The following examples demonstrate our ability/capability to engage in a reliable, resilient, and sustainable collaborative arrangement that brings success for all.

### Scottish Water (SW) Caledonian Water Alliance (CWA)

CWA is an alliance between MWS and AECOM. In 2015 CWA were initially awarded a six-year contract to deliver Scottish Water's capital investment programme (£360 million over the first 6-years). CWA continues to design and deliver water and wastewater projects across mainland Scotland and the islands. The expertise and dedication demonstrated by the team drives our delivery focused ethos and collaborative culture, facilitating a thriving team (including the wider supply chain) and an environment for growth. Driving cultural and behavioural change and drawing on industry best practice helping to develop and optimise our service offering to SW.

### Partnering with Yorkshire Water (YW)

MWS has forged a mature and positive relationship with YW for 25 years and since 2010 provided design and construction services to its capital programmes. We undertake feasibility, investigation, optioneering, detailed design, network construction, MEICA installation and commissioning working collaboratively with YW, Strategic Planning Partners and other Contract Partners. Alongside participants from YW and supply chain, MWS are a leading member of collaborative forums such as the Asset Solution Delivery Board, Asset Solutions Leadership Team, H&S Steering Group, Engineering Design/Standards Forum and Infrastructure Forum. To drive collaboration with YW project teams and Tier 1 suppliers, our team was co-located in Leeds. During 2014 we entered a partnership/JV with Mott MacDonald Bentley (MMB) with the aim of driving efficiencies through resources (shared services), depot rationalisation, logistics, backfill and reinstatement synergies in line with YW optimal efficiency expectations.

Since 2020 we have been a key member of the Partnership for Yorkshire Enterprise (P4Y), designed to:

- Create the right outcomes for customers/stakeholders/regulators, with aligned outcome performance measurement.
- Align/develop common cultures and behaviours.
- Secure longer/mature relationships between YW and partners increasing reliability, resilience, and sustainability.
- Focus on risk and TOTEX hierarchy solutions to create cost efficiencies and added value customer/stakeholder outcomes.

### IOS Anglian Water

We were selected, together with Barhale and Kier, to support delivery of the Anglian Water Integrated Operational Solutions Alliance (IOS) water and wastewater programme during AMP6 and beyond. The contract has provisions for a 15-year term – one of the longest collaboration opportunities in the sector. The IOS partners originally committed to support the delivery of the ten outcomes Anglian Water promised as part of its AMP6 Business Plan. In the commercial model we share risk and reward collectively within the alliance, recovering head office costs and earning profit through outperformance. The approach reflects the emphasis on TOTEX and enables project teams to find the best solutions to problems and risk. Alliance partners regularly share best practice and discuss the use of best people/teams for specific tasks and/or programmes of work.

## Introduction to key areas of focus

We have developed a proposed programme linked to our LWE Commitments of improvement initiatives for each of the focus areas below (to be agreed/consolidated with the LWE community). The initiatives have been identified following colleague and MWS functional consultations, including at topic workshops. The approach includes prioritising key initiatives for each focus area, with each being assigned a leadership team sponsor and lead enabler. We will work closely with subject matter experts, other colleagues, LWE partners and wider ecosystem to agree/deliver the initiatives. The leadership team will carry out the role of the Strategic Initiative Planning Group (SIPG), meeting on a regular basis to review progress of the initiatives and make preparation for medium/longer term enablers. Additionally, we propose to jointly agree a suite of practical measures of performance such that the LWE can be confident that focus area initiatives remain on track to deliver outcomes/commitments.



Our leadership team sponsors and leads are:

Focus area	Sponsor	Lead enabler
Growing the LWE people & organisation capability	John Rodgers	Anna Robinson
Culture & behaviours	John Rodgers	Steve Cottrell
Delivering an excellent customer/stakeholder experience	Kerry Barton	Rebecca Bracha
Leading innovator	Chris Harris	Maxine Corney
Environmental & Social Value	Ross Housley	Steve Stanyon
Health, Safety & Quality	Annette Ley	Andrew Stephenson

### Delivery horizons

We have classified the delivery timescales associated with the initiatives below as follows:

Near: within 6 months

Medium term: within 6-12 months

Longer term: within 12-18 months

### Risk

We have classified the listed risks, focused on a particular area or initiative against our impact and likelihood matrix (Red=High: Amber=Medium: Green=Low); mitigating actions will be owned by the focus area lead (or as otherwise assigned). We propose the convening of a risk workshop for the LWE and wider ecosystem to collectively agree and consolidate all risks (including those associated with the overall programme) and to determine how these are to be shared/updated.

### Commitments

We have linked our original commitments to the LWE that we set out in our PQQ responses.

### Growing the LWE people and organisation capability

**Commitment** - Bringing our enterprise experience and people, putting the LWE first; strong and cohesive 'one team' with a best athlete mindset.

**Commitment** - Leaving a legacy, creating careers in the Northeast; a sustainable, diverse, and inclusive enterprise for generations to come.

**Commitment** - Maintaining our internal business plans; the LWE will be sustainable for all (360-degree sustainability).

**Commitment** - Using the LWE to improve water industry perception.

Near term initiative
<p>Programme optimisation workshop – provides the opportunity to understand the NWG capital investment portfolio with the aim of informing potential partner resourcing plans and integrating the NWG Gateway Process and value engineering.</p> <p>LWE Education Session – Host lunch &amp; learns to the wider NWG, partner and supply chain community on the LWE ethos and intent (what's different and how people can help).</p>
Medium term initiative
<p>Develop and implement a LWE database (cloud) to manage and provide visibility training and competency records (subject to data protection requirements). Determine minimum standards for designers, surveyors and construction works. This could also be used to support the non-water contractors within the ecosystem.</p>
Longer term initiative
<p>a) Develop and implement a LWE recognition scheme (internal and external).</p> <p>b) LWE partners develop leadership succession plans and career paths to ensure resilience and continued capability.</p>
Key Enablers
<p>The requirements are to ensure that we have sufficient technical, construction and organisational knowledge as well as experience to successfully deliver long-term success for NWG. Developing leadership capability to embed the governance of the LWE (policies, processes, procedures, and systems).</p>



Risks and mitigation				
Description	Impact	Likelihood	Rating	Mitigations
Inadequate/ineffective IT systems for managing the scope of the LWE restricting our ability to deliver a cost effective/efficient service.	Potential impact on performance measurement			Suite of IT systems to be identified that are fit for purpose. Effective training and use of NWG corporate systems.
Failure to set-up the LWE, quickly and effectively.	Significantly undermines expectation and programme delivery.			Strong governance applied to developing the concept. Alignment of culture & behaviours. Clear commitment input from LWE partners. LWE processes established.
Limited programme visibility leading to inefficiencies.	Impact on resources & financial sustainability & programme delivery			NWG to provide regular programme investment updates to partners. Capacity/resourcing plans created.
Industry skill shortage within the NWG regions, leads to delivery issues and out-of-region resourcing – inadequate resilience.	Potential delay to programme.			Identification and on-boarding of local SMEs, investing in training and development – helping them to grow within the LWE environment. Commitment to attracting, developing, and retaining the next generation of skilled resources – STEM ambassadors spreading the word about opportunities via schools. Services to be provided by the MWS in-house resources, supply chain, M Group companies (IDS, Z-Tech & PMP) and M Group Services.

## Culture & behaviours

**Commitment** - Respectfully challenging the LWE to facilitate the cultural change needed.

**Commitment** - Owning NWG's Performance Commitments as if they were our own.

**Commitment** - Using our experience and knowledge to mentor the wider ecosystem, facilitating capability development and learning.

Near term initiative
Create the space for a core team to enable time to develop the behavioural framework through the LWE working group; describing what good LWE behaviours and poor behaviours look like for leaders, peers, and ecosystem. Framework roll-out plan (inclusive of business units outside the LWE), together with indicators of cultural/behavioural change which can be regularly reviewed.
Medium term initiative
Support embedding of collective inclusive practices and values into the way LWE do things. Ongoing support to line managers/senior leaders to build on inclusive behaviours and to recognise/challenge inappropriate behaviours in an open/safe environment. The initiative requires everyone to understand their role in building an inclusive workplace e.g., including behavioural expectations within their job role.
Longer term initiative
LWE agree a calendar of events to maintain/enhance the culture and behaviours. Review effectiveness and benefits realised.
Key Enablers
The requirement is to provide expert support to the Integrator facilitating the building of the right culture and behaviours across the LWE partners which supports NWG performance outcomes. We need to ensure that we embrace diversity, building trust e.g., share our cultural experiences within alliance arrangements to enhance



relationships. Establish key indicators of culture and behavioural change. We propose to take a leading role as we bring our extensive behavioural experiences/leadership capabilities.

#### Risks and mitigation

Description	Impact	Likelihood	Rating	Mitigations
Expected behaviours are not clear or understood. Lack of experience in working within a collaborative arrangement. Lack of commitment to working collaboratively - silo mentality with different cultures. Failure to achieve appropriate culture/behaviours.	Key objective of the LWE not met			Consistent/holistic approach to cultural development - share best practice from other alliance contracts. Embed behavioural principle/process for creating high performance teams. Intense focus on coaching during the initial 6 months of the contract.
Conflict arising from differences between the LWE culture, wider business culture, ecosystem culture and external stakeholders.	LWE compromised			LWE Stakeholder management plan. Business surveys to gauge perception and acceptance - key learning point from the IOS Alliance. Investment in wider cultural development and understanding of the LWE influencing appropriate behavioural interactions.
Inappropriate on-boarding of human resources/ small medium enterprise results in inappropriate behaviours.	LWE Culture compromised			LWE on-boarding process & cultural learning approach agreed and applied.

## Delivering an excellent customer/stakeholder experience

**Commitment** - Developing an industry-leading LWE and being part of something delivering best in class C-MeX.

#### Near term initiative

Internal and external communication strategy developed and implemented, sharing the LWE approach across all parties/stakeholders/business units.

#### Medium term initiative

Customer/stakeholder experience forum established comprising of partner customer leads and other stakeholders with the aim of developing the customer and stakeholder strategy (e.g., adoption of our 'Every Customer Counts' strategy), including a calendar of communication events and media to be used (e.g., quarterly articles).

#### Longer term initiative

Review the effectiveness of existing processes (e.g., Gateway process), identifying improvements, updating the purpose of customer/stakeholder touch points, and initiating customer handling system updates.

#### Key Enablers

1. Measurement of individual partner and collective customer experience performance.
2. Effective and continuous customer experience training (e.g., MWS 'Every Customer Counts' / 'Brilliant Basics') – creating the right culture.
3. Everyone knows about C-MeX and LWE expectations.
4. Appropriate resources are in place to maintain customer expectations.
5. People are empowered to make the right decisions.

#### Risks and mitigation

Description	Impact	Likelihood	Rating	Mitigations
Customer experience processes not understood or applied into LWE customer journey mapping leading to complaints/poor customer experience.	Unacceptable performance impacting on C-MeX			LWE processes developed and documented. Accountability assigned with responsibility cascaded throughout the organisation. Commitment to a customer success charter &





				delivery strategy. Potential to incorporate MWS ECC strategy.
External key stakeholders (e.g., local authorities/Network Rail) delay programme due to restrictions/constraints.	Significant impact on deliverability			Advanced planning of works and coordinating engagement.
Inadequate information systems resulting in lack of connection with customers/stakeholders.	Key source of complaints			Embed customer interaction systems and ensure they are used appropriately. Exploit multi-media channels including virtual comms.

## Leading innovator

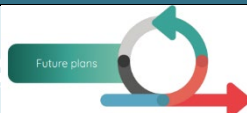
**Commitment** - Focusing on innovation, best value/practice to achieve unparalleled efficiencies.

Near term initiative				
LWE and the entire ecosystem has clarity of the outcomes for AMP8, gaps and where the innovation needs to impact.				
Medium term initiative				
Formation of an LWE Value Engineering group with the purpose of:				
<ol style="list-style-type: none"> <li>For partners to seek support where they have reviewed a project and the price submission is higher than the NWG affordability target. This may involve technique, assumptions, programme durations and risk allowance discussions.</li> <li>Peer review to identify potential alternative delivery options – providing the opportunity to share best practice.</li> </ol>				
Frequency, attendance, input format and measures of success to be agreed.				
Medium to Longer term initiative				
<ol style="list-style-type: none"> <li>Facilitate the establishment of a working group of LWE commercial and operational leads to develop a realistic/sustainable efficiency plan over an agreed time horizon. Develop, agree, and implement an innovation savings tracker.</li> <li>Support NWGs BIM strategic plan.</li> </ol>				
Key Enablers				
Providing support to ease implementation and adoption of new ways of working from change managers and business innovation leads. Provision of an IT platform (e.g., SharePoint) to show innovative solutions and savings achieved.				
Risks and mitigation				
Description	Impact	Likelihood	Rating	Mitigations
Lack of focus on appropriate innovation. New ideas are not progressed quick enough. Poor take-up of new ideas. Lack of investment in innovation development.	Unable to realise efficiencies			Joint innovation workshop to develop portfolio of scope and technology readiness level requirements. Business case process agreed to enable release of innovation funds. Innovative implementation leader appointed to ensure innovation is quickly embedded. Continue to support/enhance NWGs annual Innovation Festival.
Unable to secure funding from the OFWAT Innovation Fund due to competitive bids/submissions.	Potential delay to innovation delivery.			Robust business cases presented to OFWAT. Ensure progress/outcome tracking is visible to OFWAT to maintain confidence in change delivery.
Investment provisions prove inadequate/significant investment in innovations which ultimately prove unsuccessful.	Additional costs / no return on capital			Robust business cases developed and sign-off, together with investment caps/development change process. Limit capital exposure through trials/pilot schemes. Early engagement of the 'end user' to ensure the idea is worth pursuing.

Innovation not adopted due to Client Engineering standards/specifications.	Unable to deliver efficiencies			Robust business case. Engagement with asset owners and standards team providing evidence of improvement and benefits.
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## Environmental and social value focused business

**Commitment** - Supporting NWG in achieving social value goals.

Near term initiative					
Share our respective social value plans/carbon reduction plans, agree how to measure TOMs for Social Value and carbon.					
Medium term initiative					
LWE social value plan and carbon reduction plan created, signed-off and socialised.					
Longer term initiative					
LWE agree future improvement road map to ensure we continue to channel our commitment to achieving targeted solutions for NWG.					
Key Enablers					
1. Environmental and social value planning 2. Technical capability in carbon reduction and sustainability 3. LWE wider capability & support					
Risks and mitigation					
Description	Impact	Likelihood	Rating	Mitigations	
Unable to find a cost-effective plan to achieve net zero targets (within the scope of works being undertaken). Results in a loss of momentum on our/LWE decarbonisation strategy.	Targets compromised			Clear LWE strategy, which identifies areas of concern/need for technological /nature-based innovations/solutions. Maintain focus on measured outcomes. Cost vs. Carbon	
Partners do not meet NWG social value expectations across the range of measures.	Social value measures compromised			LWE partners agree strategy to enhance social value within the NWG region.	

## Health, Safety & Quality (HSQ)

**Commitment** – unwavering focus on HSQ to achieve an injury free environment and right 1<sup>st</sup> time.

Near term initiative				
LWE approach to HSQ agreed (including policy statement and performance measurement criteria).				
Injury Free Environment (IFE) leadership commitment workshop to share best practice, excellence in H&S behaviours and to formulate an LWE IFE implementation plan.				
Medium term initiative				
Identify and consolidate the broader key risk areas (e.g., high pressure rising mains/deep excavations) to ensure partners have robust processes/procedures including incident response.				
Create a LWE wide H&S plan including such as people development and training plans. Such as minimum standard for the Leadership Team.				
Longer term initiative				
Establish a forum of experts to develop and implement an LWE H&S initiatives road map. Consolidating plans from partners/ecosystem to achieve everyone ambition of Zero Harm.				
Key Enablers				
LWE agreement of the key focus areas (MWS drive H&S through six focus areas: safe workplace, putting health and wellbeing first, operating in a responsible way, engagement, growing our people and leadership. Aligned suite				



of key performance measures with focus on continuous improvement. Our aim is to create a whole LWE approach through line-management buy-in, decisive leadership commitment, sponsorship and appropriate investment into initiatives and future plans.

#### Risks and mitigation

Description	Impact	Likelihood	Rating	Mitigations
Failure to operate safely/follow safe working practices resulting in an increase in accidents, incidents etc.	Affects confidence in capability to deliver services safely			Effective application of CDM 2015 and accredited management systems. Approach to common procedures agreed e.g., drugs & alcohol testing.
Human resource shortage drives incoming unskilled labour leading to more accidents/injuries.	SHEQW compromised			Structured on-boarding, training, and assessment programme. Additional supervision /mentoring /coaching. Application of our SHEQW controls.
Failure to agree common LWE SHEQW approach for driving delivery & reporting/governance.	Silo operating with different systems			Ensure right values & behaviours are in place from the start – focus on what we can do.
Project affordability is insufficient to cover the cost of carbon reduction/social value requirements.	Affects net-zero targets & social value commitments			Focus on value engineering, maturity journey and the ecosystem – cost effective solutions.

## Summary

We are committed to generating long term success for the LWE, its entire ecosystem and the northeast. An industry leading accomplishment that in decades to come we can look back on proudly to say we were one of its founding members.