

# CEW Business Breakfast

Cardiff

Friday 24<sup>th</sup> July 2015



**Milica Kitson**  
**Chief Executive**  
**Constructing Excellence in Wales**



# Construction 2025



Constructing Excellence Wales – 24 July 2015

# Construction 2025



Lower costs  
**33%**

Faster delivery  
**50%**

Lower emissions  
**50%**

Improvement  
in exports  
**50%**

People

Smart

Sustainable

Growth

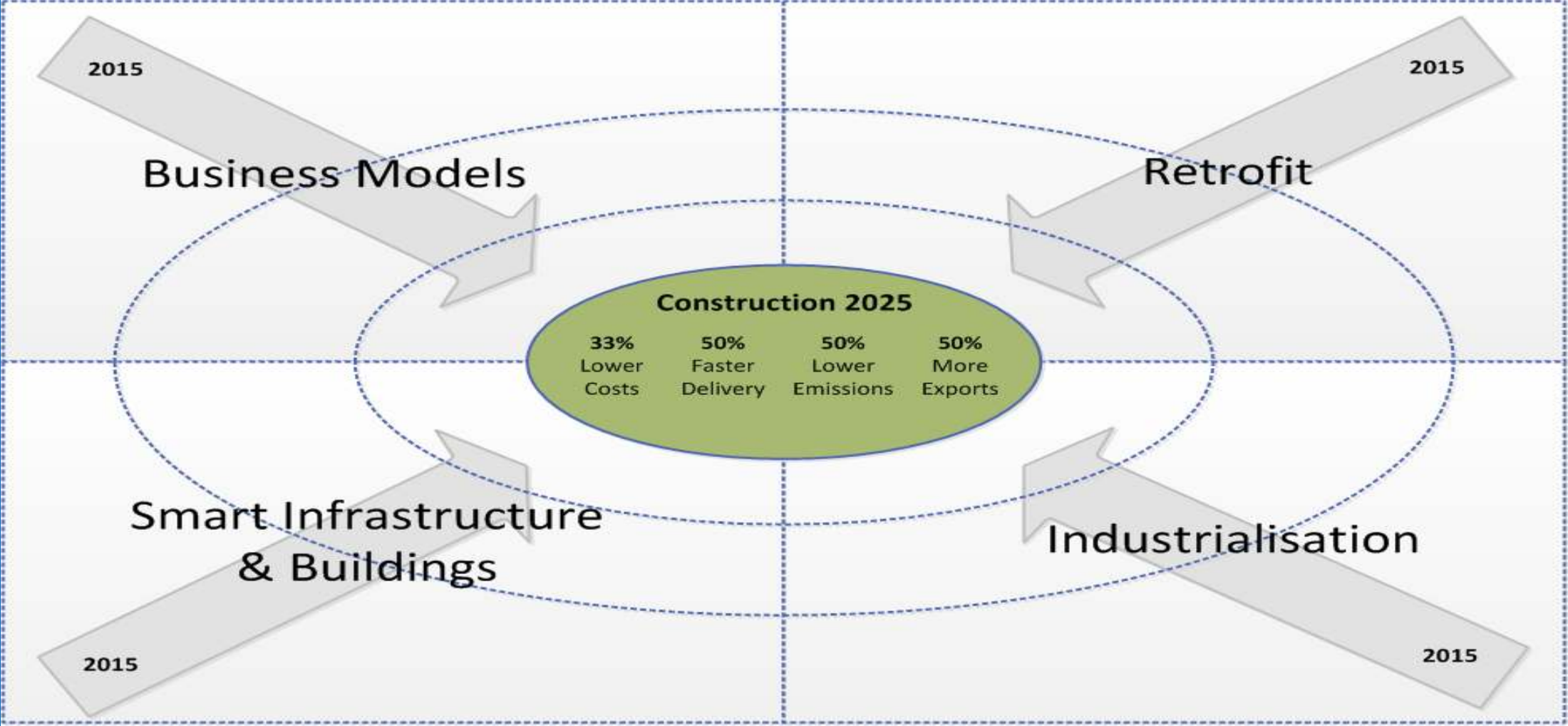
Leadership

# Key Issues

- Skills
- Productivity
- Innovation
- Collaboration
- Image
- Government / industry dialogue



# Innovation Priorities



# Image



# Questions?



# An industry undergoing a transformation journey

Murray Rowden

Constructing Excellence Wales

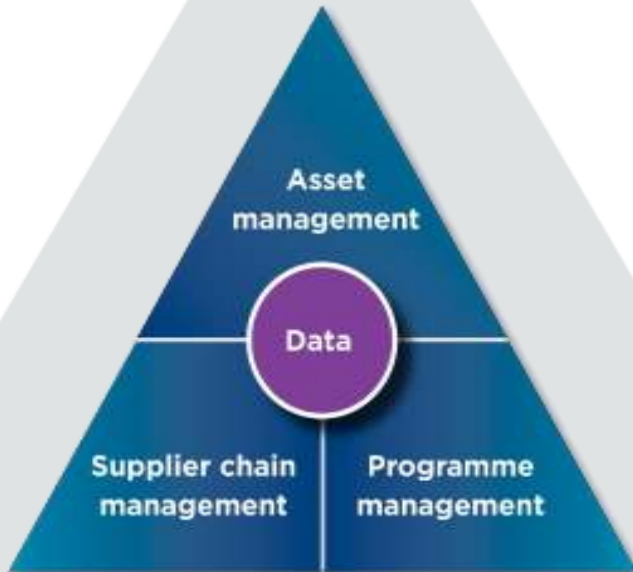


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# Constructing Excellence have set out a vision for the industry



Industry 2025 – a new industry model

## Collaborative platform:

- coordinated, not fragmented
- integrated, not siloed
- investing, innovative
- enhanced capability
- rewarded for the value created

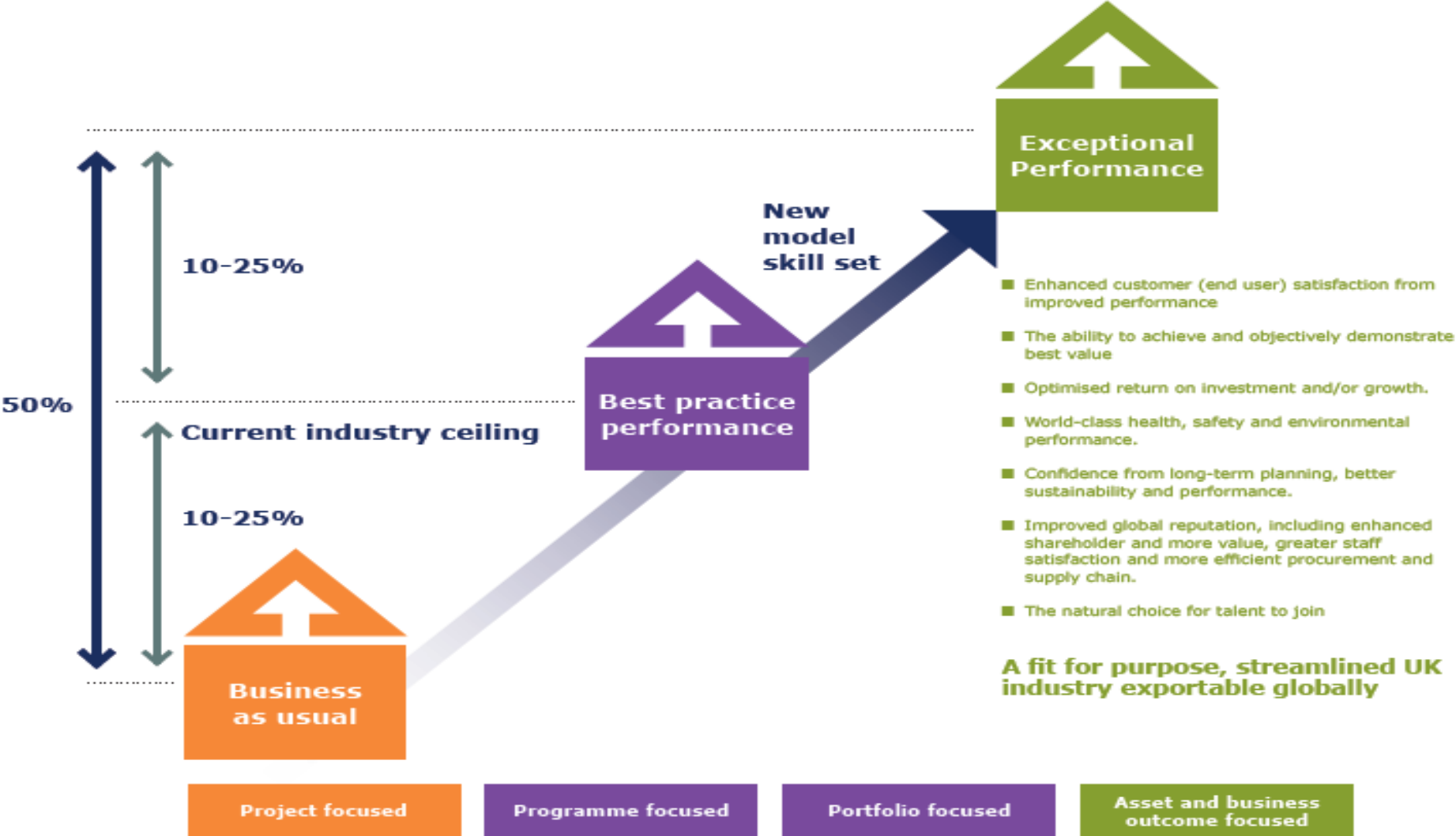


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# We are setting an exceptional performance agenda



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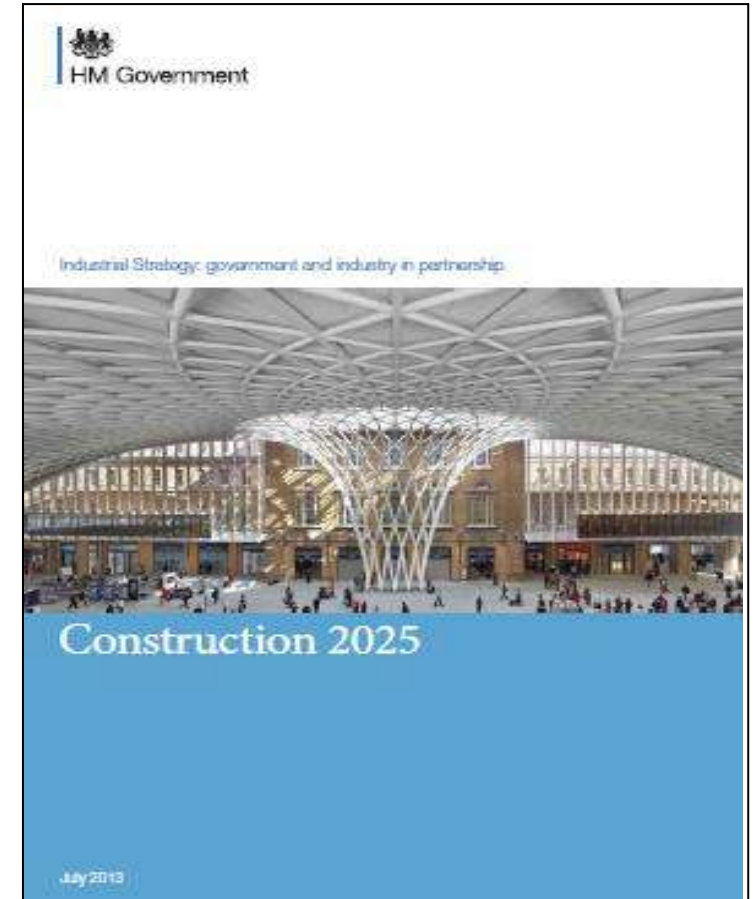
# We are aligned with the industry strategy



- Delivering efficiency agenda
- Focusing on TOTEX solutions
- Contracting on business outcomes
- Ensuring supply chain resilience
- Wider industry collaboration

*“Construction in 2025 is no longer characterised, as it once was, by late delivery, cost overruns, commercial friction, late payment, accident, unfavourable workplaces, a workforce unrepresentative of society or as an industry slow to embrace change.*

*In short, by 2025 construction has been radically transformed”*



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# We are influencing industry developments



The Project Initiation Routemap is a product of government working collaboratively with industry and academia



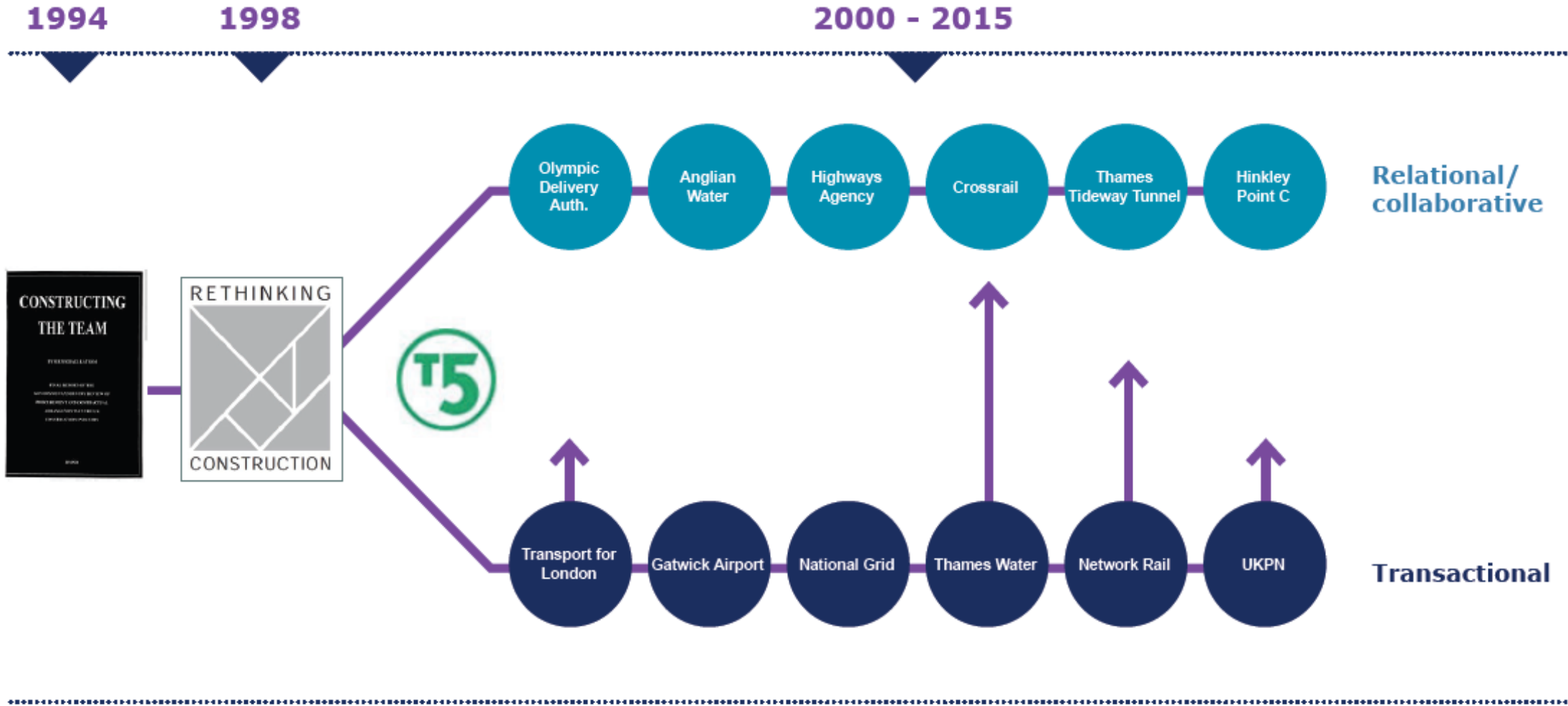
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# The major procurers are moving to collaborative models



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# Emerging trends



- The changing nature of technology is integrating capital and operational worlds
- A more integrated/automated world will require a new set of skills
- Devolution on budgets combined with spending cuts is driving LEPs/LAs to collaborate
- Changing regulation means that reward will be determined on operational performance and not just capital
- Many client bodies are mandating SME engagement targets and apprenticeships however they recognise this needs to be industry led
- Consumer happiness is a new currency – organisations are wrapping commercial models around service and consumer happiness.



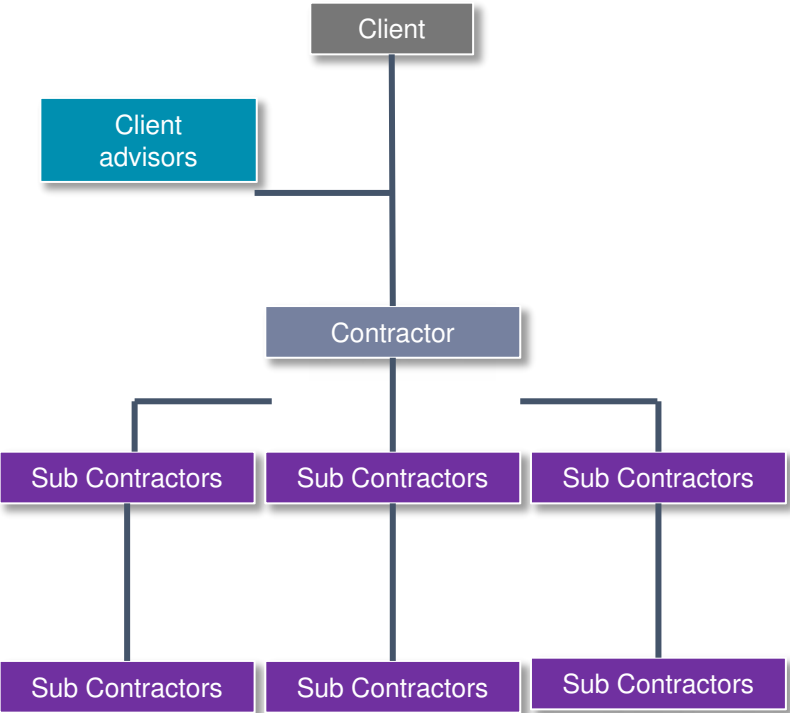
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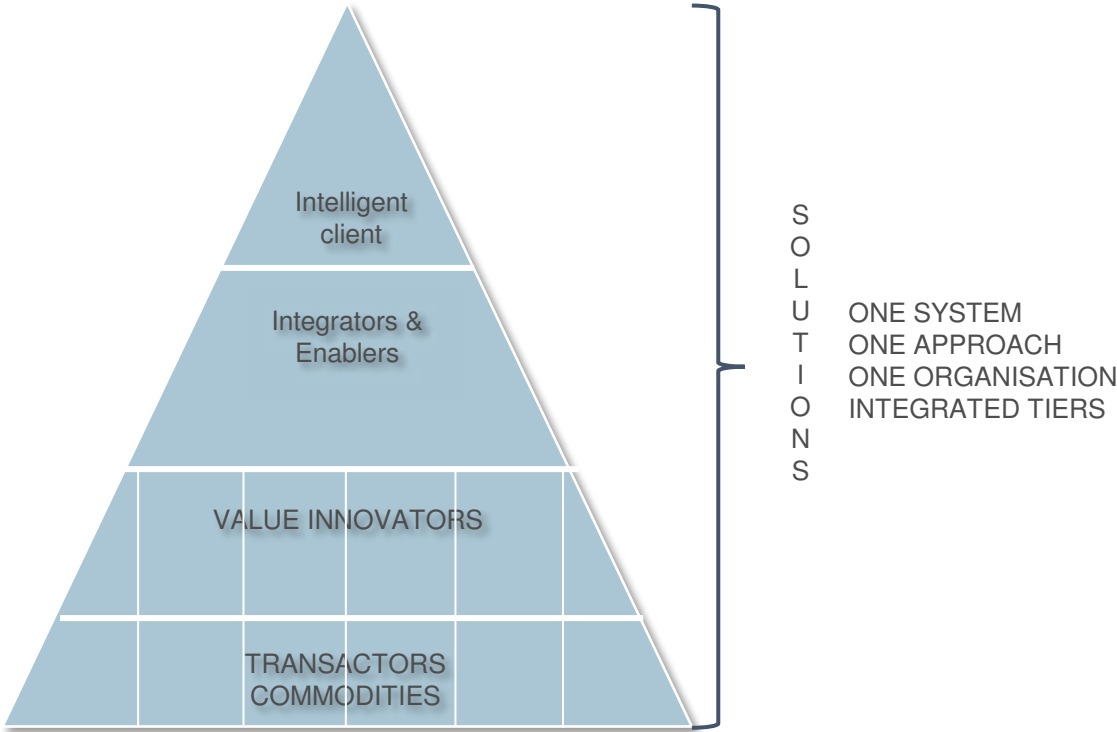
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# 2025 – a two stream industry

## 1. Transacted and fragmented



## 2. Collaboration & Integration



# Excellence through Collaboration



Industry 2025 – a new industry model

The only way  
Construction 2025, our  
CE vision of excellence  
and better client  
outcomes can be  
achieved will be through  
the industry truly  
embracing collaboration.



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# Excellence through collaboration



**Don Ward**  
Chief Executive

[www.constructingexcellence.org.uk](http://www.constructingexcellence.org.uk)



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# Constructing Excellence

The pan-industry organisation  
driving change in construction

Excellence through collaboration

**BETTER TOGETHER**



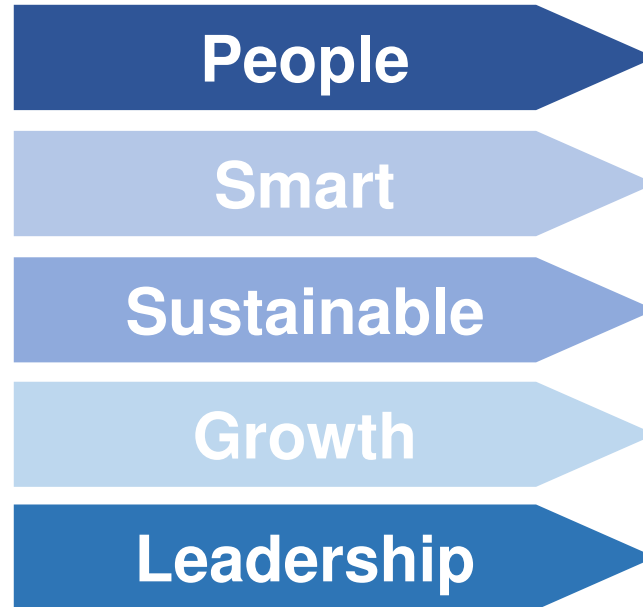
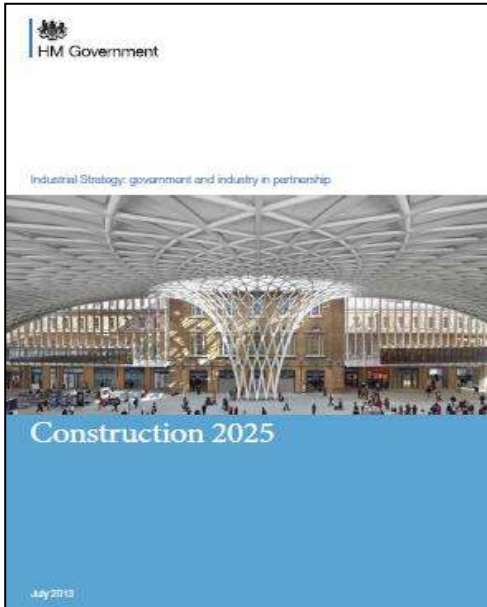
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# Construction 2025, BIS, 2013



**Lower costs**

**33%**

reduction in the initial cost of construction and the whole life cost of built assets

**Faster delivery**

**50%**

reduction in the overall time, from inception to completion, for newbuild and refurbished assets

**Lower emissions**

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reduction in greenhouse gas emissions in the built environment

**Improvement in exports**

**50%**

reduction in the trade gap between total exports and total imports for construction products and materials



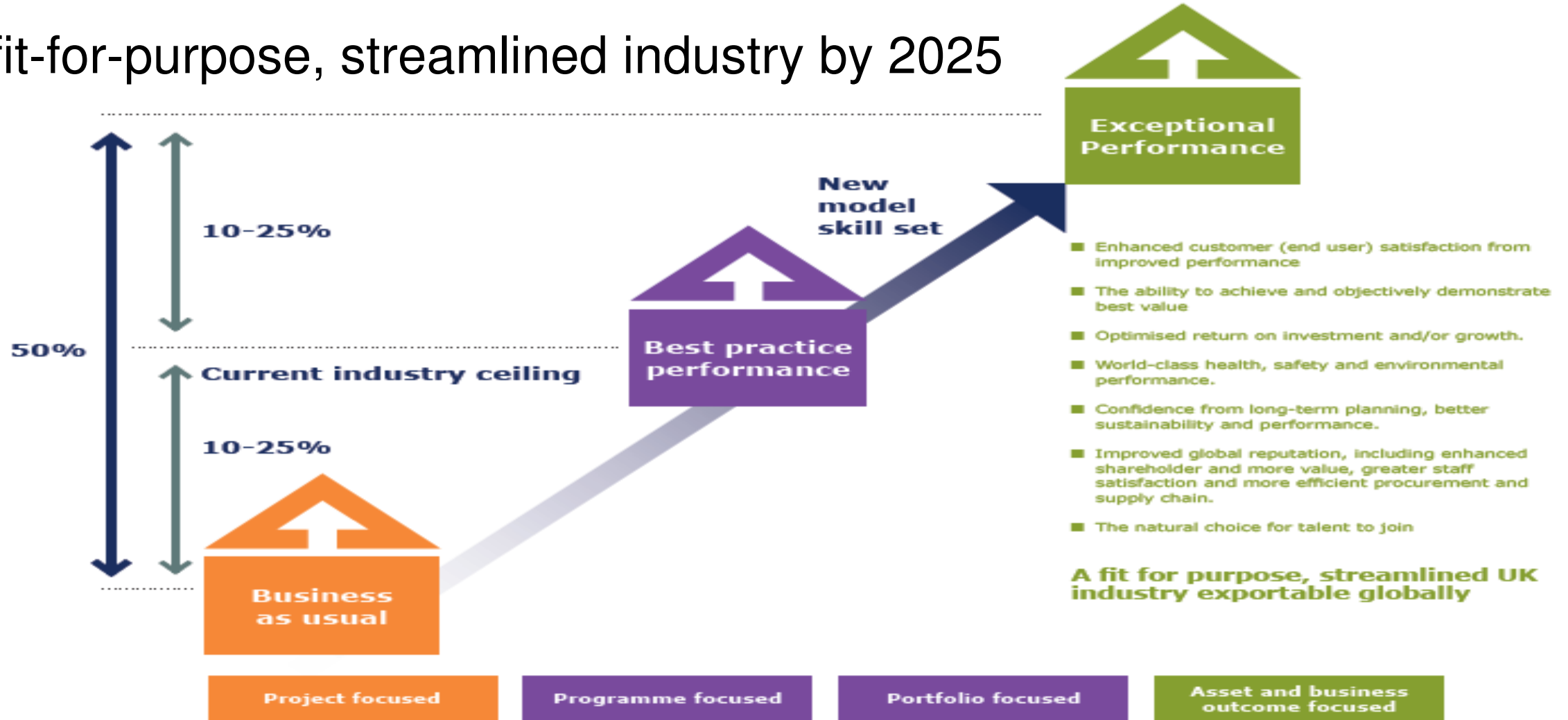
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# A burning platform for transforming performance

## A fit-for-purpose, streamlined industry by 2025

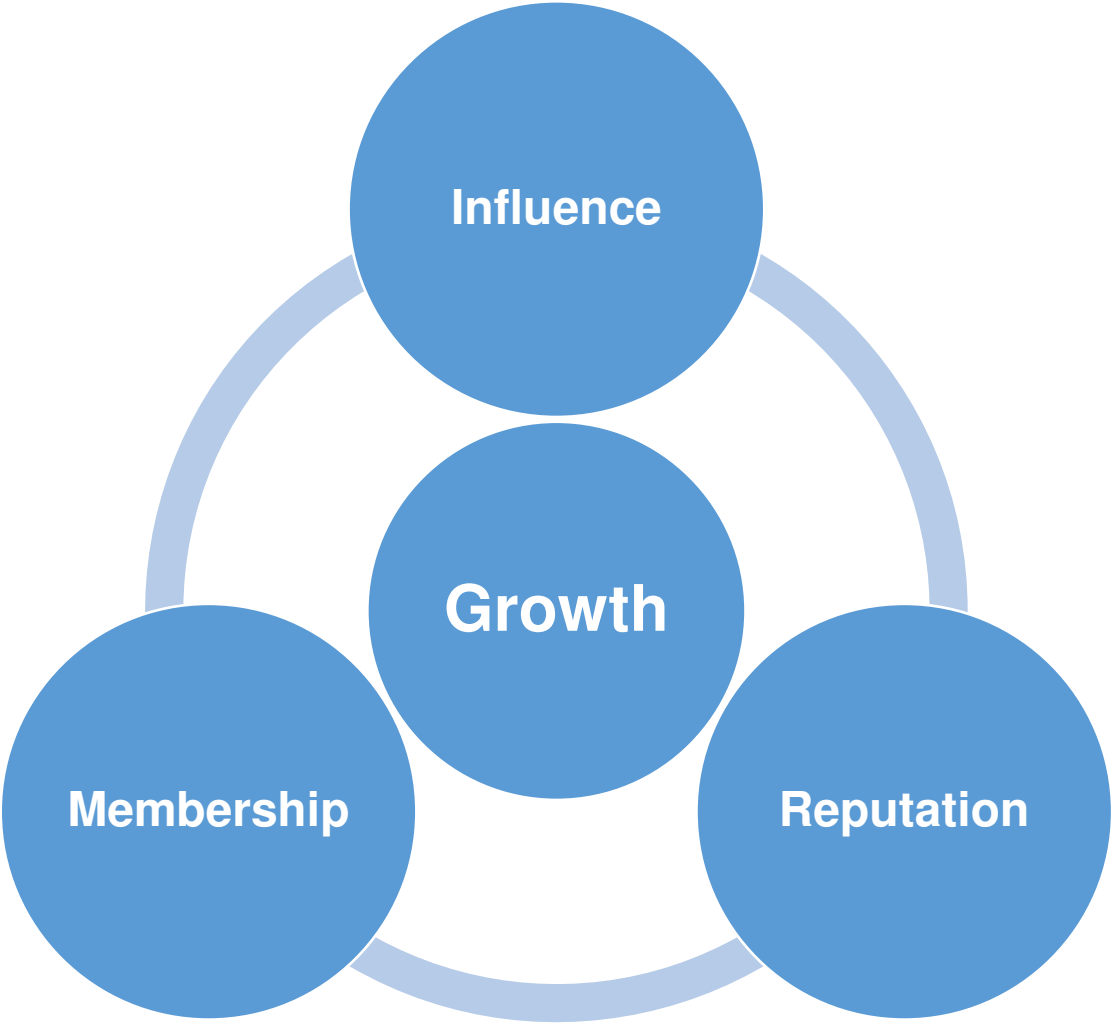


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To deliver, all in the CE Movement need growth in



# UK construction improvement can be charted by a number of key reports

Latham.....Egan.....Olympics....'Crisis'.....'2025'...



1994.....1998.....2006.....2010.....2013...



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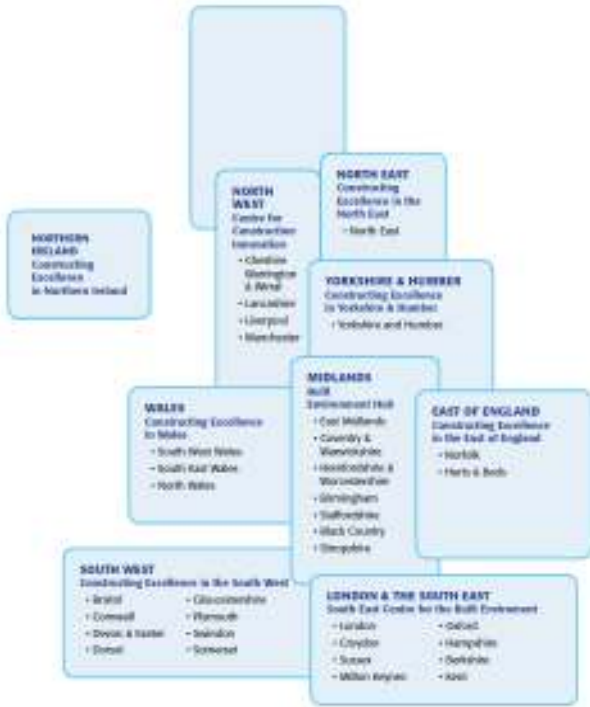
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# The CE movement

80 national members, 9 regional Centres  
 35 local best practice Clubs, 650 G4C members,  
 8 partners in the CE International Alliance



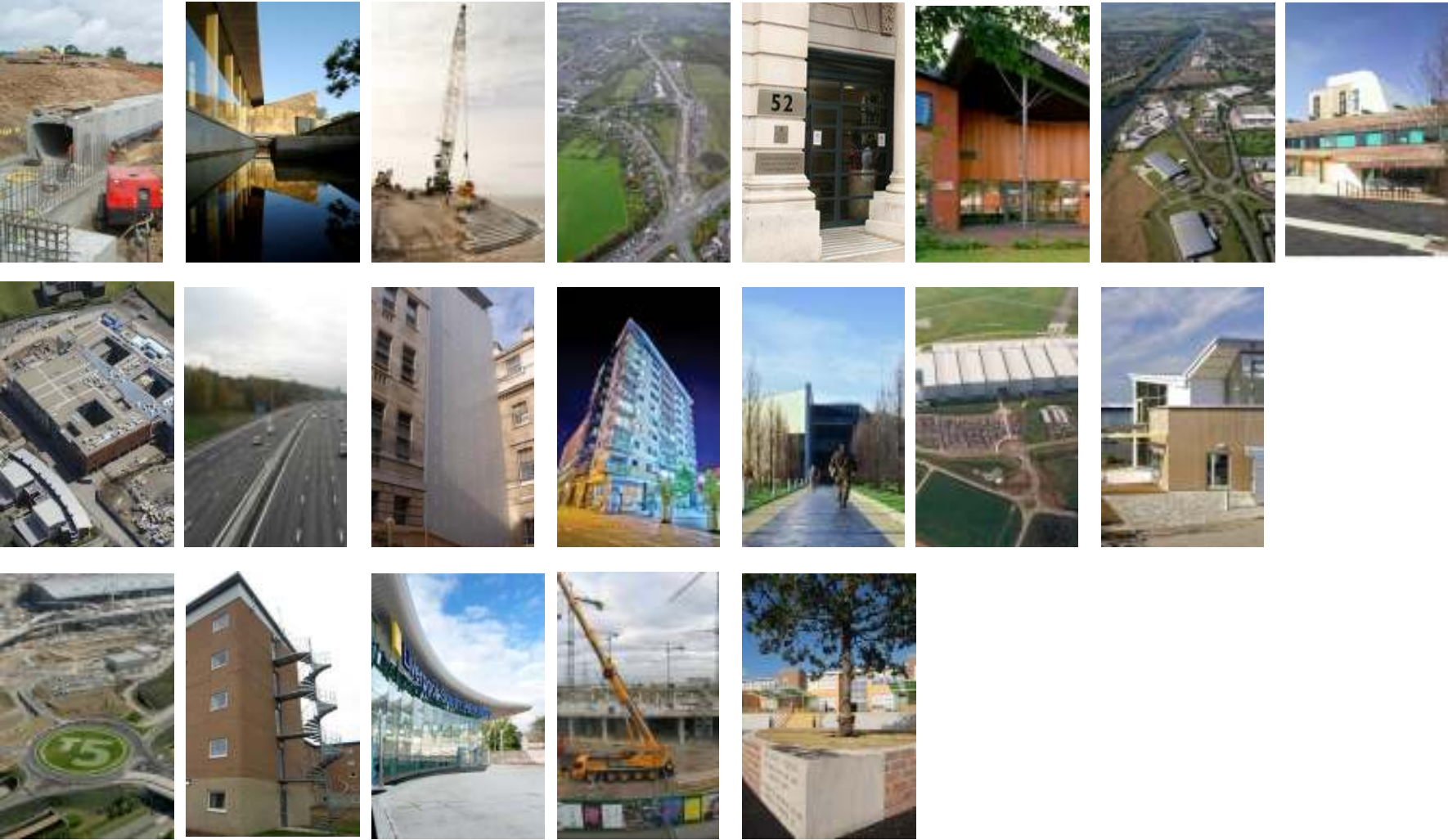
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# Over 500 Demonstrations Projects covering all sectors, regions and sizes



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# Egan inspired the Construction Industry Key Performance Indicators



Safety

Predictability

- Cost
- Time

Defects

Construction Cost

Construction Time

Profitability

Productivity

Client satisfaction

- Product
- Service

Environmental impact

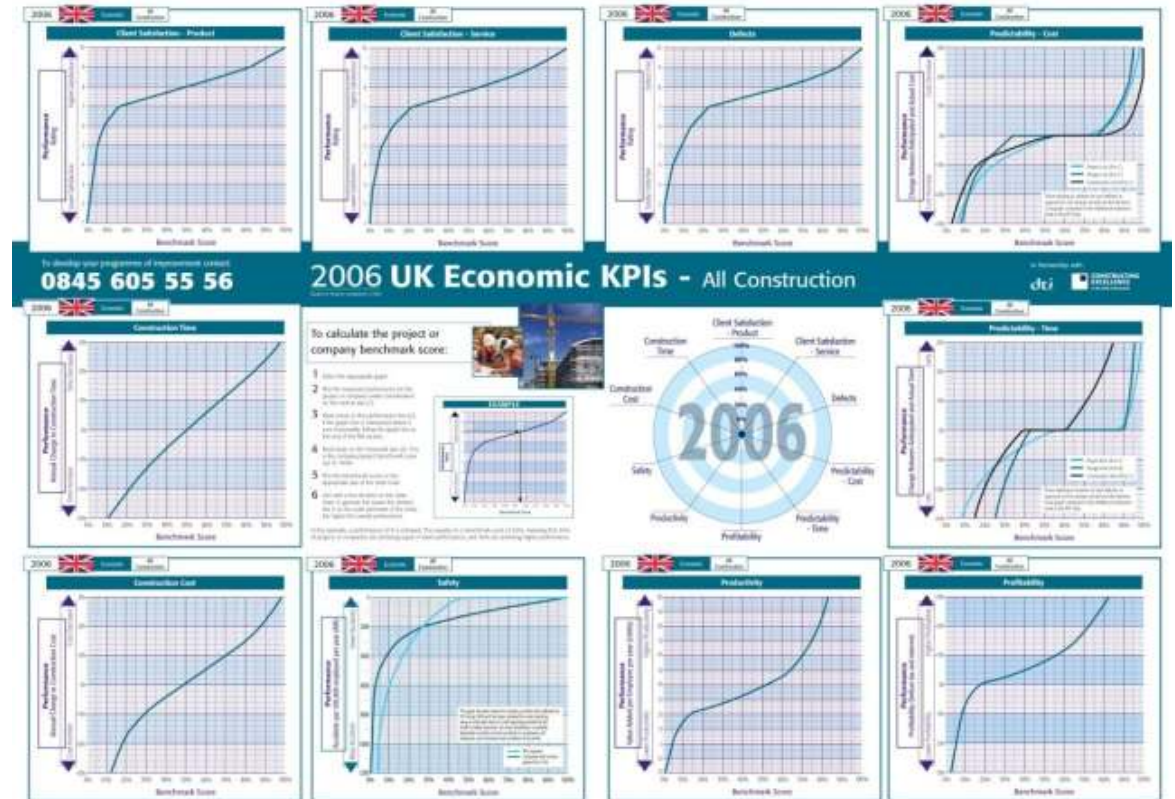
Product

Process

Employee satisfaction

Staff turnover

Qualifications & skills

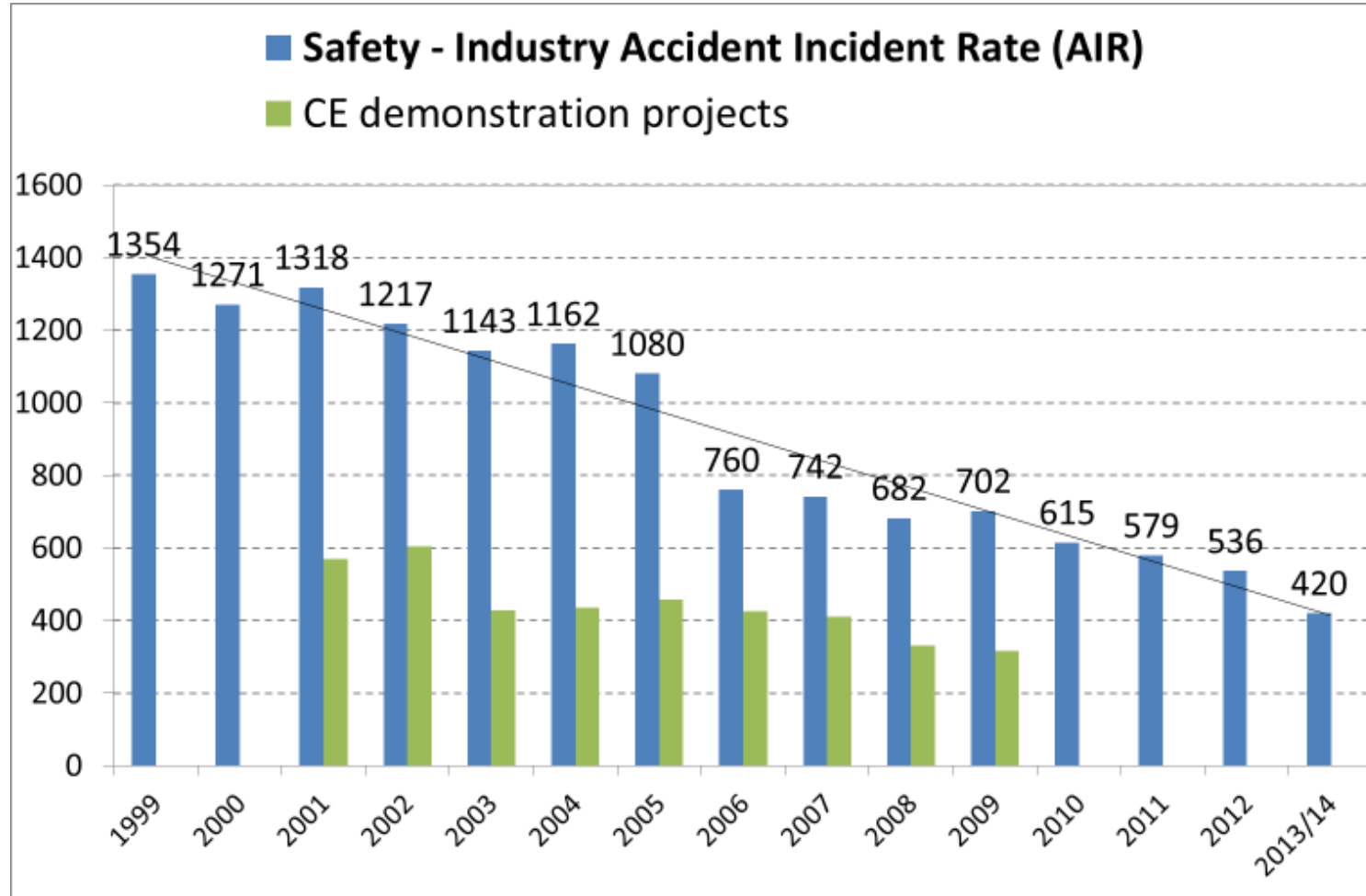


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# Safety has improved significantly



**69% improvement,  
c.5% year on year**

Although  
only 48% of employee  
reportables are reported  
(HSE)



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# Influencing government and other stakeholders



Cabinet Office



Chartered Building Company



Department for Business Innovation & Skills



HM Treasury



Department of Energy & Climate Change



HM Government



UK Trade & Investment



Institute for Collaborative Working



UK GREEN BUILDING COUNCIL



Nuclear Decommissioning Authority



Construction Clients' Group  
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# Influencing the mega projects of today to improve the industry of tomorrow - and setting the bar ever higher for the next one



**T5  
Heathrow**



**London  
2012**



**Crossrail**



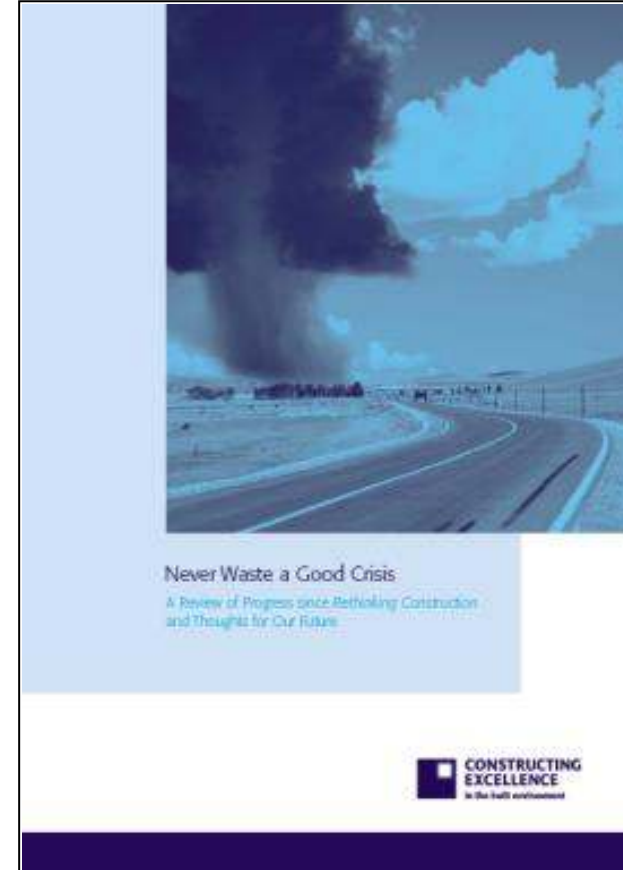
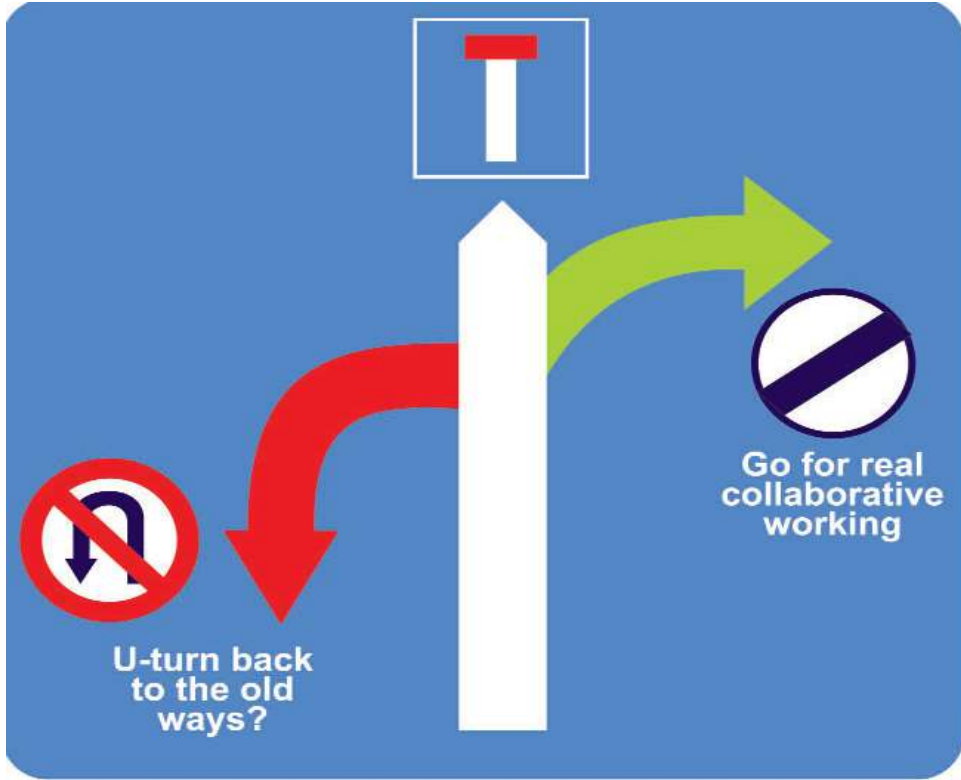
**Nuclear  
power**



**HS2**



# 'Economic climate change' means companies faced a stark choice



*Collaborative Working Champions 'Survival Guide', 2009*

*Never waste a good crisis, 2009*

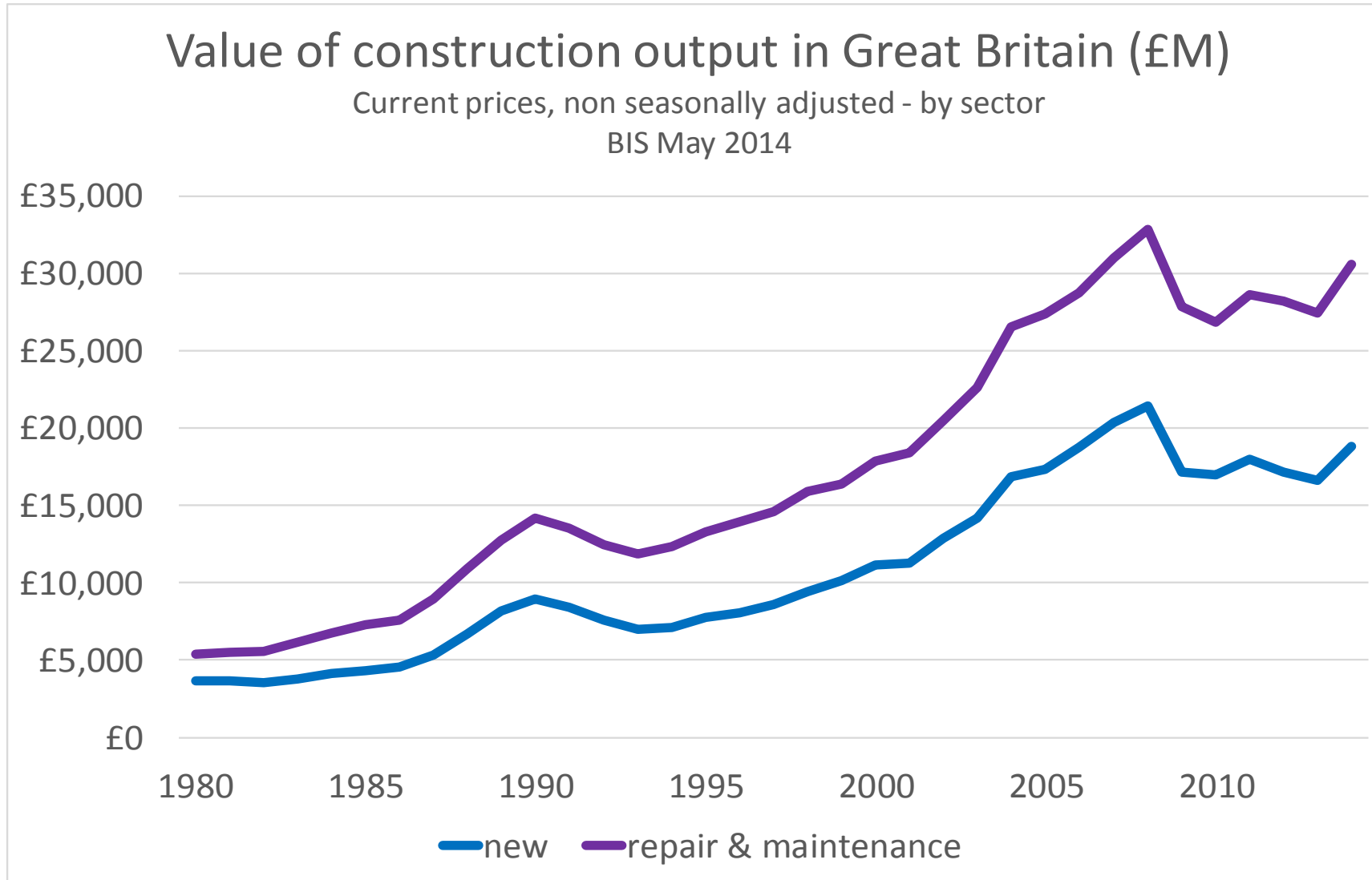


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# Construction output is recovering (?)

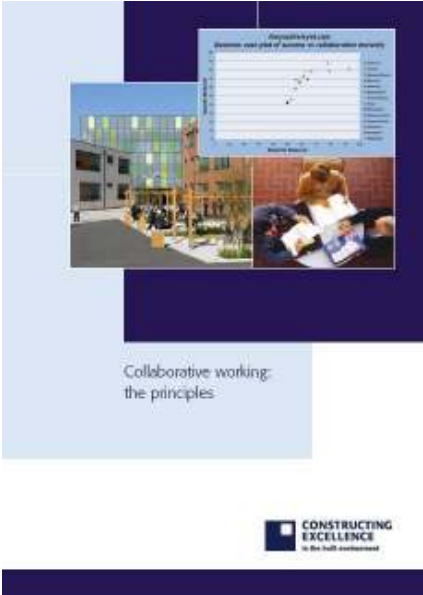
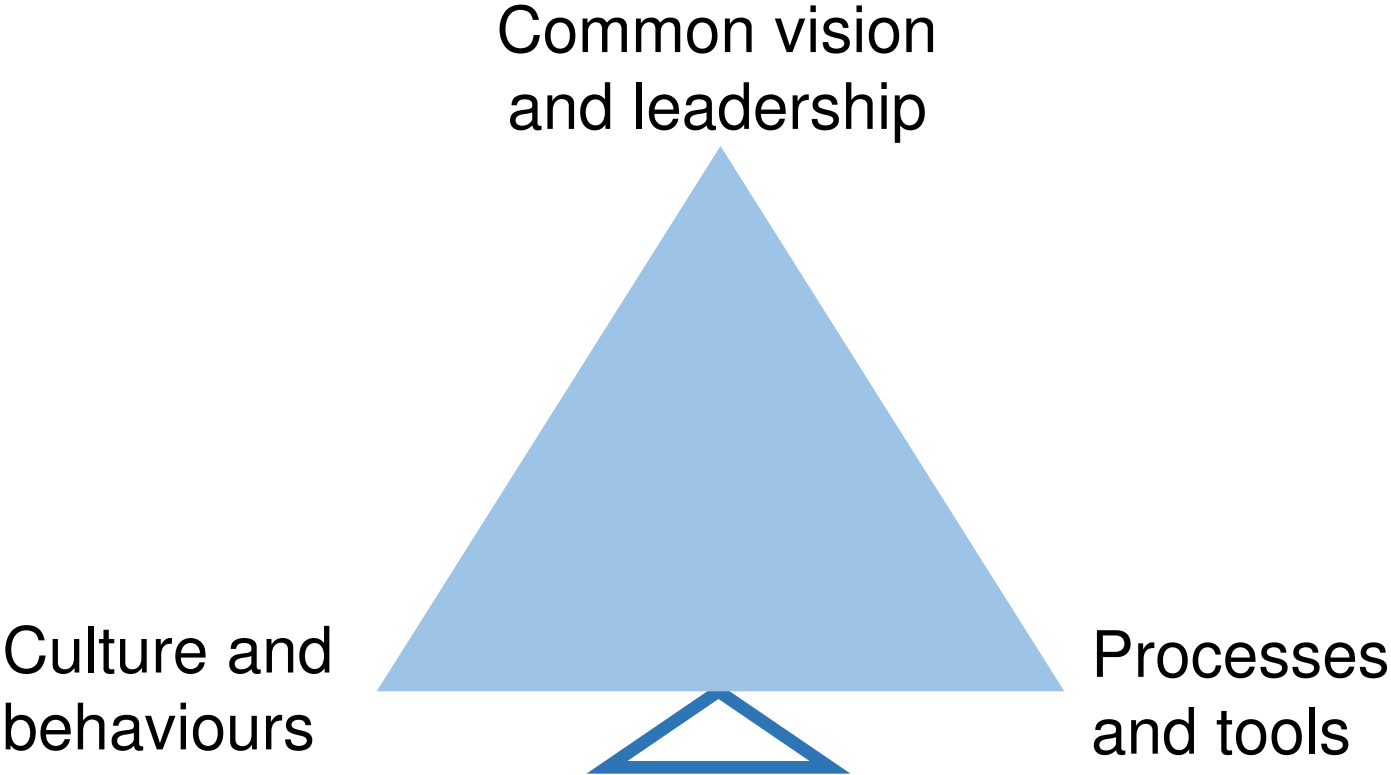


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# Three overriding principles of collaborative working



# There are 6 critical success factors for collaborative working

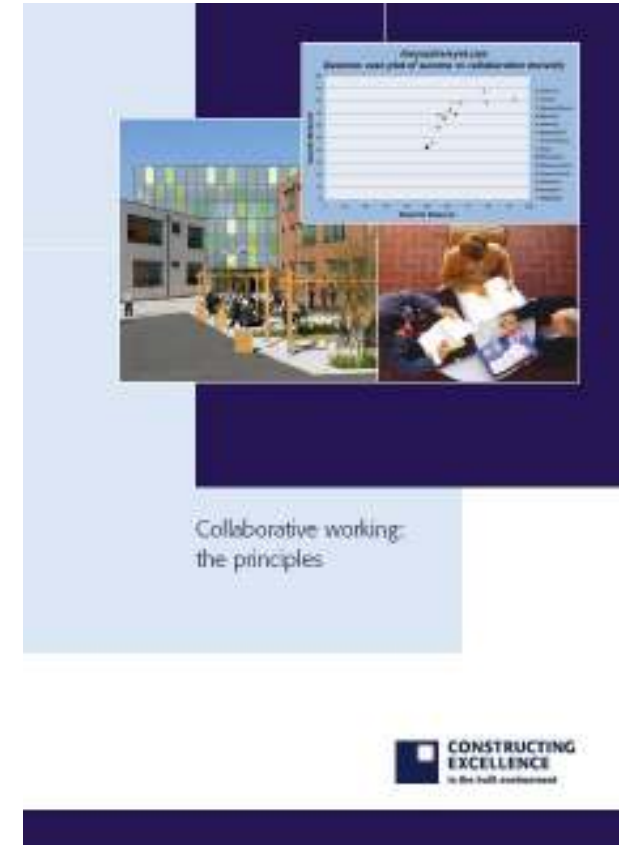
## Early involvement

Selection by value

Common processes and tools => **BIM**

Measurement of performance } **continuous**  
Long-term relationships } **improvement**

## Aligned commercial arrangements



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Above all, customers want value and we need to understand how clients and users measure it (£, happy residents, CO2, time, social value etc)



$$\text{Value} = \frac{\text{Benefit}}{\text{Cost}}$$

*More*  
*For less*

WHOLE  
LIFE



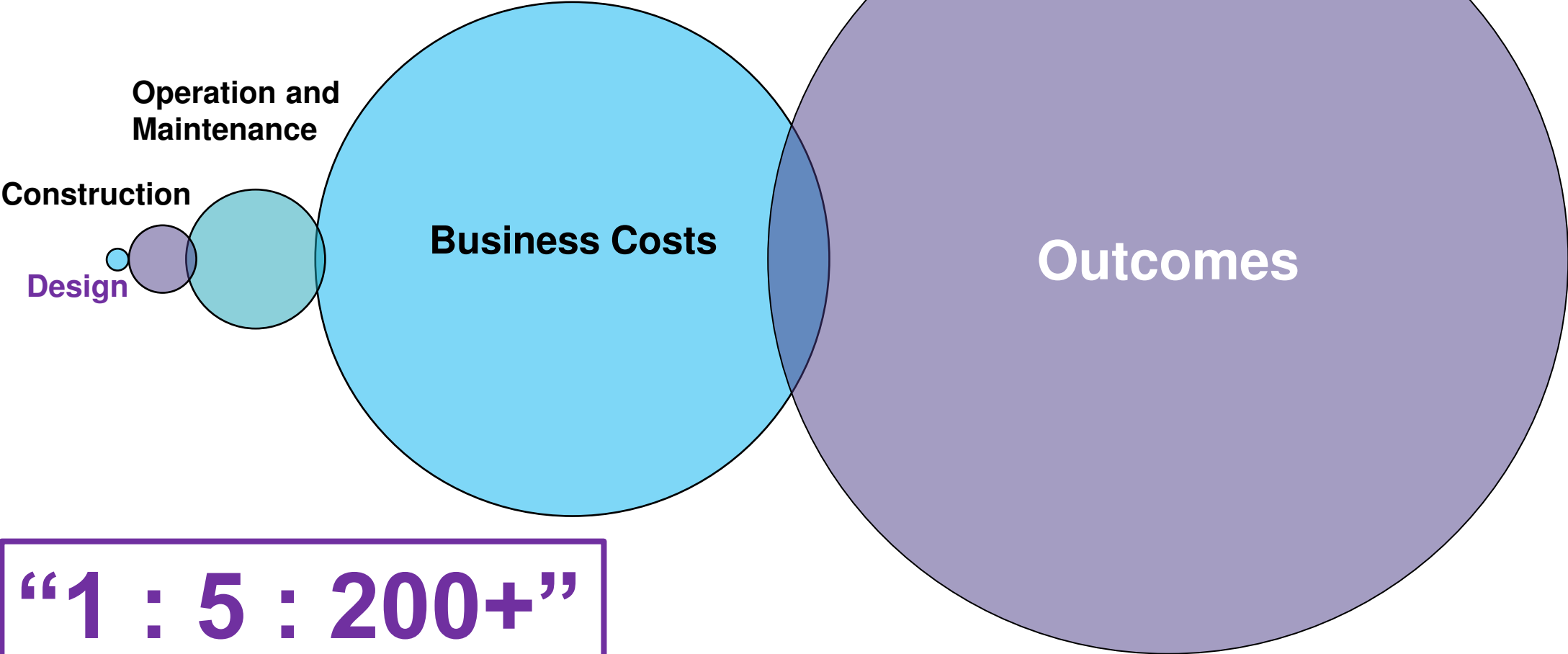
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# The value of client outcomes far outweighs the project costs



**“1 : 5 : 200+”**



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# St Francis of Assisi Academy, Liverpool - sustainability delivering value



## Green values help academy top new league table

“A school which offers its pupils a green-focused education has won plaudits for having the best teaching standards in the country....”

The Independent, 11 Jan 2007

Construction	Blue Bird
Client	St Francis Academy Trust
Case Study Ref. No.	110
Project Number	2006
Publication Date	December 2006
Region	North West
Sector	Education
Contract Value	£17.5 million
Project Completion	May 2006 - Sept 2006
Themes	Sustainability Value

“The excellent GCSE results and the fact that our students finished top of the national league tables for progress can rightly be attributed to the impact the building had on their studies”



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# Achieving Vision 2025

- ⇒ **Respect for people**
- ⇒ **Collaborative working**
- ⇒ **BIM**
- ⇒ **Lean, Industrialisation**
- ⇒ **Value in use**
- ⇒ **Sustainability**





# National corporate membership

The home for intelligent informed clients who are at the heart of CE



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# National members

## Clients

BAE Systems  
BBC  
Birmingham City Council  
Crossrail  
East Riding of Yorks Council  
EDF Energy (NNB)  
Environment Agency  
Heathrow Airport  
Highways Agency  
Igloo Regeneration  
Imperial College  
Lambeth Living  
London Underground  
Magnox  
Nationwide Building Society  
Northumbrian Water  
NuGen  
ProCure 21  
Quintain  
Rochdale Boroughwide

Royal Mail Group  
Sandwell MBC  
SCAPE  
Scottish Water  
Westfield Group  
Worthing Homes  
Yorkshire Water

## Contractors

Balfour Beatty  
Bowmer & Kirkland  
Cara  
Dawnus  
Higgins  
Interserve  
ITC Concepts  
Keltbray  
Kier  
Mace  
McGee  
Morrison Galliford Try  
Skanska  
Willmott Dixon

## Consultants

Advance  
Aecom/Davis Langdon  
Capita Symonds  
CH2M Hill  
Coaction Management  
CWC  
DBD  
FaulknerBrowns  
Invennt  
LCMB  
Room4 Consulting  
Synaps  
ThurLOW Associates  
Trowers & Hamlin  
Turner & Townsend  
Waterman  
Wragge



## Manufacturers & Suppliers

4Projects  
Astins  
Coubari  
Graphisoft  
Knauf Drywall  
Management Process Systems  
Polypipe Terrain  
Structural Timber Association  
Tekla  
Waterloo Air Products

## Associates

BRE  
British Property Federation  
Chartered Institute of Building  
Glenigan  
Institute of Collaborative Working  
UK Green Building Council  
University of Reading

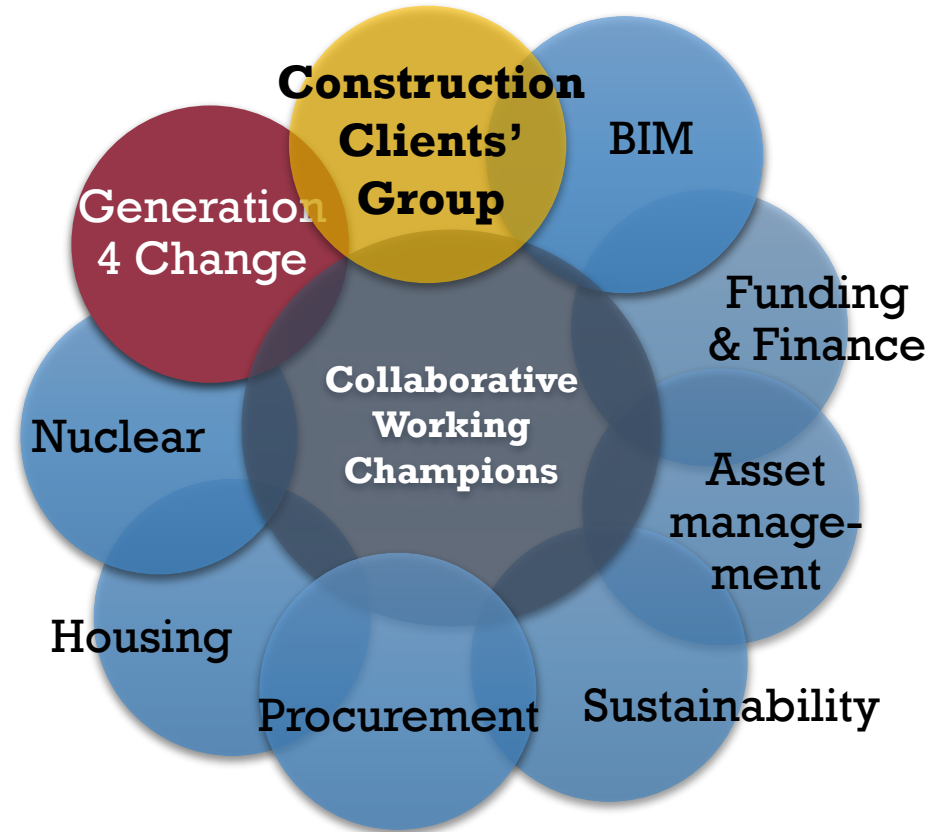


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# National theme groups



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# 'Calendar' of themes

Dates 2015-16	Theme
April – June	People
July – Sept	Smart
Oct – Dec	Sustainable
Jan – March	Growth
April - June	Leadership



# Adding value by delivering *Construction 2025*



<b>Leadership</b>	CE Vision 2025 <b>Construction Clients' Group (CCG)</b> Regional & National Awards series	Infrastructure Development (MBS) <b>Nuclear TG</b>	<b>Lower costs</b> <b>33%</b> <small>reduction in the initial cost of construction and the whole life cost of built assets</small>
<b>People</b>	<b>G4C</b> Leaders 4 The Future (G4C) CELL qualifications and training	<b>CCG Health &amp; Safety TG</b> CEHE universities network	<b>Lower emissions</b> <b>50%</b> <small>reduction in greenhouse gas emissions in the built environment</small>
<b>Smart</b>	<b>Collaborative Working Champions TG</b> <b>BIM TG</b> <b>BIM<sup>4</sup>Housing TG</b> G4C big/open data project with BRE	<b>Procurement TG</b> Procurement trials for Cabinet Office CEHE <b>CCG Defects TG</b>	<b>Faster delivery</b> <b>50%</b> <small>reduction in the overall time, from inception to completion, for newbuild and refurbished assets</small>
<b>Sustainable</b>	<b>Sustainability TG</b> <b>Funding &amp; Finance TG</b>	<b>Asset management TG</b> <b>Social value TG</b>	<b>Improvement in exports</b> <b>50%</b> <small>reduction in the trade gap between total exports and total imports for construction products and materials</small>
<b>Growth</b>	SMEs, especially via CE Regional Network and local Best Practice Clubs	CE International	

TG = national Theme Group



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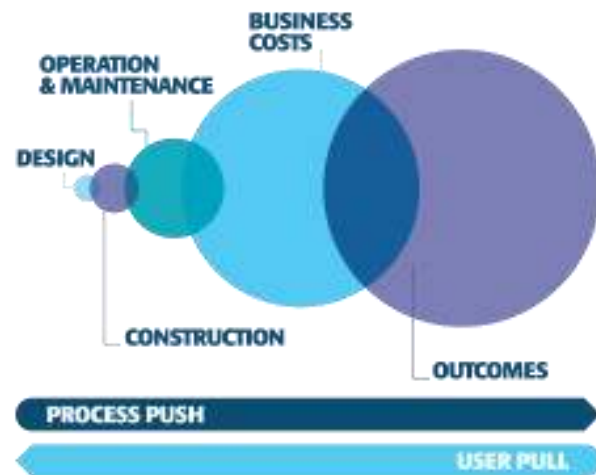
# “Better together”

Better ideas and inspiration

Better evidence and intelligence

Better conversations and connections

Better influence and leadership



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