

Have your say on 'the state of the
industry' in Wales

Welsh Local Authority Programmes and
Improving the Visibility of the Future
Pipeline

15th October 2014
Holland House, Cardiff



Introduction

Ed Evans

Director Exemplar Programme

Constructing Excellence in Wales



Constructing Excellence in Wales Procurement Steering Group Meeting

No Turning Back Revisited

15th October 2014



No Turning Back Revisited

Why Revisit No Turning Back

- *Original study was carried out in 2010*
- *Environment has changed politically and financially*
- *There have been developments within our Industry*
- *But has there been change and how much?*



No Turning Back Revisited

What No Turning Back Argued

- *We needed Leadership from WAG and Core Public Sector decision makers*
- *We needed improved and consistent tendering processes*
- *We needed adhering to Policy of Best Value*
- *We needed a willingness for Government, Clients and Suppliers to work in an Integrated and Collaborative way.*



No Turning Back Revisited

Structure and Format of Review

- *Set 2 basic Questions/Objectives*
- *Set 3 fundamental areas to review*
- *Set a series of questions per review area*
- *Consult with the Industry via direct meetings, phone interviews and electronic questionnaires*
- *Analyse results and report findings*
- *Revisit No Turning Back Recommendations??*



No Turning Back Revisited

Task Group Input

- *No Turning Back Task Group to review, discuss and comment on questions (Late October)*
- *Finalise questions and consultation format*
- *Consult Industry (End October)*



No Turning Back Revisited

What we want from No Turning Back Revisited

- ***Has the Report had any impact on Performance of the Welsh Construction Industry***
- ***To assess how the Industry is performing against the conclusions and recommendations in the Report***



No Turning Back Revisited

The Topics for Review

- *What WAG Need to Do*
- *What Clients Need to Do*
- *What Suppliers Need to Do*



No Turning Back Revisited

The Questions.....



No Turning Back Revisited

- **What WAG Needs To Do**

- *Do you feel WG is giving clear guidance on its Construction spending?*
- *Do you see a series of clear Government programme's related to construction?*
- *Are you clear on WG's view or commitment to collaborative or best value procurement?*
- *Are you aware of WG's directions on public sector procurement?*
- *Are you aware of the Welsh Construction Procurement Strategy and its action plan?*
- *Have you signed up to the Construction Commitment Charter for Wales?*
- *Do you consider that there is a consistent approach to procuring Construction projects amongst Welsh Client organisations?*
- *Would a single WG Minister responsible for Construction be beneficial to both Clients and Suppliers within the industry?*



No Turning Back Revisited

- **What Clients need to do**
- *Do you consider that public sector Clients have an open or closed culture regarding the procurement process?*
- *Are Clients welcoming of a partnering or collaborative attitude during tendering and into contract?*
- *Are you aware of public sector Clients forward programme of work?*
- *Are Clients open to “best value” tender submissions, alternatives?*
- *Are you aware of a consistent approach to PQQ documentation (ie SQulD) amongst Client organisations?*
- *Do you feel tenders are promoting lowest price or best value?*
- *Do you consider Frameworks being procured are an option for delivering best value for clients and suppliers?*
- *Is there a consistent approach between Client Procurer and delivery teams?*



No Turning Back Revisited

- **What Suppliers need to do**
- *Do you consider Suppliers are embracing cultural change towards collaborative working?*
- *Do suppliers cascade collaborative working down their supply chain?*
- *Are suppliers embracing the concept of quality/price requirements in tenders?*
- *Is the supply chain suited to best value or lowest price tendering?*
- *Does collaborative/best value tendering or lowest price provide suppliers with the most robust commercial outputs?*
- *Is there still a barrier to SMEs through best value quality based tendering?*
- *Are suppliers delivering better internal opportunities through training/recruitment from the use of collaborative project delivery?*



No Turning Back Revisited

Comment / Questions.....



Welsh Local Authority Programmes and Improving the Visibility of the Future Pipeline

Mark Adams

Constructing Excellence in Wales

15th October 2014



Introduction

- Background to the all-Wales local authority programme
- Consultation response
- 4-year forward programme
- Forward pipeline data sets



The Research Project

- *'No Turning Back'* : CEW report – October 2010
- Construction Procurement Strategy Steering Group - February 2011
- CEW-led sub-group for local authorities programme – autumn 2011



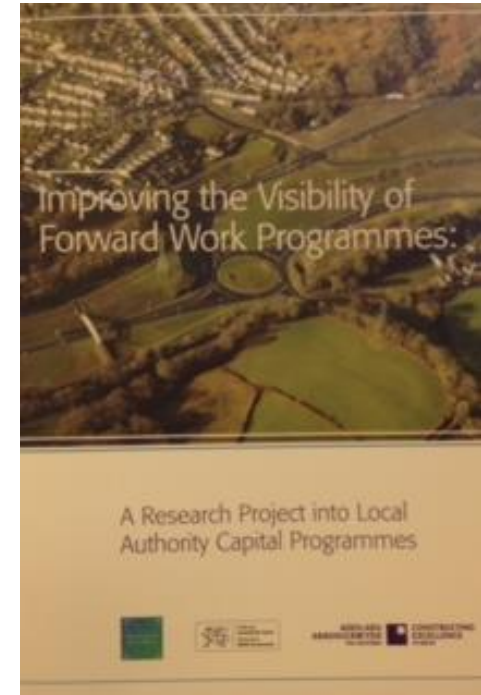
Sectors

- Education
- Social Care
- Highways/Transport
- Environment
- Regeneration
- Housing
- Property / Buildings
- Parks / Leisure
- Plant / Vehicles
- Other



Research Report

- Published in July 2013
- Summarised the research
- Set out the way forward – ‘Next Steps’



Consultation

- Is CEW's all-Wales LA programme useful?
YES 100%
- Is the coding into sectors useful ?
YES 98%
- Should smaller projects be aggregated ?
NO 60%
- Is a 3-year programme sufficient ?
YES 83%



Consultation

- Are annual updates sufficient ? YES 65%
- Would sorting projects/sectors into Buildings and Civils be useful ? YES 93%
- Would an inventory of frameworks be useful ? YES 100%



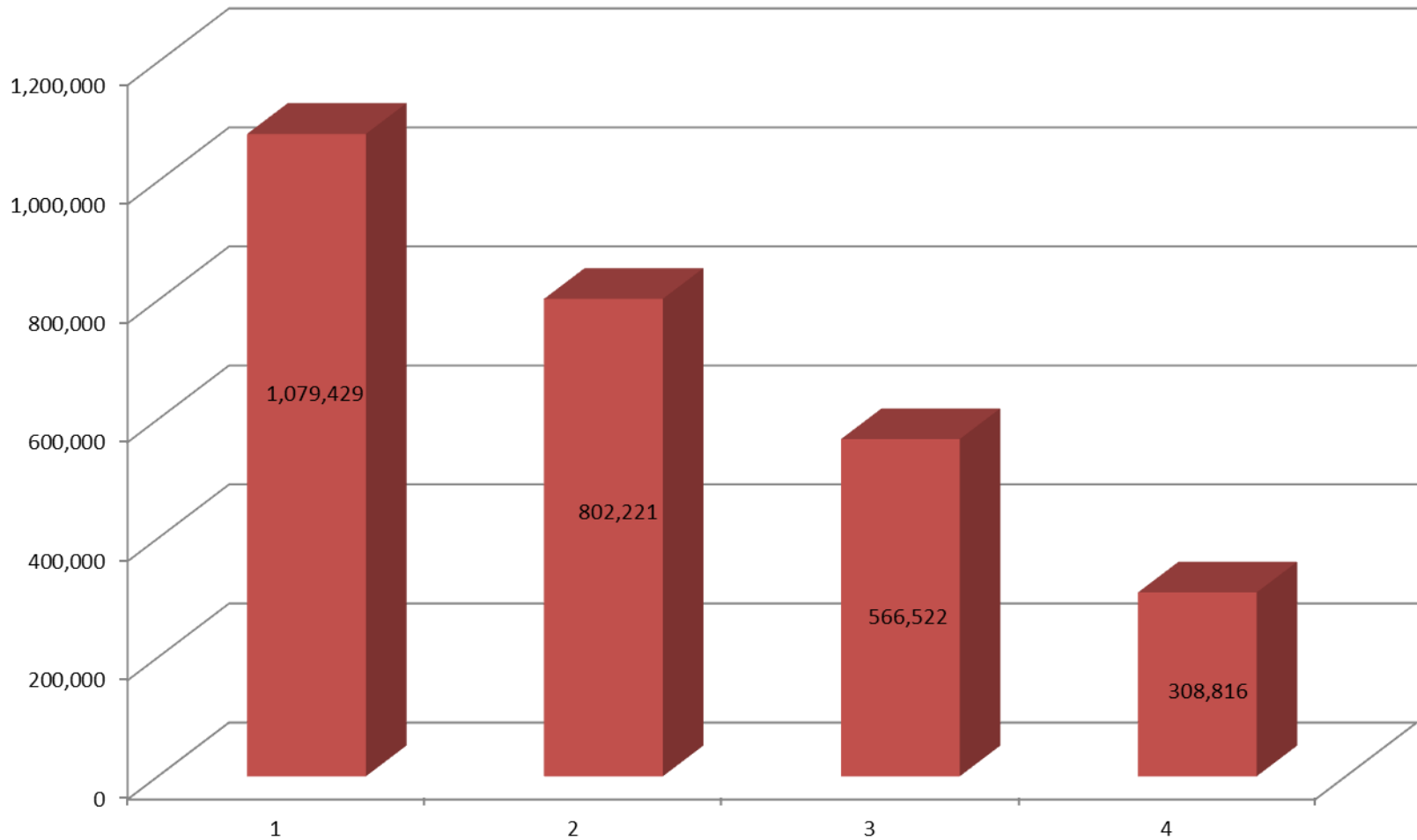
4-year Forward Programme- 2014/15-2017/18

Headlines

- 4 year visible programme = £2.8bn
- 2014/15 annual programme = £1.08bn
- Education = £300m; £902m
- Housing = £262m; £817m
- Regeneration = £155m; £305m
- Highways = £147m; £247m

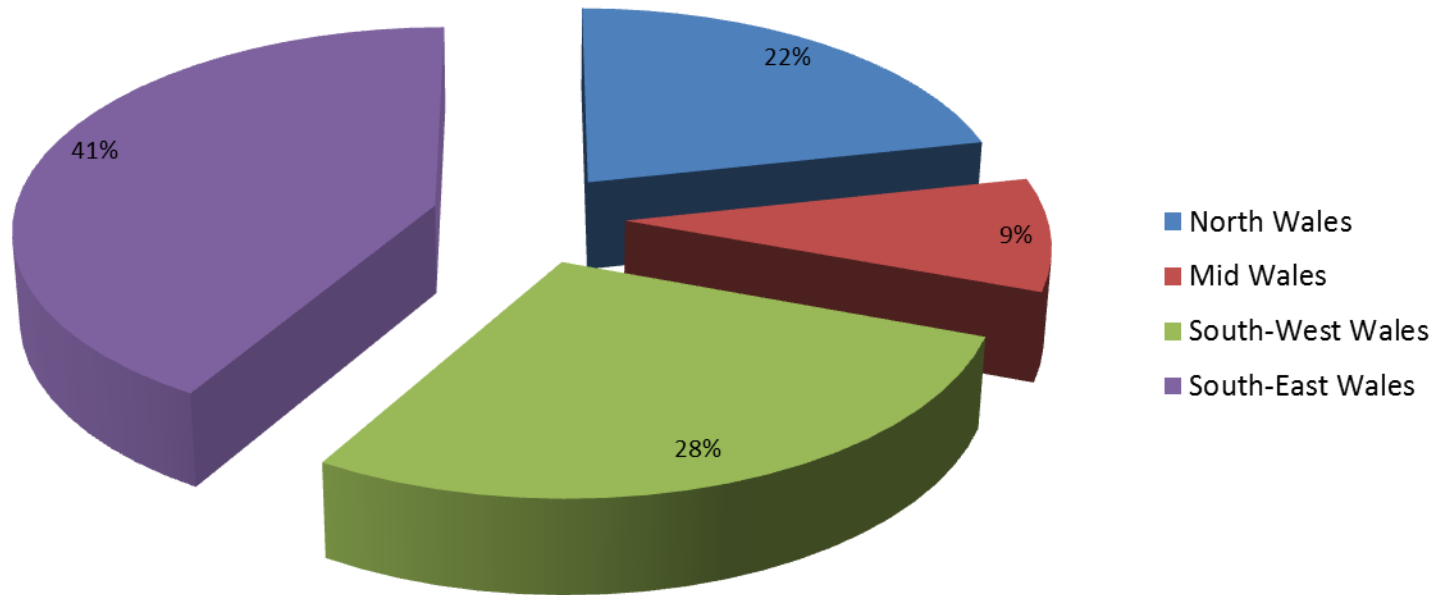


Total Forward Programme 2014 /15 – 2017/18



Programme by Region 2014/15 - 2017/18

Total = £2757m



Forward Visibility Trends

(total annual programmes)

	Yr 1	Yr 2	Yr3
2014/15programme	100	74	52
2013/14 programme	100	71	51
2012/13 programme	100	64	49
2011/12 programme	100	54	34



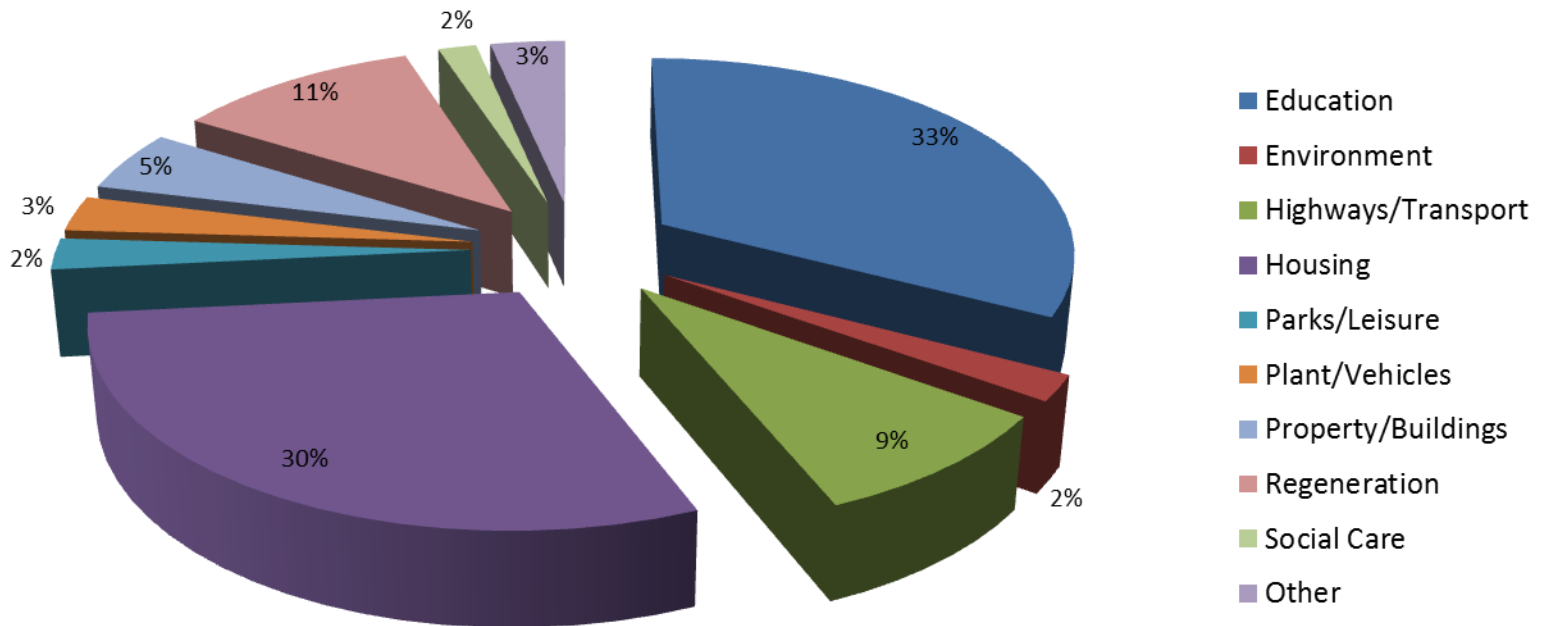
Forward visibility trends

(local authority time horizons)

- 21 LAs now providing 3-year programmes (up from 18 last year)
- 14 LAs now providing 4-year programmes (up from 8 last year)
- No LA providing only a one-year programme (2 last year)

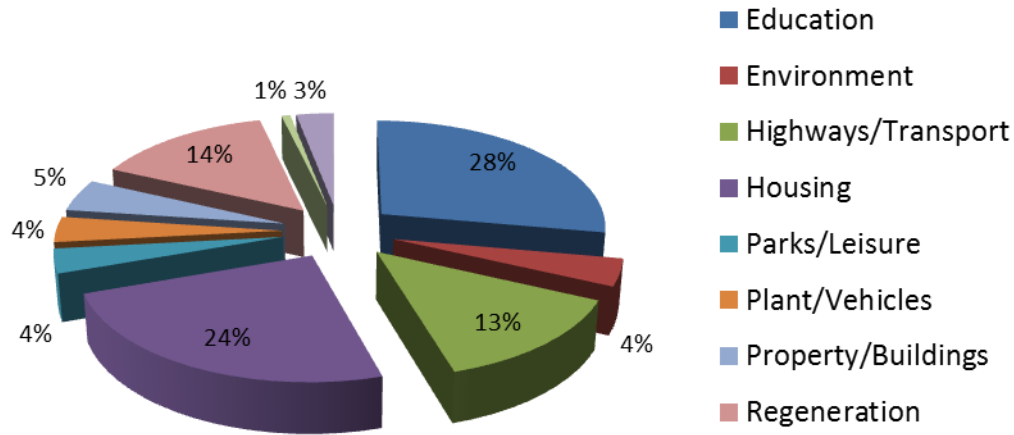


Programme by Sector 2014/15 - 2017/18 Total = £2757m



Programme by Sector 2014/15

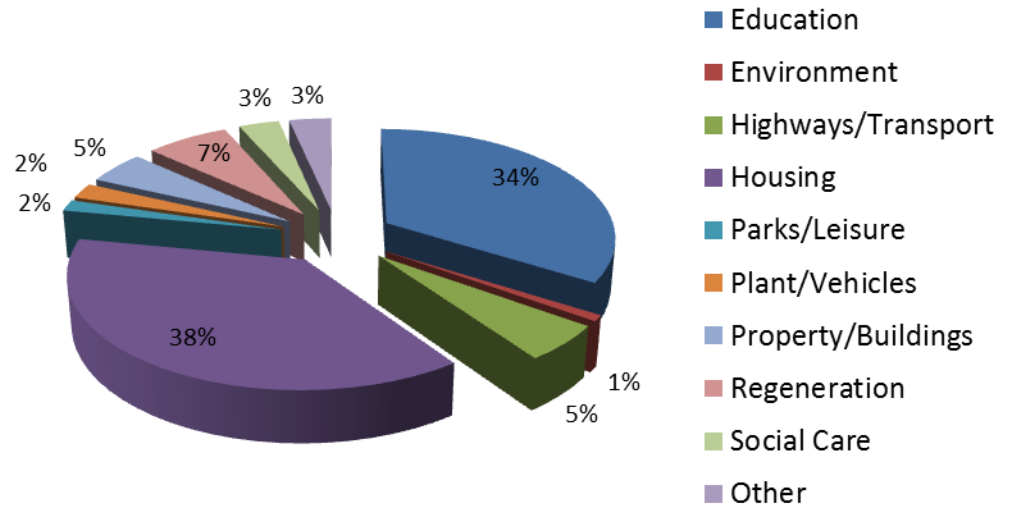
Total = £1079m



- Education
- Environment
- Highways/Transport
- Housing
- Parks/Leisure
- Plant/Vehicles
- Property/Buildings
- Regeneration
- Social Care
- Other

Programme by Sector 2016/17

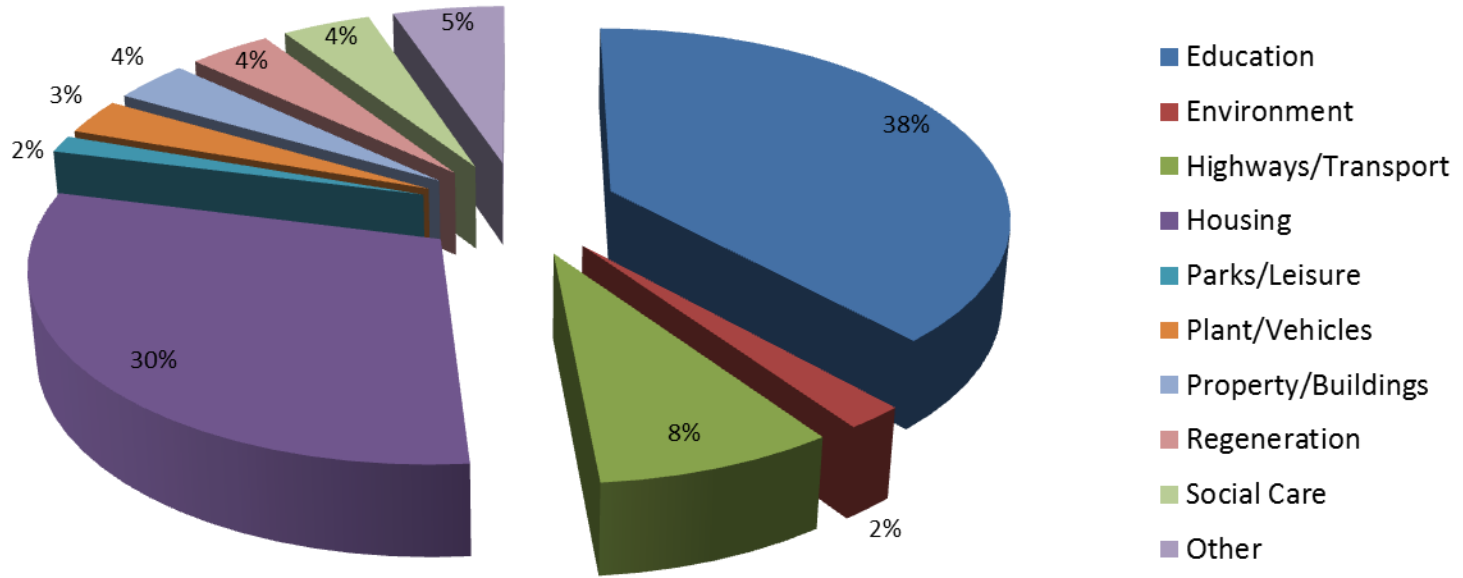
Total - £567m



- Education
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- Property/Buildings
- Regeneration
- Social Care
- Other

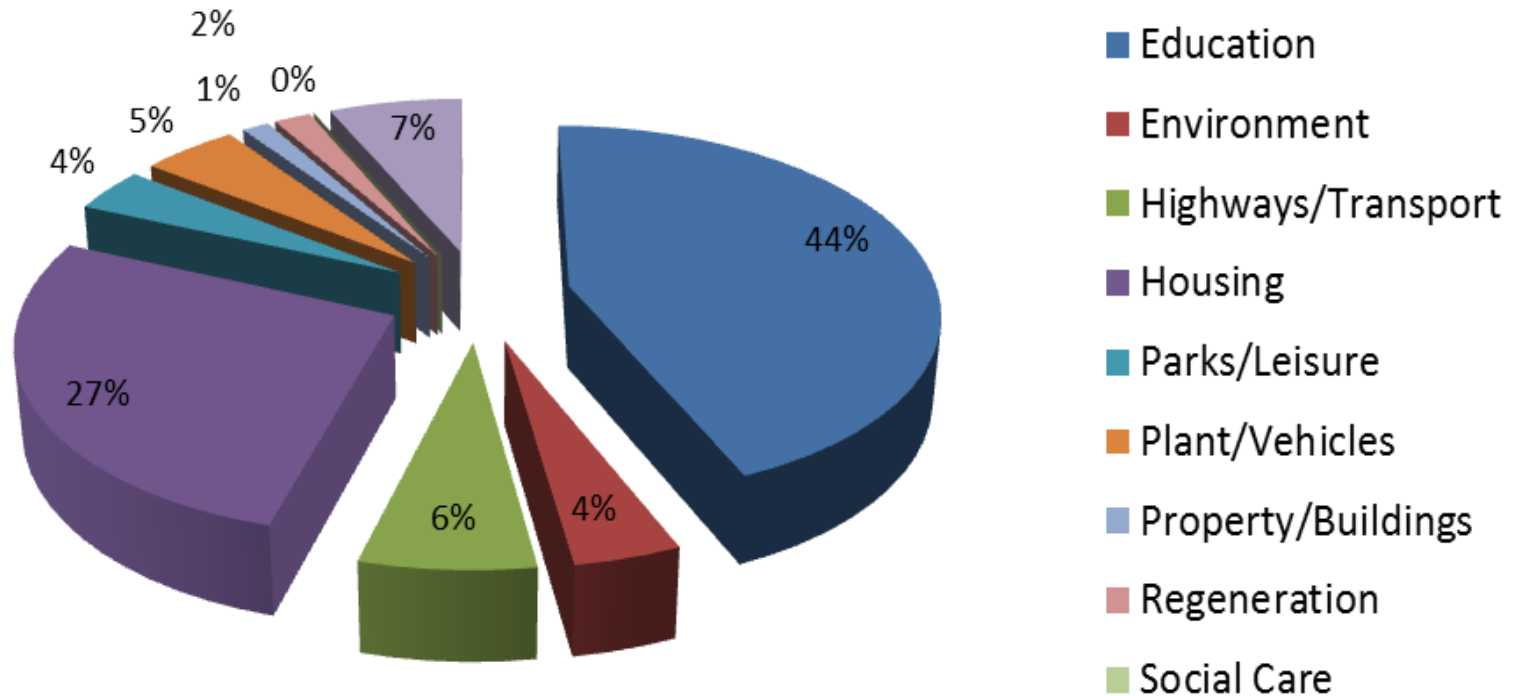


North Wales by Sector 2014/15 -2017/18 Total = £595m

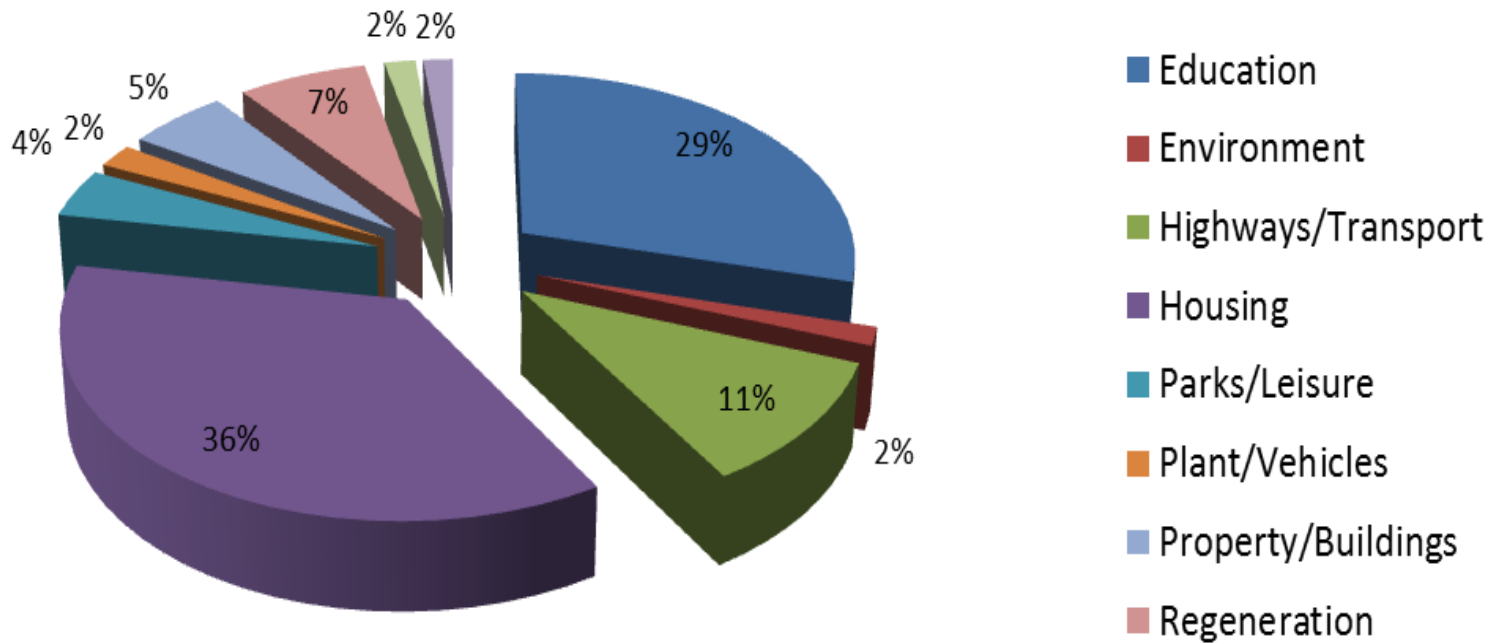


Mid Wales by Sector 2014/15 – 2017/18

Total = £248m

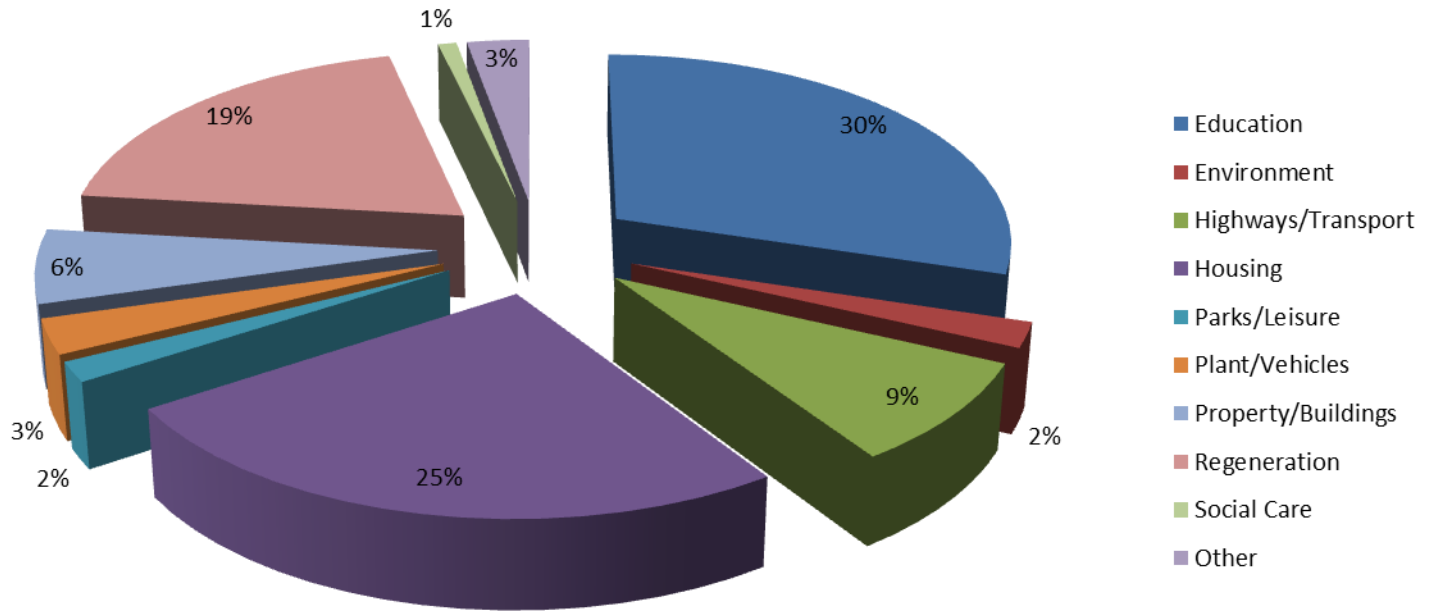


South West by Sector 2014/15 -2017/18 Total = £770m



South East by Sector 2014/15 -2017/18

Total £1145m



Wales Infrastructure Investment Plan - pipeline

- Projects/programmes £15m+
- LA projects £2m+
- Pipeline updated bi-annually



Liaison with WIIP compilers

- ‘Missing’ programmes – Housing Associations (CEW), NRW
- WIIP LA projects – sorting to CEW sectors
- Reviewing sectors
- Reviewing data sets for medium-term



WIP- current data cells

- 8 sector headings
- Project name
- Total value £
- WG support £
- Timetable – commentary
- Finance & Delivery – commentary
- Additional information – commentary

- What else would the industry like to see in the data set for each project ?



Any Questions ?

