

# Developing a Strategy for the Industry

Thursday 7<sup>th</sup> September 2017

St David's Hotel, Cardiff



# Welcome

**Milica Kitson**  
**Chief Executive**

**Constructing Excellence in Wales**



# Welsh Context

**Emma Thomas**

Director



# Legislation & Regulation

- Environment Act

- Separate collections

- wood, metal, plastic, paper & cardboard, food, inert,

- WFG Act: Prosperous Wales

- An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.

- Planning and Building Regulations



# Policy

- Programme for Government

- Prosperous & secure

- “better jobs, closer to home. We want work and secure housing for all, supported by sustainable growth in our businesses”*

- Healthy & active

- Ambitious & learning

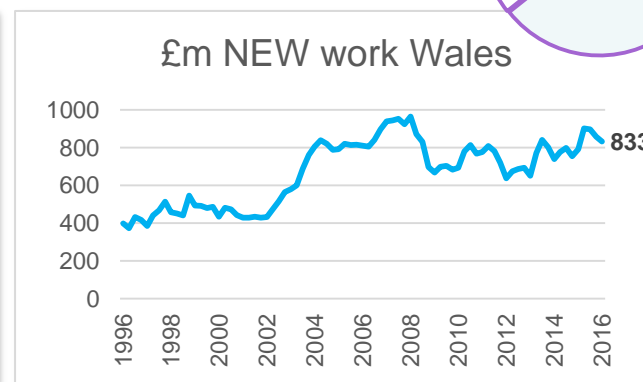
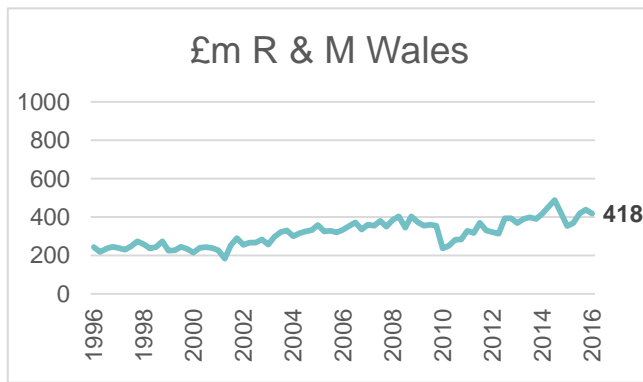
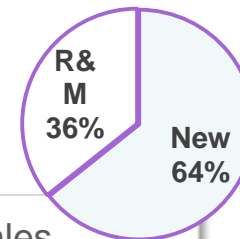
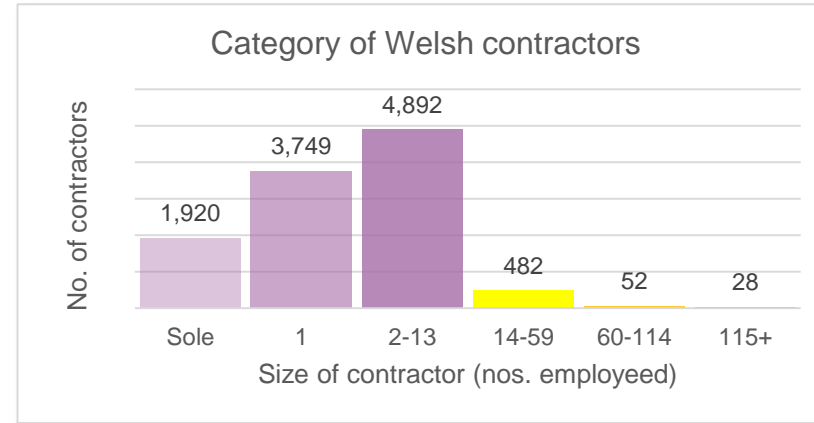
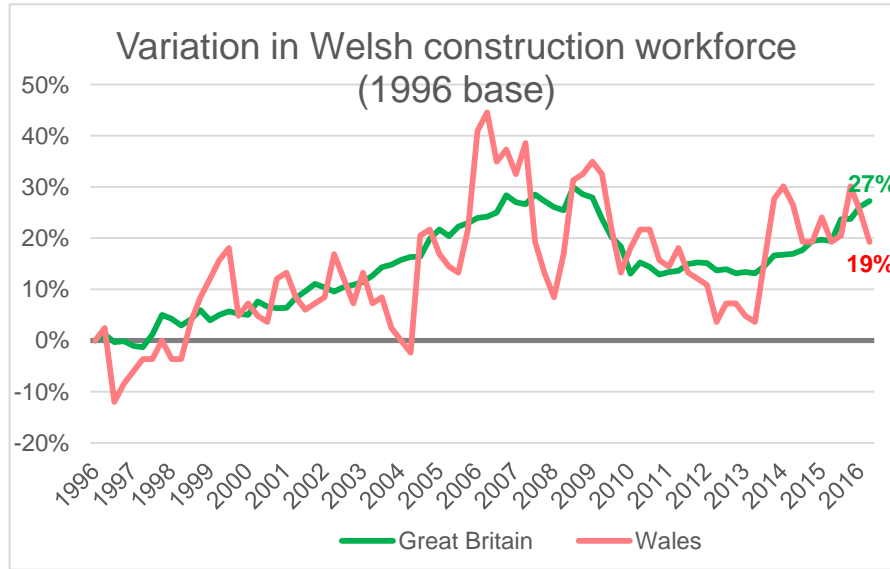
- United & connected

- Towards Zero Waste refresh

- Planning Policy Wales – Facilitating good development



# Built Environment Sector: Wales



	R&M	New
Civil engineering	17%	25%
Construction of buildings	23%	31%
Electrical	12%	11%
Plumbing; Heating; A/C	10%	6%
Plastering	1%	1%
Joinery	6%	4%
Completion Finish	5%	3%
Roofing	3%	2%
Scaffolding	3%	2%
Floor / Wall	2%	2%
Other Specialists	19%	14%



80% of 2050 building stock is  
already here

Source: BRE



# Resources

- 80% of all materials produced used in the built environment
- Largest producer of controlled waste
- Critical Raw Materials
  - Aggregates
  - Steel
  - Aluminium
  - Timber





# Scene Setting

**Rhodri-Gwynn Jones**  
**Chair**

**Constructing Excellence in Wales**



# Some UK context

Don Ward  
Chief Executive  
Constructing Excellence (UK)

“Excellence through  
collaboration”



# Constructing Excellence

Not-for-profit best practice and knowledge transfer organisation

A 20-year old movement to deliver better value for clients, industry and users through collaborative working

**“Excellence through Collaboration”**

“Excellence through collaboration”



# Now part of the BRE Group under the BRE Trust

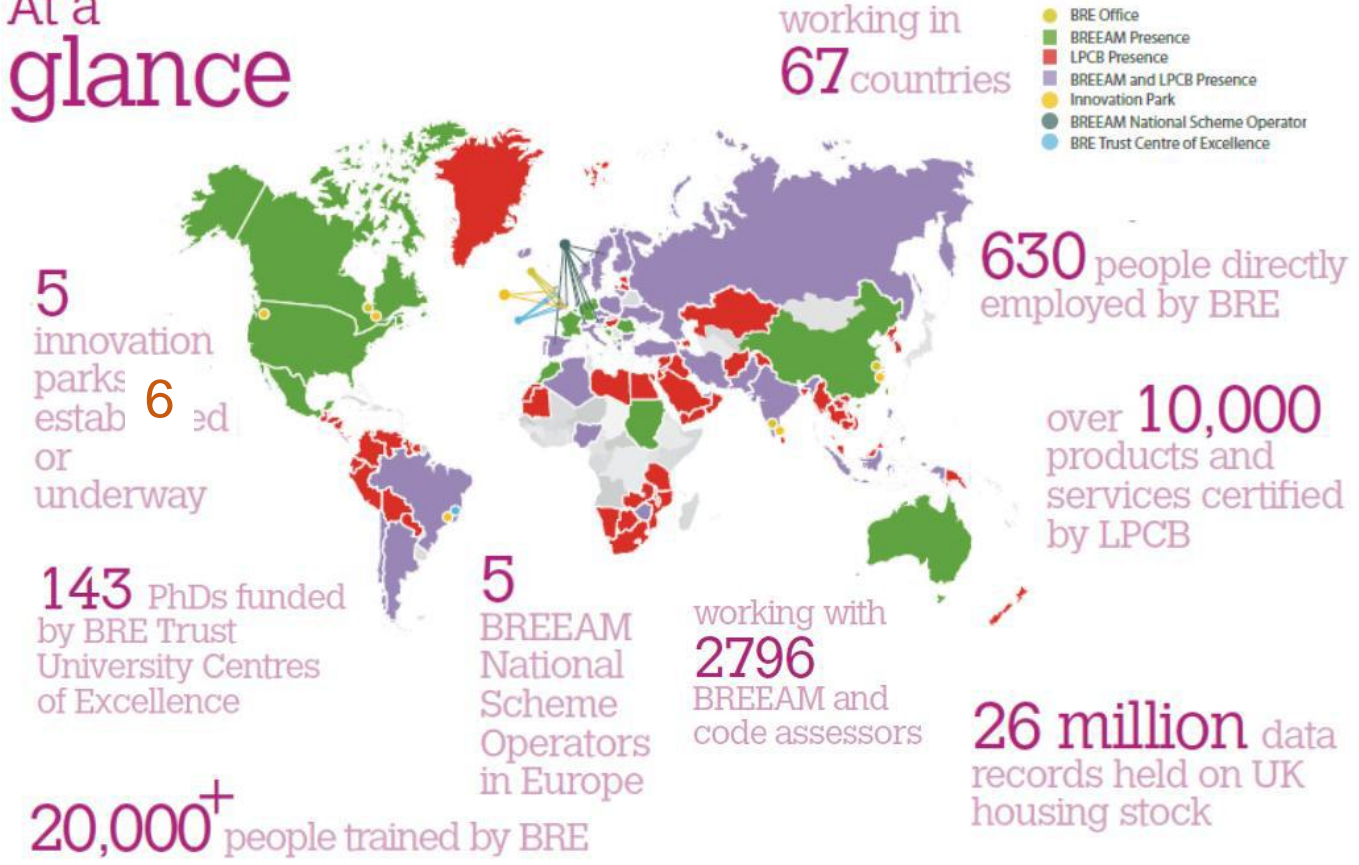


BRE making a positive difference in the built environment since 1921

**Our mission:**  
To build a better world together

**Our vision:**  
To make an unmistakable imprint on a highly regarded built environment

## At a glance



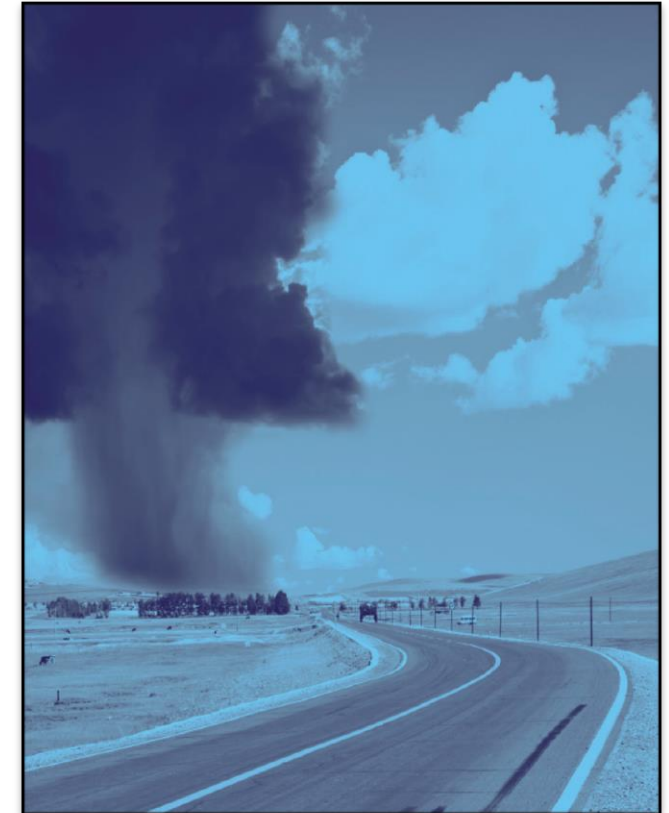
[brebuzz.net](http://brebuzz.net)

@constructingexc

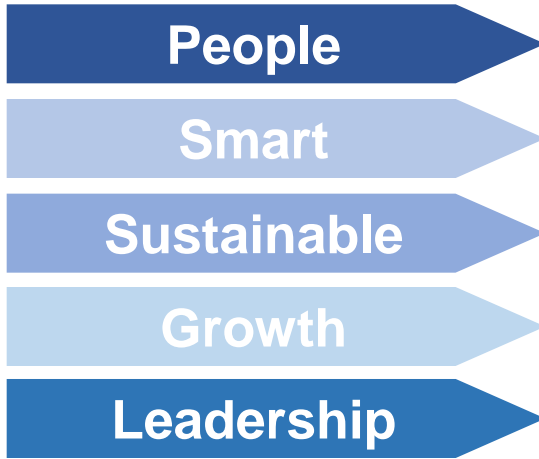
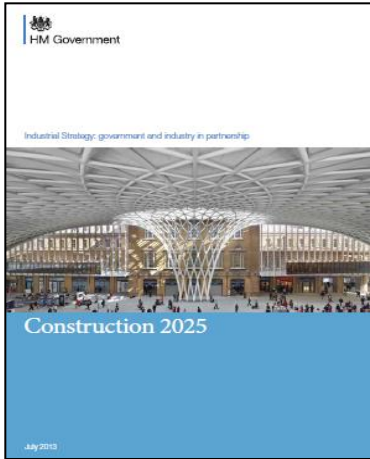


# Today's macro context – a “perfect storm”?

<b>Political</b>	Brexit, industrial strategy (“productivity”), housing
<b>Economic</b>	Brexit, devolution, infrastructure investment, industrial strategy for high value jobs
<b>Social</b>	Skills (Brexit!), apprenticeships, demographics, GenY, Future Generations Act
<b>Technology</b>	BIM/digital, big data, smart, offsite/pre-manufactured delivery
<b>Legal</b>	Brexit ! eg procurement regs
<b>Environmental</b>	domestic energy efficiency, flood resilience; climate change/COP21, Brexit !!



# 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

50%

reduction in greenhouse gas emissions in the built environment

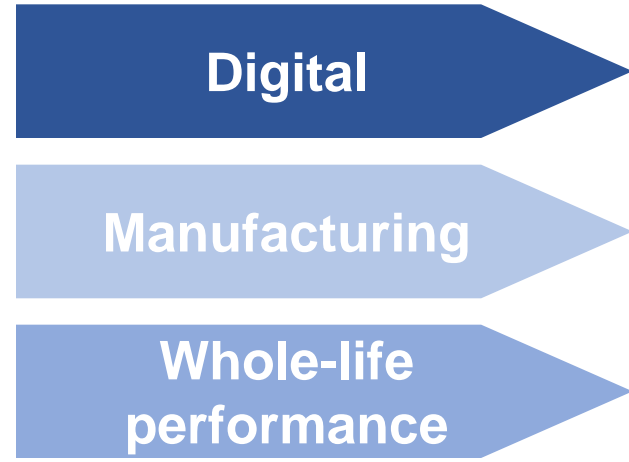
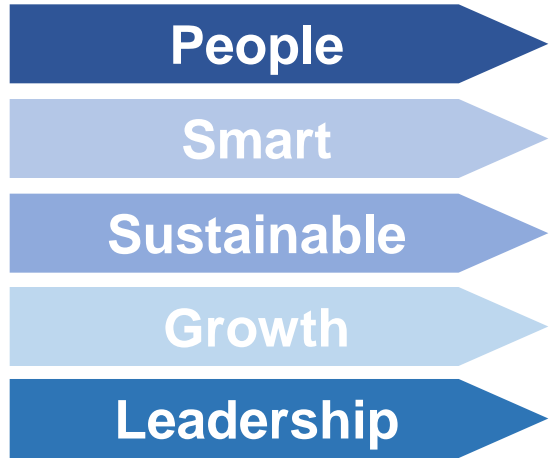
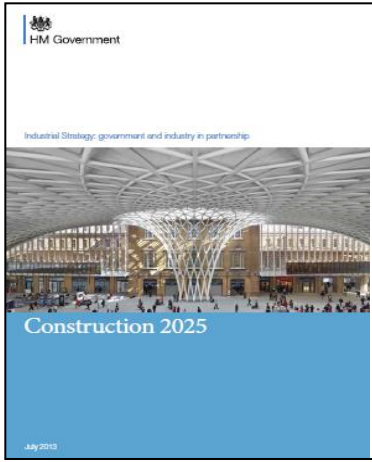
## Improvement in exports

50%

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



# Emerging Industrial Strategy 2017



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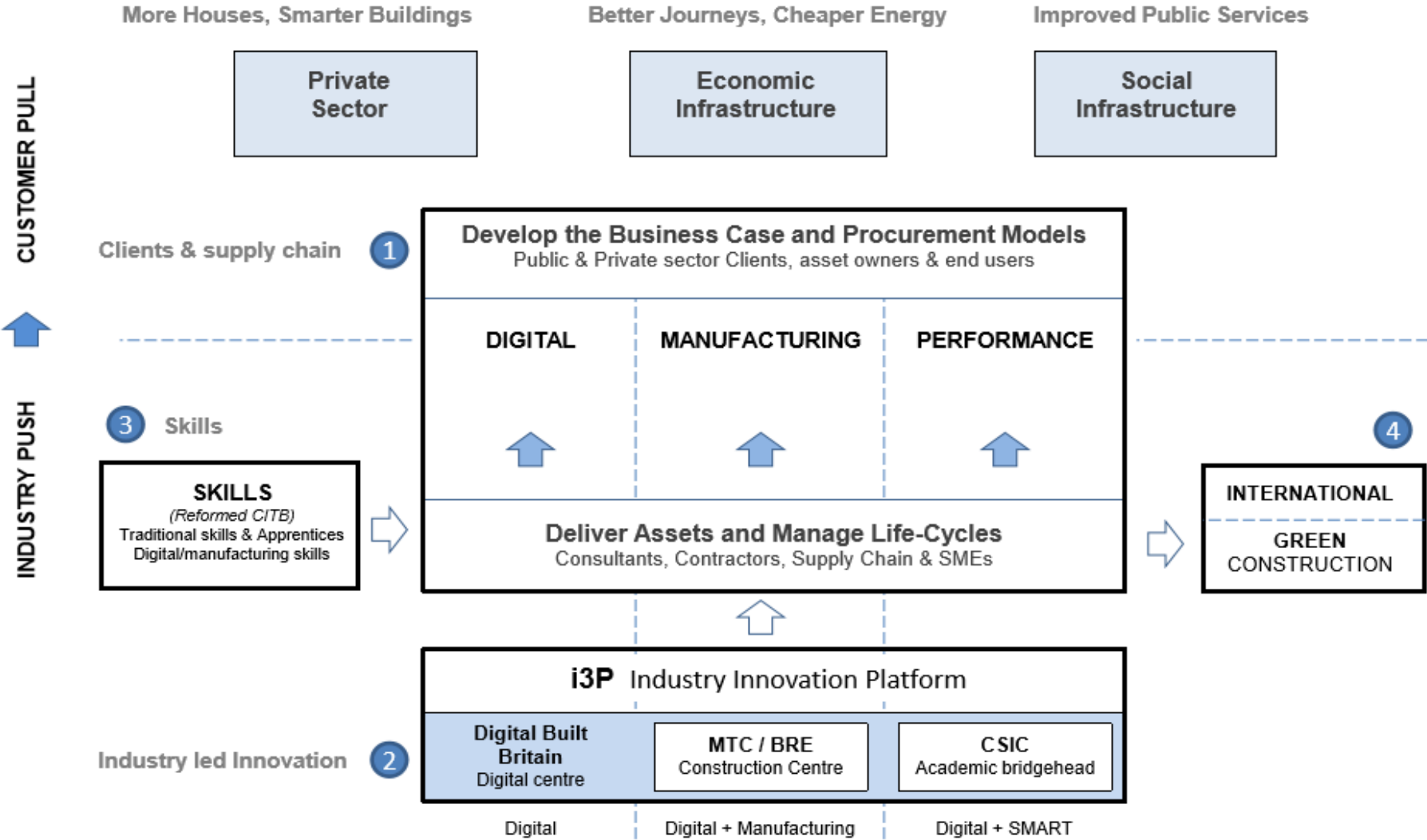
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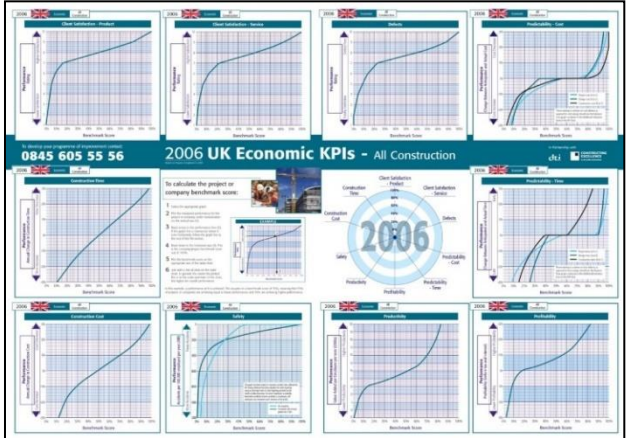
# A work in progress....

## CLC Sector Deal Strategy





# Core activities supporting continuous improvement



# Our member theme groups explore the burning issues for our movement.

	<b>Collaborative working champions</b>
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	<b>Digital construction</b>
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	<b>Funding &amp; finance</b>
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	<b>Procurement</b>
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	<b>Sustainability</b>
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	<b>Asset management</b>
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	<b>Nuclear sector</b>
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	<b>CEHE universities network</b>
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# New Chairs summer 2017



**Phil Wilbraham**  
Director of Expansion,  
Heathrow Airport Ltd

Infrastructure Clients  
Group, Chair 'Project 13'  
Capable Owner



**Mark Farmer**  
Founding Director, Cast  
Consultancy

Author, *Modernise or  
Die, the independent  
Review of the UK  
Construction Labour  
Model*, CLC, 2016



**David Whysall**  
Head of National Cost  
and Commercial  
Services and  
Infrastructure (South)

G4C Chair 2008-2010



**Don Ward**  
Chief Executive,  
Constructing Excellence

# “Words into action”

“Excellence through  
collaboration”



# Our updated vision

“Positively disrupting the industry delivery model to achieve a transformation in performance”

Enabling **a new delivery model**:

1. Increased **standardisation and pre-manufactured content**
2. **Digitally enabled integrated teams working collaboratively** with long-term relationships and aligned commercial arrangements
3. A **client-led transformation** by procuring for the above

“Excellence through  
collaboration”



...by

## 1. Influence and enable sector policy via the CLC

- In the 'harmonious choir' of industry bodies to influence and partner with government's Industrial Strategy to achieve a sector deal which makes a difference
- A change of gear for CE/BRE and its stakeholders to be hard-wired into the industry transformation

## 2. Benchmark

- a focus on data, performance measurement and practical tools for change

## 3. Showcase the best

## 4. Connect

- Regionally, locally
- Younger generation

“Excellence through  
collaboration”



# Some of our national partners in excellence



Cabinet Office



Department for Business Innovation & Skills



HM Treasury



Department of Energy & Climate Change



Institute for Collaborative Working



UK Trade & Investment



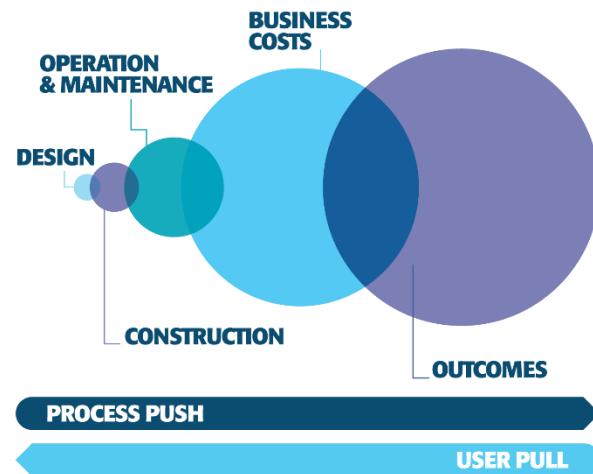
# “Better together”

Better ideas and inspiration

Better evidence and intelligence

Better conversations and connections

Better influence and leadership





# Some UK context

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# Workshop 1: Vision



# Break



# Opportunities

**Emma Thomas**

Director



# Growth areas



# Growth areas

- Timber
- Modern methods of construction
- Existing stock
- BIM



# EU Exit



# EU Exit

- Internal markets
- Definition of waste
- Raising standards





# Alternative investment

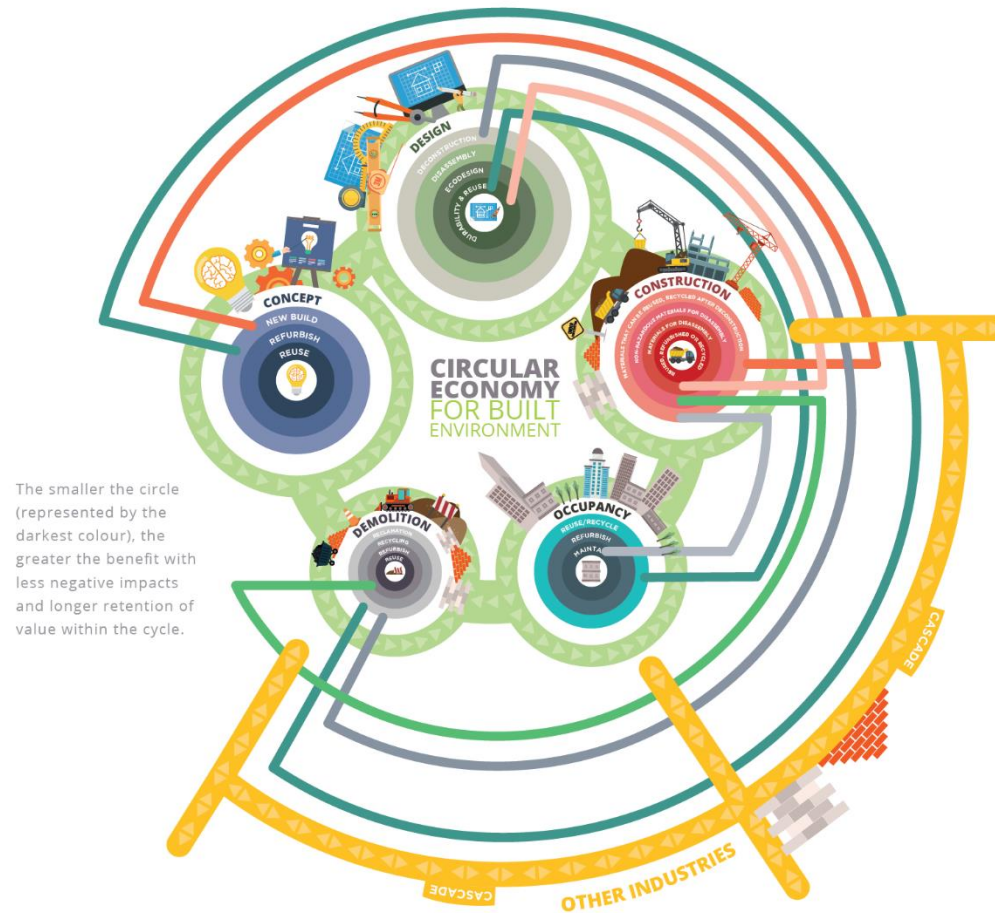


# Alternative investment

- Community funding of public assets
- Co-investment with public monies
- Bonds



# Circular Economy



# Looking within: Circular Economy

Adopting circular economy practices in construction & built environment sector Wales would lead to a level of benefit of the order of **£1bn annually**



# Government intervention



# Government intervention

- Project levy
- Client tax model



# Workshop 2: Wants/Needs



# Workshop 3: Driving Change/Leadership





# Close & Networking

