

# CONSTRUCTION LEADERSHIP COUNCIL

Thursday 21 January 2016, 14:00 – 16:00  
Conference Centre  
1 Victoria Street  
London SW1H 0ET

## MINUTES – CLC/N02/2016/M02

### Attendees:

- Nick Boles MP, (Minister of State for Skills, Department for Business, Innovation and Skills) – co-chair
- Andrew Wolstenholme, (Crossrail) – co-chair
- David Cash, (BDP)
- Mike Chaldecott, (Saint Gobain)
- Tony Meggs, (Cabinet Office)
- Brian Morrisroe, (AJ Morrisroe & Sons)
- Mike Putnam, (Skanska UK)
- Simon Rawlinson, (Arcadis)
- Madani Sow, (Bouygues UK)
- Stephen Stone, (Crest Nicholson)
- Robin Webb, (Department for Business, Innovation and Skills).

### Present by invitation:

- Brandon Lewis MP, (Minister of State for Housing and Planning, Department for Communities and Local Government)
- Mark Farmer, (Cast)
- Andy Mitchell, (Thames Tideway)
- John Pelton, (CH2M, Crossrail).

### Secretariat:

- Tony Mulcahy, Nicola Walters, Rob Cooper (Department for Business, Innovation and Skills).

### 1) Welcome and Introductions

1.1 Andrew Wolstenholme welcomed everyone to the meeting. A lot of work had been carried out since the last meeting and Andrew reinforced the need for the Construction Leadership Council (CLC) to be a top performing sector council. In focusing on a limited set of strategic priorities, the Council would deliver a wider programme of change. The development of the priorities would generate a number of interdependencies and links - it would be important to prevent duplication of effort.

1.2 Anna Stewart had stepped down from the CLC on health grounds. All expressed very best wishes and thanks for her contribution to the Council over the last few years.

### 2) Construction Industry Labour Market Review

2.1 Nick Boles and Brandon Lewis had asked the CLC to investigate the labour model in the construction industry and develop an action to plan to address the skills pressures and other constraints that limit housebuilding and infrastructure development in the UK.

2.2 Brandon Lewis set out the importance of the housebuilding sector and the initiatives underway to support supply and demand. He felt that the main remaining challenge was workforce shortages. The sector found it particularly challenging to encourage people to

choose construction as a first career choice and to support developing skills requirements throughout their career.

2.3 Nick Boles added that less traditional methods of construction may well be part of the solution. In particular he was interested to know:

- What the structure of a construction industry which could provide all the homes required would look like
- What interventions the government might make to help move the industry towards this structure.

2.5 Mark Farmer was leading the review of the construction industry labour market model. His starting point was the recent *'People and Money'* report (Arcadis 2015). That report focused on the housing sector and concluded there was a ceiling to new housing output, irrespective of extensive land and planning policy initiatives, due to size and structure of the industry. The report focused on two main aspects: people (quantum of people in all trades, ageing workforce and image); and money (market structure issues around delivery models and capitalisation).

[https://www.arcadis.com/media/D/B/3/%7BDB3A15FD-23D0-4C95-9578-BBE1611D8A0E%7D9308\\_People%20and%20Money%20Report\\_WEB\\_LR.pdf](https://www.arcadis.com/media/D/B/3/%7BDB3A15FD-23D0-4C95-9578-BBE1611D8A0E%7D9308_People%20and%20Money%20Report_WEB_LR.pdf)

2.6 The terms of reference were discussed, including the synergies with other CLC work streams, timetable, consultation period and the proposal to form an expert advisory panel.

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/496675/c-construction-industry-labour-model-review.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/496675/c-construction-industry-labour-model-review.pdf)

2.7 The following points were made in discussion:

- The availability of materials was no longer a particular problem for housebuilding, but the sector was still restricted due to skills shortages across both trades and professions
- There were a number of long term skills initiatives being delivered but these would not address immediate shortages
- The number of technical colleges should be increased and CITB should review its promotion of the industry and the careers opportunities in it.
- Innovation was key to overcoming the structural weaknesses of the industry and the CLC should identify what is needed to support the transition to more viable longer term business models. In parallel the CLC needed to deliver some quick wins.
- Other issues included the certainty of planning, restrictions on land banking, who owns the innovation risk and inclusion of housing in the National Infrastructure Plan (NIP)
- Long term forward visibility of work was key for investment, not only for product manufacture, but throughout the supply chain.
- Offsite manufacture needs to be a network of regional factories and standalone facilities for specific projects, which all of the industry can utilise.

**ACTION – CLC members who wish to do so to volunteer be part of the expert advisory panel for the labour market review.**

### **3) Mission and Priorities for the Council**

3.1 The CLC had identified specific work streams: supply chain / business models, skills, innovation, sustainability, trade and communications. Work had been undertaken to develop the work plans under each of these priorities. The number and weighting of strategic priorities and the interdependencies between each work streams was discussed. Additional work would be undertaken to 'stress test' these strategic plans.

3.2 The Council heard about the work undertaken by the Infrastructure Clients Group and through the Crossrail Innovation programme. There were clear linkages to be made to the CLC priority work streams.

**ACTION – Further development of work plans and participation in review of strategic priorities being undertaken.**

#### **4) Communication Strategy**

4.1 Options for the communication strategy were presented. It was proposed that the focus should be on the interlocking work streams of business models, skills and innovation, the CLC identity, priority channels of communication, funding and external communications.

4.2 The CLC agreed to develop a brand and website, form a small funding pot and focus on external communications. The CLC should have its own distinct brand but be willing to work with others too. For instance, a link to the Government “brand” could be powerful for some work stream outputs.

#### **5) Any Other Business**

5.1 The Secretariat would circulate the timetable for the consultation on the apprenticeship levy and CITB.

5.2 Further to the Government’s Procurement Policy Note (PPN), *14/15 27 August 2015 – Supporting Apprenticeships and Skills through Public Procurement*, the CLC was asked to set out ‘what good company practice in construction skills looks like’ in a format that procurers could use. A draft paper had been prepared by the Strategic Forum for Construction (SfFC) and council members were invited to review the paper.

**ACTION – Secretariat to circulate consultation timetable and SfFC paper. Council members to review.**

5.3 A reception event for council members was to be arranged.

5.4 Future meetings will be extended by half hour. The next meeting date:

- Thursday 14 April 2016 14:00 – 16:30.