

CONSTRUCTION LEADERSHIP COUNCIL

Thursday 05 October 2017, 14:00 – 16:30
Conference Centre
1 Victoria Street
London SW1H 0ET

MINUTES – CLC/N010/2017/M10

Attendees:

- Lord Prior, (Parliamentary Under Secretary of State at BEIS) – co-chair
- Andrew Wolstenholme, (Crossrail) – co-chair
- Ann Bentley, (Rider Levett Bucknall)
- Vincent Clancy, (Turner & Townsend)
- Fergus Harradence, (BEIS)
- Tony Meggs, (Infrastructure and Projects Authority)
- Brian Morrisroe, (AJ Morrisroe & Sons)
- Mike Putnam, (Skanska UK)
- Simon Rawlinson, (Arcadis)
- Mark Reynolds, (Mace)

Present by invitation:

- Jeremy Benson, (DfE, CITB Review Team)
- James Gray, (Crossrail)
- David Hancock, (Infrastructure and Projects Authority)
- Niall Mackenzie, (BEIS)

Apologies:

- Mike Chaldecott, (Saint Gobain)
- Isabel Dedring, (Arup)
- Gavin Fraser, (BEIS)
- Peter Payne, (BEIS)
- Stephen Stone, (Crest Nicholson)

1) Welcome and Introductions

1.1 The Chair welcomed Vince Clancy (Chairman and Chief Executive Officer, Turner & Townsend) and Mark Reynolds (Chief Executive MACE) to the CLC. He noted that Vince Clancy would be taking over the International Workstream from David Cash, and Mark Reynolds, the Skills workstream from Leo Quinn. The Chair noted the contributions previously made by both David Cash and Leo Quinn.

2) CITB Review

2.1 Jeremy Benson, Head of the Review Team within DfE, made a presentation on the recommendations of the forthcoming Review of the Construction Industry Training Board (CITB) and Engineering Construction Industry Training Board (ECITB). He noted that the Review would make recommendations about the governance and operation of the CITB, with the aim of making it more strategic, industry led, focused on its key objective of delivering training in construction skills, and for improving communication with the sector.

2.1.1 During the discussion it was noted that:

- the reforms being undertaken by the CITB were significant, and if implemented would lead to improvements in the operation of the CITB. It was important that the sector and the CLC supported the CITB in undertaking these, in particular reforms that would make the CITB more strategic and focused on the future skills needs of the sector;
- links between the CLC and the CITB should be strengthened and formalised, as part of the process of strengthening the links between the CITB and the sector;
- it was particularly important that the CITB strengthened its links with small and microbusinesses, which made up the vast majority of construction firms;
- communication between the CITB and the sector needed to improve – there needed to be more information about CITB priorities and plans, progress made in implementing reforms, and on the CITB grant system;
- the CITB could also play a valuable role in helping to design Trailblazers for future skills requirements in the sector and providing information to the sector about the Apprenticeship Levy, enabling it to make better use of this; and
- the CITB needed to act as a focal point for work on skills development across construction – which meant interacting with a range of bodies including FE and HE institutions, the professional institutions and private training companies.

3) IPA Update

3.1 Tony Meggs Chief Executive of the Infrastructure & Projects Authority provided an update on the Infrastructure Performance Review and wider work across Government to improve the process for designing, procuring, building and managing infrastructure.

3.1.1 During the discussion it was noted that:

- the key challenge is to get both clients and the construction sector to collaborate to adopt new technologies – clients needed to demand better

performance from the sector, and the industry needed to offer more innovative solutions to clients;

- it was important that Government and the sector adopted a standardised approach to procurement practices and benchmarking, as this would help improve productivity;
- the approach had to move from transactions to enterprises – longer term collaborations as recommended by I3P and the Project 13 initiatives. Where these had been adopted, they had delivered benefits to clients and companies within the supply chain (e.g. Anglian Water);
- the adoption of these new business models was risky. Government had to ensure there was a long term pipeline and market, and also do more to highlight when it procured projects that used Modern Methods of Construction (MMC);
- procurement processes needed to focus on best value over the life cycle of the asset, not just on the capital investment costs of construction. It was also important to focus on wider social value during procurement e.g. benefits such as skills and training; and
- more investment was needed in both R&D and also in organisations that could support the industry to develop and commercialise new technologies.

4) Sector Deal

4.1 Lord Prior provided an update on the Industrial Strategy. He noted that following the consultation earlier this year, the aim was to publish a White Paper, which would set out the Government's approach.

4.1.1 During the discussion it was noted that:

- it was important to develop a proposal for a Sector Deal for construction, building on the targets in *Construction 2025* (33% lower cost, 50% reduction in time to delivery, 50% reduction in greenhouse gas emissions and a 50% improvement in exports) and the three strategic aims of digital, manufacturing and performance, setting out how these would be delivered through investments in innovation and technology, skills and procuring for better performance;
- it was important for the sector to develop more common standards for procurement (including pre-procurement phases around planning and design, which is when key decisions were taken) and benchmarking that could be consistently applied, as well as a single repository for this knowledge and examples of best practice. If the business model for the construction sector was to change, it was important that issues such as payment practices were addressed, as these were of real concern within the supply chain; and
- it was also important that larger firms altered their behaviour and supply chain management practices.

4.1.2 The Chair summarised the discussion's and noted that the proposed Sector Deal was being well received within the industry and stakeholder groups – including CIC, CBI and BuildUK. The Sector Deal would be presented as a written document (20-30 pages) outlining the strategic outcomes and key enablers. It was important to maintain the pace of progress, with the objective of having a clear set of proposals by the end of October.

5) Any Other Business

5.1 The next scheduled meeting is on Thursday 02nd November (14:00-16:30), BEIS Conference Centre.

CLC Secretariat
October 2017