

## **CONSTRUCTION LEADERSHIP COUNCIL**

**Wednesday 03 July 2019, 14:00 – 17:00**  
**Conference Centre**  
**1 Victoria Street**  
**London SW1H 0ET**

### **MINUTES – CLC/N019/2019/M19**

#### **Attendees:**

- Andy Mitchell, (Thames Tideway) – co-chair
- Ann Bentley, (Rider Levett Bucknall)
- Chris Carr, (Carr & Carr Builders)
- Mike Chaldecott, (Saint Gobain)
- Fergus Harradence, (BEIS)
- Brian Morrisroe, (AJ Morrisroe & Sons)
- Simon Rawlinson, (Arcadis)
- Mark Reynolds, (Mace)
- Stephen Stone, (Crest Nicholson)
- Jennifer Whyte, (Imperial College)

#### **Present by invitation:**

- David Hancock, (Infrastructure and Projects Authority)
- Kenix Lau, (BEIS)
- Niall Mackenzie, (BEIS)
- Nick Robb, (BEIS)
- Sam Stacey, (UKRI)

#### **Apologies:**

- Andrew Stephenson, (BEIS Construction Minister) – co-chair
- Vincent Clancy, (Turner & Townsend)
- David Pinder, (Baxi)
- Matthew Vickerstaff, (Infrastructure and Projects Authority)

#### **Secretariat**

- Gavin Fraser, (BEIS)
- Peter Payne, (BEIS)

## **1 Welcomes and introduction**

1.1 Apologies received from Matthew Vickerstaff, Vince Clancy, David Pinder and Andrew Stephenson. Nick Robb was present for the agenda item on finance. Kennix Lau, a summer intern to BEIS, was observing.

1.2 Andy and Fergus attended the Industry Safety Steering Group in June. The ISSG were keen to see the CLC take a clear leadership role with high risk residential building were high on the CLC agenda and being taken seriously.

## **2 Transformation of The Construction Sector Business Model**

2.1 Nick, who is a secondee from the financial services sector, he is focussing on analysing & supporting the transition of the construction sector business model from managing cashflow to one driven by investment.

2.2 Nick presented his slides which were circulated to members after the meeting.

### **Main Points**

- Offsite construction is one of three primary focus areas for construction tech start ups. Investment exceeded £M400 in the UK in the last 18 months;
- Offsite Construction is estimated to have a current combined capacity of 22,000 - 30,000 units a year.

### **Next Steps**

- Assess the impact that Blockchain/DLT & Smart Contracts;
- Clarify the beneficial effects on overall performance, productivity, safety and efficiency;
- Define the complexities of sector knowledge, contracts and practices;
- Define the changing roles that technology adoption brings to contractors and the administrative overheads;
- Assess the scalability of the offsite construction industry.

## **3 Readout and next steps following CLC Advisory Group**

3.1 Andy provided a summary of his presentation and the discussion from the inaugural advisory group meeting. Both a note of the meeting and the slides have previously circulated by the secretariat.

## **4 Sector Deal OYO & 18 July event**

4.1 Ten minute updates were given for several workstreams: Innovation in Buildings; Procuring for Value; Green Construction Board; Skills for the Future; and also, the Transforming Construction Programme; Transforming Construction Network.

4.2 The OYO report has yet to be drafted and will be published at a later date.

## 5 Presentation on Prompt Payment & CLC stance

5.1 As agreed at the May meeting Fergus presented slides on Fair Practices and the key issues for the council to discuss and agree an approach.

5.2 Key points were that the issue was deeply contentious intractable issues with a history of failed initiatives. There is ongoing work with prompt payment, retentions and industry initiatives with Build UK contract terms recommendations.

5.3 Proposed approach is to focus on 1 or 2 issues, with the aim to achieve measurable progress within 12 months, proposed from the options below, other ideas are welcome:

- **Time to pay** – improving average payment performance and targeting 30-day payment;
- **Payment Summit** – define the ground rules of best payment practice.;
- **Technology** – digital payment systems, distributed ledger technology;
- **Retentions** – totemic issue in the industry focus but very difficult to achieve but a powerful statement of intent if solved.

5.4 Action: Fergus and Andy to put up a draft proposition to state the CLC's position for the CLC to consider.

## 6 Government Update

6.1 IPA – Two documents have been submitted for clearance to two ministers - the Government Construction refresh and the response to the call for evidence on the P-DfMA. Once agreed it will go on 'write-round' to OGDs, once it has been cleared it can become government policy.

6.2 BEIS – The CECA clearing house model for EU workers is in progress. The system being created by the Home Office. By the September CLC it should be clearer what this will look like.

6.3 Action: Mark will email Andy to set out the request from government on what information the industry needs from any database – workers categorised/listed by industry, geography and skill.

## 7 FMB's License to Build Report

7.1 For the CLC to be aware the FMB have spent the last year setting up a group to take this work forward to come up with a detailed proposal over the forthcoming year.

7.2 Chris, an FMB board member, explained this was put forward a while ago by the FMB. Hope it will cut out rogue traders and increase Treasury tax revenue. This was set up by the FMB but isn't led by them; they are purely providing a administration/secretariat function.

7.3 Action: It was agreed that the CLC should support and encourage the principal behind the work. Wording will be circulated to the CLC before it is released.

## 8 AOB

8.1 Several items:

- Agreed that the CLC needs to get behind the Industrial Strategy. Re-stating that the CLC is focussing on those IS goals.
- EORI (Economic Operator Registration and Identification) pre-registrations are low – suggested a blog is required to raise the profile and encourage registration.
- No10 are pushing hard on zero carbon agenda and environmental – worth bearing in mind for the near future.
- Andy visited Northumbria University who are working with NE businesses that work around BIM and other data heavy areas. They have plotted out the 24 centres around the country and identified a gap where they could create regional physical and virtual centre.
- Dates of the next meetings:
 

26 Sept 2019	▶	07 Nov 2019
16 Jan 2020		12 Mar 2020
21 May 2020		16 Jul 2020
24 Sept 2020	◀	19 Nov 2020

**CLC  
August 2019**