

c/o The Construction Industry Council
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BY EMAIL

Sir David Higgins
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Dear David

Construction Leadership Council – 22 October 2014

On 8 October, I chaired the first meeting of a reshaped Strategic Forum for Construction (SFfC). The SFfC now comprises five Colleges representing Clients, the Professions, Contractors, Specialist Contractors and Product Suppliers. Government representatives will be invited to attend when there is an agreed need for their presence. One of the purposes of the reshaped SFfC is to facilitate the industry's partnership role in the CLC by providing a conduit for considering and agreeing industry positions and strategies for presentation to the CLC.

Chairmanship of the SFfC rotates through the Colleges with representation on CLC so we currently have four Co-Chairs.

As Chair of the meeting on 8 October members of the SFfC have asked that I write to you in advance of the forthcoming CLC meeting to share with you and Peter Hansford the outcome of some of our discussions at that meeting.

1) Procurement

We understand that a presentation will be made at the CLC meeting which will address the findings of a Infrastructure-UK survey of industry on Procurement.

It was indicated at the last Delivery Group meeting that CLC would be asked whether we would be able to accept certain proposals/ principles to be made in that presentation on behalf of all industry sectors, public and private.

Without prior sight of the presentation and its findings and sensible time to consider proposed principles I would have to say that the unanimous answer from representatives of Industry will be "No".

We believe it would be preferable to listen to the presentation and any proposals, and for Industry to review these via the Delivery Group and to present our comments at the next CLC meeting on 4 February 2015.

2) Skills and Capacity

We also understand that a paper or discussion on Skills and Capacity is also scheduled for the meeting. It would be helpful to have some time to consider the issues so as to give you our best advice and opinions at the CLC meeting.

3) Innovation

The SFfC was concerned that the paper on Setting Strategic Priorities for Innovation has been issued after the last meeting of the Delivery Group which has not been able to review and discuss it.

We were pleased to see that the paper commenced with the Targets set out in Construction 2025. In principle it is difficult to argue against any of the proposed strategic priorities in themselves. SFfC did, however, question the timing of some of these. Tackling the ageing population was felt to be a 2015 item not 2020. We are not sure why addressing climate change in housing is a 2015 option when we are already able to deliver zero carbon homes. There was concern expressed that all of the proposed priorities were "Product Innovation" and that where CLC could show leadership was in "Process Innovation". Priority areas were felt to be in procurement, collaboration, lean delivery and engagement with academia. In other words creating a fertile ground to enable innovation to take root and thrive.

A simple example was quoted.

"If during procurement you ask for a brickwall then that is precisely what you will get. If you ask for solutions to provide a noise barrier then you will get innovation."

Passing the client's needs down the supply chain, as opposed to a client driven solution will create an environment to allow innovative solution to come forwards.

4) BIM

SFfC understand that there will be a presentation on BIM at the next CLC meeting. Industry is very concerned about the tension between finishing the work at Level 2 and moving on to Level 3.

Although significant progress has been made we are a long way from seeing full penetration at Level 2 in the public sector.

We understand, via Delivery Group that about £10 billion of contracts in the public sector are now under BIM, and importantly that these are realising significant savings, but there is a long way to go. About 60% of projects with MOJ are BIM, 40% with the Environment Agency, but only 10% in each of Highways, Local Government and schools and barely any work at all in MOD.

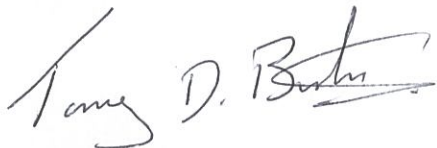
The UK must keep our leading edge with BIM but not at the expense of an unfinished job at Level 2 and so it is essential that we complete this work. Level 2 is the foundation on which we build Level 3 and the foundations must include a common data platform without which we cannot progress to Level 3.

I hope that this gives you some appreciation of the discussions amongst the SFfC industry members of the CLC partnership. Our view is that CLC is most effective where Government is able to consult with Industry and that the key industry bodies are able to bring considered views and advice to the table. Colleagues on the SFfC and I would be happy to meet with you, Peter, and indeed anyone else, in advance of the CLC meeting if this would be useful to you.

We were all obviously disappointed to learn of the postponement of the October meeting at such short notice and when it appears industry representatives could attend on the scheduled date but this will allow time to consider the papers in advance of the rescheduled November date if the papers are able to be issued as they would have been for the meeting planned for October.

I hope that you find this feedback from SFfC constructive and helpful, and if so will arrange to provide a similar note following future meetings of the SFfC.

Yours sincerely



Tony Burton
Co-Chair SFfC

On Behalf of:

Construction Alliance
Construction Clients' Group
Construction Industry Council
Construction Products Association
National Specialist Contractors' Council
Specialist Engineering Contractors' Group

cc Mr P Hansford