

**Strategic Forum for Construction**  
Annual Report 2004/2005

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## Strategic Targets

**Both the targets themselves and also the process of monitoring and measuring performance against them have been challenging. Progress to date is in line with expectations and there is a general level of improvement throughout the industry.**

All our interim targets have been met with the exception of target one: for 20% of construction projects (by value) to be undertaken by integrated teams and supply chains. The degree of integration is crucial to the result, and we chose a tough criterion of 8/10. On the basis of an industry-wide survey at least 13% of all projects (by number) were undertaken by integrated teams. In a more detailed study of projects involving predominantly major and repeat clients, however, over half were undertaken by integrated teams (to the same standard of 8/10) and – more significantly – there is clear evidence that the greater the integration the greater the benefits achieved.

These results should be placed in context. Partnering and supply chain management are now being practised quite extensively across the industry in various forms. Feedback from small/medium sized firms has been disappointing, though evidence suggests that SME's at the level of micro-firms continue to work in an informally integrated way.

Our second target for 2004: '20% of clients to have embraced the principles of the Client's Charter', has been met. We know major and repeat clients are adopting the good practice guidance highlighted by the Clients' Charter. In order to encourage more clients to adopt the principles of the Charter the Construction Clients Group (CCG), in conjunction with Achilles, launched a more accessible version, the

'Starter Charter', in November 2004. Take up to date is encouraging and a series of further promotional events is planned. To access the Starter Charter go to [www.constructionssuccess.org](http://www.constructionssuccess.org)

Targets three, four and five relating to training and competence are ongoing and, despite criticism in the press, the outlook for the industry is encouraging. There has been a considerable increase in the number of people recruited into the industry thanks to initiatives such as the 'Positive Image' campaign, particularly in the area of graduate recruitment. The Sector Skills Councils (SSCs) have been and continue to monitor these targets and good data exists.

Figures for the Health and Safety Tests alone show that over 200,000 were taken in 2004 with current registrations set to exceed that figure for 2005. In the same period 63,194 calls relating to the Construction Skills Certificate Scheme (CSCS), the Construction Plant Competence Scheme (CPCS), Scaffolding, Demolition and Roofing schemes were received. The Considerate Constructors' Scheme survey shows that three quarters of the workers on their sites carry CSCS cards. The Construction Industry Council (CIC) is working with CSCS to develop and implement a professional membership route to obtain CSCS cards. In addition there are 51,500 Electro-technical Certification Scheme (ECS) cardholders and 44,140 engineering services SKILLcard holders.

With greater numbers than ever opting for a career in construction the rate at which apprentices are completing courses is hampered by a shortage of work placements. We have therefore amended Target Four to include a target for apprentice completions; 13,500 by 2010.

If you are able to assist with providing work placements we would urge you to get in touch with one of the SSCs. Go to [www.constructionskills.co.uk](http://www.constructionskills.co.uk) [www.summitskills.org.uk](http://www.summitskills.org.uk) [www.assetskills.org](http://www.assetskills.org)

Industry SSCs have formed a Built Environment Standards and Qualifications Forum to look at issues relating to recruitment and develop other strategies of mutual interest.

ConstructionSkills recently announced they are putting together a pilot programme, as part of their Sector Skills Agreement, supported by the Major Contractors' Group and the Major Homebuilders Group. The pilot will encourage larger contractors and house builders to set up agreements with sub-contractors to offer apprentices work experience on major building projects. With industry buy in, it is hoped that 1000 starts will be created in 2006 rising to 6000 by 2009.

Finally, our interim target for target six has also been met. The development of customised versions of the DQI by sectors such as NHS Estates and Defence Estates means that in total the number of projects utilising the DQI or a DQI hybrid exceeded 600 by the end of 2004. Initially, when work on the DQI began, it was not predicted that there would be such a demand for sector specific versions of the tool. This has greatly increased take up in the public-sector and means that we are likely to meet the target set for 2007.

## What else has been achieved?

In 2004 SFfC members agreed to focus on preparations for the February 2005 Health and Safety Summit. The notion of an overarching code of practice that would bring together new and existing health and safety initiatives was proposed. An industry/government/client/HSE group was set up to develop the Code of Practice which was subsequently launched at the Summit. If you have not already done so I would encourage you to sign-up to the Code via the SFfC web site or the HSE Summit site at [www.hse.gov.uk/construction/codeofpractice/index.htm](http://www.hse.gov.uk/construction/codeofpractice/index.htm)

Over the last eighteen months the following specialist groups were formed:

**The Health and Safety Forum**  
chaired by John Spanswick

**The SME Forum**  
chaired by Bill Rabbetts

**Logistics Group**  
chaired by Mike Eberlin

**Integration Steering Group**  
chaired by Martin Davis

Further details on these and other specialist organisations can be found later in this report.

## Main initiatives since *Accelerating Change* published

## Progress towards meeting target

## Future actions include

**20% of construction projects (by value) should be undertaken by integrated teams and supply chains by the end of 2004, rising to 50% by the end of 2007**

# 1

- Development of Integration Toolkit
- Series of events to promote benefits of integrated working and use of toolkit
- Leading members of the insurance industry developing a new Project Insurance product for integrated teams for trial on several public sector projects in cooperation with Government
- A steering group has been appointed to develop a strategy on all aspects of integration

Surveys undertaken at the end of 2004 suggest that:-

- At least 13% of the industry reported that projects were being undertaken in an integrated way
- Over half of major and repeat clients reported that projects were being undertaken in an integrated way
- Of all clients undertaking projects in an integrated way over three-quarters said it had also led to time and cost savings

- A major campaign promoting the benefits of integrated working is to be undertaken
- The promotional campaign is to be underpinned by the development of an information pack drawing on messages from the 2005 National Audit Office (NAO) Report – 'Improving Public Services through better Construction'
- Government as major client to emphasise it will appoint integrated teams/supply chains for future major projects
- Identify schemes on which to pilot Project Insurance

**20% of construction projects (by value) should be procured by clients that embrace the principles of the Client's Charter by the end of 2004, rising to 50% by the end of 2007**

# 2

- Establishment of Construction Clients Group with wider client representation
- Development and launch of 'Starter Charter' (November 2004)
- Series of Roadshows to promote Starter Charter
- Starter Charter part of CCG's Safety Action Plan

- Survey at end of 2004 suggested that some 60% of major and repeat clients have embraced the principles of the Client's Charter and on this basis it is reasonable to assume that the 20% target has been met.
- Over 80% of client's that had used the Charter said they would do so again

- Increase awareness of Starter Charter amongst clients and rest of the supply chain
- Work with OGC/LGTF to encourage public sector clients to embrace Charter principles
- Ensure those who advise clients are familiar with the Charter principles and encourage them to adopt these principles

## Main initiatives since *Accelerating Change* published

## Progress towards meeting target

## Future actions include

**By 2006, 300,000 qualified people to be recruited and trained in the industry**

# 3

The following points apply to both targets 3 and 4.

- Sustainable Communities initiative aimed at increasing the number of female and ethnic minority trainees
- Major contactors and house-builders agree in principle to provide work based training initiatives within the supply chains
- £1 million match funded sponsorship for undergraduates starting on construction related course in higher education
- Work with FE and private training providers to improve apprentice framework completions from 33%–75% by 2009
- Work to improve quality of Approved Training Schemes for graduates

- Labour Force Survey shows that there was a net increase of 164,000 people recruited to the industry between spring 2002 and spring 2004 ahead of target requirements
- Work continues to develop a reliable means of assessing qualification levels of new entrants and this will be a priority for the SkillsObservatory

- Establish a Productivity, Capacity and Skills Observatory with the support of OGC, DTI and ODPM which will bring together existing intelligence as well as developing a first rate forecasting ability so that Government departments, regional agencies and companies can plan future skill needs with confidence
- Continuation of positive image campaign
- Companies to be encouraged to release staff to go into schools as Construction Ambassadors/role models
- ConstructionSkills Apprenticeships scheme beginning Autumn 2005 will provide applicants with a full year at an FE college before work placements are allotted

**By 2007, a 50% increase in applications to built environment higher and further education courses, and by 2010 an increase in the annual rate of apprentice completions to 13,500**

# 4

- Sustainable Communities initiative aimed at increasing the number of female and ethnic minority trainees
- Major contactors and house-builders agree in principle to provide work based training initiatives within the supply chains
- £1 million match funded sponsorship for undergraduates starting on construction related course in higher education
- Work with FE and private training providers to improve apprentice framework completions from 33%–75% by 2009
- Work to improve quality of Approved Training Schemes for graduates

- UCAS figures show that applicants to built environment higher and further education courses have increased from 6341 in 2002 to 7917 in 2004 for those domiciled in the UK – a 25% increase in 2 years, in line with the target increase of 50% by 2007
- The sector skills councils are working with Government Agencies to improve the comprehensiveness and reliability of their data on apprenticeship completions. Current intelligence puts the figure at approximately 3200 in 2004

- ACBEE to provide benchmarked best practice case studies of education/industry collaboration
- Industry to offer increased number of sponsorships for undergraduates
- ConstructionSkills, FE colleges, and training providers working to clarify NVQ requirements, share best practice in work-based evidence portfolios, and improve arrangements for key skills
- Encourage the wider supply chain to provide more apprentice placements, particularly based on major projects

## Main initiatives since *Accelerating Change* published

## Progress towards meeting target

## Future actions include

**By 2010, a fully trained, qualified and competent workforce on all projects**

- Major advertising and targeting of companies by employers and trade unions
- New one day assessment successfully piloted
- On-going measurement of extent to which target being met by various bodies

- Latest information from Considerate Constructors Scheme survey shows take up of cards on their sites at 72% over last 12 months; other surveys show similar figures
- There is a blockage to carding 'biblical trades'. CSCS and CITB are working together to overcome this
- The Learning and Skills Council has indicated its support for the ConstructionSkills Sector Skills Agreement qualification targets via On Site Assessment and Training

- Major re-launch of the 'Qualifying the Workforce' initiative planned for summer 2005
- New one day assessment to be rolled out nationally by June
- Main and specialist contractors to be more pro-active in asking for CSCS cards from their labour force and throughout the supply chain
- Commitment to CSCS and employing a carded workforce to become a prerequisite for contract award
- Clients and main contractors to ensure that issue of CSCS card holders referred to in tender documents
- Government as major client to make clear it will only use contractors/specialist contractors with fully qualified workforce
- A package of measures for improving the take up of the CSCS scheme with biblical trades will be announced in summer 2005

# 5

**By end of 2004, 500 projects to have used the Design Quality Indicators. By the end of 2007, 60% of all publicly-funded/PFI projects (having a value in excess of £1m) to use DQIs**

- On-line tool launched in October 2003, and Version 2 completed in March 2005
- Variants of tool developed by NHS Estates and Defence Estates
- DQI Facilitator Register developed and operational

- At the end of 2004 over 600 projects already using DQI or one of its variants and registrations continuing at a high level

- DfES developing variant specific to schools
- CABE and CIC developing a model of the DQI for Public Spaces

# 6

## Specialist Organisations

### Health and Safety Forum

#### Chairman: John Spanswick

Following on from the Industry/HSE Health and Safety Summit held in February 2005 the SFFC launched a Health and Safety Forum in May 2005. The Forum will be responsible for encouraging greater adoption of the Code of Good Working Health and Safety Practice reviewing and updating the content of the Code with the continued support of industry, clients, government and the HSE.

### SME Forum

#### Chairman: Bill Rabbetts

The SME Forum is exploring methods of improving communication with SMEs and focusing on several key topics for this sector including the dissemination of the SFFC Code of Good Working Health and Safety Practices to SMEs, raising awareness of occupational health issues and improving communication with relevant Government departments such as the OGC.

Secretariat support for the SME Forum is provided by Construction Confederation Member the National Federation of Builders.

### Logistics Group

#### Chairman: Mike Eberlin

Created in autumn 2004 this group's diverse membership brings together professionals with a knowledge of logistics and with experience of how logistics have been applied in other industries. The Group's main activity has been to explore how logistics might be more effectively applied to the construction industry in the areas of transport, design, stockholding and the use of site labour.

Following a consultation event with the wider industry (held in April 2005) the Group will publish its findings in the

summer of 2005. Details will be available on the SFFC web site.

Secretariat support for the Logistics Group has been provided by the Construction Products Association.

### Integration Steering Group

#### Chairman: Martin Davis

In 2005 groups involved with various activities formed an 'Integration Steering Group' to address integration as a whole.

In 2004 a sample survey of the level of integration in the industry, including clients, was carried out and the results are noted under Target One. In 2005 the Construction Industry Council launched Selecting the Team which takes users through the process of creating an integrated team. Promotion of the Toolkit is ongoing.

Secretariat support for the Integration Steering Group is provided by Constructing Excellence in the Built Environment.

### Joint Construction/Insurance Group (JCIG)

#### Chairman: Roger Squire

In 2004 the Group focused on two main activities: a review of insurance issues in the construction industry, copies of which can be downloaded from the SFFC web site [www.strategicforum.org.uk](http://www.strategicforum.org.uk) and issues relating to single project insurance.

The Group's findings have been put to the Treasury and the Office of Government Commerce. It was suggested that Government trial the use of a single insurance policy to cover all the risks associated with a project on a selection of their projects. The Treasury is currently considering the proposal. JCIG will continue to research this and other issues with its findings published in an occasional newsletter. In 2005 the Group intends

to hold a joint construction/insurance conference focusing on half a dozen topics including insurance market conditions, risk management and health and safety issues.

Secretariat support for the JCIG is provided by its members.

### Sustainability Forum

#### Chairman: Ian Coull

Since its creation in 2004 the Forum has established sub-groups to take forward the following objectives: the minimization of waste and sustainable use of materials, carbon reduction in the built environment, the development of skills and training (in relation to sustainable development), improving communications, international issues and developing a national sustainability framework. Sub-group activities have included collaborative events on waste management and carbon reduction, such as the 'CO<sup>2</sup> for CEOs' project which will improve the awareness of construction CEOs on the need for carbon reduction, completing a skills matrix for use by the built environment Sector Skills Councils and developing a 'designer's guide' to materials and waste management. A series of regional events are being planned for later in 2005.

Secretariat support for the Sustainability Forum is provided by Constructing Excellence in the Built Environment.

### New Construction Research and Innovation Strategy Panel (nCRISP)

#### Chairman: Bob White

The SFFC recognises the need to promote research and innovation in construction through the support of nCRISP's work. The activities of nCRISP for the first half of 2005 were scaled down to enable chairman Bob White, appointed in November 2004, to dedicate more time to developing its

future mission, activities and operating structure. Further consultation with nCRISP members established the importance of the international agenda (particularly Europe), the role of nCRISP within a National Technology Platform, securing industry support and engagement, the roles of associated and partner sector agencies, the future strategic agenda and the relevance of 'action' research.

A revised business plan will be produced later in 2005 with workshops to review the findings of the task groups and provide a forum to debate and discuss the future agenda.

Davis Langdon Consulting has provided secretariat support for nCRISP with DTI assistance.

### Accelerating Change in Built Environment Education (ACBEE)

#### Chairman: John Hobson

ACBEE was established to encourage industry, universities and professional bodies to work together to improve dialogue and provide more relevant training and education for the future. Its activities compliment the SFFC's objectives in regard to competence and training. ACBEE seeks to achieve this by promoting successful case studies that align with key industry themes, developing methods of measuring success and encouraging the development of courses that demonstrate improved industry performance.

Submitted ACBEE case studies in built environment education are being collated and published on the web. ACBEE's activities are supported by several organisations which are listed on their web site which is hosted by the Centre for Education in the Built Environment (CEBE) and can be accessed at [www.cebe.heacademy.ac.uk/learning/acbee/index.php](http://www.cebe.heacademy.ac.uk/learning/acbee/index.php)

The following members have moved on from the SFC. I would like to take the opportunity to thank them for their contributions.

**Bob Assirati**

Office of Government Commerce (OGC)

**Martin Davis**

Specialist Engineering Group (SEC Group)

**Michael Dickson and Jim Meikle**

Construction Research and Innovation Strategy Panel (nCRISP)

**Rodger Evans**

Department of Trade and Industry (DTI)

**Paul Everall**

Office of the Deputy Prime Minister (ODPM)

**Sir John Gains**

Construction Confederation (CC)

**Kevin Myers**

Health and Safety Executive (HSE)

**Suzannah Nichol**

National Specialist Contractors' Council (NSCC)

**Turlough O'Brien**

Construction Industry Council (CIC)

**Mike Roberts**

Construction Clients' Group (CCG)

Current SFC members

**George Brumwell**

Unions

**Graham Farrant**

Chris Morley

Construction Clients' Group

**Roy Harrison**

Michael Ankers

Construction Products Association

**Anne Hemming**

Office of Deputy Prime Minister

**Stuart Henderson**

Graham Watts

Construction Industry Council

**Sir Michael Latham**

Peter Lobban

CITB-ConstructionSkills

**Dennis Lenard**

Constructing Excellence in the Built Environment

**David McMeehan**

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Office of Government Commerce

**Kevin Myers**

**Rosi Edwards**

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**Peter Rogers** Chairman

Director, Stanhope plc

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**Trevor Walker**

Stephen Ratcliffe

Construction Confederation

**Elizabeth Whatmore**

Tony Mulcahy

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