

## CONSTRUCTION INDUSTRY DEMANDS TRANSFORMATION

### Transformational themes of digital, manufacturing and whole-life performance take centre stage at industry leaders' briefing

The road ahead for the Construction Leadership Council (CLC) was unveiled on Wednesday at an industry leaders' briefing to share the vision of the joint industry and government group.

Hosted by CLC co-chairs Andrew Wolstenholme and Minister for Industry and Energy Jesse Norman MP, the event brought together 75 industry leaders and influencers at the Department for Business, Energy and Industrial Strategy on 23 November.

The topics for the event chimed strongly with those of the Chancellor of the Exchequer's Autumn Statement, announced on the same day, which featured a strong commitment to investment in productivity, housing and infrastructure.

"We need to improve productivity in construction. We believe we can deliver better, more-certain outcomes by using digital technologies like BIM and by increasing the proportion of off-site manufacturing. We also want to optimise whole-life performance to get more out of new and existing assets through the use of smart technology," declared Wolstenholme. "By focusing on these areas, we can drive a transformation in our industry."

As a further driver for change, many delegates identified that the industry is facing a real capacity crisis and skills shortage. Making repeated references to the Farmer Report 'Modernise or Die', they felt the industry cannot deliver the homes and infrastructure needed in the UK by continuing to do things the way it always has.

Whilst acknowledging the achievements of UK construction, those attending expressed their belief that the time is now right for significant change and that collaboration is the key. Speaker after speaker reiterated the need to work together to transform the industry, making it more effective, efficient and sustainable. These are key ingredients for achieving Construction 2025's ambition of 33 percent reduction in cost, 50 percent reduction in project time, 50 percent reduction in carbon emissions and a 50 percent reduction in the trade gap.

Procurement and reward were identified as having a key role to play in enabling the industry to collaborate to innovate. This puts clients in a highly influential position to facilitate change. A number of delegates highlighted the opportunity for government to do its part by improving the coordination and consistency of public procurement.

The CLC acknowledged the opportunity to learn from other industries. Dick Elsy, CEO of the High-Value Manufacturing Catapult, shared how the automotive and aerospace industries have managed their transformations by bridging the "valley of death", which holds back change. They have achieved this through leadership in shared knowledge, innovation and by successfully leveraging research and development investment from industry and government.

The six CLC work stream leaders held a panel discussion, setting out their vision for the future of each area – supply chain and business models, exports and trade, innovation in buildings, smart technology, sustainability and skills.

Now focused on implementation, the work streams are clarifying their areas of focus, so as to maximise the impact of the CLC's efforts overall. Keen to collaborate and engage with people across the industry, the six work stream leaders invited those in the room to step forward and contribute.

Setting out his vision for the future contribution of construction to the UK economy, Andrew Wolstenholme said: "Our industry delivers 8 per cent of GDP, employs 10 per cent of the UK work force and is six times bigger than the automotive industry. Britain is well known around the world for its expertise, steadily building a reputation for delivering major projects on time and on budget. We have done a great deal, but there's so much more we could achieve if we can break down some of the barriers we have created for ourselves in the ways that we work.

"By focusing together on digital, manufacturing and whole-life performance, all of us can play our part in mobilising change to benefit the whole industry and ultimately society itself."

#### **Notes to editors**

The CLC has identified three areas, which extend beyond immediately commercial advantage, on which to focus to bring transformational change within the construction industry:

- **Digital** – Delivering better, more certain outcomes by using digital techniques such as BIM
- **Manufacturing** – Improving productivity, quality and safety by increasing the use of off-site manufacture
- **Whole-life performance** – Getting more out of new and existing assets through the use of smart to deliver better whole-life performance

The CLC is not rewriting analysis and solutions, but acting as the catalyst to deliver and embed them within the industry. This includes the Farmer Report, Sir Terry Morgan's Infrastructure Skills Strategy and The 5% Club.

The CLC is led by Co-chairs Andrew Wolstenholme (CEO, Crossrail) and Jesse Norman MP (Parliamentary Under Secretary of State, Department for Business, Energy and Industrial Strategy). Its members are:

- Ann Bentley (Chairman, Rider Levett Bucknall)  
Lead on Supply Chain and Business Models
- Mike Putnam (President and CEO, Skanska UK)  
Green Construction Board Chair
- Mike Chaldecott (General Delegate and Regional CEO, Saint-Gobain UK and Ireland)  
Lead on Innovation in Buildings

- Isabel Dedring (Global Transport Leader, Arup)  
Lead on Smart Technology
- Leo Quinn (Group Chief Executive, Balfour Beatty)  
Lead on Skills
- David Cash (Chairman, BDP)  
Lead on Exports and Trade
- Simon Rawlinson (Partner and Head of Strategic Research and Insight team, Arcadis)  
Lead on Communications and Strategy
- Brian Morrisroe (CEO, Morrisroe Group)
- Stephen Stone (Chief Executive, Crest Nicholson)
- Tony Meggs (CEO, Infrastructure and Projects Authority)
- Robin Webb (Deputy Director for Infrastructure and Construction, Department for Business, Energy and Industrial Strategy)

The event was attended by key influencers and leaders within the construction industry, covering contractors, clients, government, professional bodies, academia and manufacturers.

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