

CONSTRUCTION LEADERSHIP COUNCIL

Thursday 30 May 2019, 14:00 – 17:00
Conference Centre
1 Victoria Street
London SW1H 0ET

MINUTES – CLC/N018/2019/M18

Attendees:

- Andy Mitchell, (Thames Tideway) – co-chair
- Ann Bentley, (Rider Levett Bucknall)
- Chris Carr, (Carr & Carr Builders)
- Mike Chaldecott, (Saint Gobain)
- Brian Morrisroe, (AJ Morrisroe & Sons)
- David Pinder, (Baxi)
- Simon Rawlinson, (Arcadis)
- Mark Reynolds, (Mace)
- Matthew Vickerstaff, (Infrastructure and Projects Authority)
- Jennifer Whyte, (Imperial College)

Present by invitation:

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

Apologies:

- Andrew Stephenson, (BEIS Construction Minister) – co-chair
- Vincent Clancy, (Turner & Townsend)
- Fergus Harradence, (BEIS)
- Stephen Stone, (Crest Nicholson)

Secretariat

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

1 Welcomes and Introductions

- 1.1 Apologies were received from Andrew Stephenson, Stephen Stone Vince Clancy and Fergus Harradence.
- 1.2 Andy welcomed Simon Hart and Sam Stacey of UKRI attending on behalf of the Transforming Construction Programme.
- 1.3 Mental Health Awareness Course – Tideway are happy to support the course; members should email Andy if they would wish to go on either the half day or two-day course, scheduled sometime in September.

2 Transforming Construction Programme

- 2.1 Sam Stacey ran through the emerging plan for the next (final) round of R&D funding available:
 - A total of £36m is available - £26M for demonstration, £10m collaborative R&D;
 - Both calls open 28 August 2019;
 - Demonstration closes 6th November. CR&D closes 30 October. Projects start 1 April 2020;
 - Engagement activities will precede the 28th August launch;
 - The launch site will go live on the 1st August with an informal briefing webinar and the usual briefings countrywide, one of which will be shared online;
 - Spending profile is front loaded: £37m in 20/1 and £8m in 21/2;
 - The scope of the demonstrator themes is still in a drafting stage and is open for comment;
 - CLC can bid for funds on behalf of their workstreams as can CLC members bidding under their corporate banner;
 - Sam's slides are attached as Annex 1. An explanation of acronyms was recommended and the wording around bids needs changing to make it more inclusive.
- 2.1.1 David Hancock asked if there was any scope for addressing the sector's payment issues through this funding round. Sam confirmed that this might be possible – but it would need to have an R&D component in order to fall within the scope.
- 2.2 With respect to payments, it was suggested that what was needed was something like the Construction Industry Scheme which contractors are mandated to use. The data gathered is through a

government portal which can't be falsified or manipulated- everyone feeds into it and the returns are for everyone to see. The platform is there, and it could possibly be adapted for retentions and payments.

- 2.3 Jennifer Whyte was supportive of the direction of travel – but thought there was a risk of overlap with DFTG, CDBB etc – and so we need to be carefully to avoid duplication. **Action: Simon Hart to figure out what the relationship is.**
- 2.4 Andy pointed out that the judging process will be really important – so we need to understand how the CLC will feed into this. **Action: Secretariat to put ISCF judging process on the agenda for September meeting.**
- 2.5 Sam also explained that he expects some of the demonstrators to be 'physical' things which Ministers can see / touch (!). This is important to securing additional / future rounds of funding for the programme.

3 Innovation Funding / Sector Deal 2.0

- 3.1 Mark is keen to understand how we join up Government investment (£170m) with existing industry spend (£250m) we therefore need to consider what the big, strategic investments will be that will 'move the dial' for the industry (e.g. through the schools building programme). Without this, the industry will assume that this sort of change / transformation is simply too difficult.
- 3.2 Matthew V encouraged the CLC not to 'put all of its eggs in one basket' – and that Highways England might make for a better exemplar than DfE / schools.
- 3.3 It was agreed that the CLC needs to understand / engage with the priorities set out in the Spending Review (when it happens) and understand how it might support them

4 Government Update

- 4.1 Andy confirmed that he is due to attend the Industry Safety Steering Group (ISSG) on 10 June to discuss how the CLC might support their priorities. It was agreed that Fergus should attend alongside him.

IPA

- David H confirmed that the Smarter Infrastructure Working Group is now up and running – consists of 5 departments with a presumption towards modular working together. The group is focussed on understanding how HMG can support the work of the Construction Innovation Hub - as well as looking at fair payment / procurement issues which act as a barrier to collaboration.
- The refreshed Government Construction Strategy (2019) – will capture all of these updates, as well as reporting on response to ongoing things like Grenfell, Carillion and the move to MMC. The GCS will be published in July (subject to securing ministerial clearance and a suitable grid slot).
- This should also coincide with the IPA's response to P-DfMA consultation which was run earlier this year.
- David H also confirmed that Crown Commercial Services have published a framework for modular. Link: [Modular Building Solutions](#);
- IPA are also working with the Office of Government Property who are developing a national digital twin;

Retentions

- 3 ministerial roundtables have been held. Three main policy options have been considered: i) introduction of a statutory retention deposit scheme (RDS); ii) introduction of a statutory ban on retentions; and iii) no change to the current position (status quo);
- Most roundtable attendees agree that some form of action on cash retentions is required
- Recent BEIS work has included development of a RDS blueprint and illustrative modelling of cost implications through the supply chain; understanding the current bonding and insurance based mechanisms provided to the sector and viability of cost effective and accessible products for the entire sector under the policy option of a ban;
- At the May roundtable, participants remained divided as to which remaining 2 options they want to pursue. Both policy options present a number of issues;
- CLC policy is to phase out the use of cash retentions by 2025. Possibly re-affirm the CLC policy at the one year on event on the 18th July;

Action: The chair to talk to BEIS and try, by next CLC, to be clear on the CLC's position. Fergus will present at the next meeting.

5 Update on the Advisory Group

- 5.1 Most of those invited had accepted the invitation.
Action: Andy / Secretariat to update the CLC on the inaugural meeting of the group being held on the 5th June.

6 Workstream Updates

- 6.1 Workstream leads reported on their respective areas. The proforma reporting sheet, used here for the first time, was accepted without change.
- 6.2 Supply Chain and Business Models – most of the work is in the procurement area, split into the three themes reported.

7 Sector Deal 'One Year On'- Report and Conference

- 7.1 Members agreed that we would produce a presentation / report internally (rather than with the support of BEIS Comms team) to simplify the process of production.

8 AOB & Close

Action: Secretariat to produce a forward look of 'deep dives' on individual work streams for future CLC meetings (2 work streams will be featured each meeting).

- 8.1 Date of next meeting 03 July 2019, 14:00-17:00 in the BEIS Conference Centre.
- 8.2 Meetings for the remainder of the year:

26 September
07 November

CLC Secretariat
July 2019



Transforming Construction Competition Round 2

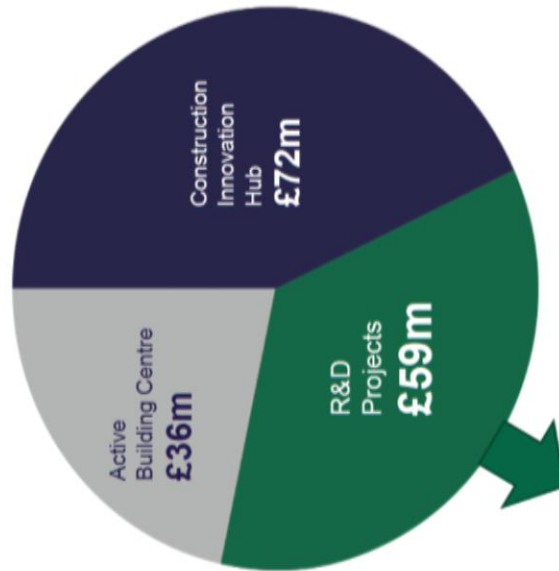
Challenge Director:
Sam Stacey
Head of Construction
Simon Hart

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Transforming Construction ISCF

£170m total ISCF fund
£129m committed to date



£59m fund for R&D
£23m committed to date

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R&D Competition Round 2



£36m total R&D funding available

Two competitions will run in parallel:

£10m Collaborative R&D fund
£26m Demonstration fund

Note: Spending Profile is not ideal:

£27m in FY20/21
£8m in FY21/22

£26m Demonstration

- Opens 28th August 2019
- Closes 6th November 2019
- Projects start 1st April 2020

£10m CR&D

- Opens 28 August 2019
- Closes 30th October 2019
- Projects start 1st April 2020

THIS IS THE FINAL COMPETITION FOR THE PROGRAMME

No further competitions are expected

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£10m CR&D Scope Draft



The competition covers the following themes:

1. Digital Information Management, tools and Standards
2. Modern Methods of Construction and P-DFMA – tools, designs, frameworks, integration,
3. Whole life asset performance – including Active Buildings
4. Business Models, Procurement, Analytics, Benchmarking and Metrics
5. Financial, Assurance, Warranty and Lending

For the purpose of this project, BIM Level 2 is assumed to be business as usual. We will not fund projects that duplicate the work of DFTG, CDBB or CLC. We will not fund further development of BIM Level 2.

Significant industry investment is expected as part of the Sector Deal commitments

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£26m Demonstrator Scope Draft

The competition covers the following demonstration themes:

- 1) Demonstrations of Digital Twins, Information Management Frameworks.
- 2) Demonstrators of MMC and Platform based DFMA solutions (P-DFMA)
- 3) Demonstrators of Business and Procurement Models that support Whole Life Performance (including Active Buildings)

Projects will be expected to work closely with and share information with programme stakeholders. It is desirable that Demonstration Projects are captured as future CLC Case Studies that can be showcased to the public. For the purpose of this project, BIM Level 2 is assumed to be business as usual. We will not fund projects that duplicate the work of DFTG, CDBB or CLC. We will not fund further development of BIM Level 2.

Significant industry investment is expected as part of the Sector Deal commitments
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General Scope Guidance

You must show how your project will assist delivery of the sector commitments detailed in the Sector Deal and the objectives of the TIP Strategy.

We welcome projects submitted by members of I3P, Construction Leadership Council and its working groups. We also welcome projects that involve Government departments or ALB detailed in the TIP or TIES strategies.

Where applicable, your project should utilise Project 13 methodologies and Gemini principles.

Projects will be expected to work closely with and share information with programme stakeholders.

Projects must be business led, academic institutions cannot lead a project.

Normal State Aid rules apply.

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Questions to CLC

- 1) For the CR&D Digital Theme – what projects should be funded to assist the Sector Deal and CLC workstreams?
- 2) For the Demonstrator programmes – what other areas could be considered?
- 3) What is the impact of the “front loaded” spending profile?

Responses or comments can be sent to: simon.hart@innovateuk.gov.uk