

Performance Framework Dashboard

March 2022

CLC 2nd Performance Assessment Q1 2022

Background

The Construction Leadership Council (CLC) is leading the sector's response to the Net Zero challenge, through the Construct Zero change programme. Building on the success of the sector's collaborations during COVID, the CLC has engaged the industry to develop the Performance Framework, which sets out how the sector will commit to, and measure its progress towards, Net Zero.



Construction
Leadership
Council

What is the Performance Framework?

The Performance Framework has been developed to provide the CLC with a sector level dashboard on our progress towards Net Zero aimed at motivating businesses to action and to help those outside the sector understand our progress. We intend to collate data for the dashboard on a quarterly basis albeit not every metric will be available quarterly. The data itself will be drawn from sources which already aggregate it, known as data point owners.

The Performance Framework is very closely aligned with Government policy and draws on emerging thinking on carbon measurement and assessment, as such it will evolve over time and we will no doubt update and improve the metrics. The current metrics and performance published today is a starting point so we can review, test and refine.

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Forward

As Co-Chair of the Construction Leadership Council and Programme Director for the Construct Zero programme, we are pleased to welcome you to the second update of the Construct Zero Performance Framework.

This report builds on our first progress update report (published on 15 November 2021) which set out the sector's initial progress towards Net Zero and set out the broad metrics we intend to use to track further progress in the coming months and years ahead.

Making progress on this important agenda requires us to think for the long-term and to engage now on these important issues. With that in mind, we would like to thank everyone across the industry who has taken their time to join meetings, provided comments and become involved in the work of Construct Zero in recent months. In particular, to all

those who have engaged with this performance framework, we are grateful for your support, advice and comments.

The whole purpose of this work is to ensure, over time, we root the changes we make in an analytical and quantifiable framework. As we have said previously, it will take time to build this dataset to completeness but, each time we publish, we are extending out the available metrics. In this update, a further three metrics are being added and we anticipate a further six will be so in the next quarter, too.

And, already, we are seeing progress in the metrics.

2021 saw Construct Zero established with industry leaders and Government. 2022 will see us continue to develop and grow the programme, working with our growing

network of Business Champions and Partners to i) co-ordinate and promote our collective progress and ii) influence companies across the sector's breadth and depth to join our journey.

We would like to thank each of you for your support and look forward to continuing to work with you.



Lee Rowley MP,
Construction Minister and Co-Chair of the Construction Leadership Council



Hannah Vickers
Programme Director of Construct Zero Programme

Executive summary

The pressure for industry transformation in the construction sector to address carbon emissions and operate in a more sustainable way has never been stronger.

As we approach the beginning of the second quarter of 2022 and our second regular reporting of construction metrics around the transition to Net Zero, we're pleased to report progress on a number of significant areas for the industry.

Transforming our access to the right skills

One of the early enablers of a successful transition for the industry is evolving our skills base and ensuring we have the right people and skills to deliver a transformed sector. It's welcome then that one of our headline areas for this quarter shows real progress on the industry's upskilling for Net Zero.

The work of the Construction Industry Council to align the professional bodies means we have made significant progress, with more than 90% of planning, design and estimating professionals having access to the relevant training and post qualification continued professional development.

The onus is now on the businesses and clients across the sector to encourage and support their staff to take advantage of this new training offer. In addition, there's a welcome increase in trade qualifications around heat pump installers.

Retrofitting and insulating the UK's housing stock

With energy price increases, the impact of inflation and the growing concern around fuel poverty, one of the most important

focus areas for the industry needs to be making the case for retrofitting to complete insulation and retrofit works on homes across the UK. The Government has a 2030 legally binding target to end fuel poverty – but as it stands there are still 3.2 million homes classified as in fuel poverty.

There are some positive signs of funded programmes such as the Social Housing Decarbonisation Programme which will give both clients and industry the opportunity to pilot delivery an plan to scale there is still a need to jointly develop the detail of a long term plan to retrofit the entire housing stock.

Executive summary

This is an area where Construct Zero will be focussing on options to fund and finance the different market segments as part of our 2022 work programme in support of the CLC Retrofit Strategy which covers the delivery approach.

Accrediting our supply chain

In the meantime as an industry we are making progress on an accredited route and licensing for businesses which should launch in Q2 2022 [metric 11] and there has been a small increase in retrofit co-ordinators trained this quarter to 478 – but a marked difference where there is clear Government policy around heat pump installers which has again increased to 3,555 with both targeting 30,000 trained by 2030. This moderate progress underlines the need for a long-term plan

to stimulate demand and industry investment as there is already on heat pumps.

The impact of new homes is showing a welcome increase on EPC [metric 16] as we build more energy efficient homes. This is anticipated to increase further when later this year in June, new homes applying for Part L Building Regulations approval will need to reduce their operational carbon emissions compared to the current regulations by more than 30%. As industry we are working collaboratively to prepare for this Signiant step forward with the Future Homes Hub producing industry guidance on how the improved standard can be successfully achieved.

Towards 'Zero Diesel' construction sites

We cannot deliver truly net zero construction until we've successfully developed a plan to deliver 'Zero Diesel' construction sites. This will be an area of focus for the Construct Zero programme for 2022.

However, the upcoming red diesel tax changes underline the urgency and need for a collective plan to transition and to start measuring our progress on this critical issue. It is clear that a successful transition to zero diesels sites will take a collaborative effort across clients and the supply chain – perhaps most similar to what we saw as the industry pulled together during COVID.

Executive summary

The cost implications of the transition need to be explored collaboratively and agreed rather than instructed without due consideration for the consequences – otherwise we risk business viability and could also see unintended consequences in terms of carbon emissions where supply of suitable fuels such as HVO are in their infancy.

This is therefore a priority as one of our 2022 workstream to develop an industry wide plan and tackling key issues around zero diesel sites such as commercial models for electric plant and sustainable supply of alternative fuels.

Delivering infrastructure differently

One of the new metrics that we are reporting in this quarter's metrics relates

to PAS 2080 compliance around carbon measurement in infrastructure projects.

Here for the first time, we start to see the impact of client leadership on industry transformation with a concentration of joint ventures from the HS2 supply chain who are accredited.

Next steps

Looking forward we are going to be working more closely with Government around the metrics and measurements they will be collating in relation to their targets in 10-point plan, heat and buildings strategy and Industrial decarbonisation strategy.

Section 1

Performance Framework data

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Priority 1

Accelerating the shift of the construction workforce to **zero emission vehicles** and **onsite plant**

Performance framework target

78% of diesel plant to eliminated from construction sites by 2035



TRANSPORT

Performance framework metric

1. Annual increase in non-diesel plant in use from plant hire firms

1

Data under collection

Performance framework metric

2. Every construction or client business over 250 staff to trial one zero diesel site by end of 2023

2

Data under collection

Performance framework metric

3. Annual increase in electric vans in construction fleet

3

Data under collection

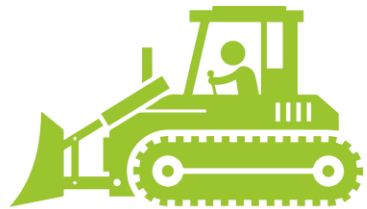
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Priority 2

Optimise the use of **Modern Methods of Construction** and improved onsite logistics, in doing so reducing waste and transport to sites

Performance framework target

Close the productivity gap between **Construction and economy average output per worker by 2035**



TRANSPORT

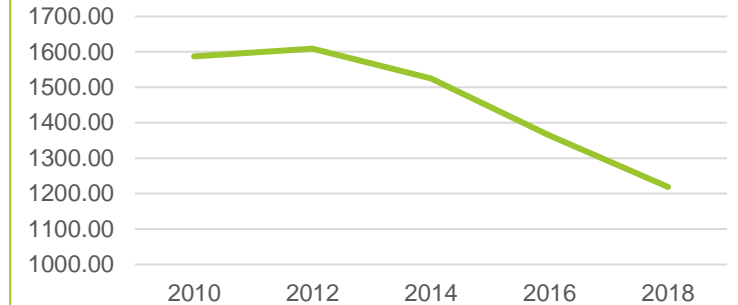
Performance framework metric

4. Annual reduction in construction and demolition waste and excavation waste tonnes/£m output

Data source: ONS

4

Construction Waste - tonnes/£m



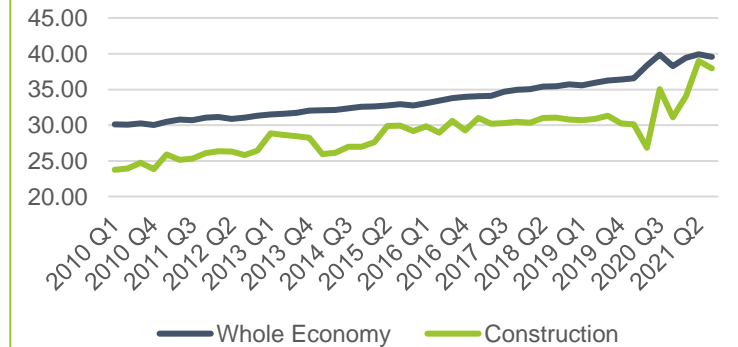
Performance framework metric

5. Measure industry onsite productivity output/FTE

Data source: ONS

5

Output per worker (£/hr)



Performance framework metric

6. Increase % of pre-manufactured value across sector year on year

Data source: Smart Construction Dashboard

6

SMART

How efficiently human labour is used in the creation of new homes

PMV



BENCHMARK®
40%
2020 TARGET
50%

PROGRESS

0%

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Priority 3

Championing **developments** and **infrastructure** investments that both **enable connectivity with low carbon modes** of transport and design to incorporate readiness for zero emission vehicles

Performance framework target

From 2025, planning applications from the sector must connect to public / active transport and include EV charging where parking is provided



TRANSPORT

Performance framework metric

7. Measure % of relevant qualifying bodies to put in place:- Entrance requirements include threshold carbon literacy/competence test (100% by January 2025).

Data source: Construction Industry Council

7

92%

Performance framework metric

8. Measure % of relevant qualifying bodies to put in place:- Continued Professional Development on climate change mitigation for all professional members (100% by 2022)

Data source: Construction Industry Council

8

92%

Performance framework metric

9. Annual increase in number of EV charging points installed by the sector

Data source: BEIS

9

37%

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Priority 4

Work with Government to **deliver retrofitting** to improve energy efficiency of the existing housing stock

Performance framework target

Working with Government deliver retrofitting to 27 million homes by 2040



BUILDINGS

Performance framework metric

10. Deliver retrofitting to 855,000 homes by 2024, 12,300,000 homes by 2030, and 27,300,000 homes by 2040.

10



Performance framework metric

11. Establish industry 'quality scheme' routes and licensing consistent with PAS2035 and target annual increase in number of businesses registered

11



Performance framework metric

12. Number Trustmark Retrofit Coordinators targeting 30,000 by 2028

12



Data source: TrustMark

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Priority 5

Scale up industry capability to deliver **low carbon heat solutions in buildings**, supporting heat pump deployment, trials of hydrogen heating systems and heat networks

Performance framework target

From 2025 all new buildings will be designed with low carbon heating solutions



BUILDINGS

Performance framework metric

13. Increase in Heat Pump installations per year to exceed Government target of 600,000 per year by 2028

13



Performance framework metric

14. Number of buildings connected to low carbon heat networks and heat pumps installed as % of overall building stock

14



Performance framework metric

15. Annual increase in trained Heat Pump Installers (MCS Registrations) aiming for 30,000 by 2030

15



Data source: MCS

30k

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Priority 6

Enhancing the **energy performance** of **new and existing buildings** through higher operational energy efficiency standards and better building energy performance

Performance framework target

From 2025 we will deliver new homes and buildings which will minimise energy demand and reduce emissions in operation by **75% (dwellings)** and at least **27% (commercial buildings)** compared to current standards



BUILDINGS

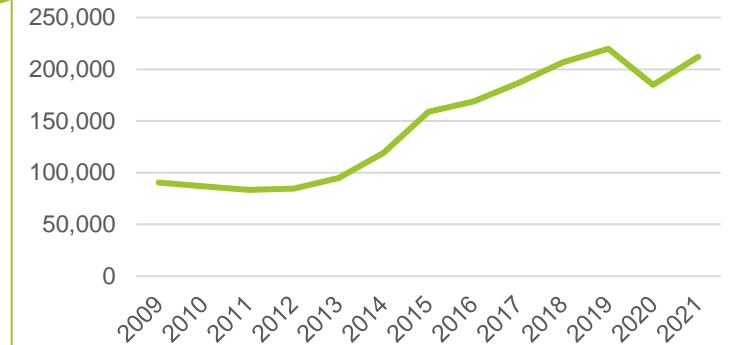
Performance framework metric

16. Annual reduction in average energy requirements for new dwellings and existing (EPC based)

Data source: ONS

16

A & B EPC Rated



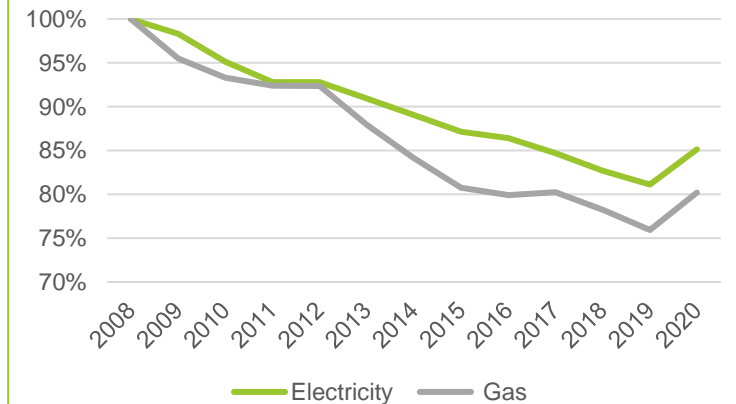
Performance framework metric

17. Annual reduction in actual energy usage in Buildings (ECUK based)

Data source: ONS

17

ECUK Consumption (2008=100)



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Priority 7

Implementing **carbon measurement**, to support our construction projects in making quantifiable decisions to remove carbon

Performance framework target

Every client of the sector will be provided carbon data by 2030 to make informed lower carbon choices



**CONSTRUCTION
ACTIVITY**

Performance framework metric

18. Measure % of relevant qualifying bodies to put in place:- Entrance requirements/membership assessments to include threshold carbon literacy/competence test by January 2025.

Data source: Construction Industry Council

Performance framework metric

19. Measure % of relevant qualifying bodies to put in place:- CPD on climate change mitigation for all members to be available from January 2022 and mandatory from January 2024

Data source: Construction Industry Council

Performance framework metric

20. 40% of product portfolios to have EPDs by 2025 with 100% by 2030, targeting a baseline and annual updates from 2025.

Performance framework metric

21. Every business or client over 250 staff in infrastructure to achieve PAS 2080 accreditation, monitor % coverage, target 100% by 2025

Data source: British Standards Institute

18

86%

19

93%

20

Data under collection

21

6%

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Priority 8

Become world leaders in **designing out carbon**, developing the capability of our designers and construction professionals to design in line with circular economy - shifting commercial models to reward measurable carbon reductions

Performance framework target

From 2022, we will give all our clients the chance to become net zero by offering alternative low carbon design options and advice to clients, even if not scoped



**CONSTRUCTION
ACTIVITY**

Performance framework metric

22. All businesses or clients over 250 staff to identify, specify and trial a relevant low carbon alternative product on a project by the end of 2023.

Performance framework metric

23. Measurement of total MtCO2 emitted based on client Net Zero advice and designs accepted

Performance framework metric

24. Measure % of relevant qualifying bodies to put in place:- Entrance requirements include threshold carbon literacy/competence test (100% by January 2025).

Data source: Construction Industry Council

Performance framework metric

25. Measure % of relevant qualifying bodies to put in place:- Continued Professional Development on climate change mitigation for all members (100% by 2022)

Data source: Construction Industry Council

22

23

24

25



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Priority 9

Support development of innovative **low carbon materials**, as well as advancing low carbon solutions for **manufacturing production processes and distribution**

Performance framework target

By 2035 we will have reduced construction product emissions down by 66% from 2018



**CONSTRUCTION
ACTIVITY**

Performance framework metric

26. Work with Government to have CCUS operational on 2 clusters by 2028

Data source: BEIS

26

0 of 2

Performance framework metric

27. Establish 2018 baseline and target annual reduction in energy used in production kWh/Tonne for key product lines

27

Data under collection

Performance framework metric

28. Establish 2018 baseline and target annual reduction in embodied carbon CO₂/Tonne for key product lines

28

Data under collection



C²onstructZERO

The Construction Industry's Zero carbon change programme