CLC Connect

October 2024

Bi-Monthly update

In this issue we hear from Minister Sarah Jones MP, Minister of State at both the Department for Energy Security and Net Zero, and the Department for Business and Trade

Short Term Priorities and Actions

Recent events and actions

Reader Guest Article

Martin Burns - Head of ADR Research and Development, RICS 'Industry Bodies Collaborate to Reduce Contractual Disputes'

Priority progress

Get the latest updates from our four priority areas:

Net Zero + Biodiversity

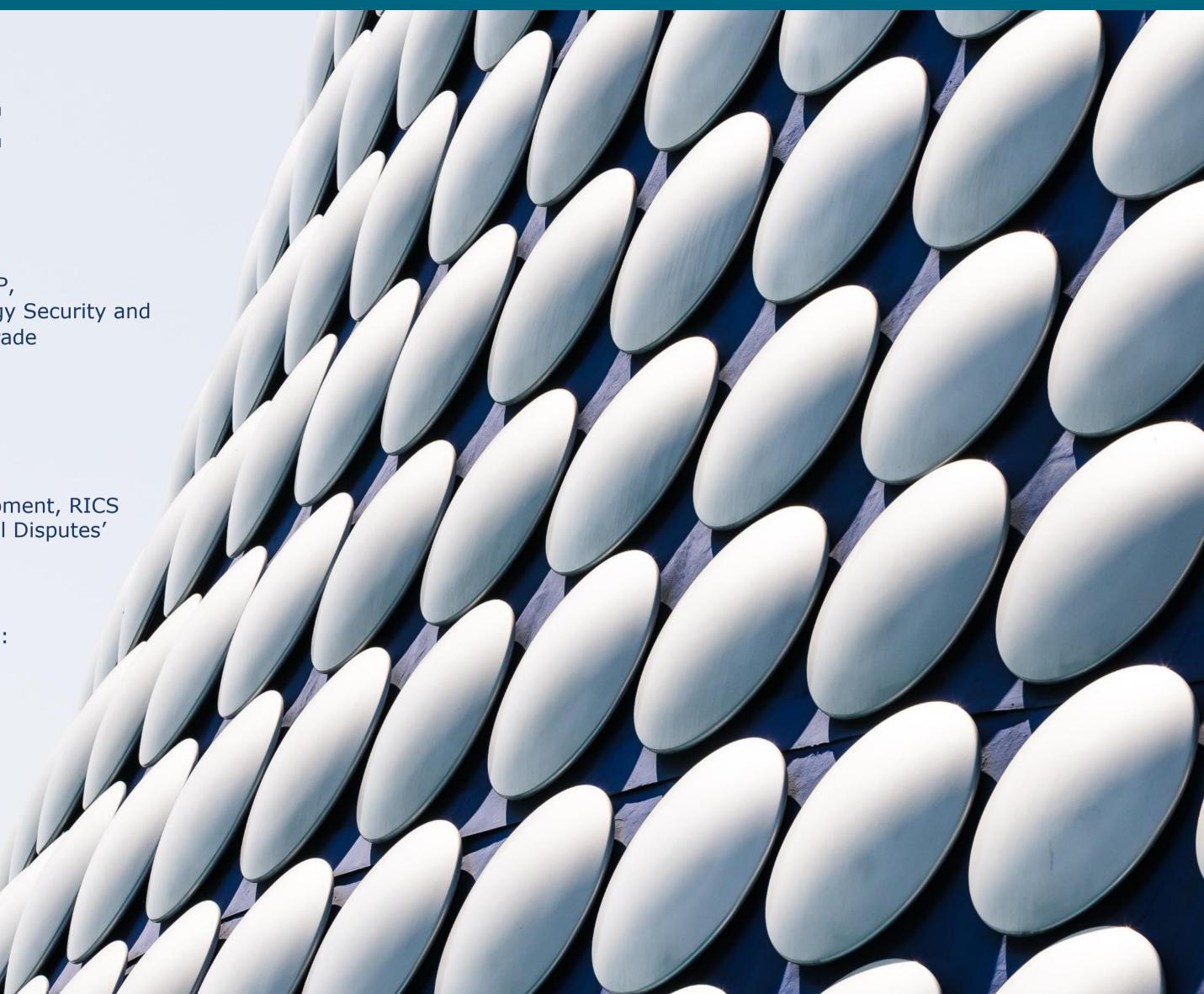
Next Generation Delivery

Building Safety

People + Skills







Welcome to CLC Connect, the Construction Leadership Council's Bi-Monthly newsletter which keeps you up to date with all things CLC.

Construction is a busy and fast changing industry. From new government policies and game-changing private sector initiatives to emerging technologies and innovative ways of working, there's a lot going on as we strive to grow, improve productivity, attract and retain talent, and successfully transition to Net Zero.

CLC Connect will keep you informed, celebrate success, and help bring us closer together.

We're keen to hear your feedback and story ideas so please get in touch via:

construction.enquiries@businessandtrade.gov.uk

Enjoy and thank you for reading.











Bi- Monthly Update

Sarah Jones MP

Minister of State at both the Department for Energy Security and Net Zero, and the Department for Business and Trade

Welcome to the seventh edition of the Construction Leadership Council's Connect Newsletter.

As the Minister of State for Industry, I am delighted to also take on the role of Co-Chair of the Construction Leadership Council. I have worked in and around construction in various roles throughout my career and am delighted to now have been given such an important role overseeing the industry as a whole.

There is much to be done that we can work together to deliver. The new government has big ambitions to deliver 1.5 million new homes and retrofit millions of others, improve our energy security and build the infrastructure we need across the country to grow the economy and create good jobs. That comes with big challenges – not least securing the people and the skills we will need.

And across all these challenges, sits the impact of the Grenfell Tower fire and the recommendations from the Inquiry. I was a new MP in 2017 and my maiden speech was in a debate on the Grenfell Fire. I am sure we will all work together on moving further and faster towards ensuing our industry is fit and safe for the future.

In recent months, I know that the Construction Leadership Council has been working across many areas, including:

 Highlighting the progress and changes the sector has made since the Grenfell Tower tragedy, with its recent <u>building safety report</u>; published <u>Golden Thread guidance</u> requirements for higher-risk buildings; and <u>responding</u> to the Independent Review by Paul Morrell OBE and Anneliese Day of the construction product testing regime;

- Working with Build UK and other companies to <u>help</u> <u>subcontractors</u> with the consequences of the insolvency of ISG, including supporting apprentices and graduate trainees to secure prompt re-employment; and
- The CO₂nstructZero programme, including publication of its latest Performance Framework. This includes opportunities for new Business Champions to join the programme, alongside our existing membership of around 250 companies. This is a great opportunity show how you are participating in accelerating the sector's transition to net zero, as well enabling shared learning. Further details of how to apply are here. Please contact Stuart Young if you'd like to know more.

On wider matters, you will have seen the Government's Green Paper (<u>published</u> on 14th October), setting out our vision for a modern Industrial Strategy. *Invest 2035* is a 10-year plan to deliver the certainty and stability businesses need.

The <u>consultation</u> closes on 24 November 2024, and we would welcome your responses. Please do keep an eye out for further opportunities in this space for you to engage directly with Ministers and officials.

In closing, I would like to thank Mark and Richard for their leadership of the Council, and the many volunteers delivering the work set out in this newsletter, together with the CLC's wider work.



Bi-Monthly UpdateShort Term Priorities and Actions

Budget Update

The CLC acknowledge this was a challenging budget for the new Government. It is fair to say there to say there were positives, negatives and areas that require further development. HMT, DBT and MHCLG have already reached out to the CLC and several industry leaders to seek feedback and support to further development future proposals.

Materials Supply Chain Group

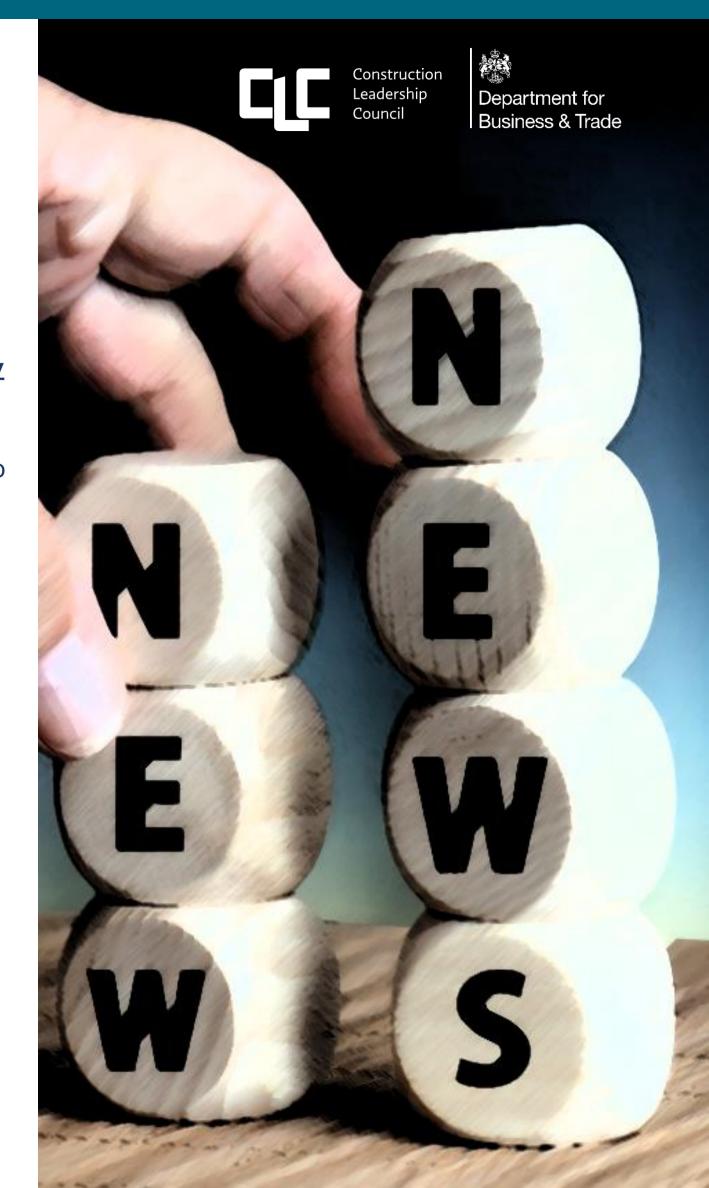
Continues to <u>update</u> the industry on the current pinch points in the supply chain.

CLC response to National Planning Policy Framework

After consulting widely amongst its members and planning sub panel of its housing group the CLC did not respond to the detailed questions of the government's consultation but has <u>written directly</u> to Angela Rayner MP, Secretary of State for Housing, Communities and Local Government providing an overall assessment of what is proposed.

CLC engagement with the Migration Advisory Committee (MAC)

CLC recently attended a cross-industry meeting with the MAC, who have been commissioned to do a review on the IT and Engineering sectors. The CLC are working with the MAC to suggest appropriate stakeholders the MAC may wish to engage with, as part of these reviews.



CLC Priority Progress Net Zero and Biodiversity

- CO₂onstructZero Round 17 of the CO₂nstruct Zero Business Champion programme is now open. Interested companies should complete the <u>Business Champion</u> application form and ensure it is submitted to <u>stuart.young@businessandtrade.gov.uk</u> by 09:00 Monday 4th November. The programme welcomes applications from across the sector and strongly encourages SMEs to apply.
- CLC published, its <u>8th progress update</u> to its CO₂nstruct Zero Performance Framework. Launched at COP26 in 2021 the Performance Framework comprises of 31 metrics across nine priority areas, each of which tells a story of how the construction sector is reducing its carbon emissions.

 The Construct Zero Electric Vehicles Report is being published in partnership with Balfour Beatty at <u>London Build</u> on the 20th November. This will include a panel discussion with some of those CZ Business Champions who were part of the project. If you'd like to participate in the panel discussion, please do attend.



ConstructZER©

The Construction Industry's Zero carbon change programn







Getting to know you...

Darrel BaldwinMinot Brothers Ltd
Operations Manager

At Minot Brothers Limited, we were founded with a clear purpose, to transform the construction industry and pave the way for a better, more sustainable future. As two young men driven by determination, we are not afraid to roll up our sleeves and get the work done. We take pride in being the first company of our kind in the plant hire business, leading the change by providing smart solutions that help our clients lower emissions without compromising on efficiency.

Our commitment to sustainability is at the core of everything we do. We specialise in offering eco-friendly plant hire options that meet the growing demand for environmentally responsible practices. By focusing on reducing emissions while maintaining high performance, we aim to create a positive impact on both our projects and the environment. At Minot Brothers Limited, we are not just part of the change; we are actively shaping the future of construction.



Tell us what your role is in a nutshell?

As the Operations Manager, I co-ordinate between projects and communicate with clients to help them achieve their targets. My primary focus is to ensure that our clients have everything they need for their projects, including ensuring our machines are serviced and ready to go. This involves seamless collaboration with our clients to maintain high standards of quality and efficiency.

Why did you become a CZ Business Partner?

We became a CZ Business Partner because we are committed to sustainability and believe in the importance of taking proactive steps towards achieving Net Zero. Partnering with the CLC allows us to align our operations with industry leaders and contribute to meaningful change. Our shift towards electric and cleaner diesel machinery supports the CLC's goal of reducing diesel machines off-site by 78% by 2032.

What is your proudest Net Zero moments so far this year?

This year, I'm particularly proud of how we have assisted our clients in lowering their emissions on projects. By transitioning to electric and cleaner diesel machinery, we can help reduce CO2 emissions by 50% on average per project. For example, if a project currently emits 520,000 kg of CO2 annually, our fleet can cut that down to 260,000 kg, achieving a total reduction of 260,000 kg CO2. It's great to see the tangible impact we can make for our clients in reaching their sustainability goals.

Tell us an interesting fact about you or the business you represent?

An interesting fact about our business is that we are the first company to specialise in being Net Zero, which allows us to offer specialist solutions that save our clients' money. Through our transition to electric and cleaner diesel machinery, we can help our clients achieve up to 70% savings on operating costs. For instance, if a client's current operating costs are around £500,000 annually, implementing our solutions can lead to savings of approximately £350,000. This significant reduction not only supports their financial goals but also positions them as leaders in responsible construction practices.

CLC Priority Progress Net Zero and Biodiversity – The Green Construction Board

- Adaptation and resilience work The new GCB Adaptation and Resilience working group is engaging with the UKGBC on their Resilience Road map to see if there are gaps to be filled by the GCB in delivering the action that DBT/GCB took Action 4: Climate Risks to Building Fabric in the National Adaptation Programme (NAP3).
- Biodiversity Roadmap The Biodiversity and Environmental Net Gain working group is aiming to clarify definitions and languages on nature and frame them around the government's approach. To that end, the group will write a piece on LinkedIn to address changing lexicon of biodiversity to ensure that old terminologies are up to date.
- Low Carbon Concrete Group Version 2
 of the <u>BSI Flex 350 Flex standard</u> for low
 carbon concrete has now been published by
 BSI

- Resource and Circular Economy The
 Resource and Circular Economy working
 group is revising the Zero Avoidable Waste
 Routemap and has set up a small team to
 undertake the task. The RCE working is
 working with Defra on the ZAW revision.
- **GCB Terms of Reference** The GCB is making progress with the revision of its Terms of Reference. The revision will reflect the GCB's new focus on climate adaptation and resilience, and strengthen its priority around biodiversity and environmental net gain.

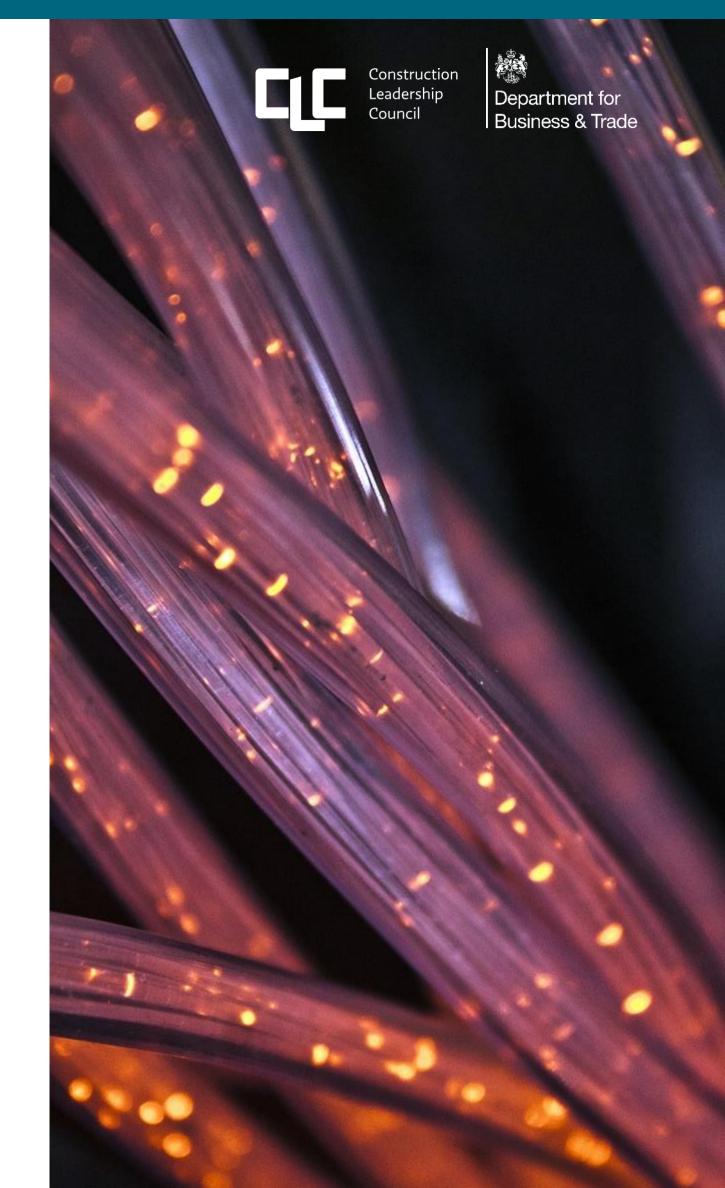


Next Generation Delivery

Business Models and Fair Practices

- Proof of Concept Pilot Project The CLC worked with Actuate UK and the Get It Right Initiative (GIRI) to develop and test a proposal for a quality metric as a viable alternative to the withholding of cash retentions as a form of insurance against defects. GIRI funded the research project by the Centre for Design Engineering (C4DE) at Cranfield University. A report has been published on the pilot project.
- Late Payments DBT has <u>announced</u> a package of new measures to address late payment. This includes:
 - ➤ Introducing secondary legislation to make it a requirement for large companies to include their headline payment data in their annual reports;
 - ➤ Launching a new Fair Payment Code overseen by the Small Business Commissioner; and
 - > Launching a public consultation on further measures in the coming months.

- Reporting on Payment Practices and Performance – Updated guidance on the statutory reporting duty for payment practices and performance for large companies has been published. This update incorporates amendments brought forward by the Reporting on Payment Practices and Performance (Amendment) Regulations 2024 (S.I.2024/444).
- Retentions The Reporting on Payment
 Practices (Amendment) (No.2) Regulations
 2024 was laid on 8 October and will require
 qualifying companies and LLPs to publish
 information on their practices, policies and
 performance with respect to retention
 clauses in any qualifying construction
 contracts with suppliers. This measure will
 help increase transparency around retention
 policies and performance, and encourage
 improved payment practices.
- Written Ministerial Statement A
 statement has been published on the
 Procurement Act 2023. A new National
 Procurement Policy Statement will be
 developed, and the Act will now commence
 in February 2025.



Construction Leadership Council



CLC Priority Progress

Next Generation Delivery (continued)

Join the nima Virtual Conference and Be Part of the Information Management Revolution

As infrastructure evolves, effective information management is crucial. On **November 7, 2024**, nima hosts its **third Virtual Conference**, where key industry leaders will discuss the transformative **Information Management Initiative (IMI).** The virtual event is an unmissable opportunity for organisations and professionals to shape the future of information management and set new standards across the industry.

Why attend the nima Virtual Conference?

nima's third Virtual Conference is a collaborative space for industry professionals to engage in discussions, share insights, and explore cutting-edge solutions for the built and managed environment. The IMI, launching at the conference, builds on the current IM Mandate and is designed to integrate digital data and information management across asset lifecycles, enhancing efficiency, safety, sustainability, and collaboration.

By attending the conference, you will: Hear directly from industry leaders on the key insights and goals of the IMI, engage in immersive sessions, and network in virtual rooms designed for collaborative discussions.

nima Chair Dr. Anne Kemp OBE emphasises: "This is your opportunity to strengthen your information management strategy. Join us for a day of collaboration and discover how to maximise information management to your advantage"

The Launch of the Information Management Initiative

The IMI simplifies information management with a clear and actionable framework for all built environment participants. Initiated by the Construction Leadership Council, endorsed by the HM Government, and managed by nima, the IMI guides organizations towards best practices, ensuring that data is not only well-managed but also effectively used to make better decisions.

The IMI is based on three core principles:

- **1.Clarity and Simplicity**: An inclusive, easy-to-follow approach.
- **2.Strong Connections**: Fostering collaboration across sectors.
- **3.Wide-reaching Benefits**: Delivering improvements in cost, value, safety, and sustainability.

A Call to Action for Organisations

Sign up to the IMI to commit to effective information management, creating better outcomes for your teams, projects, and the industry. Signing up means that your business is aligned with a data-driven, efficient, and sustainable future. Adopting the **IM Directive** enhances your capabilities and supports wider industry adoption, including UK government support.

Don't Miss Out!

<u>Register now</u> for the nima Virtual Conference to be at the forefront of change. Together, we can create a more connected, efficient, and sustainable built environment.

Let's build the future together!

Next Generation Delivery

Industry Bodies Collaborate to Reduce Contractual Disputes

Martin Burns - Head of ADR Research and Development, RICS

• Conflict Avoidance Conference 2024 – On 2nd October 2024, Parliament hosted the first ever Conflict Avoidance Conference for the construction industry, organised by the Conflict Avoidance Coalition, which is comprised of around 70 industry bodies representing the broad sector.

Construction disputes cost the economy £billions each year and result in tens of years cumulative delays to project delivery.

Speakers, which included Sir John Armitt, Chair of the National Infrastructure Commission, warned the conference that a track record of pushing risk down the supply chain, awarding contracts to the lowest bidder and insisting on fixed price contracts, has created an adversarial, litigious, industry, where "everyone blames everyone else" for cost overruns and delays. This will only continue unless procurement and contracting strategies change for good.

The coalition's aims are to encourage contracting parties to work together to achieve truly effective collaboration and adopt viable measures to proactively reduce contractual disputes.

The Small Business Commissioner, Liz Barclay, attended the conference and said afterwards "The construction sector has woken up to the need to change its culture to one of collaboration and conflict avoidance".

The second Conflict Avoidance Conference is being planned for 2025.

• Conflict Avoidance Pledge – The coalition developed and launched the Conflict Avoidance Pledge several years ago. It commits businesses and individuals to actively working to avoid conflict and encourages contracting parties to think of themselves as part of the same team rather than adopting the traditional "us and them" way of thinking.

The Pledge has now been signed by around 500 businesses and has been endorsed by Westminster and the devolved governments. The Pledge is an integral part of guidance set out in the Construction Playbook.

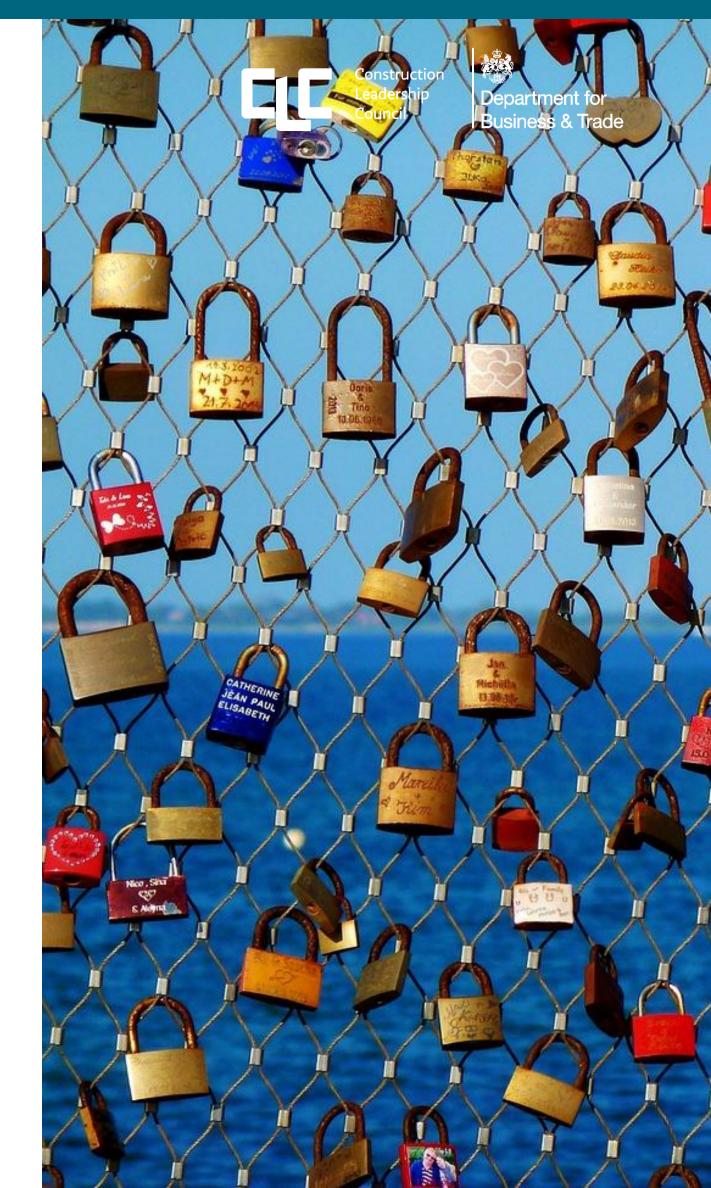
- Conflict Avoidance Toolkit The coalition has also produced a conflict avoidance toolkit which provides information about a variety of measures which can be applied to avoid, manage and resolve disputes.
- Links ♦ <u>CA Pledge</u> for Conflict Avoidance Pledge and Toolkit. ♦ <u>Conflict Avoidance Coalition</u> for information about the conference and updates from the coalition. ♦ <u>The Construction Playbook</u>



Building Safety

- Grenfell Tower Inquiry Final Report The Inquiry's findings are a serious and comprehensive reflection of the worst of UK construction's culture and practices; which led to a tragedy that should and could have been avoided. The Inquiry has also put forward a number of recommendations for both our industry and Government, to ensure that such a tragedy is never repeated. The CLC, as the representative body for the entire UK construction industry, will now study these recommendations and engage with industry and the Government as to how they can be taken forward through our ongoing work on building safety.
- CLC Building Safety Report A summary report on the progress made by the industry to improve building safety, in response to the Grenfell Tower tragedy.
- Building Control Approval for Higher-Risk Building Work – The BSR and CLC continue to meet regularly to address priority areas and maximise communication to the industry on building control approval for HRB work. The BSR Building Control microsite provides up to

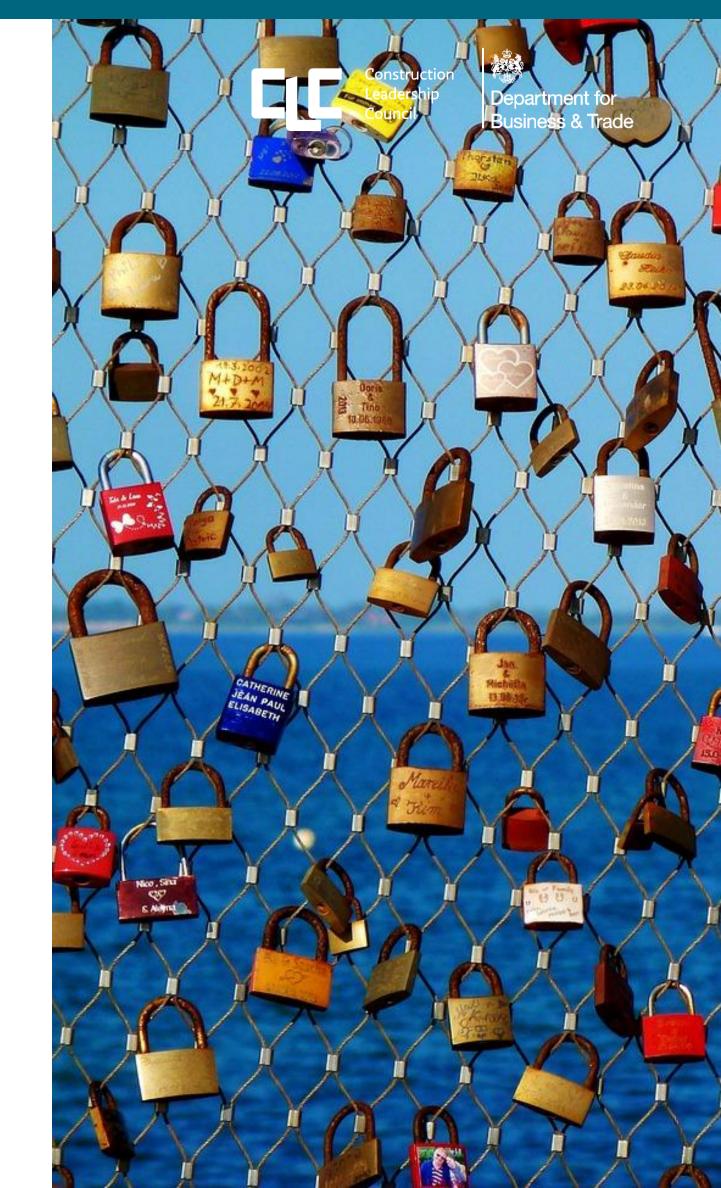
- date information including FAQ and additional resources. Recent updates include additional FAQ on making building control applications. This section outlines the importance of submitting complete and accurate building control applications including clear explanations on how each element of the work complies with the Building Regulations. It is not sufficient to simply indicate the application complies there must be clear demonstration on the 'how'.
- **CLC Golden Thread Guidance** <u>Guidance</u> on the golden thread of information requirements for higher-risk buildings to support dutyholders and accountable persons to deliver a golden thread for their building. A <u>summary</u> of the guidance is also available.
- Construction Products Testing Regime –
 The CLC's Standards and Regulatory Alignment
 Group have produced an initial <u>response</u> to the
 Independent Review of the Construction
 Product Testing Regime Testing For A Safer
 Future led by Paul Morrell OBE and Anneliese
 Day KC.



Building Safety (Continued)

- Building Safety Webinars A series of free building safety webinars by the BSR, OPSS and CLC ran from November 2023 to April 2024. A <u>summary</u> of the webinar series and available resources is now available. The objectives of the webinar series were to deliver accurate, clear, and helpful information on the key changes to the building safety landscape and drive awareness, understanding and action across the construction industry and broader built environment.
- Written Ministerial Statement The Statement details fire safety and evacuation proposals; the recognition of CE marking for construction products; and on updates to Approved Document B to remove references to outdated National Classes fire testing standards and make provision for sprinklers in new care homes.

- Building Control Practice Guidance: Cancellation notices, transfers and reversions – MHCLG guidance has been published for local authorities, registered building control approvers, and persons carrying out building work.
- Scope Determination Appeal Guidance has been published by MHCLG on the procedures for submitting a scope determination appeal to the Secretary of State, when a building control approval application, initial notice or amendment notice has been rejected by the local authority on the basis that it is or contains higher-risk building work, which falls under the remit of the Building Safety Regulator (BSR).
- Cladding and other fire safety works –
 MHCLG has published <u>information</u> for
 leaseholders and other residents about fire
 safety and remediation. This includes a
 feedback form on resident experiences.



People and Skills

• **Skills England** – Skills England is currently set up in shadow form within the Department for Education with plans to be fully established next year.

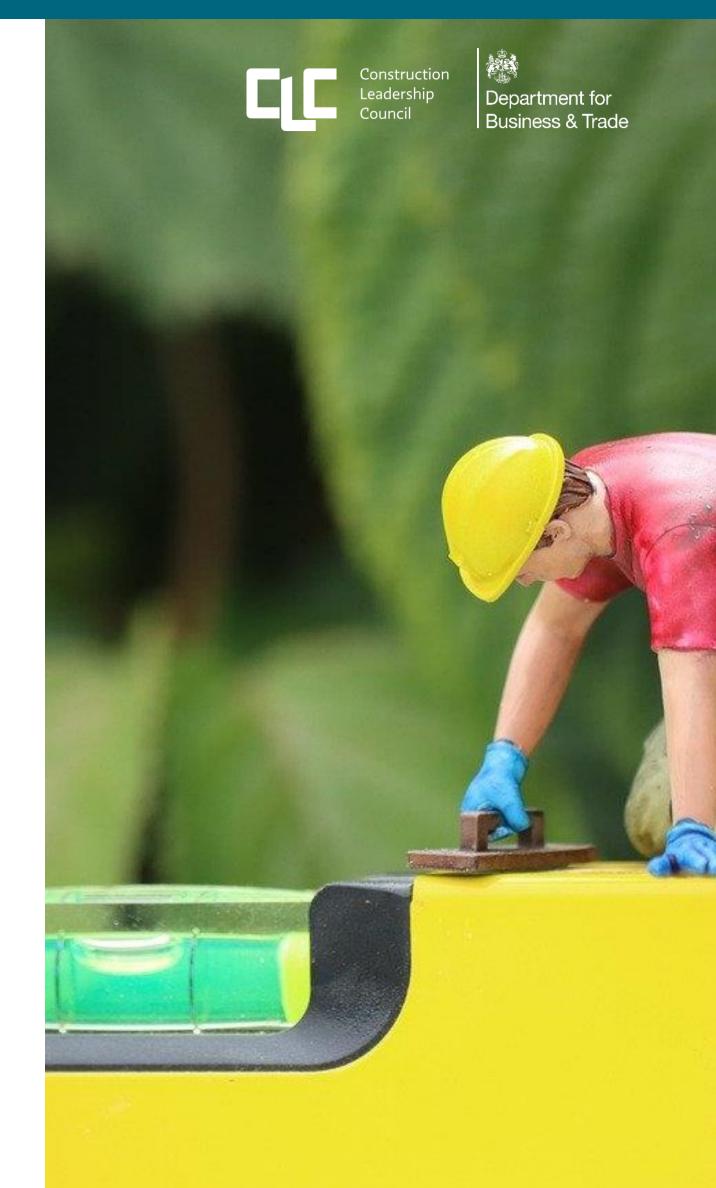
Richard Pennycook CBE, former chief executive of the Co-operative Group and lead non-executive director at DfE, is the interim Chair.

Skills England will bring businesses, training partners and unions together with national and local government to develop a clear assessment of the country's skills need. Skills England will work closely with the Industrial Strategy Council, Migration Advisory Committee and across Government.

Skills England published its <u>first report</u> in September 2024. Key roles include:

- Provide an authoritative assessment of national and regional skills needs in the economy now and in the future.
- Ensure there is a comprehensive suite of apprenticeships, training and technical qualifications for individuals and employers to access and identify training available through the new Growth and Skills Levy.

- ➤ Ensure that regional and national skills needs are met (at all levels – from essential skills to those delivered via higher education), in line with the Industrial Strategy.
- ➤ Four sectors identified where there is strong evidence of economic importance and available forecasts: digital technologies, life sciences, green, and housebuilding and construction.



CLC Connect

October 2024

Thank you for reading this issue of CLC Connect. If you would like to provide feedback then please email construction.enquiries@businessandtrade.gov.uk

For more information about the Construction Leadership Council, please visit Construction Leadership Council.









