

**Richard Caborn Speech**  
**to**  
**the Construction Industry Council**  
**13 June 2007**

**Speaking notes**

**Opening remarks**

- Many thanks for inviting me - and for staying on to hear me speak after your main session ended a short while ago.
- Delighted to be here today to talk to you about the wealth of benefits that are offered by the London 2012 Olympic Games and Paralympic Games to the construction industry.
- I know that the Deputy Prime Minister is disappointed that he was not able to talk you today. And he has pushed forward many issues that are on the CIC agenda - the importance of health and safety, and the Sustainable Communities debate, which Sir John Egan has been deeply involved in.

- This Council has been instrumental in pushing these important improvements forward. I'd like to congratulate you all on the important work you have done in making strides to improve the construction industry.

### Olympic context

- The Games offer an unparalleled opportunity for the industry as a whole, as well as individual businesses up and down the country.
- It is about sectors, such as the construction industry, deciding for themselves what the Games mean and what they can contribute to make the Games a success.

### Legacy

- The importance of London 2012 to construction is much more than just the amount of business which the Games push the industry's way - important though that is.

- Not only will the construction industry be delivering the "theatre" for the Games, many of you here today will be:-
  - Delivering truly sustainable development
  - Making a significant contribution to the regeneration of one of the most deprived areas of the UK
  - in ways which minimise environmental impact and provide an enduring built legacy
  
- If we do this right it will be a truly global showcase for the UK industry. It will deliver significant benefits to the industry such as:
  - increasing the attractiveness of the industry to the best, brightest new recruits
  - And it is a once in a lifetime opportunity to encourage the widespread adoption of best practice - by clients, contractors, designers, engineers and technicians.
  
- London 2012 is not just about a summer of sport. Nor is it just about building an

Olympic park. It is about the opportunity it presents to bring about systemic change; to deliver a real and lasting legacy; to raise the skills base; and raise standards across the sector; transforming the construction industry and putting it on the world class globally competitive map. The 2012 Commitments will make a significant contribution to this and we welcome the work you have done to develop and implement them.

#### 2012 Construction Commitments

- The CIC has played a major role in supporting the Strategic Forum for Construction and its 2012 Task Group in achieving the 2012 Construction Commitments.
- The Commitments bring together areas vital to delivering the Games in time, safely and to budget. And the principles by which to achieve a better industry and to encourage the widespread adoption of best practice.
- Egan pointed to the crucial role of the client in driving cultural change in the construction industry. Heathrow's Terminal

5 shows what can be achieved when the client takes an integrated approach.

- The biggest prize and greatest legacy for the construction industry is a culture of partnership and collaboration. An integrated approach which designs-out problems rather than solving them at the point they arise.
  
- In seeking to deliver this legacy, are the 2012 Construction Commitments, which cover all the key issues for a best practice industry:-
  - Procurement and integration
  - Commitment to people
  - Client leadership
  - Sustainability
  - Design quality
  - Health and Safety
  
- The hard work and dedication developing the Commitments was such an excellent practical example of the culture of partnership and collaboration.

- Grateful that work continues in the Strategic Forum's Olympic Task Group and on promoting the Commitments across the UK.
- With over 300 companies signed up to the Commitments this is excellent progress. But there is still a lot more to be done to ensure these are signed up to by the 3,000 companies that have already registered an interest with the ODA.
- I am aware that there will be a series of construction best practice roadshows in the summer and autumn of this year across the UK. The Commitments are best practice - not just Olympic best practice.
- And there lies the real challenge for us all -Government as client, private sector clients and the diverse and various parts of the industry.
- Delivering inspirational Olympic venues on time and on budget is what the Commitments are all about. Meeting the commitments will give the UK construction industry a great legacy. We must deliver that culture across the Olympic development and beyond.

## **Olympic Construction Work**

- The ODA is charged with delivering the infrastructure needed to host the 2012 Games - everything from the venues themselves to ensuring sufficient transport networks are available during the Games.
- The Olympic Park is one of the largest construction projects in Europe. Twice the size of Terminal 5 in half the time.
- The infrastructure for the Games and its associated regeneration programmes is the biggest post-war construction project in the UK, which will physically transform one of the most deprived parts of East London. Demolition and remediation work is well underway.
- Previously brownfield sites will be turned into a parkland for local residents to enjoy.
- Legacy facilities will include: 5 major sports venues in the Lower Lea Valley.

- Innovative architecture and state-of-the-art sporting facilities, which will be affordable and accessible for future generations of recreational and top-level athletes, that will also provide a blueprint for best practice.
- The area will also gain 4,000 new homes, which will be adapted from the athletes' accommodation. Many of these will be 'affordable housing'.
- These will be integrated into a wider plan to create 9,000 new homes in and around the Olympic Park post 2012.
- The transformation will involve: 3,000 metres of river and 3,800 metres of canals being dredged, around 10km of new roads being laid, more than 150,000 seats being installed in Park venues, and 1 million cubic metres of soil being cleaned and moved.
- It comes with huge complexities, and a fixed date for delivery.

- And so it is hugely important that the programme is delivered on time, whilst achieving environmentally viable and sustainable regeneration and without compromising quality.

### **Benefits to individual businesses**

- The 2012 Games can be thought of as a little bit of magic that catalyses change at sector level - as we have seen with the 2012 Construction Commitments - and for individual companies.
- The total value of contracts likely to accrue from ODA and LOCOG activity will run into billions. The ODA alone anticipates that up to 2,000 contracts will be directly procured by them.
- The true benefits is that individual companies will:
  - o strive to supply to Games, improving their competitiveness as a result, and
  - o regardless of whether they win 2012 games contracts, will be in a position to access the £125 billion that

Government procures from the private sector each and every year.

- The DTI and partners are leading the Government's work to help companies of all sizes to 'get fit for 2012'. Companies will be helped to identify procurement opportunities and, through Business Links, have access to help in assessing their strengths and weaknesses and in improving their overall performance.
- We want to make sure, that businesses get the information they need to consider the opportunities - such as through the UK-wide Business Opportunity Network.
- We need to promote supply chain initiatives to improve the performance of weaker companies, promote cross-sector collaboration, and encourage sector-based partnerships to bid for opportunities.
- This will put UK companies in the best possible position to win contracts associated with the Games.

- Between now and 2012 - and particularly after the Beijing Games - the eyes of the world will be upon London.
- I'd be happy to take any questions you have.