Constructing a Better Future

Recommendations on achieving quality and best value in the built environment

Construction Industry Council

CIC is the representative forum for the professional bodies, research organisations and specialist business associations for professional services providers in the construction industry. It provides a single voice for professionals in all sectors of the built environment through its collective membership of 500,000 individual professionals and 25,000 firms of construction consultants.

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Building a Better Future

The construction industry is a major part of our national economy and has an impact in every constituency in the land. The industry employs millions directly but it is also an "enabling sector" for the wider economy. Every £1 invested in construction generates £2.84 in the wider economy. The building and upkeep of new offices, warehouses, homes, service facilities and new places generate jobs, development, and growth. Unlike most other economic sectors, construction activities are widely dispersed throughout the country.

Any development programme has to have a construction component. Our health, education and transport systems all rely on the construction industry to design, build and maintain the built environment which underpins our social and economic frameworks. To achieve national economic growth in tandem with best value, the construction industry needs a commitment to a programme of investment in infrastructure and housing; a commitment to quality in the built environment and; co-ordinated planning for construction.

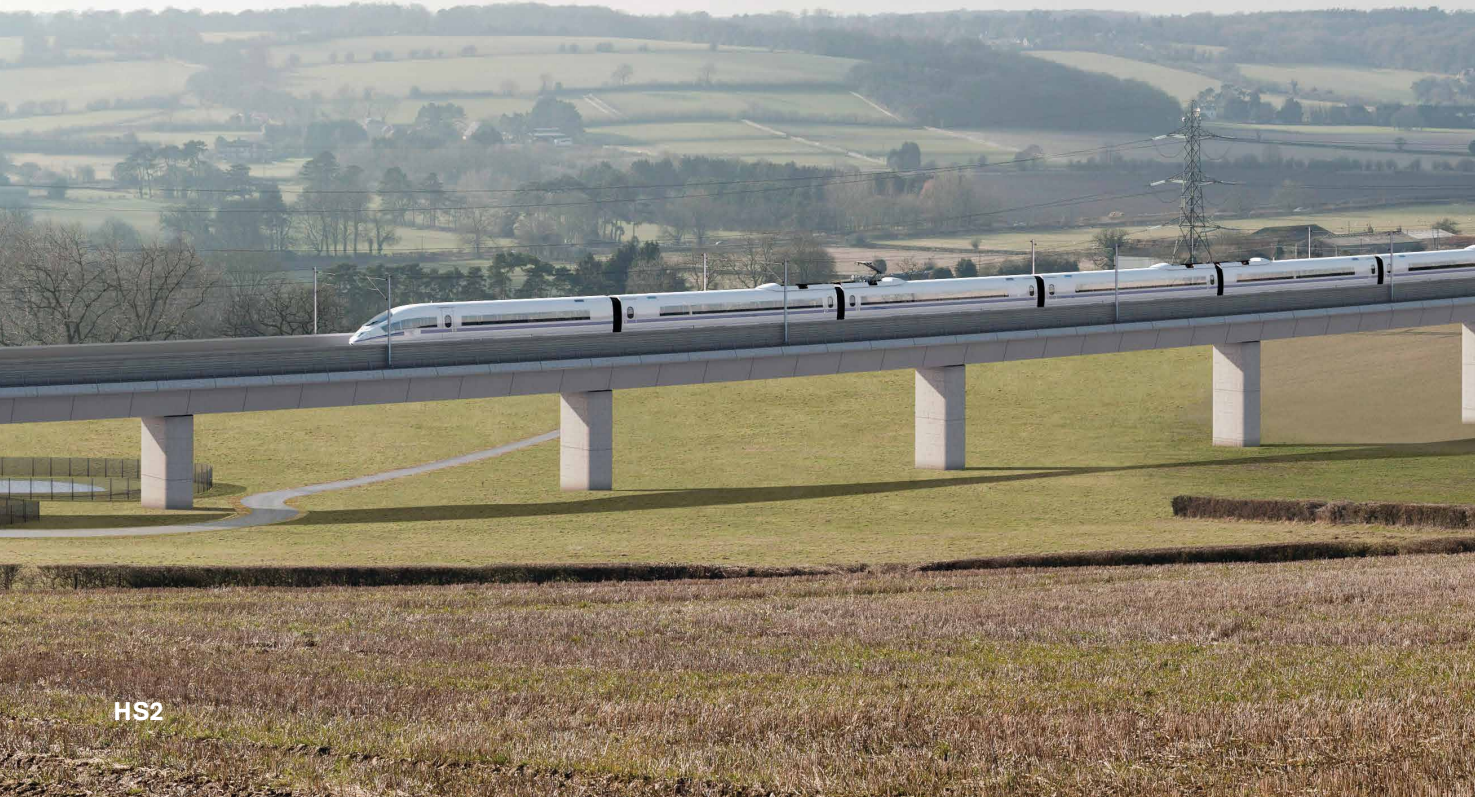
Investment in Infrastructure

Transport
Energy
Housing

Transport

Sustained investment in transport is essential as a catalyst for economic growth. However the slow speed of decision-making is hampering the construction industry.

- The next Government needs to rapidly respond to the choice of airport options following the Davies Commission report. As with any new development, the chosen option needs to be co-ordinated with other modes of transport.
- In relation to the rail network, preparatory work should start on the proposed high speed lines HS2, phase 2 and HS3.
- While we support and endorse the establishment of a government-owned company to manage the strategic road network, we believe that the maintenance of the highway network (including local roads) should remain a key priority.
- There is scope for transport planning by fully integrated transport authorities within city regions.



HS2

Energy

Energy security, affordability and the need to decarbonise continue as challenges both for the UK Government and for industry in general. Each of these factors must be managed carefully and a mixed approach is required to meet current and future needs.

- Government must do more to drive energy efficiency within businesses and also in relation to the vast number of existing buildings. In particular, a new approach to retro-fitting insulation to our ageing housing stock is needed.
- Technologies such as “smart metering” can promote changes in consumer behaviour and ought to be rolled out without further delay.
- To ensure capacity margins are not further eroded, government and opposition parties should implement Electricity Market Reform.

Housing

There is a crisis in all sectors of housing affecting affordability and access to the housing market. Huge sums are spent on housing benefits which could be better used to construct homes and generate jobs. The latest figures show that the number of homes built each year in the UK is around 100,000 below the 250,000 which are needed. We must increase this number, especially for the affordable sector. These homes have to be of a suitable quality and size to allow for changing and diverse needs. In particular we recommend the following.

- Local Authorities should be allowed, and encouraged, to sensibly borrow to build new homes; and
- we need a fresh look at the funding of affordable housing.

Quality in the Built Environment

Skills development and diversity

Safety in construction and a healthy built environment

Place-making

Skills development and diversity

There is a serious problem of both skills shortages and skills gaps within the construction industry. The industry is also disproportionally older, white, male and more able-bodied than other sectors. Construction must therefore reach out to other groups and encourage young people to come forward.

- More effective programmes whereby there is a requirement that a certain number of locally based workers and apprentices are employed on particular projects need to be encouraged.
- There needs to be outreach programmes in schools to highlight the range of career opportunities within construction and to encourage younger workers to join the industry, especially those from ethnic backgrounds.
- Skills shortages, particularly evident in the professional sector, have to be addressed by a flexible migration policy.
- Professional training opportunities, both full-time and part-time, for construction occupations need to be encouraged and a cross disciplinary approach to training within the construction professions fostered.
- The skills necessity for new systems of working such as Building Information Modelling must continue to be supported if the new systems are to achieve long term savings and efficiencies.

Safety in construction and a healthy built environment

Real improvements in construction safety have been achieved in recent years, as was demonstrated on the 2012 Olympic sites which were built without fatalities. Yet there is still much to do. An awareness of health and safety principles has to be inculcated at every level, from the initial designs right through the construction process.

- There needs to be an encouragement of “safe by design” principles for construction, maintenance and demolition as a key part of building ethically, together with a no-tolerance approach to health and safety breaches on site.
- Make safety training a requirement throughout the supply chain, with a focus on workers on small sites and vulnerable groups such as migrant workers.
- Promote active “education partnerships” between construction training institutions and the construction industry so that students absorb the principles of a health and safety culture from the beginning of their careers.
- Health and safety is not just about accident prevention. The well-being of those who construct and also those who occupy buildings is important.
- Access to green space, high quality housing, active transport (involving walking and cycling) and clean air are all elements of a healthy built environment. Planning and creating this environment generates long term savings in health spending.

Place-making

The built environment is an essential part of our quality of life. Good design and an integrated approach to creating communities and the landscape in which they sit are all vital. Central to this vision, is a long-term approach to creating sustainable buildings and infrastructure which, within the concept of "best value", will have a low impact on the environment and can be easily and safely maintained.

- We need to understand that good landscape planning helps to make the best use of land by identifying the most sustainable sites for development.
- A commitment to cohesive national standards in respect to energy, water, space, access and security needs to be maintained.
- The use and promotion of environmentally sustainable building designs and techniques is cost effective in the long term.
- Make quality measurement systems such as Design Quality Indicators mandatory for all buildings procured for the public sector.
- We need to reconsider the regime for energy savings incentives and look again at the idea that a refurbishment proposal should trigger a requirement to upgrade energy efficiency levels.

University College London Hospitals

Planning for Construction

Procurement

In the past, procurement processes have often been wasteful. Saving costs on procurement is a central element in the Government's "Construction Strategy 2025" plan. With public sector construction contracts totalling more than £37bn per year, there is still plenty of scope for improvement. Procurement is still costly and time consuming on both sides.

- Improving construction commissioning skills across all public sector bodies and the use of integrated teams with performance targets will be an incentive to quality and cost effective results.
- In the interests of fairness, we have to make it easier for Small and Medium-sized Enterprises to have access to the procurement process.
- There needs to be a move towards new outcome led procurement models with a clear business case for value.
- Buildings and infrastructure should be procured on the basis of both capital and operating costs.
- Government should encourage the adoption of voluntary commitments in relation to large scale public projects (e.g. more than £100m in value) which would cover matters such as client leadership, sustainability, team integration, design quality, health and safety and a commitment to employing local people particularly apprentices.

Supporting construction

Construction needs not only investment in housing, infrastructure and skills; it also needs a suitable administrative framework in which to flourish. Strategic planning is vital but so too is the context in which this planning takes place.

- Local Authorities could be incentivised to provide land for housing through targeting of City and Growth Deal funds to those authorities with local plans and five year land supplies in place.
- There could be improved co-ordination and evaluation across the range of current initiatives (e.g. Enterprise Zones, Housing Zones, City Deals and the Regional Growth Fund). An expert resource within central government is needed as a point of contact with local authorities to connect them with the local strands of funding and implementation.
- There needs to be clarity in the role of Local Enterprise Partnerships (LEPs) in relation to other local structures and their role in setting out the strategic priorities of the local area.
- If city regions have greater powers and fiscal devolution together with the flexibility to borrow and retain revenue generated by growth, they can be much more rigorous in pursuing co-ordinated programmes of development and construction which will benefit the local population.
- With local authority finances under unprecedented pressure, administrative delays are occurring in development and renewal programmes which can kick-start economic recovery at a local and national level. Local Government reform cannot be allowed to hamper economic development.

Land use planning

After a long period of change, the new planning system needs to be allowed to "bed down". Some improvements, however ought to be considered.

- It is essential that an adopted Local Plan is in place along with a five year land supply in every local authority.
- As land supply is a critical factor, particularly for new housing, Local Authorities and other public bodies need to bring forward more land for development.
- On occasion, flexibility is needed to permit large-scale housing in sustainable locations, (e.g. a new Garden City), as this may be preferable to developing multiple small sites for which it is less easy to provide infrastructure.
- More effective strategic planning particularly at the sub-regional level is needed to drive forward economic regeneration.

Salford Media City

Twelve key points

Ø1

A sustained investment programme in housing is vital. The numbers of homes under construction has been running at about half those needed for our growing population for some considerable time. This is a crisis. Many more, well designed homes in communities which are vibrant and sustainable, are needed.

Ø2

Good transport connections, which are properly planned can kick-start economic regeneration. New facilities are needed in relation to road, rail, sea and air transport along with a renewed commitment to maintenance and upkeep.

Ø3

Quality construction provides long term value. We have to build more but we also have to build better. Good standards of construction must never be sacrificed in pursuit of the cheapest option.

Ø4

After a period of intensive change, the planning system needs time to "bed down". There also needs to be a co-ordinated approach to strategic planning in the widest sense to create the landscape and built environment which balance economic growth with sustainable living.

Ø5

The way in which we build from initial design to choosing the contractor (i.e. our procurement systems) must be carefully thought through so that we can achieve more for less.

Ø6

Construction is an industry notoriously prone to boom and bust cycles. There must be a continuing focus on long term planning with an emphasis on programmes which provide delivery, continuity and sustainability in the long term. Government can strongly influence this, as it procures a large portion of the industry's output.

Ø7

Investment in skills is needed to produce a flexible, balanced workforce. Most particularly we need to continue to support skills development in relation to new working methods such as Building Information Modelling which can provide lasting long term benefits in efficiency and cost saving. .

Ø8

We must focus on building safely in addition to building well. A healthy built environment in which structures are designed so that they can be easily erected, maintained, adapted and eventually demolished must be the goal. On construction sites, there has to be zero tolerance of fatalities and injuries.

Ø9

There must be a continued commitment to reducing carbon as this is a key part in the drive to save materials, reduce energy demand and deliver operational efficiencies.

1Ø

As part of a "joined up" approach to managing our built environment we need investment not just in buildings but in place making. One area which we need to look at again is water management, both on a local level through methods such as sustainable drainage and also how we deal with large scale flooding through adaptation and mitigation.

11

The development of collaborative strategies within the professions and in the wider construction industry is a vital element in the search for innovative solutions which promote a lean efficient sector and act as a springboard for exporting UK expertise abroad.

12

Further fiscal and financial devolution of power and responsibility to city regions and local authorities can spur local initiative but any devolution of powers has to be matched by a devolution of resources.

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