HBF Conference March 2014

Geoff Cooper

Construction Sector

- From architects to decorators;
- Output of £121 billion*, 7% of GDP;
- Employing 2.5 million people;
- 30% of output bought by the public sector, and
- 20% of output is private and public housing
- But……….
- Output is 11% below the peak in 2008 Q1
- Operating at 75% of capacity
- Trade deficit on materials of £6 billion

* 2013, current prices

Sector Strategy

- December 2009 – First Government Chief Construction Adviser (“GCCA”) appointed;
- September 2012 – Government launched industrial sector strategy initiative;
- Industries classified in four groups – “light touch”, “action”, “sustained dialogue” and “strategic partnership”;
- Construction included in the most important group as a “key enabler” (alongside Energy)

Government Engagement

- Profusion and fragmentation of trade bodies, associations, study groups, standards bodies etc – 86 at initial count;
- Two main points of coalescence……..;
- CBI Construction Council (“CBICC”);
- Strategic Forum for Construction (“SFfC”);
- Industry had been told, since 2009, to get its act together;
- Various efforts to achieve this had foundered.

CISAC

- Body established in January 2013 by the new GCCA;
- Purpose was to “guide and advise the process of developing the Strategy”;
- Comprised Cabinet Office and BIS officers plus ‘big beasts’ across the sector;
- Real work was done by association officers and middle ranking government officials;
- Drew in government focused groups such as the infrastructure cost review and Green Construction Board;
- Some notable absentees……

Construction Industrial Strategy

- Construction 2025 launched in July 2013;
- Five key themes – people, innovation, sustainability, growth and leadership;
- Big ambitions – 33% lower costs, 50% faster delivery, 50% lower emissions, 50% reduction in trade gap;
- Led by the Construction Leadership Council ("CLC") – 30 people, half from industry, mostly connected to CBICC and SFfC
- Real work is done by a "Delivery Group" – as before
- Currently 43 work streams to support implementation

Not (yet?) a joint effort

- The strategy lacks much of the “”how”;
- More radical proposals lost in the drafting;
- Big opportunities (cf Aerospace and Motors) are missed;
- CLC members and Chair appointed by GCCA;
- Government officials sensor the decision making;
- Poor communication into the industry;
- The strategy is too focused on government saving its own money rather than taking a whole industry view

……..and yet the conclusion of the industry was that it was just about good enough to make it worth while engaging

A product of fragmentation

- Government can’t be blamed for lack of cohesion across the industry;
- Individual associations achieve considerable success in influencing policy – and lack the motivation to be more cohesive;

- ….how can we keep the strength of the parts and yet bring the industry together?
- Interviews conducted across industry to find out.

An overarching structure

- Could be based on the CBICC…….but that isn't a role the CBI is used to performing or is willing to perform;
- Could be based on a new structure……but agreement on constitution, powers etc. would be a lifetime's work.;
- Could be based on a re-modelled SFfC….which has begun to get traction with CLC and its Delivery Group.

The proposal…

- SFfC to be renamed “Building Britain”;
- Non-industry participants asked to leave;
- Membership to be widened to include other key bodies (including HBF);
- Rotating Chairmanship;
- Extra board seats offered to “key influencers”;

The target…

- Implement new arrangements by May 2015
- Propose new working relationship with new administration, to use Building Britain as its main partner;
- Building Britain to appoint industry members and co-chair of the CLC or equivalent;
- Start work to define more radical actions, greater support from government, and determine a credible roadmap to 2025