



**STRATEGIC FORUM FOR CONSTRUCTION (SFfC) - MAIN FORUM**  
**Minutes of the meeting held on 15 September 2010 at 10.30am**  
**at BIS Committee Room Conference Centre, 1 Victoria Street, London SW1**

**In Attendance:**

**Chairman**

Peter Woolliscroft

**Secretary:**

Jon de Souza

**Secretariat:**

Bridget Fidler, SFfC Coordinator

**Guests:**

Paul Morrell OBE, Chief Construction Adviser

Tony Mulcahy, BIS

Kevin Thomas, Integration Task Group (ITG)

Gren Tipper, Constructing Better Health (CBH) Board

Denis Walker, Director of Construction BIS

**Members:**

**Construction Products Association**

Michael Ankers OBE, Chief Executive

**Construction Industry Council**

Graham Watts OBE, Chief Executive

Gordon Masterton, Deputy Chairman

Jack Pringle, Vice Chairman

**UKCG/Construction Alliance**

Rosemary Beales, National Director

CECA - CA

Brian Berry, External Affairs Director FMB - CA

Mark Wakeford, Managing Director, Stepnell - CA

**NSCC/ SEC Group**

Suzannah Nichol, NSCC Chief Executive

John Nelson, Executive Secretary SEC Group

Martin Davis, SEC Group/ITG

**Construction Clients' Group**

Simon Diggle, incoming CCG Chairman

**Apologies:**

Bill Bolsover, Chairman Construction Products Association

Keith Clarke, Deputy Chairman CIC

Trevor Hursthouse, Chairman SEC Group

Stephen Ratcliffe, Director UKCG

Alan Ritchie, UCATT General Secretary

James Wates, UKCG Chairman

<b>1.00</b>	<b>Welcome and introduction</b>	<b>Action</b>
1.01	Chairman, Peter Woolliscroft (The Chairman) welcomed members and guests to the meeting. For the benefit of guests and representatives who had not attended meetings previously he asked everyone to introduce themselves.	
1.02	Apologies were noted (listed on page one). UKCG members were unable to provide a representative due to other commitments therefore their seats were passed to CA.	
1.03	The Chairman spoke for a few minutes about what he believed the focus of the SFfC should be under his chairmanship. The Chairman noted that two main issues had come out of the meeting with Mark Prisk MP: procurement and the Low Carbon Agenda. He intended that under his chairmanship the SFfC would focus on these key topics, particularly in relation to the public sector, and aim to produce core pieces of influential work. In relation to procurement, the Chairman said he would like the SFfC to examine how the supply chain feeds in to the process and how to activate the supply side to improve performance. He noted that the SFfC would contribute to the major work PM had been progressing on the Low Carbon Agenda.	
1.04	The Chairman believed the SFfC should make clear recommendations and produce (more) tangible outputs. He noted that the ITG and Sustainability Task Groups were doing this however, as had been noted in previous meetings, these actions were not well publicised. He would like to see the Task Groups' activities 'signed off' at Main Forum meetings so that everyone would be fully aware of the SFfC's actions beyond the discussion forum.	
1.05	The Chairman encouraged the SFfC to look at themselves in relation to the rest of the industry and ask the question are we truly reaching the whole of industry and if not, how can we address the situation? He said there would be tasks for members to do in their own sectors; the work outside the Main Forum would be crucial to the success of the SFfC agenda.	
1.06	<p>The Chairman noted some 'housekeeping' points. He highlighted the importance of submitting papers in advance of meetings to allow members enough time to review all the papers; via the Task Groups, the Executive Group or noted for the following meeting.</p> <p>It was agreed that in future amendments to the minutes would be made via e-mail prior to the meeting to allow more time for discussion.</p>	
1.07	In conclusion, the Chairman thanked Graham Watts (GW) and the	

	former chairman, Nick Raynsford MP, for their help in preparing for The chairmanship. He noted that NR would continue in the role of Economic Task Force (ETF) chairman.	
<b>2.00</b>	<b>Minutes of the Meeting held on 23 March 2010</b>	
2.01	Gordon Masterton (GM) pointed out that he had been recorded as 'Graham' rather than 'Gordon' Masterton in the list of attendees.	
2.02	Mark Wakeford (MW) believed the tone of the minutes did not reflect the tone of some of the discussions. He suggested the words 'may' and 'might' be replaced with 'will' and 'would'.	
2.03	Michael Ankers (MA) said that under item 2.07 the exchange about low carbon should record the statement that if sustainability cost more it would not be on the agenda. Bridget Fidler (BF) said she would make the amendments.	<b>BF</b>
2.04	Item 4.00: Members said it would be useful to have a summary of the Sustainability Task Groups activities and purpose. BF would contact Jane Thornback.	<b>BF/JT</b>
2.05	Item 4.08: Jon de Souza (JdeS) said the CCG has aligned its work and does not have a separate carbon group any longer.	
2.06	Item 5.02: It was noted actions had been followed up. JdeS noted the request for data on projects still stands. He asked members to contact Kevin Thomas (KT) or himself	<b>All</b>
2.07	It was noted that an update from the 2012 Task Group report sub-group would follow, once the group had met.	<b>JdeS</b>
2.08	The minutes were accepted, subject to the amendments. There were no matters arising (not covered by the agenda).	
<b>3.00</b>	<b>Update from Chief Construction Adviser</b>	
3.01	<p>At the request of The chairman, Paul Morrell (PM) gave a detailed update on the progress of the Low Carbon Construction Innovation and Growth Team (IGT). It should be noted that part of the IGT's remit is to identify barriers to improved performance by the UK industry and make recommendations.</p> <p>PM said that their current report was near completion and would be out on 29<sup>th</sup> September. PM felt the report was very much an industry product as around 90 people from the industry had been engaged in the process. The report would be launched with cross-Government support including support from BIS and the Treasury.</p>	

3.02	<p>PM reported that the Government was very much focusing on efficiency gains and major suppliers had been called in for negotiations. He noted Frances Maude MP, Minister for the Cabinet and Paymaster General, had been looking at the top tier of the (construction) supply chain with a view to developing a strategy that would achieve significant, long term gains rather than 'magical' quick wins; he was looking at how and what could be built for less without loss of quality while adhering to best practice principles. Maude had set up meetings with the top 30 industry people to discuss the way forward, the main objective being to obtain better value from public procurement.</p>	
3.03	<p>PM noted that the Construction Clients' Board (CCB) would undergo some changes. It was envisaged that there would be a supply side Forum that would be more structured and positive. It had been suggested that not everyone on the Board was fully engaged and attendance (at meetings) was random. He said the CCB was scheduled to meet on 16<sup>th</sup> September and it was expected to identify and re-focus on a handful of key issues, including fair payment and public specification for pre-qualification, with the emphasis on bringing about change and embedding best practice.</p> <p>PM said BIS had been working on simplifying the prequalification process and a standard and methodology would be agreed on 16<sup>th</sup> September. He noted it will be possible to differentiate; there will not be a standard process that results in candidates qualifying everywhere or nowhere. All can 'come to the market' but they would be required to use the same methodology. PM hoped the upper tiers of the industry would adopt the same process for pre-contractors.</p> <p>PM expected these initiatives would be rolled out across local and central Government. He predicted it would take several months however over time PM believed millions of pounds of waste would be eliminated from the process.</p>	
3.04	<p>PM said that they were looking at the most intelligent use for digital data and data systems; how data might be applied to building infrastructure management and asset management. He said Government was examining what systems were in use and how interoperable they were. PM noted that previously Governments had tried to instigate one system across the board and this had generally created more problems. The current approach would see a gradual change which would allow work streams to continue to flow while changes were made. He said public sector clients would be consulted through the process and Andrew Smith MP remained involved. The Chairman thanked PM for his useful and comprehensive update.</p>	
<b>4.00</b>	<p><b>Main Discussion – Integration and Procurement</b>  <b><i>How can the industry help Government, as a client, get better value</i></b></p>	

	<b><i>via improvements in integration and procurement?</i></b>	
4.01	PM noted that the questions most frequently asked were: if integration is such a good idea why does industry not just do it? And: what does the client need to do to enable integration on a project? PM feared that it was not top of the agenda for Tier Ones, and much of the supply chain did not consider it a priority either; though he suggested it depended on how questions were posed as they might well be working in an integrated way but not labelling it as such.	
4.02	PM believed that good value procurement and a Low Carbon agenda were achievable through integration; integration was therefore key to change. He noted that the SFfC was the only place where the whole industry met and the onus was on the SFfC to progress change.	
4.03	Members discussed the various barriers to change. The Chairman said that, on the issue of pre-qualification, having to belong to so many 'clubs' such as Constructionline was a barrier.	
4.04	Michael Ankers (MA) observed that Local Government tends to have a list of preferred suppliers and asked PM if they would be encouraged to look to other suppliers. PM said that this was one of the issues that Andrew Smith and his team were addressing. He hoped industry would take a lead on the pre-qualification process and set a positive example for Local Government.	
4.05	GM queried whether there was an agreed, objective methodology of measuring real benefits. PM responded that in regard to the issues of prequalification and fair payment it was possible to quantify the damage caused by adhering to the status quo. He believed that savings of around 30% could be achieved, though the figure varied between sectors. He noted that schools are benchmarked therefore the savings are apparent to the client; and the (engaged) client knows what they are paying for.	
4.06	The Chairman asked members to consider the areas where savings could be made in their own sector. John Nelson (JN) suggested that exemplar pilot projects should be given a higher profile to provide tangible evidence to doubters; proof to clients in particular that savings are achievable.	
4.07	Kevin Thomas (KT) said, having worked closely the ITG, the fact industry was not fully integrated did not mean it was not the best way forward. He was concerned that in the current financial climate there would be an emphasis on achieving the lowest price, not the best outcome. He believed the SFfC needed to promote value over price.	

4.08	<p>Rosemary Beales (RB) believed that procurers working in multi-tiered organisations did not feel empowered to enact change or take perceived risks. She said the culture was stopping the innovation that stops costs being driven down. Jon de Souza (JdeS) concurred and noted that Central Government appeared to be going down that route as Government funding, not necessarily Government procurers, focused on lowest price.</p>	
4.09	<p>MW said that as a Tier One contractor he has an integrated team and was able to knock prices down below LIFT*. However, he said how pricing is done becomes a time issue; if he was allowed the time to access best value he would do it</p> <p>* NHS Local Improvement Finance Trust (LIFT)</p>	
4.10	<p>Suzannah Nichol (SN) noted that MW had given a clear reason why he could not always achieve best value and that this was the fundamental type of information that was needed to demonstrate what works, or does not.</p>	
4.11	<p>MA asked for greater clarification on why time was such an issue. MW said that he had to employ three teams of designers to work on three surgeries as each had differing design elements and had to be costed separately. This required more time and had to be done far up stream on the projects. He felt that the client needed to be more informed as well.</p> <p>MW said he aimed to use the same supply chain on repeat projects and had done so on a schools project. He believed the second school built using the same supply chain was better as they had been able to apply what they had learned on the first project to the second build.</p>	
4.12	<p>MA said MW's example demonstrated additional barriers: not using standard components, which added cost, and a client that was not informed enough to consider the issue. He noted that a piece of work existed on standard specifications (as he had been involved with it) however the recommendations had not been adopted.</p>	
4.13	<p>GM noted that the bidding process was time consuming and consequently deterred new entrants. KT agreed a shorter tendering time would be welcome although he believed more time should be allowed at the concept stage.</p>	
4.14	<p>Jack Pringle (JP) noted there was a difference between early collaboration and integration. He believed early collaboration definitely had benefits.</p>	

4.15	<p>Simon Diggle (SD) said the SFfC should consider what integration means when put into practice. He noted the CCG was looking at the issue from the perspective of public and private clients. SD said the CCG was also considering the overall impact of the 'change challenge': how the business case can be demonstrated and how to deliver change.</p>	
4.16	<p>Martin Davis (MD) took members through a paper tabled on behalf of Rudi Klein (SFfC05/10/02A), who was unable to attend but wished to contribute to the discussion.</p> <p>MD said they (SEC Group) felt that the supply side needed to come forward and establish what they could do to become more involved; and not just Tier Ones. He said the procurement system encouraged a 'silo mentality' rather than team working. MD applauded the promotion of BIM (Building Information Modelling) as a positive step towards integration.</p> <p>MD proposed they have several pilot projects like the Partnership for Schools programme that would allow doubters to see integration in practice. He said there needed to be a methodology cost plan at the beginning of a project. SEC Group was confident that improvements of at least 13-20% could be made.</p> <p>MD noted waste is embedded but could be routed out via integrated team working. He believed if you got the team right, making improvements not reinventing, all things were possible.</p>	
4.17	<p>Commenting on MD's paper, PM noted that integration often ignores design. In his discussions with Tier Ones PM had encouraged them to engage with architects; he said designers should be brought into the supply chain. PM said he did not disagree with the wisdom in MD's paper however he did not feel it was a coherent proposition for the whole industry. He believed there was still too much onus on the client.</p>	
4.18	<p>MD did not think designers were being squeezed out as the Target relating to integration and procurement requires all sectors to get involved.</p>	
4.19	<p>KT commented that, as a client, he had found that the supply chain usually agrees to any working method therefore not just Tier Ones should be involved. He also felt that the supply chain was unlikely to inform the client if they believed they were doing something wrong.</p>	
4.20	<p>The chairman concluded the discussion by setting members a piece of work. He asked members to consider the following question:</p> <p><i>From the perspective of the organisations you represent at the SFfC,</i></p>	

	<p><i>what do you believe to be the barriers to delivering projects with efficiency savings? These barriers may be related to procurement or supply chain integration but could equally encompass both areas.</i></p> <p>Members were asked to identify up to ten barriers and forward their findings to JdeS to collate and produce a paper for the Executive Group who would review the responses before presenting at the next Main Forum meeting. The question would be forwarded to members who had given their apologies.</p> <p><a href="mailto:Jonathan.desouza@constructingexcellence.org.uk">Jonathan.desouza@constructingexcellence.org.uk</a></p> <p>The Chairman apologised for the tight timetable but the aim was to include the findings in PM’s report scheduled for publication in November.</p>	<p><b>All/ JdeS</b></p>
<p><b>5.00</b></p>	<p><b>Report from the Executive Group</b></p>	
<p>5.01</p>	<p><b>Integration Task Group (ITG)</b>                  JdeS reported that he had contacted individuals regarding the second iteration of the ITG. However, he believed it would be a good idea to wait until the piece of work on barriers to integration had been completed before convening a meeting. Members were in agreement.</p> <p>JdeS reminded members that the ITG outputs presented at the last Main Forum meeting could be accessed via the <i>Are we there yet?</i> portal on the SFfC web site.</p> <p><b>The Silver Report – industry improvement targets</b>                  JdeS noted that there was a piece of work underway to look at responses to the Silver Report. SN was pulling this together and would forward to BIS in a couple of weeks. He said the Executive Group was already scheduled to cross map the Silver Report against the SFfC Commitments and identify gaps and overlapping issues.</p> <p><b>Communications</b>                  JdeS reported that the Executive had discussed issues around the visibility of the SFfC and its Task Groups. It had been agreed that a press release would be produced following each Main Forum meeting. And the Communications Sub-group would be reinstated. He said the Communications Group would look at ongoing issues such as the profile of the SFfC, working more closely with the press and the dissemination of Task Group outputs.</p> <p>JdeS said the Executive were in agreement that the SFfC web site needed refreshing and to this end he asked members to forward pictures of themselves and their umbrella bodies’ logos to himself.</p>	<p><b>All</b></p>



	<p><b>SFfC Terms of Reference</b>                  JdeS noted that the SFfC’s operational guidance and Terms of Reference were currently being reviewed and would be available for comment at the next Main Forum meeting.</p> <p><b>Sector Skills Councils</b>                  JdeS reported that there had been a discussion about the relationship of the Sector Skills Councils to the SFfC. Formerly CITBConstructionSkills had been an observer on the SFfC but their involvement had lapsed. The Executive had agreed to wait until the new Government made its announcements on Skills Councils before making any approaches to the Skills sector.</p> <p><b>Health and Safety</b>                  JdeS said the Executive had agreed the following points:</p> <ul style="list-style-type: none"> <li>• The H&amp;S Group would become a group-in-waiting that convenes as and when an issue arises, following the model of the 2012 Task Group</li> <li>• The chairman of the H&amp;S Group will be the SFfC’s permanent H&amp;S champion and any issues arising are initially referred to him/her (to determine whether the Group should take the issue further)</li> <li>• A more formal relationship is established with CONIAC</li> </ul> <p>There no objections from Main Forum members. All were in agreement that a SFfC H&amp;S Group in some form was needed and it would need its own Terms of Reference.</p> <p><b>2012 Task Group</b>                  JdeS said that a sub-group had been formed to find out how widely the 2012 Commitments were adopted and how effectively they were employed while the ODA was managing the overall project. The sub-group had held its first meeting on 9<sup>th</sup> September, so there was little to report as yet, however he noted that a process for gathering the data had been established and an approximate timeframe agreed. It was expected that the work would continue into early 2011.</p>	
<p><b>6.00</b></p>	<p><b>Any Other Business</b></p>	
<p>6.01</p>	<p>GT took members through the paper. In summary: GT noted that a clear picture of the extent of ill health did not exist in the industry and the CBH had created a scheme to address this issue. The CBH believed the scheme to be in jeopardy as it might lose its financing. Currently CSES was funding the scheme however they expected the industry to take over the funding very shortly. GT asked the SFfC to endorse the scheme so that they could progress the scheme further and secure the financing. He believed the industry would step forward if the SFfC had</p>	

	<p>given the scheme its approval.</p> <p>The Chairman asked members if they wished the SFfC to endorse the scheme. MW asked for more time to consider the proposal. GW agreed and suggested the umbrella body H&amp;S groups needed to review the scheme. It was agreed that the matter should initially be referred to the SFfC Executive who would decide whether to take it forward and respond swiftly to the CBH. It was noted that the paper needed to be officially signed off by the CBH before it went to the Executive</p>	<i>GT/ JdeS</i>
6.02	<p>Denis Walker (DW) noted that there had been a change in the allocation of responsibilities in the BIS Construction Sector Unit (CSU) following the departures of David Turner and Clive Young. He said the departures would be a real loss to the CSU, both professionally and personally. Their responsibilities were now shared between the following members of staff:</p> <p>Publicly Available Standard/Constructionline, Health and Safety – Tony Mulcahy Trustmark and Secretary to Major Projects Group of the Low Carbon Construction Review – Barry Blackwell Skills and employment – John Newman</p> <p>DW asked SFfC members to contact him if their trade associations or businesses would be interested in seconding an individual to the CSU. He noted they would not be able to bear any of the costs of the secondment. DW believed s/he would find the work interesting, enjoyable and stimulating and learn a great deal about the processes of Government and the public sector.</p>	
6.03	<p>The chairman asked members to consider any regulations not helpful to the SFfC when reviewing the Terms of Reference and Operational Guidance. It was noted that the details of the SFfC's structure were available on the SFfC website.</p>	
<b>7.00</b>	<p><b>Dates of next meeting - 10<sup>th</sup> November 2010</b> The meeting closed at 12.20pm</p>	