



Shaping public
construction



Annual Conference 2018

Welcome from SCF Team



Top factors for high
performing/collaborative teams



What are the top factors that provide high performing, collaborative teams?

What benefits can be achieved when teams are truly collaborative?

Discuss



What does truly collaborative
look like?



Rapid updates: Brexit

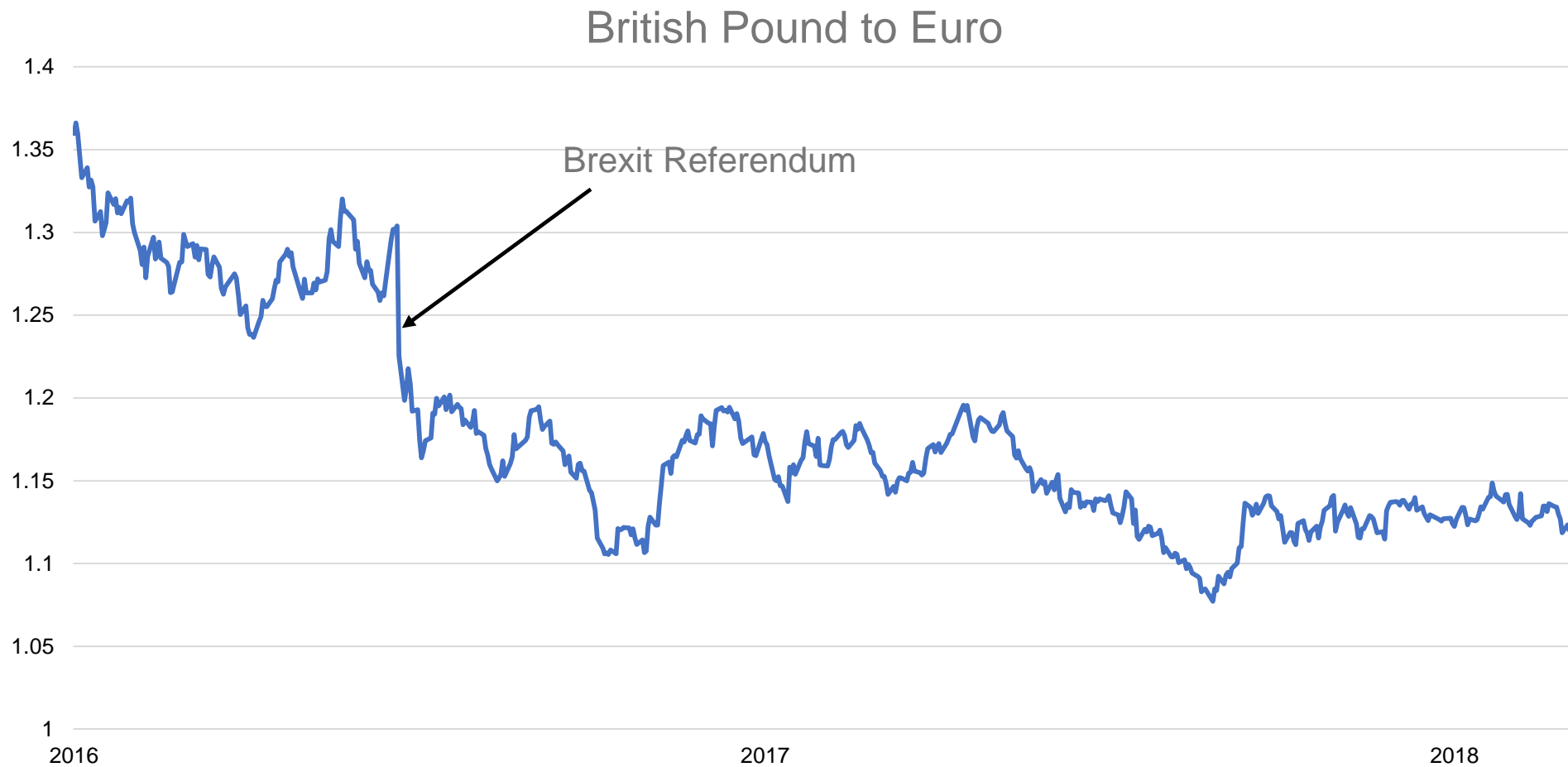


Key impacts of Brexit – March 2018

- Exchange rate & knock on effect
- European labour shortage



Sterling to Euro exchange rate



Exchange rate knock on effects

- Energy dense material / supplies
- High transport cost materials / supplies
- Foreign materials or supplies (not just European)
- Reduced labour supply – Sterling worth less to foreign workers



Brexit conclusion

- Inflationary pressure ongoing (potentially until Brexit concluded)
- Inadequate inflationary allowance – Project risk
- BCIS not working well – too historic
- Carefully look at cost pressures on packages



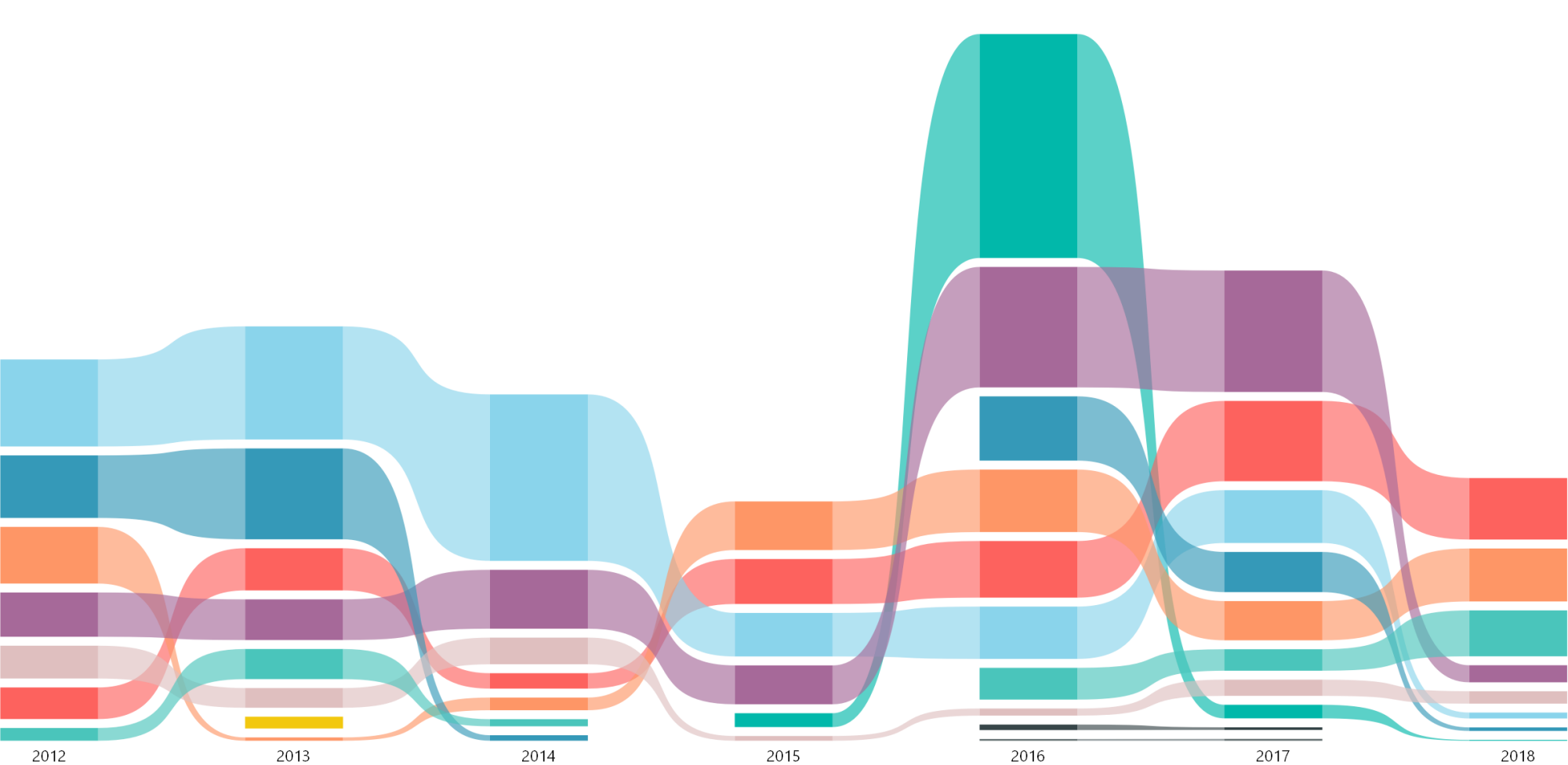
Rapid updates:
Framework update



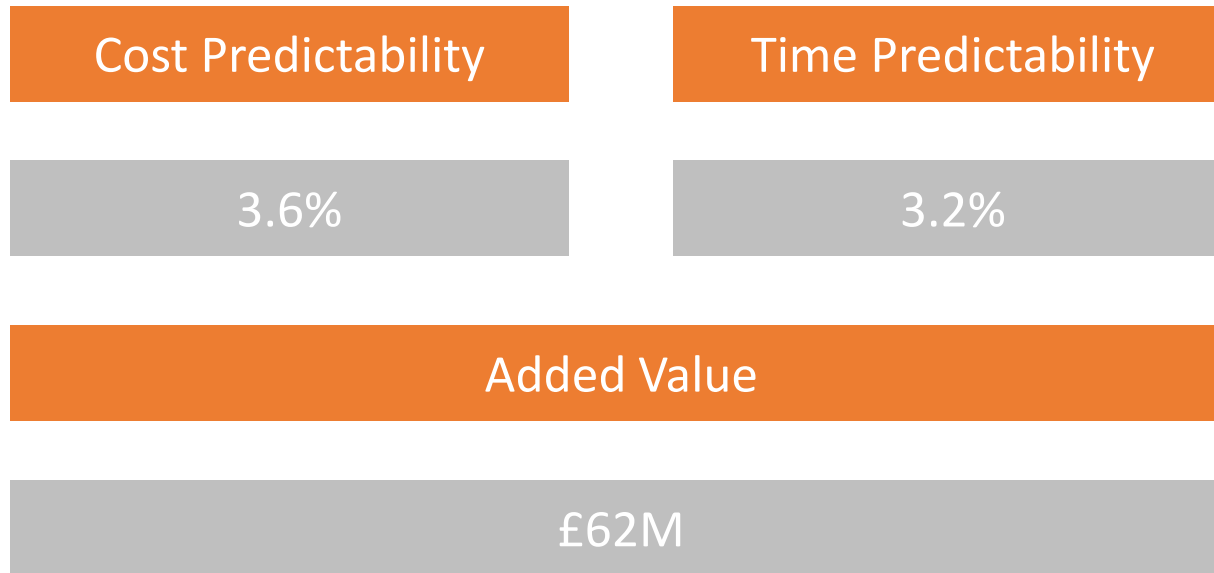
Market Sectors

Current Forecast Construction Cost £ by Year and Sector

Sector Central Governm... Charity/Third Sec... Civic/Community Education Education - Com... Education - Prim... Education - Seco... Education Furth... Fire, Police & He... Housing/Suppor... Sports & Leisure

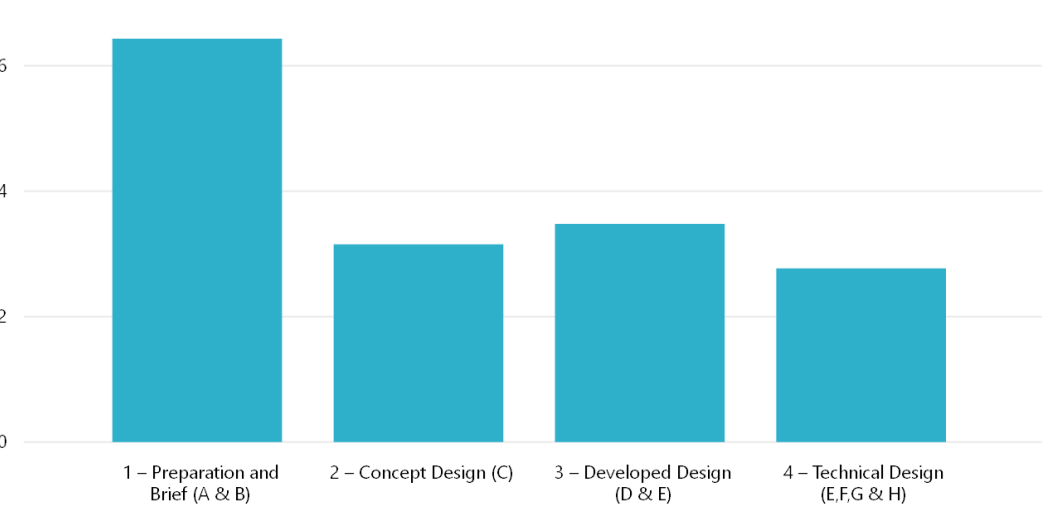


Cost and Time predictability

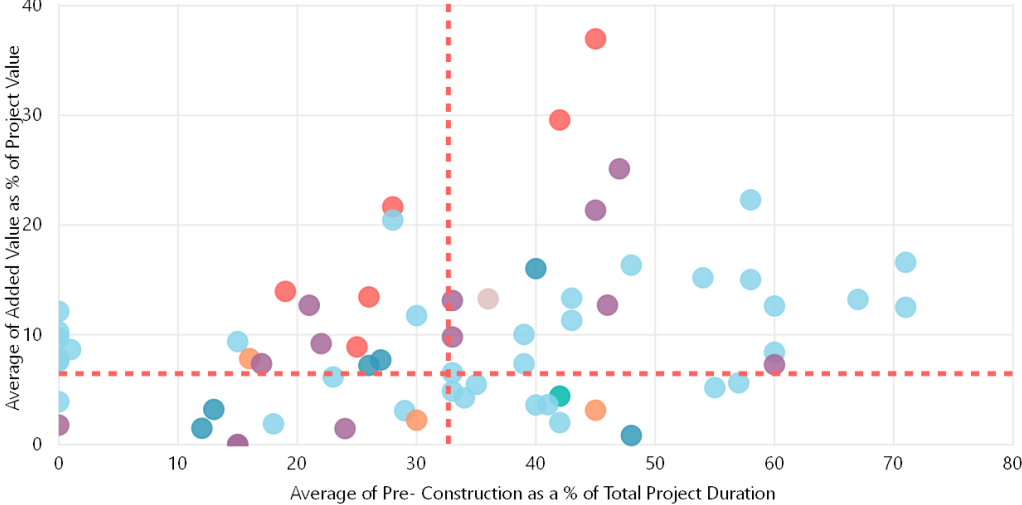


Added Value

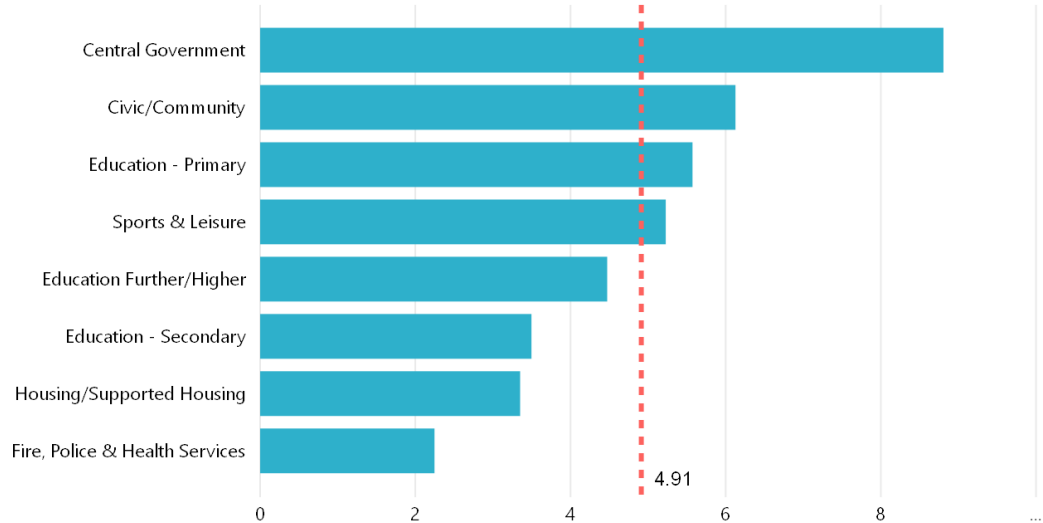
Added Value by RIBA Stage of Entry to the Framework



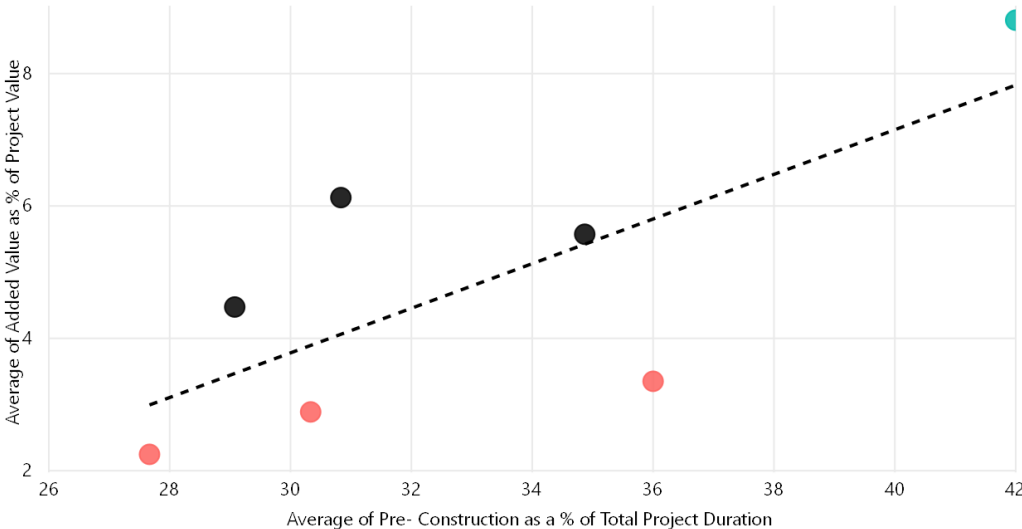
Added Value vs Pre-Construction Period



Added Value by Sector

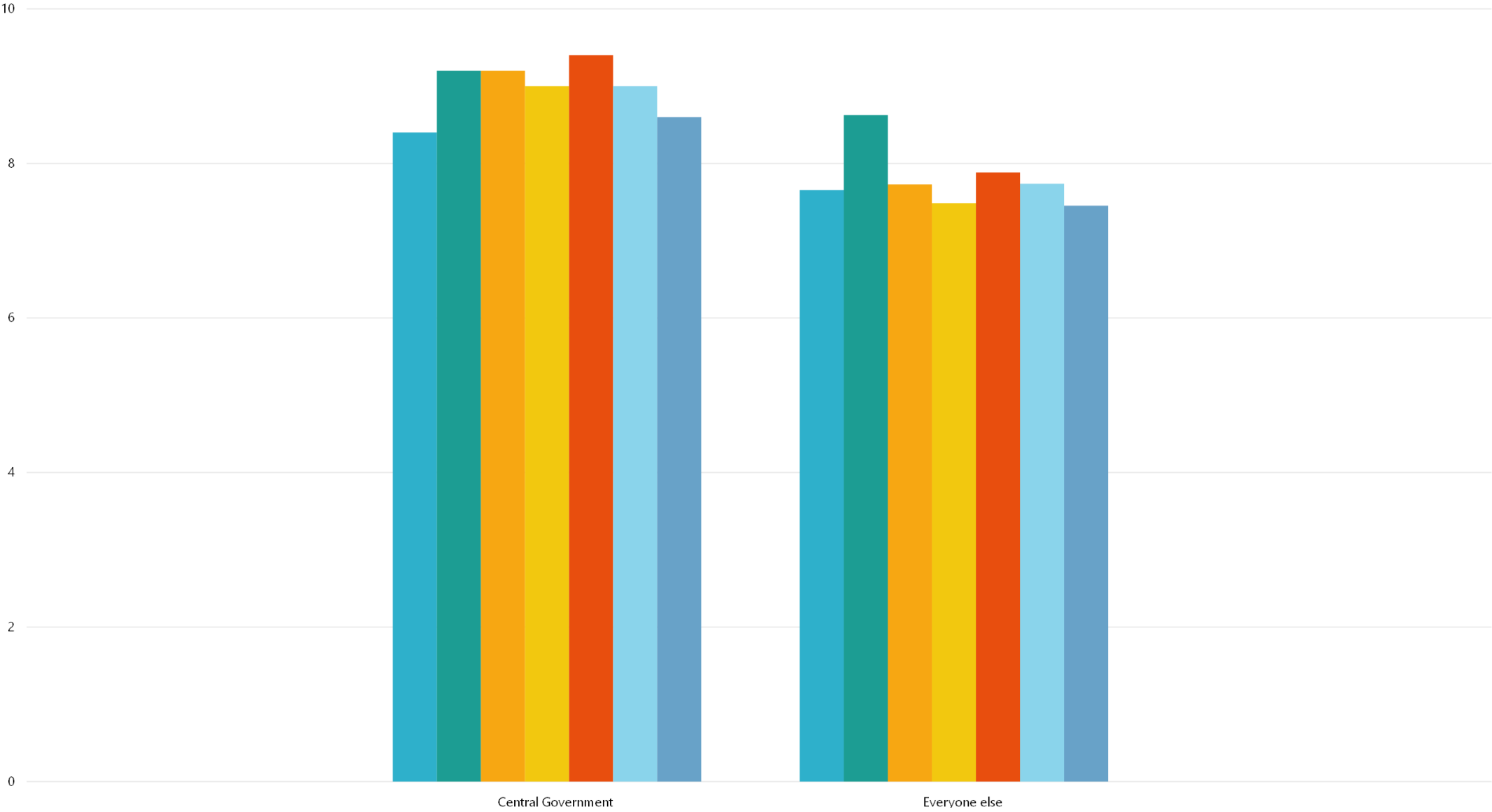


Added Value vs Pre-Construction Period (by Sector)

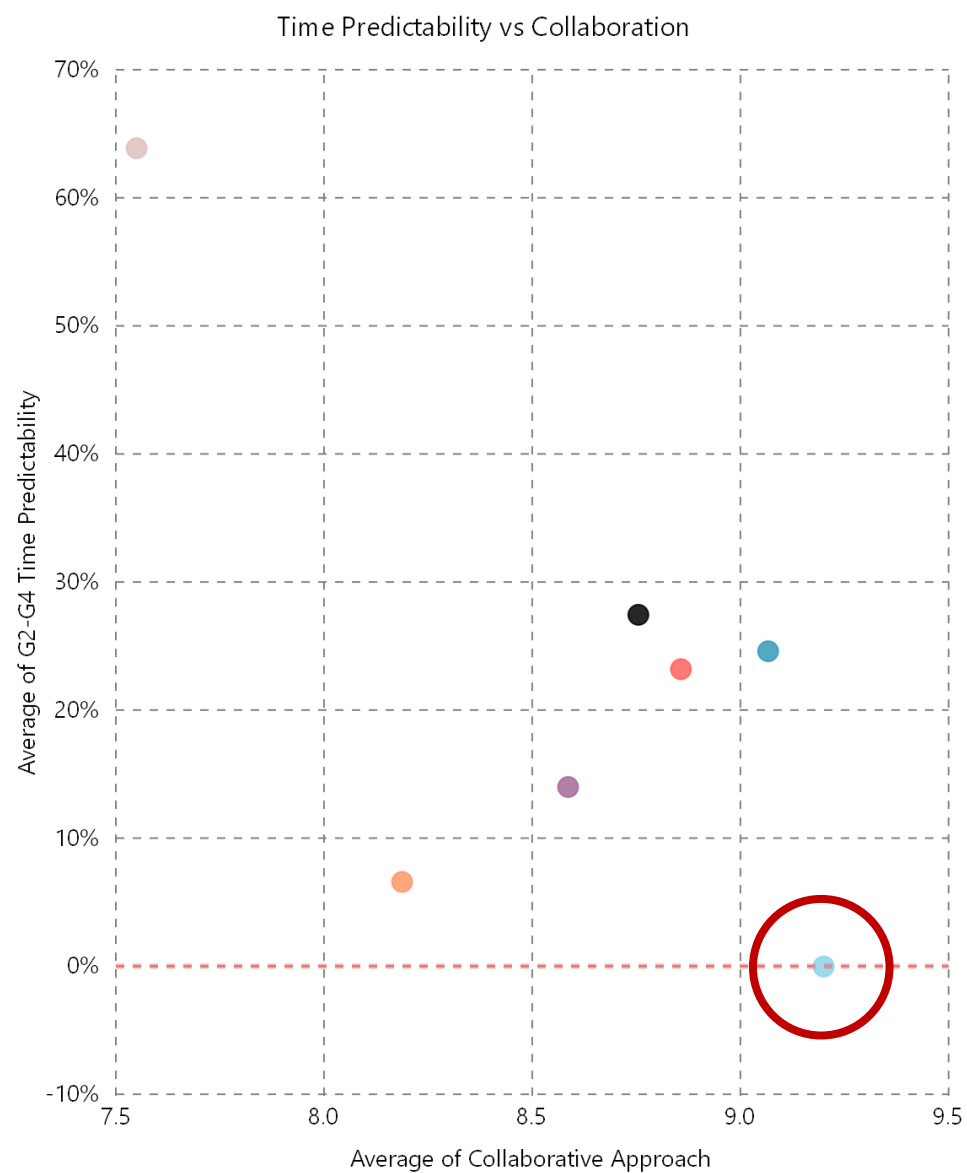
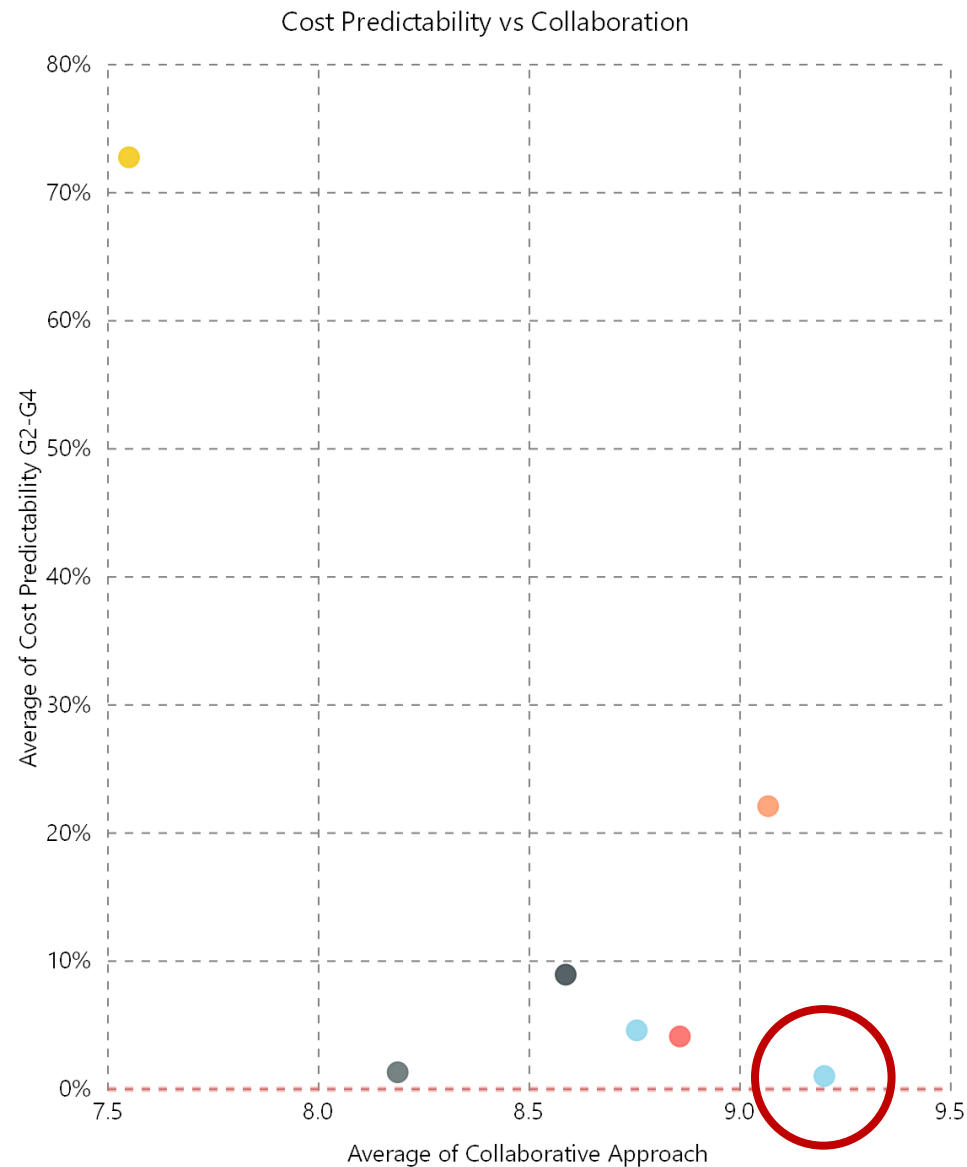


Framework KPIs

Framework KPI performance



Does being collaborative improve predictability?



Takeaway

- Engage early with the Framework
- Allow enough time in pre-construction
- Collaborate



Rapid updates:
Framework development



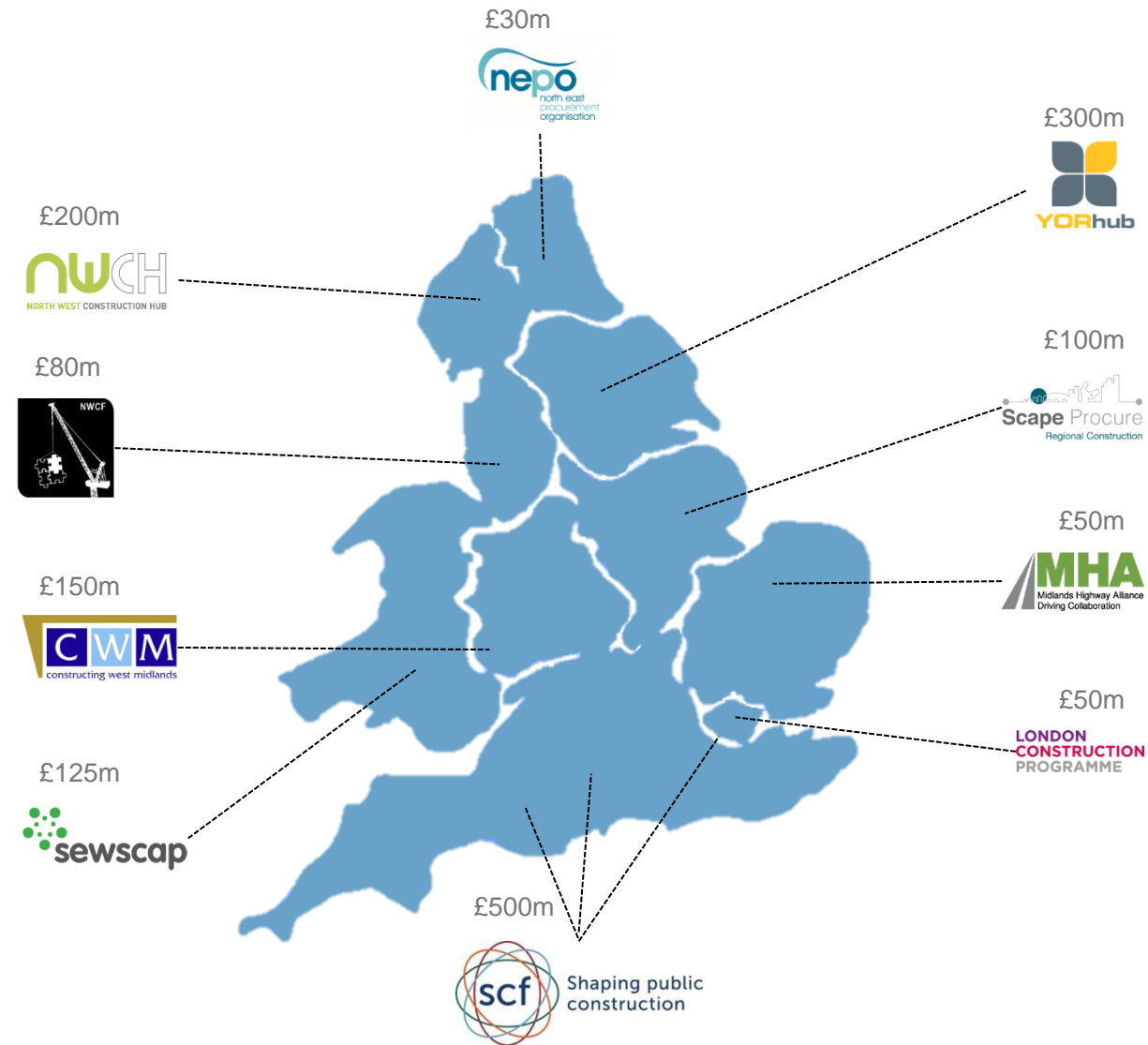
SCF aims to be:

- Trusted partner for construction
- Source of market intelligence
- Positive experience with real benefits
- Vehicle for delivery of social value
- Engaged with and fair to supply chain



NACF

- Projects valued at over £1.5bn delivered annually
- Founding member of the NACF



NACF vs National KPIs

	NACF	National
% Projects completed on time	75%	55%
% Projects completed on budget	76%	64%
% Payments made on time	91%	79%
Client satisfaction - defects	86%	73%

NACF Sample based on 600 projects with value of £1.2bn in 2016

National figures derived from 2016 CITB UK Industry Performance report by Glenigan



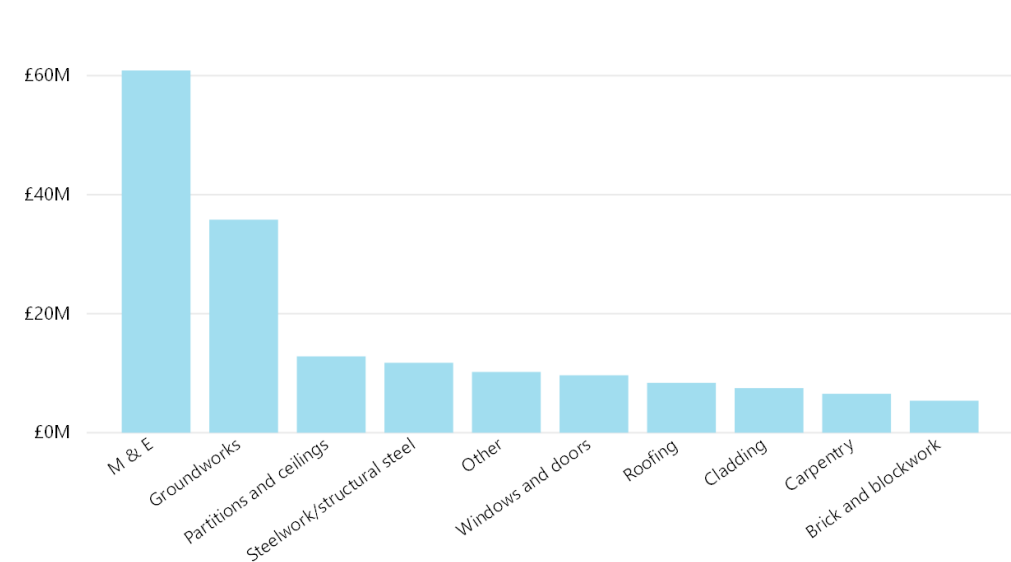
Further developments

- On line “Passport” training all contractor staff
- CPD training on two stage open book “on demand”
 - More than 10 sessions, 150 staff
 - More arranged
- Successful H&S Expo events

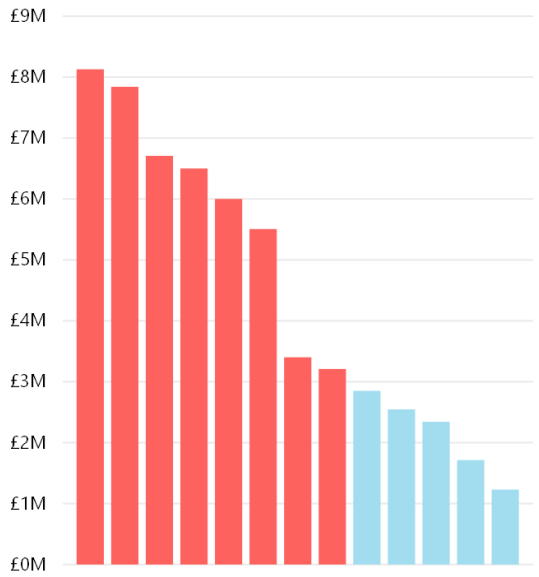


SCF Supply Chain analysis

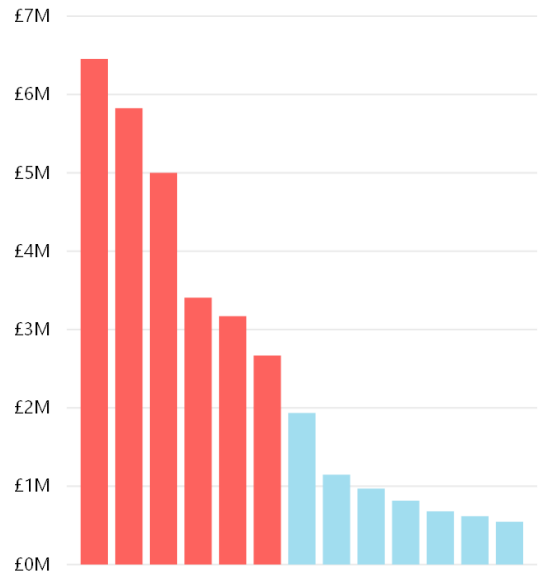
Total package value across SCF



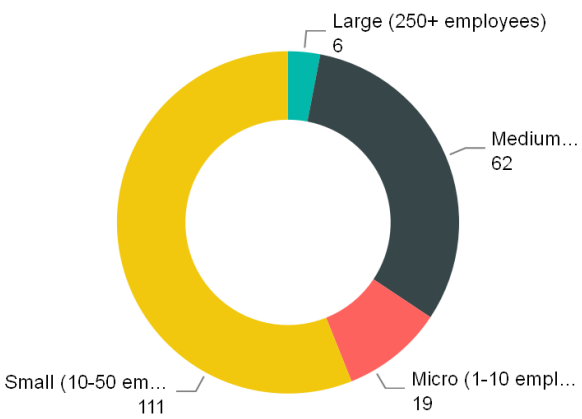
£ spend per sub-contractor - M&E



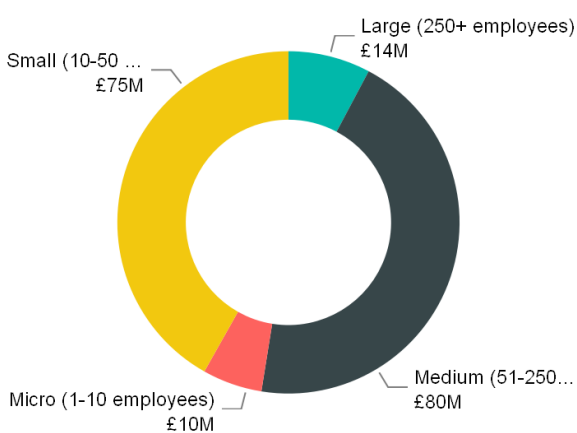
£ spend per sub-contractor - Groundworks



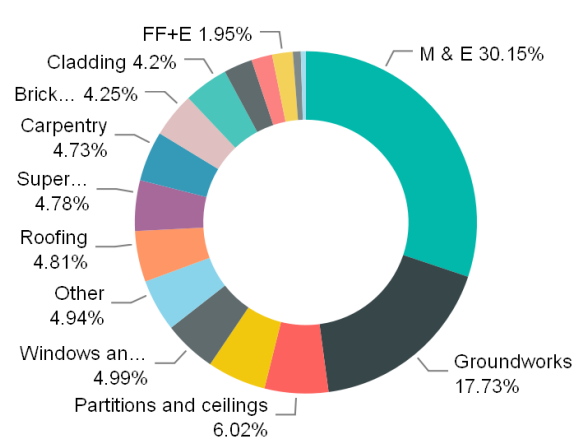
Number of SMEs by size



Value (£) of spend with SMEs



Package value as % of total value of all of s/c packages by trade



Rapid updates: NEC4 – What's new?



NEC4 – What's new?

Jessica Taylor – Partner - Ashfords



Jessica is a Partner in the Construction and Engineering Team at Ashfords solicitors. She has over 25 years' experience in advising on construction and engineering law.

Jessica's expertise includes working with local authorities and social housing providers as well as banks, contractors and consultants on a wide range of projects in a number of sectors including development and regeneration as well as in the commercial, hotels and leisure and healthcare sectors.



NEC4 – What's new?

- NEC publishes contracts for various uses including Engineering and Construction Contract, Professional Service Contract, Term Service Contract, Supply Contract.
- NEC contracts are designed to facilitate and encourage good management of risks, using clear and simple language.
- NEW contracts in the NEC4 suite:
 - Design Build and Operate Contract;
 - Alliance Contract (due to be published this year);
 - Professional Service Subcontract;
 - Term Service Subcontract;
 - Dispute Resolution Service Contract.



NEC4 – What's new?

- Evolution not revolution.
- Suite updated and streamlined.
- Changes in terminology (e.g. Scope, Client, Early Warning Register).
- New core clauses to address common Z clauses.
- New secondary options.
- Amendments to payment provisions.
- Additional compensation events.



NEC4 – What's new?

Stephen Homer – Partner - Ashfords



Stephen is a Partner in the Construction and Engineering Team and Head of Adjudication and Arbitration services at Ashfords solicitors.

He specialises in construction law disputes and negotiating and drafting construction contracts. He is also a practising construction adjudicator and Fellow of the Chartered Institute of Arbitrators. Chambers legal directory 2017 describes Stephen as *"a really knowledgeable, experienced construction lawyer"*.



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NEC4 – What's new?

Catherine Welch - Senior Associate - Ashfords



Catherine is a Senior Associate in the Construction and Engineering Team at Ashfords solicitors.

She has extensive experience in drafting and negotiating construction documents for all types of public sector, commercial, large-scale residential and renewable energy development projects. Catherine has particular experience advising on NEC contracts, including advising members of the Hinkley Point C supply chain.



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Break



Over **65%** of Framework
spend is with SMEs



99% of projects completed with 0
reportable accidents



Over **99%** of payments to the
supply chain are paid within 30
days



The SCF has delivered over **2500**
trainee weeks for Trade
Apprentices



36 Management Trainees have
completed their Apprenticeships with
over **80** more than half way there



Framework Contractors have delivered
over **£60m** in added value to public
clients



The SCF has been utilised to deliver
£2bn of Public Sector projects



We work with over **60** Public
sector Clients



Projects range from **£1m to £200m**



Panel debate

Cash is King – Panel Debate on Project Finance



Pete Gladwell -
Head of Public
Sector
Partnerships -
LGIM Real
Assets



Jane Kemp -
Adducere LLP



Patrick Clarke -
Barrister – Atkin
Chambers



Mark Poppy -
Strategic
Director – Public
Sector PLC



Panel debate

Cash is King – Panel Debate on Project Finance



Mark Hammersley -
Strategic Director -
Public Sector PLC



Robert Jones -
Adducere LLP



Rebecca Dury -
Partner - Ashfords



Nick Harris -
Licensed Insolvency
Practitioner –
Francis Clark



Panel debate

Cash is King – Panel Debate on Project Finance



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Chambers



How does two stage open
book drive the correct quality?



How does two stage open book drive quality?

Library of Birmingham,
2014 Stirling Prize, shortlisted



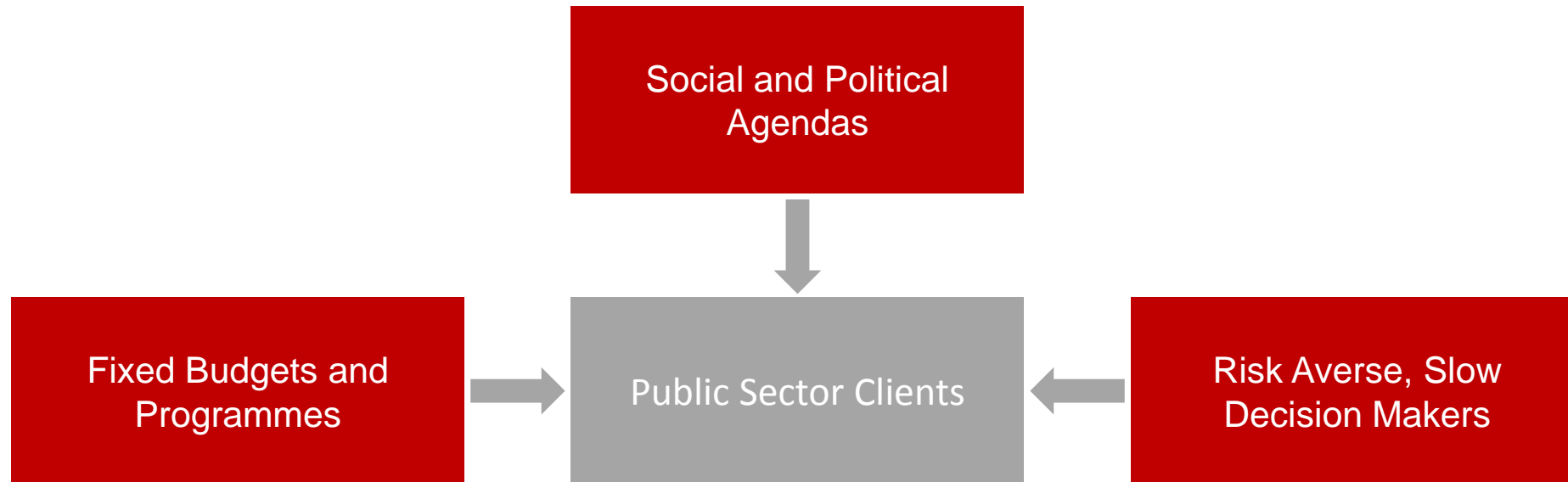
Ikea Better Shelter, Lesbos
(Design of the Year 2016, winner)



Urban Rigger Student Housing, Copenhagen
Danish Design award 2017 finalist



How does two stage open book drive quality?



How does two stage open book drive quality?

Quality is in the eye of the beholder!

Conclusion



Questions



Awards



Close





Shaping public
construction

www.scfsolutions.org.uk