



UCH Macmillan Cancer Centre  
Winner, PM's Awards 2012

## GOVERNMENT CONSTRUCTION NEWSLETTER - MAY 2013

### *Message from Peter Hansford, Government Chief Construction Adviser*

I'm delighted to introduce this latest edition of the newsletter; it will give you a flavour of the good work which has been going on across industry and government to achieve procurement reform in government construction – all towards our goal of reducing the cost of government construction procurement by 15-20% by the end of 2014/15.



I have found it a very busy, but very enjoyable first six months in my new post. I have tried to meet as many colleagues as possible. For those of you I have not yet met, I look forward to doing so in the coming months.

In particular my time has been taken up with leading the development of an Industrial Strategy for Construction. This will set out a vision of where the industry will be in 2025 and set out the steps we need to take to get there. Central to this is close collaboration between Government and industry, and I have been really impressed with the level of engagement with this work from across Government and across the industry.

Crucially, we don't want to duplicate or disrupt the good work that is already going on. The Industrial Strategy will therefore build on existing initiatives: the Government Construction Strategy, Infrastructure Cost Review, and Green Construction Board. It will provide context and coherence, and will define the linkages between them.

A number of new work streams have also been undertaken, and these include: innovation; exports; the supply chain; skills; SMEs; whole life value; access to finance and work on the image of the industry.

The strategy is scheduled to report in the summer. Expect issues like skills, access to finance/fair payment, supply chains, innovation, importance of a more coherent voice for the sector, and export potential to feature strongly.

## Trial Projects Winter Event

A Trial Project launch event was hosted by RICS on 29 January 2013 at Parliament Square. The event was a huge success based on the level of attendance by 100+ government clients and supply chain members. This included SMEs, with representation from the full range of construction related disciplines. The purpose of the Trial Projects Winter Event was to foster open and honest dialogue between government and industry in discussing opportunities to drive out waste, improve efficiency, and foster innovation. The event was opened with key note speakers such as the Government Chief Construction Adviser, Peter Hansford, and the Chief Operating Officer, UK Government, Stephen Kelly.

Delegates then engaged in small groups in an information sharing and feedback gathering format called Information Hubs. The Hubs focused on the three new models of procurement (cost led procurement, integrated project insurance and two stage open book) as well as associated cross-cutting themes (Building Information Modelling, Intelligent Client and Lean Sourcing).

A link to a 'Storify' of the event including Talking Heads and presentations from the day is included at: <http://storify.com/cabinetofficeuk/government-construction-winter-event>

Further information on the procurement models being trialled is available at: [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/61157/Procurement-and-Lean-Client-Group-Final-Report-v2.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/61157/Procurement-and-Lean-Client-Group-Final-Report-v2.pdf)

A précis of the notes from the event is available on request from the Government Construction Team: [GovernmentConstructionTeam@cabinet-office.gsi.gov.uk](mailto:GovernmentConstructionTeam@cabinet-office.gsi.gov.uk)

## DIO Integrated Project Insurance Task Group Trial - RM Lymington, Devon

Defence Infrastructure Organisation (DIO) has now appointed IPI Ltd as specialist advisors and facilitators for the integrated project insurance procurement pilot scheme. This is an important milestone in this project, which seeks to provide a new facility for Specialist Training Wing Royal Marines at Commando Training Centre (CTC) Lymington, Devon. Over the coming weeks the DIO project team and their IPI Ltd colleagues will be mobilising a procurement exercise to appoint further specialists required for the design and construction of the project.

Further information on the procurement models being trialled is available at: [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/61157/Procurement-and-Lean-Client-Group-Final-Report-v2.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/61157/Procurement-and-Lean-Client-Group-Final-Report-v2.pdf)

## Publication of the revised Publicly Available Specification (PAS)



BSI has recently published the revised PAS 91 (2013) which simplifies and improves the standard construction industry Pre Qualification Questionnaires (PQQ). Particular thanks go to all those individuals and organisations that actively played a part on the cross-industry Steering Group that helped to develop the new PAS. The PAS is freely available through this link (once a simple registration has been completed): <http://shop.bsigroup.com/forms/PASs/PAS-91-2013>

## Cabinet Office Minister Chloe Smith meets the BIM2050 Group

BIM2050



On 23 April 2013, Chloe Smith (Minister for Political and Constitutional Reform), met young professionals from the BIM2050 group. BIM 2050 brings together young professionals, from architects, engineers and contractors to legal professionals and surveyors, who will still be working in the construction industry in 2050 to have their say on the future of BIM. Their discussion focused on how digital technologies will provide new career opportunities in the construction industry and how we can prepare ourselves for this change in the future.

The Minister set a challenge to the BIM2050 group: *“How can BIM and its ever open and connected community re-define current construction careers and create new roles not even thought of yet?”* The group will prepare a short report within the next three months highlighting what this could look like at key milestones between now and 2050 and what Government should be thinking about now to aid this transition. As an honorary member of the BIM2050 group the Minister’s involvement will provide support and direction from Government for young talent in the construction industry.

## BIM4SME working group launch

The BIM4SME working group was successfully launched on Monday 15th April 2013 at the Building Centre, London to a full house. The group is made up of individuals from SME organisations that have a passion for Building Information Modelling (BIM) and is focused on supporting the SME community in its understanding and use of BIM, whether they are consultants, contractors, specialists, suppliers or manufacturers.



Cabinet Office Minister Chloe Smith’s speech at the event highlighted the importance of SMEs in the BIM journey and cited many examples of how BIM is helping create SME growth in the UK through BIM know how.

The Minister’s speech can be viewed here: <https://www.gov.uk/government/speeches/chloe-smith-speaks-at-bim4sme-building-information-modelling-launch>

The Minister, Peter Hansford (Government Chief Construction Adviser) and David Philp (HMG BIM team) participated in a panel question and answer session. Feedback from the launch event and subsequent media huddle has been very positive. The Construction Industry Council’s Press Release can be viewed here: <http://www.cic.org.uk/news/article.php?s=2013-04-16-bim4sme-launch>

## **HMG Construction Strategic Supplier Event**

A breakfast event was held on the 8<sup>th</sup> May 2013 for Chief Executives of 30 key strategic construction suppliers for Government. This is part of a series of periodic events set up to have an intimate and open dialogue on key strategic themes of interest to both suppliers and Government as client. The event saw two roundtable discussions on 'Fair Payment' and 'Commercial Relationships'. The discussions were held under Chatham House rules. The emergent themes included aspects of how Tier 1 suppliers view Project Bank Accounts and manage their supply chain cash flow, to models of performance monitoring and closer engagement of industry and Government in championing joint initiatives. The event was attended by Cabinet Office Minister, Chloe Smith, and hosted by the Government Chief Construction Adviser, Peter Hansford. Both gave a clear commitment to keeping the dialogue open on issues raised at discussions and to work closely with industry and SMEs to find lasting solutions. If you are interested in further information on the event please email: [GovernmentConstructionTeam@cabinet-office.gsi.gov.uk](mailto:GovernmentConstructionTeam@cabinet-office.gsi.gov.uk)

## **Update from Infrastructure UK**

### **Infrastructure Procurement Routemap**

After the successful launch of the Infrastructure Procurement Routemap on 28 February 2013, there have been a series of regional road shows aimed at promoting the messages within the routemap and to encourage feedback during the current consultation phase. Feedback so far has indicated a strong desire by all to apply the assessment methodology to their organisations and the projects that they are involved in. Further details on this and the broader Cost Review Programme can be found at: [http://www.hm-treasury.gov.uk/iuk\\_cost\\_review\\_index.htm](http://www.hm-treasury.gov.uk/iuk_cost_review_index.htm)

### **Infrastructure Finance**

The first guarantee for up to £75 million has been offered to Drax Finance Limited for the partial conversion of a coal-fired power station to biomass. The power plant has an installed capacity of 4GW, producing electricity to meet 7% of the UK's electricity demand.

The UK Guarantees scheme has now received over 100 enquires with the deal teams working with sponsors on projects eligible for a guarantee.

### **Cost Review Annual Report 2013**

Work is underway to collate and write the year 2 review of the progress and impact of the Cost Review which is due to be published in June.

## **Cost Benchmarking and Annual Savings for FY 2012-13**

In the run up to the Government Construction Summit on the 2 July 2013, Cabinet Office will provide an update to the benchmarking and savings document that was last published in July 2012. This will report on the progress made by departments in delivering the £350m savings target during 2012-13. It will also outline the downward trends that are already becoming visible in departmental cost benchmark data.

## Visit to Crossrail



Cabinet Office Minister Chloe Smith visited the Crossrail site at Bond Street in March. She was accompanied by Government Chief Construction Adviser, Peter Hasford, and Executive Director of the Major Projects Authority, Juliet Mountford. The visit was hosted by Crossrail's CEO, Andrew Wolstenholme, who is also the Chairman of the joint Government Construction Strategy/ IUK Steering Group.

The visitors were keen to get an insight to the Crossrail project, to see how the Bond Street station works, including a view of what the station will look like when complete.

The visit was very illuminating, in particular, in demonstrating the complexities of building a major development in central London surrounded by businesses and residents. An overview of the wider project including information on progress update, skills agenda, procurement of rolling stock and forthcoming milestones was also provided. It also provided an opportunity for the visitors to understand how Building Information Modelling (BIM) is being used on the project.



## Key upcoming events

### Government Construction Summit 2013

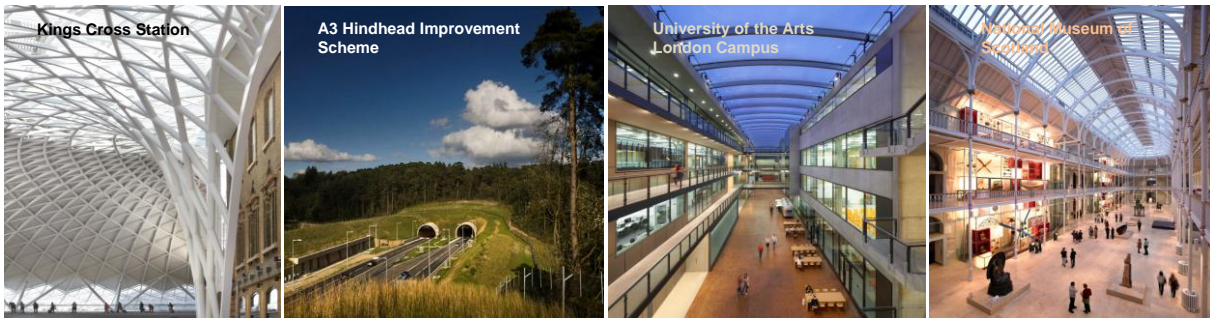


This year's Summit will be held at the Park Plaza in London on the 2<sup>nd</sup> July. There will be the opportunity for high level networking with 600 senior industry leaders and access to experts and policy makers. Speakers include:

- **Chloe Smith MP**, Minister for Political and Constitutional Reform, Cabinet Office
- **Lord Deighton**, Commercial Secretary to the Treasury
- **Peter Hansford**, Government Chief Construction Adviser
- **Rt Hon Michael Fallon MP**, Minister of State for Business and Enterprise and for Energy, BIS and DECC
- **Mark Clare**, Group Chief Executive, Barratt Developments Plc
- **Simon Kirby**, Managing Director, Infrastructure Projects, Network Rail

Further information from [www.governmentconstructionsommit.co.uk](http://www.governmentconstructionsommit.co.uk) and [Click here to book your place now!](#)

## Prime Minister's Better Public Building Award



This award will be presented at the British Construction Industry Awards which will be held on the 9<sup>th</sup> October 2013. UCH Macmillan Cancer Centre won the award last year (see newsletter head image) with a number of other excellent projects ranging from Kings Cross station to Tauntan Third Way bridge short listed as runners up. The Macmillan Cancer Centre was a fine example of a collaborative project with the focus on the “patient journey” which resulted in a building that allows its patients to receive treatment whenever and however they require, while also exceeding energy conservation requirements and completing ahead of schedule.

The entry for the awards closed at the end of March and shortlisted projects will be published at the end of May. Site visits to these will take place during the summer prior to finalising the winner. The awards will be presented at a gala dinner on 9 October at the Grosvenor House Hotel in London. More information is here: <http://www.bciawards.org.uk/563670>

## Saying Farewell to John Ioannou

John was Construction Category Head at the Cabinet Office and retired at the end of April 2013, after nearly 33 years of public service. He joined the Property Services Agency as a graduate engineer working on the design of the Queen Elizabeth II Conference Centre. His career progressed through Property Holdings, the Property Advisers to the Civil Estate, the Office of Government Commerce and the Cabinet Office. He led the OGC Construction team for a number of years, and was personally



responsible for the development and publication of the Achieving Excellence in Construction procurement guides. He has been instrumental in driving forward the inaugural publication and subsequent update of the Government's Construction pipeline, now on its fifth issue. His passion and tenacity in driving forward Fair payment practice within Government's construction supply chains, has culminated in the launch and adoption of Project bank Accounts.

We want these newsletters to generate a two-way **dialogue** and would be very pleased to receive **comments, queries** and **feedback** to [GovernmentConstructionTeam@cabinet-office.gsi.gov.uk](mailto:GovernmentConstructionTeam@cabinet-office.gsi.gov.uk) or [InfrastructureCost@hmtreasury.gsi.gov.uk](mailto:InfrastructureCost@hmtreasury.gsi.gov.uk).

If you would like to be **removed** or **added** to the distribution list for our newsletter please email [servicedesk@cabinet-office.gsi.gov.uk](mailto:servicedesk@cabinet-office.gsi.gov.uk).