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#### **ATKINS**

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#### **Message from** the editor

**I** Intelligence



**INFRASTRUCTURE** 

his current edition of Infrastructure Intelligence highlights an issue that is increasingly becoming one of the hottest topics facing the construction sector – and that topic is social value.

Social value is increasingly being highlighted as a crucial requirement on construction and infrastructure projects, but how often does the industry ask itself the question: "What is the purpose of infrastructure?" Surely, the primary purpose of infrastructure and the built environment is serving the needs of communities, delivering better social outcomes and improving the quality of people's lives. So, social value should be an intrinsic part of what our industry does on every project.

But how good is our industry at putting people and their needs at the very heart of the way in which we design and deliver projects? What can we do to ensure that infrastructure is maximising all the opportunities available to it to leave a positive social legacy for the communities in which we work? Here at *Infrastructure Intelligence*, we are trying to help answer those questions.

On Friday 26 March, in association with our strategic partner BECG, we are organising a special online conference that will take a deep dive into the issue of social value and construction and look to map a way forward that can future-proof projects for generations to come and help to deliver a social legacy for construction and infrastructure.

I'd urge all our readers to check out the conference programme on page 16-17 and book a free place at what should be a fascinating event. I look forward to seeing you there!

#### Andy Walker,

Editor, Infrastructure Intelligence 07791 997602 awalker@infrastructure-intelligence.com

## Edinburgh unveils ten-year transport plan

dinburgh City Council has unveiled a ten-year transport plan to deliver what it describes as a better connected, net zero carbon transport system, a healthier environment and a thriving, inclusive capital.

The council says its *City Mobility Plan* has been inspired by forward-thinking cities around the world embracing challenges posed by climate change, poverty and inequality.

Amongst measures included in the plan are the commitment to encourage a change in public behaviour towards the use of sustainable transport, the expansion of the tram and mass rapid transit network, improvements to bus routes, creating 'mobility hubs' in existing communities and new developments and introducing a city operations centre to monitor traffic.

Additionally, the plan pledges to create more liveable places less dominated by motor traffic and to build on the city's network of walking, wheeling and cycling routes. The final plan follows several years of engagement with the public, stakeholders and partners, and centres around three themes - people, movement and place

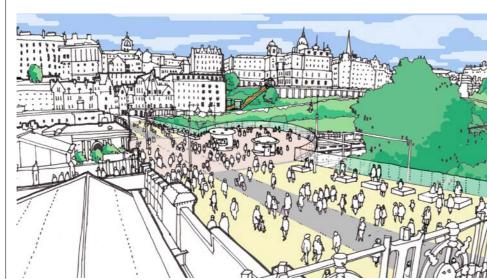
Lesley Macinnes, Edinburgh City Council's transport and environment convener, said: "The finalised *City Mobility Plan* recognises the need to revolutionise the way we move around the capital if we are to tackle the host of challenges we face, both locally and on a global scale. Transport is the



biggest generator of carbon emissions in Edinburgh and our commitment to be net zero carbon by 2030 depends on a step-change in the way we travel, a change which would also significantly impact on air quality, congestion and road safety.

"This is a bold, forward-looking strategy, befitting of this pioneering city, which will transform our streets, neighbourhoods and connections with the rest of the world for generations to come."

The updated plan acknowledges the impact the Covid pandemic has had on transport demands and mobility patterns, and how a green recovery can harness the associated effects of lower traffic levels.



## Liverpool city region sets out hopeful vision for town centres

n independent business and public sector commission established by the Liverpool city region combined authority has published its vision for prosperous local town centres, which they say will help drive the city region's post-Covid recovery.

Chaired by Dr Sarah Longlands, director of the influential IPPR North think tank, the commission found the Covid-19 pandemic has had a very severe impact on the Liverpool city region and has accelerated many of the challenges that local town centres have faced in recent years.



economy. Their vision for prosperous town centres would deliver places that:

However, they also found that town

centres are vital to communities and the

- Anchor social, cultural, and economic value.
- Belong to communities.
- Connect people and places.

Dr Sarah Longlands, chair of the Liverpool Town Centres Commission, said: "The commission's report is a first step in trying to understand what the pandemic will mean for the future role of towns across the city region. As we try to see a future beyond Covid-19, we must come to terms with how town centres have changed and the challenges and opportunities that this presents for all of us. We hope that this report contributes to that task".



## Yet another construction minister unveiled

Berwick-on-Tweed MP Anne-Marie Trevelyan is the government's latest construction minister after Kwasi Kwarteng left the role to become secretary of state for business, energy and industrial strategy in January.

Trevelyan becomes the latest in the long line of UK construction ministers and the third in less than three months. She was handed the construction brief as part of her new role as minister of state for business, energy and clean growth. As construction minister, she will also continue in her role as the UK's international champion on adaptation and resilience for the COP26 presidency, supporting countries vulnerable to climate change to adapt to its impacts and build resilience.

The latest construction minister has served as MP for Berwick-on-



New construction minister, Anne-Marie Trevelyan.

Tweed since 2015 and previously served as secretary of state for international development and on the public accounts committee. Prior to joining parliament, she worked as a chartered accountant.

At just one month, Kwasi Kwarteng's stint as construction minister was the shortest in history, beating fellow Conservative Lord Henley who held it from October 2017 to January 2018. Kwarteng only became construction minister on 10 December last year, when previous construction minister Nadhim Zahawi was given responsibility for overseeing England's vaccine roll-out.

In an open letter to the construction industry on leaving his role, Kwarteng praised the role of the industry during the pandemic. "It is vital that construction continues through these unsettling times and I want to reassure you that the government values the crucial contribution your sector is making. Whether delivering on large or small construction sites, and in peoples' homes across the country, in builders' merchants, designing and project managing schemes or producing construction and mineral products, you are making a major contribution to the economic recovery following Covid-19."

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## Passionately promoting the north west

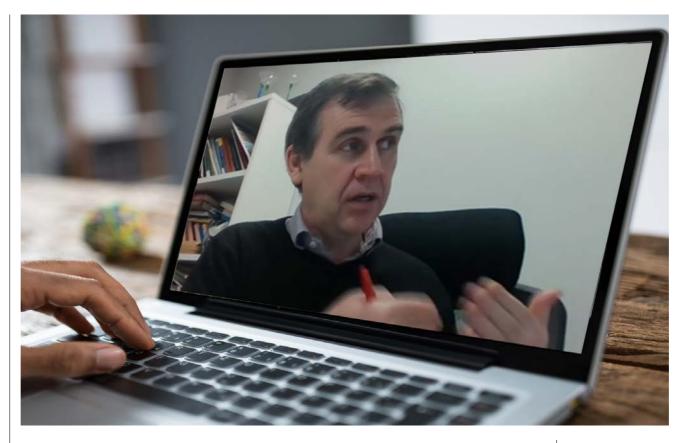
The new chair of ACE's north west group, Sean Keyes, is a strong advocate of the SME sector in his region and the valuable role such firms play in the construction sector. Andy Walker caught up with him recently for a chat.

ean Keyes, managing director of civil and structural engineering firm Sutcliffe, has a no nonsense, straightforward approach that you sense will stand him in good stead in his new role as chair of the north west group of the Association for Consultancy and Engineering (ACE). He's passionate about ensuring that SME firms like his own have a voice in the industry - a voice that is too often ignored according to Keves.

"Most business is undertaken in this country by SMEs and we are the companies that are supporting the bigger companies. I wanted to make sure that the SME companies have a say at the party," said Keyes who is also keen to speak up for his region. "In my mind, the north west is probably the second biggest economy outside of London which makes it very important for UK plc. Construction in the north west is a fundamental part of the economy as we build hospitals, roads, schools, houses and the general infrastructure that goes around it. It's engineers and ACE members who are undertaking those projects," he said.

Keyes has been a vocal advocate for a number of years about the levelling up agenda and it's clear that under his leadership ACE members in the north west will have a strong voice. "ACE is a fantastic lobby group, working with others to ensure that the construction agenda is being pushed in a professional way and having a group of people who are representing us at the top table is vital," he says.

I ask Keyes if he thinks that the government is taking the north west seriously as befits a regional economic powerhouse with the potential to be a regional economic driver. "There's still more movement that needs to be made in this area," he says. "On a positive note, I have felt that the current prime



YouTube Channel Type Infrastructure Intelligence in YouTube or <u>click</u>

minister has been more supportive of the north west than maybe other leaders have been in the past and I hope that this continues," says Keyes, who also thinks that there is a particular responsibility on the region's political leaders to listen and to deliver.

Another area that Keyes is keen to see progress on is attracting new people into the industry, particularly women, who remain underrepresented in the construction sector. "We need to get more young people into our industry and

encourage more women in particular," he says. "That has been happening, but the rate isn't as fast as I would like. There is no reason why, for the majority of positions in the construction industry, that there shouldn't be a 50-50 split between men and women," says Keyes, who wants to see more women who are figureheads across the industry. "We need to go back to the schools, improve our profile, work on the brand of construction and promote it as a clean industry and one where you can

build a steady career with opportunities for travel. We need to push all these things," Keyes says.

North West

Getting more firms involved with ACE will also be a key priority for Keyes. "Being a member of ACE in the north west gives firms access to up-to-date information about what's happening in our industry. During the Covid period, we have had close contacts with other members from across the UK, so even though we are typically a north west based organisation I was getting a perspective of Scotland, Northern Ireland, Wales and people from the south east and the south coast," he says. This rounded overview of the industry is a key benefit of involvement in the north west group that Keyes hopes more firms will tap into going forward.

"All this information is accessible to our members here in the north west and can help people to improve their organisations. We also get feedback on what is happening at the top of the industry, some of which hasn't even been made public yet," he says.

As we finish our interview, Keyes reflects on the fact that Sutcliffe is 35 years old this year - "a momentous year that we will never forget," he says. The firm is working on a number of flagship projects, including the Royal Liverpool Hospital, a billion pounds worth of homes on Merseyside and a 450-home apartment scheme in Liverpool docks. "There is plenty of work," he says. "Another real positive is that during this period we've seen turnover and profitability remain at close to pre-Covid levels. So, we have managed to keep a very steady ship during the difficult period," says Keyes.

Finally, I ask him what one thing he would change about the industry. "I think it would probably be how we pay each other and work with each other," he says. "Many people are paying promptly but there are still some of the larger organisations who slow payments down – not all of them – and how the industry works with each other by making sure the money moves round the circle fast is important. If you have one person in that chain who is slowing the payments down, then that has a negative impact right the way round to everyone," says Keyes.

Working together better for the benefit of all is a good way to sum up Sean Keyes's approach to business. It's clear that ACE North West will benefit from his leadership over the coming year.

**Technology Environment** 

## Data is the oxygen for any business

Data may well be the new oil, but the ability to interpret it properly is the oxygen for any business. Rob O'Connor reports on a webinar discussing how digital transformation can help the UK build back better.

n influential panel of industry big hitters discussed the key role of data in transforming construction at a special business webinar organised by Infrastructure Intelligence and Atkins earlier this year.

Data - the foundation of construction transformation, saw Atkins UK CEO Richard Robinson headline a top line-up of Mace chief executive Mark Reynolds, Alison Atkinson, CEO at the Atomic Weapons Establishment and Stephen Dance, the director of commercial advice and delivery at the Infrastructure and Projects Authority.

Building on the conclusions of a successful industry roundtable held on this issue last October, Richard Robinson said: "Digital transformation is not a new topic, but it's more important than ever before. The Covid crisis has underlined the need to stimulate the economy and our industry has a crucial role to play in building back better."

Asked how he saw data impacting decision-making around infrastructure delivery, Robinson said: "I think, put simply, we'll be able to actually do some decision making. It would enable us to make decisions on a minute-by minute basis, rather than weeks or months as has previously been the case. It would help the industry work faster, cheaper, and much more effectively for everyone."

Mark Reynolds, Mace chief executive, said: "Some say data is the new oil and if the past ten months are anything to go by, that's certainly true." Covid had forced the industry to work differently, said Reynolds. "It took the coronavirus pandemic to get our teams and clients



to realise the real value of data and what can be achieved if you think enterprise and data. The power of data is transformational at every level and essential if the industry is to make the improvements we are all striving to achieve," he said.

Alison Atkinson, CEO and managing director at the Atomic Weapons Establishment, said: "Data, and the ability to interpret it properly, is the oxygen of any business." Stephen Dance, director of commercial advice and delivery at the Infrastructure and Projects Authority, agreed, saying that digital transformation provided a "massive opportunity" for the industry to help the UK build back better as part of the post-Covid recovery. "Without breaching people's personal data, I would like to see data become free for the common good - and I'd like to see information shared as benchmarks for best practice," he said.





## Give us your views on net zero

*Infrastructure Intelligence* editor, *Andy* Walker, is urging all readers to have their say on how the construction sector delivers on net zero by taking part in a new industry survey.

onstruction professionals, who will have a key role to play in delivering net zero, should take five minutes out of their schedules to take part in an important industry survey on the issue. Infrastructure Intelligence has teamed up with Tarmac to conduct an important piece of research aimed at providing a snapshot of views and attitudes to carbon reduction and net zero. I'd urge all our readers to take part in this important survey to ensure that they have their say on this vital issue facing our industry.

This unique piece of research, Clean construction: unlocking net zero, will deliver essential insights from industry decision makers about the key challenges being faced on the journey ahead to net zero. Our readers' views will be vital in making

delivered will have a critical role in how the UK achieves the government's ambitious carbon reduction targets, but less clear is whether the strategies, skills and necessary behaviours are yet in place to seize the net zero opportunity. As part of a data gathering exercise, anyone working across the sector - from clients and contractors to consultants and suppliers - is being invited to take part in a short, five-minute survey to share their views, opinions, and experience.

this research as up to date and as

The way new infrastructure is

relevant as possible and I'd urge

everyone to take part.

Against the backdrop of a growing climate emergency, there is a clear opportunity for the industry to understand how the UK's infrastructure pipeline can be successfully delivered to underpin the transition and ultimate delivery of a net zero society. It's also vital that we as an industry recognise the opportunities and barriers ahead and that's why we are working with Tarmac to ask the sector these important questions and assess the industry's views.

Whether you're a client delivering one of the UK' largest infrastructure projects or a supplier providing essential goods and services, we want to hear from you. We're very grateful to anyone able to give just five minutes of their time to fill out our simple survey and we look forward to sharing the results and insights in a few weeks' time.

Once the survey has closed, Tarmac and *Infrastructure Intelligence* will be analysing the results and combining it with other data to produce a report highlighting the key findings and outcomes. The report will provide an important snapshot of UK infrastructure, including essential insights into the current market sentiment towards net zero together with commentary and analysis on the steps the sector can take to deliver on its environmental targets.

Click here to take part in the Clean unlocking net zero



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## Global infrastructure faces \$7 trillion challenge



The climate challenge and Covid recovery is estimated to require at least \$7 trillion a year to meet global infrastructure needs says a new report from FIDIC, writes *Andy Walker*.

lobal infrastructure could require at least \$7 trillion spending on it every year if the world is to address the growing climate emergency and recover from the effects of the Covid-19 pandemic, according to a new report issued in February by international engineering federation FIDIC, the International Federation of Consulting Engineers.

FIDIC's first 2021 State of the World report, entitled Time to \$Tn-vest, recommends a renewed and massive global effort to improve infrastructure spending to meet the investment challenge facing the world which would amount to a doubling of current infrastructure investment to at least \$7 trillion. If the investment is not made and/or if the need is not lowered through innovation, FIDIC says, then meeting the UN's sustainable development goals (SDGs) and making a full economic recovery from the Covid pandemic will be placed in jeopardy.

The *Time to \$Tn-vest* report highlights that the Covid pandemic and its economic effects, combined with the continued lack of investment to meet current infrastructure needs, let alone the SDGs, has created "the challenge of all challenges" for the world. "Never has the infrastructure sector faced such an extreme set of challenges concurrently. There is no longer just a gap of trillions of dollars in investment for current needs, but trillions more is needed to meet the SDGs and further trillions to repair and stimulate the economy following the impact of Covid," says the report.

To address the challenge, the report makes three key recommendations:

1. A renewed global effort to improve infrastructure spending to meet the investment challenge facing the world.

- Create global financial mechanisms to support sustainable investment and end all carbon intensive investments and the burning of fossil fuels.
- 3. Improved yearly global monitoring to ensure that infrastructure investment and maintenance spending is actually being undertaken in a sustainable way to meet the investment gap caused by years of underinvestment.

Speaking at the launch of the report, FIDIC chief executive, Dr Nelson Ogunshakin, said: "Our Time to \$Tn-vest report shows that the world faces a massive challenge for infrastructure. We not only need to meet the current investment need and the UN SDGs investment need, but we also need to address the significant economic need as a result of the Covid crisis. Infrastructure can provide a major economic stimulus to the global economy if we are calculated, coordinated and importantly sustainable. This report therefore explores the challenge, competitiveness, risks and threats and proposes a stabilising mechanism to help us make this transition.

"Given the scale of the challenge we face and what will be needed to address it, FIDIC will not only continue to work in partnership with the international multilateral development banks, but increasingly also with global sovereign wealth funds and private investors to ensure that both the financing and funding requirements



Writing in the report, Sir Danny Alexander, vice president and corporate secretary of the Asian Infrastructure Investment Bank, said: "The Asian Infrastructure Investment Bank (AIIB) is pleased to contribute to this report that highlights the multitrillion dollar challenge the infrastructure sector is facing not only in light of meeting current needs, but also in light of the UN sustainable development goals and the potential new challenges caused as a result of governments taking proactive action against Covid-19, possibly the worst pandemic of several generations.

"Tackling climate change and ensuring sustainable economic growth is the most pressing medium-term challenge for the sector and for humanity and will also be a major focus for AIIB over the next decade. We are therefore encouraged to see FIDIC creating debate about mechanisms to shift capital envelopes and investment towards a more sustainable future."

Also writing in the report, Tracey Ryan, managing director of Aurecon, New Zealand, said: "The trillion-dollar infrastructure challenge has opportunity written all over it. As an industry, we have an amazing opportunity to shift the dial on sustainability by directing the investment towards more sustainable infrastructure solutions. For the engineering industry, we need to rise to the challenge. We need to dream, we need to believe, we need to push to make our voices heard and be creative with solutions that drive a better future."

FIDIC president William Howard said that engineers would play a key role in addressing the global infrastructure challenge and FIDIC stood ready to act. "If recent events have taught the infrastructure community anything, it is that it needs to be bold and not necessarily in ways that would have been anticipated five years ago," he said. "The role played by the world's engineers, turning visionary ideas into reality, will be crucial going forward as the global environmental problems that we now face can now only be solved by engineers and engineering bringing the full range of their skills to bear with the ambition of the SDGs as their primary driver and taking account of climate change, social equity, environmental protection and human development," said Howard.





Read more online at www.infrastructure-intelligence.com

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## Construction needs to adapt to Covid challenges

he pandemic is one of those once-in-a-generation events which challenges our assumption that we understand all the risks for construction projects. The last comparable event was the petrol blockade of 2000 and it is not clear what impact Brexit may yet have.

When extension/compensation events, loss and expense or 'force majeure' are discussed, we have traditionally tended to use examples which are both extreme and hopefully unlikely - World War III, aliens landing, a dirty bomb. The pandemic is right here, right now and is not going away any time soon.

There is no doubt that the pandemic makes it more difficult and expensive to deliver projects on time. The UK government has, so far, resisted a considerable amount of pressure to close sites, seeing the construction industry as one of the engine rooms of recovery.

The UK government has also made it clear in the latest official guidance that whilst it expects sites to remain open, it also expects contracting parties to act sensibly and fairly to protect jobs in an industry that contributes around 10% of UK GDP. In all new contracts, all of these issues can surely no longer be said to come as a surprise. Contracting parties need to consider carefully what the current impact of the pandemic is, what the costs associated with this are, and then what might happen in future.



Karen Kirkham is head of construction at the UK law firm RDR Pitmans

They need to be open and honest about which of the risks of further restrictions they feel should be borne by which party. They need to benchmark current requirements and guidance on best practice and together agree mitigation and escalation measures for dealing with changes which make it materially more difficult to deliver projects on time and on budget.

Click here to read an extended version of this opinion piece on our website.



David West is an associate ecologist at Tetra Tech.

## Planning a net gain for biodiversity

Planning and development professionals need to consider biodiversity issues as early as possible so that project teams can work together to deliver an optimal outcome.

Providing biodiversity enhancements as part of development has been a requirement under local planning policies for many years and was set out in the 2012 National Planning Policy Framework (NPPF). In recent years, this has been superseded with a focus on achieving biodiversity net gain (BNG), which is defined as leaving sites in a better state for biodiversity than before.

The provision of biodiverse open space has wider benefits for climate change resilience, mental health and wellbeing and promoting physical activity. Open space which includes walking routes can provide connectivity through a site, and larger areas can contribute to local objectives through habitat creation or supporting ecological networks.

Although BNG promises to present a wealth of opportunities for wildlife and nature, as well as high-quality development, it does come with its challenges for developers. It is therefore vital that biodiversity is considered as early as possible, and that the project team works together to deliver the optimal outcome for the site and for biodiversity.

Click here to read an extended version of this opinion piece on our website.



Ross Gissane
is director of lenders
and investors at
Arcadis.

## Safety, sustainability and the cladding crisis

n Englishman's home is his castle, but what happens when that castle is surrounded by £15bn of potentially unsafe cladding?

That's the scale of the crisis we're looking at, with up to 1,700 buildings potentially requiring remediation over the next ten years. It's a big problem and one that the government is only just realising the full extent of.

The announcement of an additional £3.5bn for replacing dangerous cladding is clearly a positive step. But from a practical perspective, it perhaps raises more questions than answers.

If cladding is found to be unsafe, what should go up in its place and will this be government mandated? Who should take responsibility for rectifying issues, from planning to ongoing fire maintenance?

The government takes the issue seriously and recognises that it must intervene to protect both the safety and the finances of homeowners and occupiers. However, we also need to make sure that the root of the problem is being addressed and this means looking at fire safety issues that extend well beyond cladding.

Ensuring public confidence in the safety and standards of the buildings they live in has to be of paramount importance for our industry. Industry and government have a long way to go to restore confidence, with the design and implementation of building safety measures likely to take years.

This latest announcement is a step in the right direction – addressing some of the worst fallout from the Grenfell tragedy. But the measures are for repairs only and far more needs to be done to address systemic faults. They are essential measures but will not solve a crisis that has been building for decades.

Click here to read an extended version of this opinion piece on our website.



**Opinion** 

## Setting new standards for social value

A Costain Skanska joint venture on HS2 is setting a new standard for delivering social value on major infrastructure projects, write *Neal Carter* and *Louise Dailly*.

t the end of 2020, the Costain Skanska joint venture (CSjv) working on HS2 marked a significant milestone by employing over 200 previously unemployed people on the project's enabling works programme and reaching over 11,000 young people in schools.



Neal Carter is deputy programme director at the Costain Skanska joint venture.

A big part of what we do is about contributing to a sustainable future for the communities around us. With the scale and breadth of HS2, there is a perfect opportunity to create lasting outcomes for local people for many years to come, even after our works are completed and the railway is operational, linking up London, the Midlands and the north of England and rebalancing our economy.

By developing strong partnerships with key organisations such as Buses for Homeless, Bounce Back, C4WS, New Horizon Youth Centre, Women into Construction and St Mungo's, we have been able to fully understand the needs of the community and work to find solutions to support these needs. We worked closely with borough councils and local residents to understand their priorities, to ensure the activities we deliver on behalf of HS2 produce meaningful outcomes and longer-term benefits for the community.

Our social legacy programme is fundamentally about improving people's lives – from helping the homeless find accommodation and work on the HS2 programme, to creating career opportunities for young people by developing their science, technology, engineering and maths (STEM) skills.

Proactively seeking positive ways to support jobs, improve outcomes for local people and help community cohesion is one of the most rewarding parts of managing the delivery of a major infrastructure project. The Social Value Portal has independently verified the value of our legacy activities over the last four years, which have achieved an equivalent of £115m of social value across seven London boroughs. Our contribution to the social value supports the long-term wellbeing and resilience of individuals, communities, and society.

#### Working in partnership

Last summer, we built on our social value commitments by becoming a founding partner of the HS2 Empowering Communities initiative, a ten-year social legacy programme for the construction of HS2 in London to deliver long-lasting benefits for local people for generations to come. An industry-first, the programme combines the strengths of Costain, Skanska, HS2, STRABAG, Arup, Mace Dragados, and Network Rail to deliver more, together.

Empowering Communities is unique because it is led by the construction industry, with HS2 as a partner. Another important factor is our collaboration with the community, enabling local people to



Louise Dailly
is head of legacy at the
Costain Skanska joint
venture.

have a say in what the programme delivers for their communities. By working together, we are already seeing a far bigger impact than we could achieve individually and therefore we are confident that this approach will set a new standard for major projects in future. The Empowering Communities initiative will involve us working together to create jobs for the unemployed and homeless, help young people to develop new STEM skills and access apprenticeships, and support community projects.

#### Attracting the talent of the future

Since 2016, we have worked closely with 80 schools across the seven London boroughs on the HS2 route. We have been able to respond to their desire to inspire young people to develop STEM skills and consider future careers paths in this area by providing 80 STEM ambassadors. So far, they have supported 2,247 work placement days.

To support care leavers, who can face additional challenges when entering the world of work, we have partnered with the Care Leavers Covenant. This government-supported initiative supports young people aged 16 to 25, who are recently out of care, to lead independent lives. We have been able to offer mentoring, work experience and jobs.

#### Helping more people into work

Our programme has created jobs for over 200 previously unemployed people and 42 apprenticeships in quantity surveying, business administration, security, and civil engineering. We support Bounce Back, a charity focused on training and employment for exoffenders, which aims to significantly reduce reoffending rates and help individuals to reintegrate into society. Since it started nine years ago, Bounce Back has supported nearly 2,000 people and partners with construction companies who employ their participants. By teaming up with the charity, volunteers from CSjv were able to attend events in prisons across the country supporting offenders.

#### Supporting the homeless to rebuild their lives

Two of the boroughs that we work in, Camden and Westminster, have some of the highest rates of homelessness in London. Throughout the pandemic, homeless charities have been limited in the number of people they can help by social distancing restrictions. Last winter, we established a partnership with social enterprise Buses for Homeless (B4H), who refurbish decommissioned London buses into spaces for eating, sleeping, wellbeing and learning. Our partnership enabled them to run a pilot programme, comprising 12 weeks of structured training designed to support the homeless back into full time sustainable employment, while providing them with a place to live.

We provided equipment and land for the buses and this year they have remained open through spikes in rough sleeping in London, which increased by a third during the pandemic according to statistics from the London Assembly Housing Committee.

We also partner with local charities C4WS and New Horizons Centre who work with vulnerable, homeless and at-risk people. These organisations provide invaluable training and skills programmes, which we have supported through placements and job opportunities. Our work in partnership with charities has helped nine homeless people to find full time jobs working for HS2 at our Euston and Old Oak Common sites. We have been able to welcome new colleagues into security, ground worker and general operative roles.

As the Enabling Works programme starts to wind down, our focus will turn to sharing best practice and handing the Empowering Communities baton to the Skanska Costain STRABAG joint venture on the HS2 main works project, ensuring our initiatives continue to thrive and improve the lives of local people.



Buses for Homeless guests enjoying some downtime on the dining bus.



### SOCIAL VALUE AND CONSTRUCTION

An Infrastructure Intelligence Live online event, Friday 26 March 2021 from 10am - 12.30pm on Zoom

The *Infrastructure Intelligence* Live series of events continues with this online conference looking at one of the hottest topics facing the construction sector - social value. Social value is increasingly being highlighted as a crucial requirement on construction and infrastructure projects, with more and more clients, especially the government, asking for the companies they work with to quantify the social good they can deliver on projects.

This conference, organised in association with *Infrastructure Intelligence*'s Events and Communications Strategic Partner, BECG, will take a deep dive into the issue of social value and construction and look to map a way forward that can help to deliver a social legacy for construction and infrastructure as well as a technical one.

#### becg

Organised in association with in association with Events and Communications Strategic Partner, BECG

#### Conference programme

10am – 10.05am - Introduction
Infrastructure Intelligence Editor, Andy Walker.

10.05am - 10.25am - The government's new social value policy for procurement
Samantha Butler, Head of Social Value and Skills,
Cabinet Office

10.30am-11.15am Panel discussion 1 & Q&A.

11.20am-12.05pm Panel discussion 2 & Q&A.

12.10pm - Summing up Infrastructure Intelligence Editor, Andy Walker.

12.30pm Conference ends.

#### Panel discussion 1

#### What is social value?

This session will look at what is meant by social value, cutting through the jargon and highlighting the key social, environmental and economic impacts in delivering the 'triple bottom line'.

#### **Speakers:**

- Catherine Manning, Interim CEO, Social Value UK
- Natalie Cropp, Sustainability Director, Tony Gee and Partners and Technical Lead (Value Definition), Construction Innovation Hub
- Ally Kennedy, Head of London, BECG
- Peter McDermott, Professor of Construction Procurement, University of Salford

#### Panel discussion 2

#### Delivering social value on construction projects - best practice from the construction industry

This session will highlight some of the social value successes on construction projects and hear from practitioners who will outline best practice and the challenges facing construction professionals and clients alike.

#### Speakers:

- Wesley Ankrah, Managing Director, Seerbridge
- Vicky Hutchinson, Environment practice director, infrastructure UK & Europe, Atkins
- Alison Watson, Chief Executive, Class Of Your Own Limited
- Gerard Toplass, Executive Chairman, Pagabo and CEO of CEO of Social Profit Calculator
- Leighton Cardwell, Cities Director Leeds, Jacobs
- Louise Dailly, Head of Legacy, Costain/Skanska HS2 joint venture



#### **BOOK NOW for Social Value and Construction**



Andy



Wesley Ankrah



Samantha Butler



Leighton Cardwell



Natalie Cropp



Louise Dailly



Vicky Hutchinson



Ally Kennedy



Catherine Manning



Peter McDermott



ott



Gerard Toplass



Alison Watson

























### The UK needs a social value revolution

Embracing social value is crucial to 'building back better' and the common key to understand, address, and resolve the most pressing challenges the UK faces today, says Jacobs' *Donald Morrison*.

s we've surpassed the milestone of 15 million people vaccinated in the LUK, a way out of repeated Covid lockdowns seems to be on the horizon. This is a critical moment to devise a concrete national plan for a full economic recovery across all four corners of the UK. For this to be successful, the UK needs an infrastructure revolution - the key to achieve Net Zero and 'level up' the country. But for this infrastructure revolution to succeed, we must embrace another – the social value revolution. Put simply, we now need to embed social value measurement and analysis at the heart of the UK's postpandemic investment process.

Social value is the holistic impact of a project or investment, which includes sources of value that cannot be defined by conventional market economics. For example, the mental health benefits or sense of safety for a set community. By being people-centred, social value places social outcomes on an equal footing with cost-efficiency imperatives, increasing the focus on maximising long-term benefit and value to all of us socially, environmentally and economically.

The implementation of wellbeing, outcome-focused and social value measurement frameworks has enormous potential to change how future spending decisions are made and could lead to fundamental changes in the way we look at economic growth. The main challenge now is to identify and join up the right vehicles and mechanisms to ensure a systemic approach to generating social value through infrastructure projects.

There are three ways social value can be integrated as a key component in our industry, which will shift the focus to social value outcomes in practice and 'build back better' after the pandemic.



Donald Morrison is senior vice president at Jacobs People and Places Solutions UK/ Europe.



Firstly, we need a procurement framework which creates clear, performance-related contracts where the traditional focus on cost is balanced by rewards linked to social value outcomes. The *Construction Playbook* seeks to correct many of the practices identified as being obstacles to successful procurement and delivery and we welcome its intent around the use of outcome-based specifications with whole life carbon assessments and social value outcomes built in. The government's consultation paper, Transforming Public Procurement, also looks at much-needed regulatory reform to make public procurement more effective in working for the public good.

Simetrica-Jacobs, has also developed the world's first set of equity and welfare weights, using a methodology approved by the Treasury's Green Book, for effectively quantifying social value in infrastructure planning. This enables us to design and implement bespoke social value frameworks, to help our clients understand how they can transform local, city and regional decision-making - identifying innovative, inclusive and ethical investments.

Integrating these and other social value imperatives into a new, UK-wide planning and procurement framework provides the best opportunity to help 'level up' the UK, showing how and crucially where we invest to unlock transformation of our places and deliver better life outcomes. Only with social value at its core will a post-pandemic recovery strategy ensure that communities feel like projects are developed with and for them and are not done to them.

Secondly, improving cross-sector collaboration and project integration is key to embedding social value at the heart of infrastructure development and delivery. Our industry has long been fragmented, most evident in the lack of integrated

planning and delivery across sectors and departments. This results in different approaches to technical standards, funding, procurement and planning, which stifle creativity and innovation and reduce wider societal benefits. However, if we can use one social value measurement system for all, we'll start to see these impacts reverse.

For example, while previously we might have procured a transport project separately from a flood resilience project, separately from an education project, we can now maximise their social value outcomes by integrating them to understand how together they benefit the whole community.

Take the Edinburgh city centre transformation - an ambitious plan to create a more vibrant and people-focused city centre by reprioritising the use of public spaces, roads and streets to create a more active, resilient and inclusive city centre. We worked with the council to build the case for change and the strategy required to deliver it. Focusing on six locations where transformational change could bring about the greatest benefits for people, the environment and the local economy, the transformation sets out a range of interventions for improved accident prevention, increased accessibility, greater active travel, enhanced public spaces, reduced air pollution and increased economic activity. The plan has the potential to deliver £420m in economic, health and wellbeing benefits to the city and people of Edinburgh – four times that of the economic benefit alone.

Third, embracing the current digital revolution is necessary to achieve the social value revolution. Digital is the enabler - the catalyst to doing things better and reinventing tomorrow. Covid has dramatically accelerated digitalisation, to the point that digital infrastructure has become as important, if not more, than physical infrastructure. The new wave of post-pandemic

investment in infrastructure should therefore be guided by the improved insights that real time data and advanced analytics offer in assessing how assets will be used in the future.

The widespread availability of aggregated, anonymised digital data can help us understand how people live, learn, work, and play now and into the future. By being fully aware of their most pressing needs, we can deliver the most technologically advanced, sustainable, and cost-efficient infrastructure solutions to the communities that need it most.

The need to put the economy back on track provides important investment opportunities, particularly in the infrastructure sector, where an overhaul is urgent and indeed overdue. Achieving net zero, building back better, and levelling up the country are three key challenges to address, but they are also the stepping stones towards rebuilding a more sustainable and equitable economy. Although these may appear separate, social value is the key component that brings them all together and explains why social value outcomes must be at the heart of all future infrastructure investment and development in the UK.

Read more online at www.infrastructure-intelligence.com

**Events** Infrastructure delivery

## Sign up now for Infrastructure Intelligence Live!

A busy spring and summer series of online events is set to see industry leaders discuss some of the key issues facing the sector, writes Rob O'Connor.

he 2021 series of Infrastructure Intelligence Live events, organised in association with events and communications strategic partners BECG, builds on our hugely successful 2020 series of events that saw more than 2,000industry professionals attend a string of key Friday morning

That trend has continued into 2021 with our first webinar, Risky Business, seeing industry experts offer key and insightful advice (see report on pages 22-23) and, at the time of writing, a top panel were gearing up for a webinar on Friday 26 February to discuss the Future of Cities in a post-Covid world.

All events are FREE to attend - and key dates and sign-up links for your diaries include:

British Expertise CEO In the Spotlight interview: Our first Infrastructure Intelligence Live In the Spotlight interview of 2021 takes place on Friday 12 March and features Derrick Sanyahumbi, the recently appointed chief executive of infrastructure exports organisation British Expertise International.

Social Value and Construction Conference: An online conference on Friday 26 March to take deep dive into social value and construction, with a top line up of industry speakers to discuss one of the hottest topics in the construction sector today.

#### Diversity and inclusion and encouraging the next generation:

A webinar on Friday 30 April to address the lack of diversity and inclusion in construction looking at how the industry can be more attractive to talented professionals from diverse backgrounds.

The future of transport: Our webinar on 28 May asks, what now for transport after the Covid crisis? What will the future of transport look like? What lessons can be learned internationally and what skills and technologies will be needed to address the coming challenges?



Placemaking and the levelling up agenda: Our webinar on 25 June will explore the concept of placemaking and what this also means for the government's 'levelling up' agenda as it seeks to redress the economic imbalance between north and

Infrastructure Intelligence editor, Andy Walker, said: "I'm really looking forward to our spring and summer events series and to highlighting some of the key issues facing our industry as we emerge from the Covid pandemic and face up to the challenge of the new normal. Like all the online events we have held to date, I'm sure that our latest crop of webinars, conferences and interviews will spark debate and discussion and attract industry professionals from around the UK and internationally.

Click here to view details of all the events in our 2021 Infrastructure Intelligence Live series.

http://www.infrastructure-intelligence. com/tablet-events



## A vision for Project Speed

A new series of briefings explores how the government's much-vaunted Project Speed can improve the delivery of hospitals, schools, homes and rail, reports Rob O'Connor.

timely series of briefings exploring how Project Speed can improve the delivery of much-needed hospitals, schools, homes and rail has just been launched by the Association for Consultancy and Engineering (ACE).

The outputs from four industry roundtables hosted by ACE in partnership with construction firms Laing O'Rourke, Mace and Reds10, as well as Network Rail and housebuilder Thakeham, are included in the briefings which explore how the industry can meet aspirations to deliver 'faster, better and greener'.

Taking inspiration from the rapid delivery of the NHS Nightingale hospitals, the briefings explore practical steps that need to be taken to unlock delivery. Case studies shared from across the UK demonstrate the tangible measures that can already be taken to make Project Speed a reality.

Common themes that emerge from the four briefings on rail, homes, hospitals and schools include:

- Strengthening the evidence base and use of data in project development and decision-making.
- · The digitising of previously paper-based process such as planning consultations, assurance and approvals processes.
- · Focusing projects on a new approach to value-based decision-making which goes beyond the purely financial.



Click here to download the

four Project

Speed briefings.

· A recognition that making time for good design can significantly improve health, education, housing and transport outcomes.

Hannah Vickers, chief executive of ACE, said: "I have no doubt that we have the vision, creativity, and problem-solving skills to meet the Project Speed challenge head-on, which is why we brought the industry together for our roundtables. The briefings will form the basis of our engagement with Westminster over the coming weeks and months as we reinforce the message that our members, and the industry more widely, are key partners for government if Project Speed is to become a reality."

The industry roundtable discussions covered a range of issues that are seen as vital to speeding up delivery in each sector:

Hospitals: Programmes rather than distinct projects, project sequencing and early detailed design, and digital design

Schools: More collaborative and value driven design and procurement, how a product mindset is needed to deliver with modern methods of construction and making use of live 'performance' data.

Homes: The importance of the planning regime to this debate, how to create a sustainable vision, digitising the process to speed-up delivery, and the use of design codes and guides.

Rail: How to best focus design on the start of projects, the role of the design integrator and a 'one team' approach, and how digital approaches lead to more efficient assurance.

## Risky business simply cannot be ignored

Increasing risk management issues faced by the construction and infrastructure sector cannot be ignored, said key industry figures at the first *Infrastructure Intelligence* Live event of the year on 29 January 2021. *Rob O'Connor* reports.

arm words about increased industry and client collaboration still need to be translated into action, according to industry experts speaking at a key webinar earlier this year. Identifying and dealing with potential future risks, while keeping clear lines of communication with clients and stakeholders, were also vital to enable the industry to play a vital part in the post-Covid recovery, said panellists.

The *Risky Business* webinar, hosted by *Infrastructure Intelligence* editor Andy Walker in association with Events and Communications Strategic Partner, BECG, looked at a wide range of age-old, new and emerging risks faced by the construction and infrastructure sector.

An expert panel included Sheena Sood, a senior partner at international construction and insurance law specialists Beale & Co, Andy Broome, senior account executive at global insurance broking group Howden, Jennifer Riddell-Carpenter, a director at communications and public affairs specialists BECG and Bill Zuurbier, a director at the risk management consultancy Equib.

Firms face many risks - financial, operational, regulatory, reputational and cyber security to name just some. While no construction project or business can ever be risk free, risk can be managed, minimised, shared, transferred, or accepted. What it cannot be, is ignored, as all the panellists highlighted during the 90-minute webinar.

Bill Zuurbier, founder and director of Equib, outlined the need to identify key risks at the outset of any project, making clients aware of any potential pitfalls. He said: "The construction industry - and any other industry for that matter - needs to identify the key risks they face and put measures in place to mitigate any claims. We need to identify what the key risks are. Ignoring risk is not acceptable."

Sheena Sood, senior partner at Beale & Co, highlighted that collaboration, Covid-19 and Brexit were all key issues facing the sector. "For all the warm words, the industry still needs more collaboration and more open communications with clients in the current climate. We sadly haven't seen much of that," she said.

"We are finding age-old issues appearing, but with a new focus. General claims centre around Covid-19 and Brexit. We're advising clients to review their risk management obligations. We've seen too many contracts that have not been brought up to date and don't deal with the risks of the current climate," said Sood.

Andy Broome, senior account executive at Howden, stressed the importance of reading contracts carefully and keeping lines of communication open with clients at all times. He said: "Why do claims arise? Contractual issues, lack of design direction, lack of correlation during design change or not matching existing infrastructure, cost overruns and delays and lack of accurate record keeping can all be factors that lead to disputes or claims.

"Presenting information needs to be really thorough and brokers need to ask straight questions when arranging cover. It's really important to get your brokers to make sure your contract is as thorough as possible."

BECG director Jennifer Riddell-Carpenter emphasised the need for a clear communication strategy and identifying potential risks as early as possible on any project. "From a communications perspective, it's no surprise that people are more involved in crisis management than they were 12 months ago," she said. "Watch out for evolving risks - risks that are not necessarily right in front to of you. Fire and safety risk, for example, is not going away anytime soon. The current debate around cladding is centred on high-rise but it will develop into other buildings including hospitals and schools," she said.

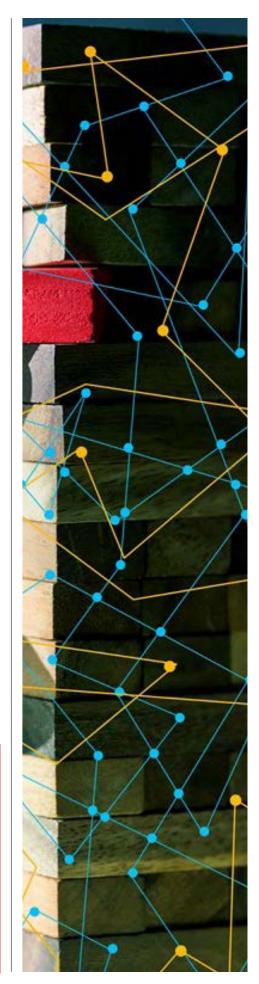
On crisis management and building a clear communications strategy, Riddell-Carpenter said: "Question internally whether your company is identifying risk properly. Never underestimate the danger of damaging your reputation. Ask tough internal questions and try and identify possible risks. Are company leaders confident public speakers or comfortable dealing with the media? If not, consider training - get in there early.

"Understand the ever-changing group audiences - stakeholders, industry, media, political - because when a crisis hits, your response has to go from 0-100 immediately. Invest and build trust in good relationships with industry, politics, media - and build relationships in good time."

Summing up the event, *Infrastructure Intelligence* editor Andy Walker said: "All companies working in the construction sector have to consider risk as part of their everyday work and the Covid pandemic has shone a light on the risk management process, especially at a time when much of the industry has been working digitally or remotely. It was great to see the legal, insurance, risk and issues management experts on our panel sharing their experience of best practice on how to minimise risk in what are, let's face it, very challenging times."

Click here to watch a recording of the Risky Business





Read more online at www.infrastructure-intelligence.com

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# Leveraging the UK's infrastructure export effort

The UK's leading membership organisation for companies exporting infrastructure services, British Expertise International, appointed a new CEO at the start of the year. Infrastructure Intelligence editor Andy Walker spoke to him about his plans.

aking over at the top of such an influential organisation in the middle of a national crisis must have been challenging for Derrick Sanyahumbi, the new chief executive of British Expertise International (BEI), but he seems to be taking the unique circumstances in which he finds himself in his stride. "I took over at BEI at a time when our support to members is even more crucial, so at this important time for infrastructure we are

Read more online at www.infrastructure-intelligence.com

looking at how we help members leverage the opportunities and trying to continue to build closer relationships across government departments – which is not always easy as there are always competing priorities and at times limited cross-government collaboration resulting in infrastructure initiatives that are not always joined up," he tells me.

Like many of us working under lockdown, it has been a challenging time for Sanyahumbi. "It's been surreal. Business is very much about face-to-face and personal engagement and I have had to meet members via online platforms and try to assess their needs in an impersonal environment," he says.

Sanyahumbi tells me that he has enjoyed the greater access to a wider range of contacts in different geographies and time zones afforded by online working. "Remote hosting has opened up more opportunities and access to people in government and other institutions has also been easier, as they have been able to find the time," he says.

He is focused on ensuring that BEI supports its members in uniquely different times. "There are multiple challenges, including coping with the financial and economic impact of Covid, the changes that Brexit has brought, trying to support the wellness of staff as well as growing a business in very uncertain markets where borders are closed and face-to-face meetings are not possible," Sanyahumbi says. The Climate change/net zero agenda is also an area where he believes member companies are well placed and have the innovations and technology to deliver more resilient and sustainable infrastructure in a very competitive international market, so there is plenty for BEI members to offer internationally.

Getting the UK government more involved in the export effort is a key area and one that Sanyahumbi is keenly aware of. "We need to ensure that there is sufficient government to government (G2G) engagement for the benefit of UK plc and to support firms looking



Derrick Sanyahumbi takes over as CEO of British Expertise International.



says.
Given that many of the UK's competitor governments have been supporting their exporting firms effectively for years, Sanyahumbi feels that the UK is coming at the challenge a little late in the game and a lot more support is needed. "We need to open the doors of engagement at a very senior level and also ensure that UK companies are not left behind as they have valuable specific skills to bear, especially in innovation and technology around green infrastructure focusing on resilience, sustainability and the pursuit for carbon neutrality where the UK is a world

leader," he says.

"We look forward to the government continuing to play a growing role in infrastructure and laying the foundations for opening up opportunities for UK plc and that cannot be underestimated. What is needed is UK government support in helping to level the playing field that will enable UK companies with G2G lead to engage at a much earlier stage. Early and valuable high-level engagement is key," he says.

to work overseas and we are trying to do this while recognising that Brexit-related new trade deals and the pandemic, along with its economic impact, has the government dealing with competing priorities and in some cases there is limited bandwidth to deal with some of the key issues," he tells me.

"The Infrastructure Exports UK board, now led by Mark Holmes and minister Graham Stuart, is very focused in trying to support the private sector in terms of identifying opportunities for G2G support in potential markets and trying to get intelligence on those markets and leverage these. We need to see more collaboration across government to ensure a cohesive approach to the support that the government can offer to companies. Effectively articulating the UK international offering in infrastructure is key to that and being able to realise what UK companies bring to infrastructure when they are involved upstream on projects. We have to know the markets and be there in the early stages of conceptualisation to be seen as a partner right from the start to enable companies to be able to then leverage ensuing opportunities," Sanyahumbi explains.

A key selling point for BEI is its ability to connect its members with market insights, opportunities, key stakeholders as well as focusing on how to leverage those opportunities. "We have great relationships with relevant Department for International Trade and Foreign Commonwealth and Development office teams, as well as trade commissioners and the department's in-country teams abroad because getting pipeline opportunities information early is crucial," he says and BEI is working hard to further enhance its partnerships with UK and foreign governments to support improved opportunities for UK exporters.

"BEI's role is to support our members, UK infrastructure companies, to explore, assess and win business and we do this through a wide range of activities. These include networking events, sector-focused forums, bespoke international market intelligence and demand-based trade missions. Organisations that are not yet members should join some of our events and activities and see the benefit of what we do. For infrastructure firms looking to export, BEI is not a nice to have, it's a need to have," says Sanyahumbi.

Despite the current challenges facing all companies, BEI's new chief executive is optimistic about the future and keen for government to offer greater backing to the sector. "There's a huge



## ACE board opts for continuity in 2021

The chair and vice-chairs positions at the Association for Consultancy and Engineering (ACE) are to roll-over into a new one-year term for 2021.

he Association for Consultancy and Engineering (ACE) has announced that its senior board positions will be rolling-over into a new one-year term. This means that Paul Reilly (Stantec UK Infrastructure and Buildings) remains as ACE chair, with Dave Beddell (AECOM), Craig Huntbatch (Royal HaskoningDHV) and Simon Innes (Goodson Associates) continuing as vice-chairs, in 2021.

Paul Reilly, ACE chair, said: "The board unanimously agreed that ACE would be best served by continuity as we move from pandemic to recovery over the coming months. Hannah Vickers and her team have been fantastic in helping members navigate the pandemic and subsequent economic fallout, whilst remaining a trusted voice to government and policymakers. It was felt that continuity at a board level would provide the best possible platform to amplify this vital work in the weeks ahead."

"Hannah Vickers and her team have been fantastic in helping members navigate the pandemic and subsequent economic fallout."

Paul Reilly, ACE chair

A number of new ACE board positions have also been created to reflect a shift in longer-term organisational priorities and changes to the sector. Neil Humphrey (Waterman Group) joins as chair of pipeline and procurement, Lara Potter (Arcadis) joins as chair of future skills and Paul Tremble (WSP in the UK) joins as chair of future markets. It also welcomes a new chair in the north west, Sean Keyes (Sutcliffe).

#### ACE Board 2021

Paul Reilly, Stantec UK Infrastructure and Buildings

Vice Chair (Membership & **Business Support)** Simon Innes, Goodson Associates

Vice Chair (Future of Consultancy) Craig Huntbatch, Royal HaskoningDHV

Vice Chair (Voice of Consultancy) Dave Beddell, AECOM

#### **Treasurer**

Rajiv Sudan, Costain

**Immediate Past Chair** Mathew Riley, Ramboll

**Chair of ACE Emerging Professionals** Georgia Hughes, Arcadis

**Chair SME Forum** Steven Hale, Crofton

**Chair International Business** Chris Dulake, Mott MacDonald

Chair Legal and Commercial Margot Day, BuroHappold

**Chair Net Zero Taskforce** Sarah Prichard, BuroHappold

**Chair Pipeline and Procurement** Neil Humphrey, Waterman Group

**Chair of Future Markets** Paul Tremble, WSP in the UK

Chair of Future skills Lara Potter, Arcadis

Chair of Wales Piers Burroughs, Burroughs

Chair of Scotland Stephen Munro, Allen Gordon LLP

**Chair of Northern Ireland** Paul Johnston, Arup

**Chair ACE Midlands** Ruth Jeffs, Waterman Group

**Chair ACE North West** Sean Keyes, Sutcliffe

### New threeyear corporate plan unveiled

ACE has launched a new corporate plan outlining its priorities and work themes up to 2023 which maps out a framework for activity over the next three years.

irroring roles at ACE board level, work is split into three structured work streams – serving members (immediate support), voice of consultancy (over next one to three years) and future of consultancy (three to ten years ahead). Within each are a series of groups and forums to cover different areas and offering a range of

opportunities for member engagement.

Accompanying the document is a three-year thematic work programme which outlines multi-year projects and campaigns, as well as offering an overview of activity over the next 12 months. This activity plan will be updated every year as the corporate plan progresses.

Commenting on the plan's launch, ACE chief executive Hannah Vickers said: "I'm delighted to share our new corporate plan. Covering a crucial moment for the industry as we move from crisis to post-pandemic recovery, the work and themes outlined will ensure all our members - no matter how large or small - are in the best possible position to succeed."

Click here to download a copy of the new ACE corporate plan.



#### **Book Now! Future of Consultancy webinars**

A new series of ACE webinars exploring the changing face of the industry is taking place throughout the spring.

he virtual events include webinars on future risk, delivery models, pricing, roles and services and are designed to not only provoke discussion and debate, but provide attendees with a firmer grasp of an ever-changing business landscape.

Joining the host, ACE's chief executive Hannah Vickers, will be a range of industry thought leaders from the Cabinet Office, CECA and the Construction Innovation Hub. Prominent guests from ACE members including Arcadis, Arup,

Buro Happold and WSP in the UK will also join to share their experiences and insight.

Events in the Future of Consultancy webinar series are listed below.

Construction Playbook and delivery models Thursday 25 February, 1.30pm.

Project Speed and risk Wednesday 3 March, 3pm. Future roles and services for consultants

Pricing: Getting the best

Monday 15 March, 12.00 noon.

from consultants

Pricing: Learning from other Future roles and services for

Wednesday 24 March, 1.30pm.

industries contractors Wednesday 10 March, 12 noon. Tuesday 13 April, 12 noon.

Click here to find out more and book your free places.

Find out more co.uk/agreements/

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### Making the Construction Playbook a reality

Government clients are lining up to implement the key recommendations outlined in the Construction Playbook. *Hannah Vickers* reflects on the progress so far.

he Construction Playbook (CPB) is such a symbolic publication with widespread industry and government buy in and I'm very encouraged that ACE members are wanting to unpick the detail and start supporting clients in the vast breadth of policies it covers. So, let's look at the current state of affairs on the CPB for government clients – where are they starting from and how far have they got to go?

The Department for Education (DfE) is amongst the most pioneering trying to adopt one of the CPB's new transformation delivery models, 'Product Mindset'. You can't fault their ambition but being a pioneer is a challenge. As they iterate through the different evolutions of their supply frameworks, they will encounter not only the new challenges of defining for the first time a commercial approach for the government, they will also need to ensure some of the perennial challenges around ensuring the outcomebased ambitions of the commercial strategy are borne out in the procurement and appointment process and using contract terms that reflect the balance of risk and reward.

In a different area of social infrastructure, we have much earlier in its gestation the NHS priority hospitals programme. Industry has high hopes for this, with one of the CPB authors (and in my view one of the best commercial minds in the country) being appointed as commercial director, however the challenging environment of a highly political programme, where the client



Hannah Vickers is chief executive of the Association for Consultancy and Engineering.

needs to partner with industry to grow the capability of the supply chain for the likely enhanced investment in hospitals, should not be underestimated.

With the Ministry of Justice, whilst I'm not close enough to the detail to issue comment here, I've heard anecdotally very positive things about the prisons programme, so whilst a little under the radar this is maybe something we should be seeking out sharing the learning from.

On economic infrastructure, there are some interesting potential developments on the horizon. The approach for the design delivery partner for HS2 (Phase 2A) sets out a fundamental shift towards CPB policies compared with the Phase 1 commercial strategy but as with DfE, there are challenges on such a high-profile programme. I'd urge decision-makers to be brave enough to stand behind the CPB policies, learn the lessons on design integration from Phase 1 and take the commercial intent all the way through incentivisation, procurement and contract terms in order to give industry the stage to deliver it's very best.

Finally let's also not forget the Crown Commercial Service, who are looking to appoint a new professional services framework later this year. This could be a huge accelerator of the CPB principles across government with the potential to provide a hugely valuable route to market for government clients and the new service lines the consultancy industry is bringing to market through digital transformation.

As well as the challenge for clients, as consultants, the implementation of the Construction Playbook is more than a little in our own hands too. Perhaps the question we should be asking is "What is my business doing to support the roll out of the Construction Playbook?" At ACE we're committed to supporting and offering critical friend advice back to clients in order to help them and industry succeed.



## Keeping the government honest on the environment

With the scale and breadth of the government's environmental ambitions, the Environmental Industries Commission is set to have a key role for years to come, says *Matthew Farrow*.

Recently I was in a meeting with some of the Treasury officials who worked on the recently published Dasgupta review on the *Economics of Biodiversity*. They ran through the key tenets of the review – the need to recognise that the natural environment is as vital to the functioning of the economy as manufactured assets, the need to build the value and benefits of natural capital into economic decision-making and broaden the measures of economic success, like GDP, to include wider benefits.

I've listened to hundreds of presentations making these points for over 15 years, but never from that Whitehall bastion of economic orthodoxy, HM Treasury. The extent to which the orthodoxy has changed was evident in Boris Johnson attending the report launch and environment secretary George Eustice accepting that new policies should be developed to implement it.

In the same week of the Dasgupta review, the Times reported that the Treasury is actively considering an economy-wide carbon tax (a topic that has been around for years but until recently was seen as something that idealistic economists would propose and political advisers would laugh at) and carried an article by their business editor arguing that financial markets now assume that



Matthew Farrow is director of policy at the Environmental Industries Commission.

the future will be net zero and are valuing stocks accordingly.

All this made me reflect on the **Environmental Industries Commission's** (EIC) changing role. When EIC was founded in the mid-1990s it was as a voice for those businesses swimming against the tide in their belief that high environmental standards could go with economic prosperity and business growth. A little over 25 years on and that tide has comprehensively turned. EIC's role is changing, but is no less vital. As the parliamentary public accounts committee complained recently, actual progress on the ground in improving the environment remains painfully slow. Policies are often either still lacking or poorly thought through and EIC is needed to help government deliver what it is promising.

Sometimes we need to use members' frontline expertise to help officials understand how technical policy is (or is not) working. Take the *Definition of Waste Code of Practice*, which supports the shift to a 'circular economy' by enabling the reuse of uncontaminated soil of construction sites. EIC members helped create this guidance some years ago yet it is at risk of becoming ineffective due to unnecessary attempts to align it to aspects of EU waste law which the UK is now free to change. So, we are talking to Defra to explain the need for a more pragmatic approach.

At other times we can co-create better implementation of policy through sharing members' own expertise. Our engagement with Natural England on its plans for digital platforms to implement the forthcoming biodiversity net gain requirements is helping them get the balance right between ensuring the 'platform' makes the policy effective but is not so overcomplicated it is unworkable for developers.

So, government officials are keen to hear from EIC and its members and get our help. And with the scale and breadth of the government's environmental ambitions, it looks like EIC will be needed for at least another 25 years.



## Aid, transparency and promoting UK infrastructure businesses

There is real mutual benefit of promoting integrity in the infrastructure sector to both British business and the UK government's international development efforts, say Petter Matthews and Gavin English.

he UK government's integrated review is expected to report early this year. It is examining all aspects of the UK's role in the world including spending on overseas aid. In advance of the report, the government recently announced its intention to cut the proportion of gross national income spent on aid from 0.7% to 0.5% and introduce legislation to reinforce the decision. Amidst the inevitable uncertainty, it is widely anticipated that future aid expenditure will have a greater focus on strengthening trade and investment between the UK and the rest of the world.

CoST - the Infrastructure Transparency Initiative, was launched as a UK charity in 2012. Since then, we have worked with our members in 21 transitional and developing countries, delivered major governance reforms and saved hundreds of millions of dollars of public funds. As the UK looks outwards to strengthen trade and investment post-Brexit, transparency and accountability are particularly relevant and beneficial for UK infrastructure businesses. Here are three reasons why.

#### 1. Strengthening client performance

Causes of project failure include inadequate project preparation, poor procurement practices and a lack of standard operating procedures, all of which are under the control of the client. The impact on the companies includes protracted disputes, escalating costs and late and non-payment.

This situation was identified by CoST in Afghanistan. Its analysis of the data disclosed by government revealed that the



causes of inefficiency could usually be traced back to poor project preparation. This evidence was sufficiently compelling for the then minister of public works to establish a design review unit to check all aspects of project preparation before going to tender.

These changes reduced disputes and delays and directly benefitted the companies involved. The improvements in efficiency also saved millions of dollars of public money.

#### 2. Creating a level playing field for bidders

In some markets the private sector is divided into two distinct categories. The first are 'insiders' with strong links to government and who routinely win public contracts. The second are 'outsiders' who lack strong links with government and who in many instances no longer bid for public contracts. In these circumstances market competition is constrained, prices are artificially high and the barriers to new entrants are significant.

CoST Ukraine is demonstrating how this problem can be tackled. It works with government to publish data in the form of easy-to-read infographics that provide



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analysis of investments in the country's 24 administrative units or 'oblasts'. This includes details of the number of bidders and the relationship between levels of competition and bid prices. This data is now being used to challenge vested interests and increase the involvement of foreign companies in the local market.

#### 3. Improving efficiency

On average, one third of public investment is lost through inefficiencies including corruption, waste and mismanagement. This means that reducing these losses could create up to a third additional productive investment without mobilising additional finance. That would result in benefits for the economy in general and for infrastructure businesses in particular.

CoST Thailand has been working to improve the efficiency of public investments. Increased transparency and accountability, according to the Ministry of Finance, have saved at least US\$460m since the programme was launched. This is the result of increased scrutiny improving decision-making and driving reforms aimed at tackling the root causes of inefficiency.

Foreign and domestic firms are already benefiting from a more stable and predictable business environment, from better managed public contracts and from clients seeking to appoint service providers that help deliver improvements in efficiency.

At a time of falling aid budgets and mounting global challenges, it is more important than ever to obtain maximum impact from aid expenditure. CoST has demonstrated how this can be achieved in relation to infrastructure investment. It also produces much needed secondary benefits in the form of increased trade and investment opportunities for UK and other international businesses.

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