

# INFRASTRUCTURE Intelligence

# Keeping talent in construction

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## An online event series of webinars, interviews and roundtables

### Deliver, deliver, deliver – infrastructure priorities post-Covid

**Friday 18 September 2020 at 11am**  
Boris Johnson may talk about “build, build, build” but what the industry really wants to see is the delivery of real projects and a detailed plan of work to give companies working in the sector some certainty about the future. Find out more at this webinar.

### In the Spotlight interview 1: Sir John Armitt, Chair of the National Infrastructure Commission

**Tuesday 22 September 2020 at 11am**  
Our first Infrastructure Intelligence LIVE In the Spotlight interview features one of the most important people in the UK construction sector – Sir John Armitt, chair of the National Infrastructure Commission. If it's construction and infrastructure you're interested in, then this live interview is a must-attend.

### Northern Metro Mayors Roundtable: The role of infrastructure investment in levelling up the North/South divide

**Friday 2 October 2020 at 11am**  
This special Infrastructure Intelligence roundtable event will discuss what actions need to be taken to help level up the North/South divide and crucially what role the metro mayors will have in all this. It promises to be an illuminating and thought-provoking discussion.

### Delivering a green recovery

**Friday 9 October 2020 at 11am**  
With the government's key priority being the jumpstarting of the UK economy, how do we keep the key issue of sustainability at the forefront of politicians' minds to ensure a green recovery? Find out more at this webinar.

### In the Spotlight interview 2: Ed Miliband, Shadow Secretary of State for Energy and Climate Change

**Friday 23 October 2020 at 11am**  
Our second In the Spotlight interview features the shadow secretary of state for energy and climate change, Ed Miliband. The former labour leader has been outspoken about the need to create a green economic recovery and his views have often been seen as an outlier on the issue.

### Planning and procurement reform – delivering the nation's infrastructure

**Friday 6 November 2020 at 11am**  
Recent research has highlighted the imperative of certainty in the planning process and many in the industry argue that the importance of the right decision-making framework for infrastructure investment is more clearly needed than ever before. This webinar will look at what needs to be done and how we make progress.

### In the Spotlight interview 3: Victoria Hills, Chief Executive of the Royal Town Planning Institute

**Friday 20 November 2020 at 11am**  
The third Infrastructure Intelligence LIVE In the Spotlight interview features Victoria Hills, Chief Executive of the Royal Town Planning Institute. Victoria is one of the most high-profile women leaders in construction and her views on a range of issues should be well worth listening to.

### International Roundtable

**Friday 27 November 2020 at 11am**  
This roundtable event will focus on the international sector and examine the key trends, developments and the prospects for UK firms looking to work overseas. An important event for infrastructure firms looking to work internationally.

### Looking ahead to 2021

**Friday 11 December 2020 at 11am**  
As 2020 draws to a close, we reflect on a momentous and unprecedented 12 months for the infrastructure industry and indeed global society but also crucially look forward to what 2021 may bring politically, economically and socially and the potential impact on the construction and infrastructure sector.

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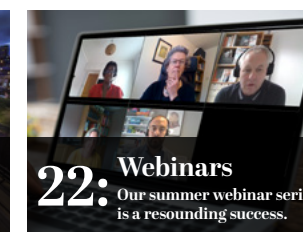
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## Message from the editor



This is our third digital edition of *Infrastructure Intelligence* published during the coronavirus crisis. I'm writing this editor's comment as the UK government removes more countries from its safe travel corridor list, a further reminder that the recovery from Covid-19 will be an uneven one and that we are a long way from anything approaching normal.

The economic effects of the crisis are already being felt by the construction sector, with many firms announcing redundancies. The calls from leading industry figures, like WSP's Mark Naysmith, for companies to think about the future talent pool when making difficult decisions are welcome and I hope that business leaders in our sectors are listening.

In that light, the launch of the Construction Talent Retention Scheme is a crucial development and everyone involved in the initiative deserves credit. An industry that has been historically challenged by skills shortages can ill afford to lose talent as it may never get it back. The scheme should be supported by everyone in the sector and it's yet another example during this crisis of the industry working together for the common good.

While the government has taken unprecedented steps to support businesses during this crisis, I believe that more will need to be done yet if we are to avoid catastrophic job losses and a major recession. We are clearly not out of the woods yet and further support will be needed in the weeks and months ahead.

**Andy Walker,**  
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# CLC launches Brexit working group



The clock is continuing to tick on reaching an agreement with the EU.

The Construction Leadership Council has set up a dedicated Brexit working group, in advance of the expiration of the transition period with the European Union at the end of the year.

The working group aims to produce and signpost business guidance and information to help the construction industry get ready and be prepared to maintain business continuity at the end of the transition period.

The group will also aim to identify critical issues facing the construction industry (in the event of no agreement) that the government should address in advance of the expiry of the transition period, as well as championing opportunities for the construction sector in the numerous ongoing trade deal negotiations with Europe and the rest of the world.

The work of the group will be split into four workstreams covering:

**Movement of people** - preparing for the new immigration rules, accessing alternative labour supply and reciprocal arrangements on skills and qualifications in new trade deals.

**Movement of goods and materials** - preparing for the new customs regime, guidance on WTO rules in the event of no agreement with the EU and alternative sourcing opportunities in the rest of the world and the domestic market.

**Standards and alignment** - guidance on the Construction Products Regulation, EU notified bodies, CE marking, UK designated

standards, UKCA marking and the longer-term prospects of (de)harmonisation and (de)alignment.

**Data adequacy** - business awareness of the potential impact and mitigating actions on data flow in the event of no agreement with the EU and no decision by the European Commission on the UK's 'data adequacy'.

In addition, the existing workstreams of the CLC will also take on Brexit-readiness related work, helping to produce guidance on matters including procurement and contracts. Andy Mitchell, co-chair of the CLC, said: "While businesses contend with the fallout from Covid-19 and adjust to the new ways of working, the clock continues to tick on reaching an agreement with the EU.

"Whether we reach an agreement or not, our relationship with our European neighbours and the rest of the world will change and we'll be doing all we can to help the industry adapt, adjust and rise to meet the prime minister's 'Build, Build, Build' ambition."



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# Gatwick cuts 600 jobs after 80% drop in passenger numbers

Gatwick Airport has announced 600 job cuts after an 80% fall in passenger numbers due to the Covid-19 pandemic. The proposed job cuts come as part of the UK's second largest airport's plans for a significant restructure across its business, designed to further reduce operating and staff costs in light of the dramatic impact Covid-19 has had on its passenger and air traffic numbers.

The new proposals could result in around 600 job roles being removed across the business, approximately 24% of the current number of employees. The company will now enter into a formal consultation process with employees.

Compared to this time last year, the airport is operating at around 20% of its capacity and still has over 75% of its staff on the UK government's Job Retention Scheme, which is due to end in October. Current traffic and passenger volumes are such that Gatwick is currently operating from only its north terminal.

In August, usually one of the airport's busiest months, passenger numbers are

over 80% down compared with last year. The company took rapid action to protect the airport back in March to preserve as many jobs as it could by reducing costs, managing cash outflows, and securing a £300m bank loan.

Stewart Wingate, Gatwick Airport chief executive officer, said: "If anyone is in any doubt about the devastating impact Covid-19 has had on the aviation and travel industry then today's news we have shared with our staff, regarding the proposed job losses, is a stark reminder.

"We are in ongoing talks with government to see what sector specific support can be put in place for the industry at this time, alongside mechanisms which will give our passengers greater certainty on where and when they can safely travel abroad."



# Welsh railways in line for £343m infrastructure boost

Transport secretary Grant Shapps has announced a raft of Welsh railway projects set for a boost as part of a £343m UK government investment to help deliver better journeys for passengers.

The schemes to be funded include kickstarting the design of the Cardiff Central station upgrade, advancing plans for cutting-edge digital signalling on the Cambrian line and speeding up journeys between Cardiff and Swansea.

Work on a new, modern design for Cardiff Central station will be funded through the release of £5.8m. It will focus on improving access and ensuring platforms are suited for longer trains, boosting space and capacity for passengers.

The transport secretary has also announced £3m to advance plans for upgraded signalling on the 241-kilometre Cambrian line from Shrewsbury Sutton Bridge Junction to Aberystwyth and Pwllheli. The planned state-of-the-art digital signalling system will modernise the network, improving the reliability of services, and support the introduction of a new fleet being rolled out across the network in December 2022.

In addition, almost £2m has been made available for the next phase of development work on proposals to speed up journeys between Cardiff and Swansea, Chester and Llandudno Junction, and the Severn Tunnel and Cardiff, through better-aligned tracks and exploring putting additional services on the lines.

Transport secretary Grant Shapps said: "The host of improvements we are delivering across Wales, from huge infrastructure upgrades to creating new and modern stations, are vital to deliver better, quicker and more convenient journeys for passengers within, into and out of Wales."



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# Bold approach needed to deliver Scotland's infrastructure

Covid-19 reinforces the urgency for an inclusive net-zero carbon economy to remain at heart of Scottish infrastructure strategy, says a new Infrastructure Commission for Scotland report. *Rob O'Connor reports.*

An independent specialist body to provide strategic long-term infrastructure advice is considered pivotal to effectively delivering Scotland's inclusive net-zero carbon economy, according to a final report that the Infrastructure Commission for Scotland (ICS) has presented to the Scottish government.

However, although containing an ambitious set of recommendations, the ICS report stops short of recommending the creation of a new Scottish National Infrastructure Company, a move that some industry figures have pointed out fails to provide the opportunity to develop an authoritative long-term strategic plan.

The ICS, established in early 2019 to develop Scotland's infrastructure strategy for the next 30 years, recognised net zero carbon and an inclusive growth economy as two overarching policies that were priorities on both a national and global scale. Enshrining the 'place principle' and implementing a 'one public sector approach' to planning and developing sustainable places are key recommendations in its final report, and the establishment of a Construction Accord to strengthen the future relationship between the public sector and the construction industry is another key ambition.

The ICS report, *Delivery Findings – A blueprint for Scotland* builds on the ICS's initial key findings report published in January 2020 and follows a further period of extensive stakeholder engagement, both pre- and during the Covid-19 pandemic. Its focus remains the delivery of an inclusive, net-zero carbon economy, the importance of which has only been amplified by the pandemic.

To achieve this, the ICS recommends that by early 2021 an independent specialist body be given the responsibility by

Scottish government to help prioritise the infrastructure needed to enable an inclusive, net-zero carbon economy and to develop a 30-year infrastructure strategy that is reinforced by a long-term needs assessment. The independent organisation would sit outside the political decision-making system to enable it to operate in an arms-length and transparent way – one that builds confidence across the public and private sectors as well as society and the general public.

Ian Russell, chair of the Infrastructure Commission for Scotland, explained the decision not to recommend the creation of a new Scottish National Infrastructure Commission, after Scottish ministers had asked the commission for its advice. "It had been discussed by a number of groups around Scotland, but it wasn't a government policy," he said. "The conclusion we've arrived at is that none of our recommendations require the creation of a Scottish National Infrastructure Company to resolve any difficulties or ensure a successful delivery," Russell explained.

He went on: "One of the key recommendations we're making in the report is that the Scottish government should establish the responsibility given to an organisation to look at a 30-year view, to engage with the public, and to set out very clearly that an inclusive net-zero carbon economy can be supported by infrastructure.

"Two key drivers of the Scottish government are the enabling of an inclusive economy and achieving net zero. Our report shows that an inclusive net zero carbon economy can be supported by infrastructure – not just economic, but also social infrastructure and natural infrastructure – so I think there are good reasons for that recommendation."

Calling for a Construction Accord between all public bodies and the construction sector, Russell said: "The outcomes we're looking for are a less transactional approach to procurement, more sustainable businesses in the construction sector, a better quality of construction, and more rewarding careers for those within construction."

"Covid-19 and the desire to recover has encouraged the public sector and the construction sector to work closely together, so this is an opportune moment to get both sectors together and drive the Construction Accord forward. Infrastructure has a vital role to play in the delivery of an inclusive, net zero carbon economy and Covid-19 has amplified the need for urgent action and change for economic, social and natural infrastructure."

Referring to the positive impacts of social value in a new Construction Accord, Russell said: "What we're looking for is a relationship that takes account of more than just price. Using New Zealand as an example, their needs are similar to ours – the need for affordable housing, green buildings, a skilled workforce

– they've worked together in the way we're recommending here and you could describe that as adding social value. But, more generally, it's taking account of more than just price. It's more than just transactional."

Asked if there should be a new body to take a strategic overview role, Russell said: "It's important to say we're not recommending a new body be set up. We are leaving that as a decision for the Scottish government. We are simply saying that any specialist body should be given responsibility for developing a long-term view and providing strategic challenge to the government. And certainly, that high-level strategic direction is what we are recommending the government gives to an organisation within Scotland. It's up to the government if they want to take our recommendations forward."

The Commission's report has been welcomed by the Scottish government. Scottish cabinet secretary for infrastructure, Michael Matheson, said: "I am grateful to the Infrastructure Commission for their hard work. We shall now take time to consider its findings very carefully. The Commission's Phase 1 report has already helped to shape our next five-year *Infrastructure Investment Plan*, details of which I look forward to announcing in September. This plan will incorporate a response to the commission's Phase 1 findings."

Click here to view the report, *Delivery Findings – A blueprint for Scotland*. <https://bit.ly/2EHLZoQ>



Ian Russell (left), chair of the Infrastructure Commission for Scotland, launching their report with Michael Matheson MSP, cabinet secretary for transport, infrastructure and connectivity.



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# Hundreds of firms back new Talent Retention Scheme



The new Construction Talent Retention Scheme, a partnership between the government and industry, aims to secure essential talent in the UK construction sector.

Companies employing well over 100,000 people have signed up to support the Construction Leadership Council's Talent Retention Scheme after it went live on 24 July 2020.

The Construction Talent Retention Scheme is a not-for-profit programme, backed by government, business organisations, professional institutions and construction unions. The online portal allows skilled individuals to showcase their experience and expertise and helps businesses across the industry find the skills they need.

Based on a proven model to safeguard talent in the aerospace and automotive sectors, the scheme is backed by the Construction Leadership Council (CLC) and all leading sector trade bodies. CLC co-chair Andy Mitchell hailed the initiative as "a great example of what we can achieve when we work collaboratively with government".

There has been strong interest in the scheme since it was announced as part of the chancellor's plan for jobs earlier this month and more than 400 employers have signed up to use the

scheme. These companies, drawn from across Britain, range from multinational engineering giants to micro businesses. Early adopters who have roles listed at launch include EDF, Balfour Beatty, and Travis Perkins.

Construction minister and Construction Leadership Council co-chair Nadhim Zahawi MP said: "Building new homes, accelerating infrastructure, and making sure people have the right skills are all at the heart of the government's plans to build back better from Covid-19. This scheme will help to retain vital knowledge within the construction industry, enabling businesses to rapidly recruit talented individuals and reduce skills shortages at this pivotal time in the nation's economic recovery."

Andy Mitchell, Tideway CEO and Construction Leadership Council co-chair, said: "The Talent Retention Scheme is an important element of the CLC's recovery plan for the construction sector, offering an opportunity for the industry to keep the vital skills it needs to drive growth across the UK. We welcome the

fact that companies have recognised this important role, offering their support to make sure the scheme gets off to a flying start"

Hannah Vickers, chief executive of ACE, added: "We've been really busy behind the scenes over the last couple of weeks, working collaboratively with other CLC members to help make this a reality for the good of the industry. We're delighted in the response from employers so far, and the huge interest this has generated."

"For ACE members who have already shared that they're interested, we will be getting in touch as soon as possible to take the next steps. You will soon be able to advertise roles and find talented and experienced people to meet your changing skills needs. Together we will help avoid the talent drain witnessed in previous recessions."

Group chief executive of Mace, and skills workstream lead at the CLC, Mark Reynolds, said: "The CLC's Construction Talent Retention Scheme will offer a critical lifeline for the construction industry. It will help the industry retain and share our exceptional talent needed to deliver vital infrastructure and

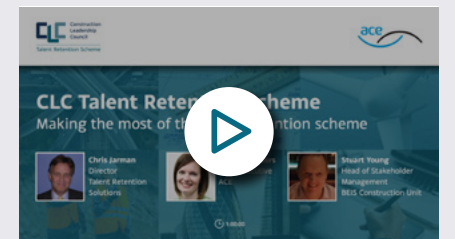
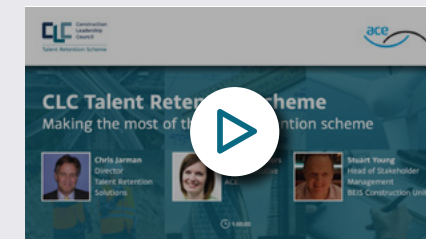
support the country's recovery plan."

The free-to-use site allows the redeployment of staff at risk of redundancy and enables temporary employee loans between businesses. It also gives displaced workers from other sectors a route to find new employment. The platform offers a fully featured system allowing companies to easily search candidates' online profiles and CVs on a local, regional and national basis.

It also allows firms to promote and directly manage information about their business, services, latest vacancies, news and events to skilled workers seeking new opportunities and to contact them directly.

The site is now live at [www.clc-talentretention.co.uk](http://www.clc-talentretention.co.uk) and is open to both businesses and candidates looking for work.

Find out more about the Construction Talent Retention Scheme by listening to these two ACE webinars aimed at companies and individuals. [www.acenet.co.uk/resources/talent-retention-scheme](http://www.acenet.co.uk/resources/talent-retention-scheme)



## Matching the best people to the best jobs

*The CLC Talent Retention Scheme is now live!*

Find the skills your business needs and actively promote your people's expertise on the free job matching platform for the industry.

[www.clc-talentretention.co.uk](http://www.clc-talentretention.co.uk)





# Think about the future, says WSP boss



WSP's UK CEO Mark Naysmith has made an impassioned plea for consultancy firms to think about the future and look to retain their talent as they prepare to make difficult decisions.

WSP UK chief executive Mark Naysmith has penned an open letter to members of the Association for Consultancy and Engineering (ACE), urging its member firms to make a commitment to developing talent and maintaining a future pipeline of skills.

Naysmith, who also chairs the ACE's skills group, wrote his missive to consultancy and engineering firms in the wake of the prime minister and chancellor's economic announcements and in it he makes an impassioned plea for his peers to think about the future and look to retain their talent as they prepare to make difficult decisions in the weeks and months ahead.

"As industry and business leaders we're navigating our way through complex situations on an almost daily basis and with more challenging times ahead, critical decisions are being made to protect the sectors we work in," Naysmith writes. Notwithstanding the recent positive announcements made by



Mark Naysmith,  
UK chief executive,  
WSP

Boris Johnson and Rishi Sunak, which Naysmith welcomes, he recognised that "the path ahead remains unprecedented".

He particularly praises the setting up of the CLC's Construction Talent Retention Scheme and the key role played by ACE in shaping it, as something which will give the sector every opportunity to retain its skills and experience, especially from early career professionals.

"The business decisions taken now will set our industry up for success when we emerge from the Covid-19 pandemic and the associated economic downturn," Naysmith says. "Now, more than ever, we need the diversity of thought, skills and knowledge from the early career professionals and we must continue to support those who want to enter the profession after studying. It is a balancing act when reshaping a business in times of crisis, but we must think about the future too," he said.

Naysmith said that it was crucial that future opportunities like the net zero agenda be underpinned by the emerging generation as this was a task that will span a lifetime. "We should take every opportunity to seek and nurture talent from within our own industry, as well as taking advantage of adjacent sectors where talent exists and could fill skills gaps with the right commitment to training," he said. "We should also be conscious of the contribution the younger generation make to the application of digital in the workplace and embrace this as one of the critical skills for the future," said Naysmith.

Concluding his letter to ACE member firms, Naysmith addressed the skills issue directly. "Skills and capability will always be on the agenda, but even more so in the turbulent times when tough decisions have to be made. If all members make a commitment to developing the talent we have and maintaining the future pipeline, as a membership body we will ensure skills gaps are continually addressed.

"Please consider all of the above when making these difficult decisions in the months ahead. Our collective contribution will help to make the future more sustainable," he concluded.

# Recovery to take longer than thought

The construction industry's recovery from the Covid-19 crisis is expected to take longer than initially thought, according to the latest Arcadis summer UK Construction Market View report.

Although the UK has moved into phase 2 of post-Covid-19 recovery, the risk of disruption remains, with delayed project starts and completions and increased fixed costs threatening to sap the strength of the industry, Arcadis warns in its latest UK Construction Market View report. As a result, the consultancy firm has downgraded its tender price forecast for the year 2020 to -4% in London and -3% in the regions, with the risk of further deflation into 2021.

The analysis is included in its latest summer *UK Construction Market View: Great Expectations?* in which the firm asks whether the recovery measures announced by the government will be sufficient to support the industry long term.

Now that most construction sites are operational, productivity has recovered better than expected, ranging from between 70-90% depending on the sector and the stage of the project. This has contributed to the lowering of prices, edging the balance of the industry closer towards deflation and offsetting some of the initial inflationary pressures from extended programmes and different ways of working.

Arcadis says that the industry is at a turning point. Prices have been rising since 2014, but profitability across the sector has barely recovered. With further disruption associated with Brexit and changes to labour markets ahead, Arcadis expects that contractors and their supply chain will continue to take a risk averse approach to business development – focused on quality work rather than work at any cost. However, this presents an opportunity for clients who are ready and able to work with their project teams to bring forward de-risked and deliverable projects.

While the mid-term outlook is pessimistic, Arcadis retains a bullish view longer term. Tender price inflation has been forecast at 5% for 2024/25, reflecting not only the size of the potential pipeline, but also the long-term contraction of the UK labour force. Despite this, the path to recovery will not be straightforward and new projects will be exposed to an increased level of risk, not just from potential new waves of infection but also new risks associated with health and safety, productivity, viability, and supply chain stability.

**Clients are reconsidering their business needs, with risks around lower productivity, future Covid-19 disruption to works and supply chain resilience all having the potential to cause delays and increases in costs.**



Simon Rawlinson, head  
of strategic research at  
Arcadis.

This increased sensitivity to risk among both clients and contractors is likely to be seen in higher hurdle rates on investment returns, more demanding contract terms and greater project selectivity. These factors will determine how many projects will proceed, and how quickly they will start. This in turn will influence the shape of recovery and future market conditions.

Simon Rawlinson, head of strategic research at Arcadis, said: "Clients are reconsidering their business needs, with risks around lower productivity, future Covid-19 disruption to works and supply chain resilience all having the potential to cause delays and increases in costs. We need a different approach, not just to make sure that projects succeed, but also to ensure the long-term health of the sector.

"Looking at the wider industry, a successful rebound will depend on urgent, short-term actions – such as longer site operating hours, extended planning consents and prompt payments – combined with strategic longer-term thinking."

Great expectations

Introduction

Basis for the forecast

Despite encouraging news in phase 2 of post-Covid-19 recovery, the risk of disruption remains a key concern. Post-vaccination forecasting must reflect a range of uncertainties, including demand, and the potential for a resurgence of the virus. Clients and contractors who are well positioned to manage these risks will be better placed to secure work. The report also highlights the need for the industry to maintain a focus on safety, productivity, viability, and supply chain stability to ensure the long-term health of the sector.



# Apprenticeships incentives need to continue

When the chancellor Rishi Sunak gave his latest economic update on 8 July 2020, I was mostly struck by how the chancellor seems to understand the importance of apprenticeships for employers and the role they will have to play in providing opportunities for young people.

The incentives could mean a potential payment of up to £2,000 per apprentice which is a positive step, yet I am worried about unintended consequences. What happens once we have lost these incentives in January 2021?

Previously it has encouraged some employers to take on apprentices just to get the lump sum, with them quickly being cast aside once the scheme ends. Let's hope this doesn't happen this time around and we're not simply pushing the inevitable down the road.

The incentives raised more questions and required clarity on how and when employers and training providers can use them. We have now had some



Kimberly Murphy is apprenticeship and skills manager at the Technical Apprenticeship Consortium.

*The incentives could mean a potential payment of up to £2,000 per apprentice which is a positive step, yet I am worried about unintended consequences.*

much need clarity but with some more work needed on some other non-apprenticeship kickstarts and traineeship schemes.

Most importantly, employers will be eligible to receive an incentive payment for hiring a new apprentice but only if they are a new employee. This could be unfortunate for those passionate employers that recruited early and have committed to the new apprenticeship contracts during this difficult time for September starts pre-announcements.

One thing is for sure, we are facing a slowdown like no other before and there are some difficult choices coming up for employers to make. However, I was pleased to see Mark Naysmith, CEO of WSP in the UK, making a public pledge to invest in young and emerging talent (see page 10). I hope that many more will take his words to heart and invest in the future of the industry through apprenticeships.



Scott Macphail is director of Dougall Baillie Associates.

## Road bonds pose threat to construction SMEs' recovery.

Every party in every commercial transaction has a perfect right to take reasonable precautions against risk, but for business to function efficiently the emphasis must be on the word "reasonable".

I am thinking particularly of Road Bonds, a sum of money or a security which must be lodged with the local roads authority before work can start on a housing development for which a road is to be provided.

These bonds provide a guarantee that the road will be completed and they are a reasonable protection against developers or contractors failing to deliver on their commitments.

But there is increasing concern across the construction sector in Scotland that the amounts demanded, since no challenge to the figures is allowed, are growing out of all proportion to the value of the work being carried out.

This is not so much of an issue for large developers and Tier 1 contractors, since they tend to have the top A rating from

NHBC, the insurance body set up by housebuilders, which will fund their required bonds. But it is a long and arduous process for a smaller company to achieve the top rating.

Council officials would argue, with justification, that they have a duty to protect the public purse and that they have, in the past, been badly burnt by the failure or poor practice of contractors and have been left to pick up significant tabs for remedial works.

But this fails to accept that the construction industry has changed out of all recognition in the past decade in terms of accountability and best practice, and also that it is inequitable to penalise present players in the sector for the sins of their predecessors.

The real danger is that excessive bond fees could materially affect the viability of smaller projects, which could not only constrict expansion for SMEs but push some of them out of business altogether, with the consequent effects on local economies and employment.

Ultimately, there needs to be a recognition of the importance of SME construction sector firms to the recovery on which we are only just embarking, and if ever there was a time for encouraging, rather than stifling, ambition, this is it.



Dr Piers Clark is chairman of Isle Utilities, which hosts the Water Action Platform.

## Call for water professionals to join Crisis Response Register

The Crisis Response Register has been set up initially as a response to the explosion in the port of Beirut, Lebanon, on 4 August and is intended to be a permanent record.

We are launching the register for water professionals who feel they may have something they could contribute – be it for Beirut or any future disasters. Whether you work within a water utility directly, or are part of the supply chain – contractor, consultant, tech company – your input, and perhaps that of your organisation, could make a difference.

300,000 people have been made homeless by the explosion, and my thoughts turned to the water and sanitation challenges that this accident has created in a country which already had unsatisfactory infrastructure.

Over a period of 72 hours I spoke to multiple organisations and relief agencies, thinking that there would be a register of global water professionals who could be called upon in times of crisis, but time and again was told that no such register existed. In fact, I was told, if such a thing did exist it would be hugely valuable.

There are many excellent, highly capable and well-equipped organisations and charities who are working hard to address the immediate needs. What we are creating here is a register of water professionals who can be called up to support these organisations.

I'm sure I'm not alone in wanting to apply my professional knowledge to help and I urge anyone who feels the same way to register today.

Industry professionals wishing to join the Crisis Response Register can watch Dr Clark's personal appeal and register here.

<https://www.wateractionplatform.com/crisis-response-register>



# Online debate shines spotlight on planning

*Infrastructure Intelligence* has hosted a panel debate on how the planning system can help deliver the economic infrastructure element of the government's "build, build, build" agenda.

Rebuilding business confidence, creating certainty and reducing risk emerged as major talking points during an online planning debate, which took place on 6 August 2020, the same day as housing secretary Robert Jenrick outlined the government's plans for a radical overhaul of the planning system.

Ministers say the landmark changes outlined in a consultation paper, *Planning for the Future*, are necessary to transform a system that has long been criticised for being too sluggish in providing housing for those who need them and too ineffectual in obligating developers to properly fund the infrastructure - such as schools, roads and GP surgeries - to support local development.

The debate, "How can planning help deliver the 'build, build, build' infrastructure agenda?" was hosted by *Infrastructure Intelligence* editor Andy Walker and assembled a knowledgeable panel who brought an insightful and authoritative range of views to the table.

The panel included Daniel Moylan, former deputy chairman of Transport for London and advisor to Boris Johnson as chair of the Mayor's Design Advisory Group, Green Alliance chief executive Shaun Spiers, Pinsent Masons head of infrastructure planning and government affairs Robbie Owen and Hannah Vickers, chief executive of the Association for Consultancy and Engineering.

Outlining the scale of the planning challenge, Daniel Moylan said that much of the government's planned reforms relate to the pressing need for the more rapid delivery of new buildings and adaptations needed at a time of unprecedented and unpredictable transformation, but that infrastructure delivery also needed to happen at the scale and pace needed to match the government's clearly stated ambitions.

"Crucial to that is certainty," said Moylan. "Developers and promoters, in public and private sector alike, need certainty in three things: policy support, time, and the flexibility to react to market and commercial changes, he said. "The Planning Act 2008 attempted to provide these certainties for nationally significant infrastructure projects (NSPs), but this has started to fall away as political, economic and climate change realities have affected the regime," said Moylan, who described stakeholder resourcing, judicial reviews and delays in decision-making as three key problems to address.

"The budgets of statutory agencies including the Environment Agency and local authorities have been cut to an extent that many of them are unable to resource dealing with consultations properly," he said.

Although a campaigner against a third runway at Heathrow, Moylan also highlighted the negative role that judicial reviews can have on potential projects. "The delay caused by getting a judicial review disposed of can cause a big impact to a project. Heathrow lost a project it had invested in because the judges took the view that the government had made a legal error over which the airport had no say. That will be a warning flag to investors domestically and internationally about the capriciousness of our procedures," he said.



"The cost of delivering infrastructure is notoriously high by international comparisons," said Moylan. "To what extent does the current planning process contribute to that? There is too much risk in the system at the moment, and that needs to be brought down," Moylan said.

Expanding on the theme of uncertainty in the business community raised by Moylan, Shaun Spiers highlighted that uncertainty was also an important issue for local communities and that, even under the new proposals, certainty was extremely hard to achieve.

"A major concern about the new proposals is that you can't really simplify complex decisions about issues that people and communities care deeply about," said Spiers who also emphasised the need to invest in green infrastructure, saying that the UK was "massively off-target" of achieving net-zero by 2050.

"There's an annual £14bn investment gap in the infrastructure we need to achieve net-zero," said Spiers. "We need to think 'nature, nature, nature' rather than just simply 'build, build, build,'" he said.

Robbie Owen outlined how a coherent National Policy Statement (NPS), properly resourced stakeholders, more efficient decision-making and infrastructure delivery were all vital considerations in any new planning shake-up. "It's absolutely critical that the government gets a grip on this and modernises the

National Policy Statement and focuses on how we build back better and greener," said Owen.

"Properly resourced stakeholders at all stages are also critical - there should be no excuse for not properly resourcing authorities to make decisions speedily within clear timescales. We need to emphasise flexibility to help reduce burdens on investment, and we also need to reform and empower regional development corporations - they have an important role to play in infrastructure delivery," he said.

Hannah Vickers highlighted the short-term challenges faced by the industry due to the ongoing pandemic, including 690,000 construction jobs being at risk this year, but stressed the importance of not losing sight of strong long-term goals. Describing the ongoing work of the Construction Leadership Council as a great opportunity to positively influence the government, Vickers said: "Planning is a key component in any future recovery, but more needs to be done. We've had 'build, build, build', but we should add 'faster, better, greener' to that - a fundamentally different set of proposals which we shouldn't lose sight of," she said.

Vickers also stressed that building business confidence was critical for future investment, especially in skills and innovation. "The industry needs to invest in skills and future training, developing

capability for the next 15 years and beyond, while also investing in innovation and infrastructure for the long-term benefit of the economy and society. We won't get any of that if the government doesn't invest in infrastructure," she said.

*Infrastructure Intelligence* editor Andy Walker said: "The government's planning white paper was never going to address large-scale infrastructure challenges and strategy as it concentrates on housing and the local infrastructure development linked to that, however the big picture needs looking at. It is clear that the government is in radical change mode on planning issues and there is now a real opportunity for the industry to press its case for reforming the wider strategic planning agenda around National Policy Statements and National Strategic Infrastructure Projects."

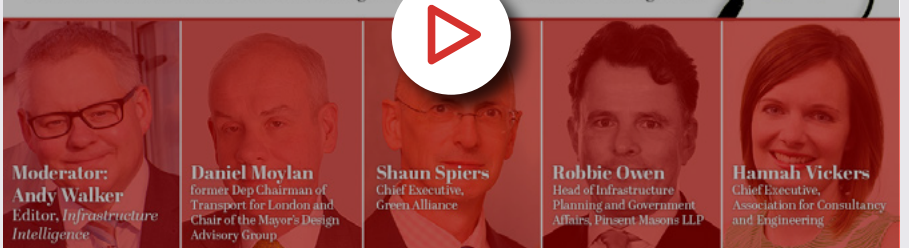
Click here to view the debate on YouTube.

[https://www.youtube.com/watch?v=Jt27jNauo\\_E](https://www.youtube.com/watch?v=Jt27jNauo_E)

## An *Infrastructure Intelligence* industry panel debate

How can planning help deliver the "build, build, build" infrastructure agenda?

An online industry panel debate on how the planning system can help deliver the economic infrastructure element of the government's "build, build, build" agenda.



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# Taking on the infrastructure delivery challenge

Infrastructure investment is crucial to the UK's economic recovery, but it must be delivered effectively in the light of current challenges, says Turner & Townsend's *Patricia Moore*.

The recent, high-profile announcements on infrastructure from the prime minister and the chancellor of the exchequer highlight the urgency with which the government is trying to kickstart our economic recovery. The complex set of challenges that the country faces though means a quick fix is a tall order. Addressing the post-Covid / pre-Brexit economic uncertainty, deep-rooted regional inequalities, an ongoing housing crisis and an ever-pressing climate emergency, will be no simple task.

The prime minister's levelling-up agenda, which the recovery programme promises to "double down" on, has gained even greater importance than when it was stopped in its tracks by the pandemic back in March. This renewed agenda again answers the calls made by the UK2070 Commission in its final report, *Make No Little Plans: Acting at Scale for a Fairer and Stronger Future*, published earlier this year, to address the country's stark regional inequalities. The commission will now play a vital role in scrutinising progress on levelling-up.

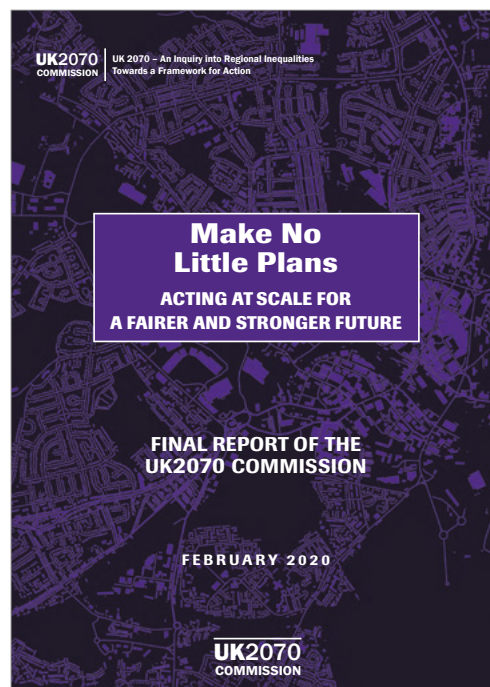
The decisive action outlined by the government is welcome though, so too is putting construction front and centre of this recovery. Infrastructure investment is a critical lever to pull at this time but the fleeting mentions of large-scale infrastructure projects in both speeches was notable. It is encouraging both for our industry and our communities, that the focus now is on regional projects and plans – local transport networks, new schools and hospitals, decarbonising public buildings and opening up brownfield sites for development.

Yet, whether buildings or infrastructure, the full potential of investment in communities via construction projects will only be realised if they form part of a co-ordinated plan, a national spatial plan, with strategic powers for planning and delivery at a regional and local level running alongside this. The government is understandably keen to deliver recovery at pace and so it should be – but any recovery needs to be looked at in the context of this bigger picture, as well as in the reality we face here and now.

So how can we go faster and realise this recovery? Successful delivery requires a strong construction industry. Our recent analysis of the UK real estate sector showed that



Patricia Moore is UK managing director at Turner & Townsend.



The UK2070 Commission and its final report, published earlier this year, will play a vital role in scrutinising progress on the levelling-up agenda.



Major projects like Crossrail are crucial to the UK's economic recovery, but effective delivery is crucial.

the pandemic has caused an additional 15% loss in productivity across commercial construction. These problems go beyond the challenges around social distancing on site – they are systemic, with global supply chains seeing significant disruption. The data shows that the added costs of the pandemic – £600,000 for a mid-scale 32-week project – wipes out the profit margins for most developers.

Given these low margins, guaranteeing delivery of the schemes mooted in Project Speed, and the retrofiting programmes announced by the chancellor, will mean supporting greater supply chain visibility to spot and solve problems before they impact timescales and costs. Improving cash flow is critical here and if we are to get the shovel-ready projects in the ground as quickly as possible, then the government will need to look at new ways to assure market liquidity.

In the early stages of the pandemic measures to expedite the procurement of equipment, goods and services provided a lifeline to the supply chain. The request for public sector clients to keep paying suppliers even where services were suspended was similarly impactful. We need procurement for infrastructure programmes to remain robust but straightforward so that bidding costs stay low, accelerating the speed to market.

To strengthen payment practices, we need government programmes to take the lead by demanding swifter payments and increased digitisation, moving away from traditional financial processes which only impede efficiency. This means documenting and tracking a suppliers' financial position across the full course of a programme lifecycle.

However, the key indicator for the strength of the supply chain is always the predictability of the pipeline. The more government can do to get projects signposted and flowing into procurement the better. Delivering on its commitments in a timely way will do much for the industry.

Both the prime minister and the chancellor also highlighted the need to tackle the skills crisis. It is critical to support the supply of high-quality labour by investing in skills at every level, from classrooms through apprenticeships, to tech colleges and the new government-backed trainee programmes. Lessons must be learned from the dysfunctional apprenticeship levy in this regard, and this now needs to be put on hold or scrapped altogether.

The focus of the investment in these skills must be closely aligned with the capabilities the industry needs now and into the future. As we move towards more agile techniques for programme management and embrace modern methods of construction and innovative design, with a targeted use of offsite manufacturing, we cannot have enough talent in these areas. Pinpointing the investment here will hasten our economic recovery, evolve our project models and create what will be one of our greatest exports.

The challenges may be many, but this is a golden opportunity for our industry to accelerate and evolve in ways that might until recently have seemed years away. As the construction industry's biggest client, we need government to think, reset, and help us drive that change. In doing so we will "build our way back to health".





# Who feels the need for Project Speed?

There is public support for delivering infrastructure more quickly but people still want the public to have a fair say on plans, says *Ben Marshall* from Ipsos MORI.

In June, the prime minister announced a new infrastructure delivery taskforce, named 'Project Speed', to ensure Britain is "building the right things better and faster than before". He described a mission to "scythe" through red tape and put an end to "newt-counting", heralding major reform of our planning system. But what do the public think?

On the face of it, pretty much the same. Ipsos MORI's polls have shown an impatience to get on with building. Most Britons recognise the housing crisis - three-quarters at last count - plus the inadequacies of much of our infrastructure and the positive impacts investment can have on economic and social life. For some time now they have been tired of austerity and in favour of state intervention and stimulus.

But new polling highlights more circumspect forces at work. For one, the public tend not to prioritise speed over democracy. While three in ten, 31%, favour avoiding any delay to tackling infrastructure problems, even if it means the public's views cannot be heard properly, more, 37%, favour delay so that the public's views can be heard properly even if this means that infrastructure problems are not tackled when they need to be. This leaves 32% unsure one way or the other.

Recent years have seen a remarkable shift towards in-principle support for boosting housing supply but, lest we forget, attitudes are conditional. Our surveys for Create Streets and the Institution of Civil Engineers show



Public opinion still needs to be won over on the speed of infrastructure delivery.



**Ben Marshall** is research director at Ipsos MORI who work with infrastructure leaders, using insights to support design, delivery, marketing and evaluation.

support for new housing weakens when it is unattractive and strengthens if sufficient infrastructure is in place. They perceive new housing to be small, poky and unaffordable. Quality and legacy matters.

In global terms, the British are comparatively sensitive to greenfield development – perhaps leading the prime minister to leave the green belt well alone. Our imagined Britain is green and pleasant, and we overestimate the extent to which the country is already developed. This does not make people 'nimby' (although some are), rather, it's more that they have concerns (many legitimate) about infrastructure being done to them, not with, or for, them. This was a theme of the recent public administration committee's call for more local input.

There are other speed bumps too. The public are more inclined to prioritise maintaining and repairing existing infrastructure in Britain before spending on anything new. Similarly, in group discussions we find an archetypal British 'make do and mend' outlook, related, in part, to the often terrible state of local roads and the well-publicised failings of grandiose national infrastructure projects.

We've also found that compared to MPs, the public have greener instincts and are more sceptical of overseas sources of investment.

So, yes to getting things done. Yes, to urgency. But no to speed at any cost.

# Green recovery means ditching obsession with cheapness

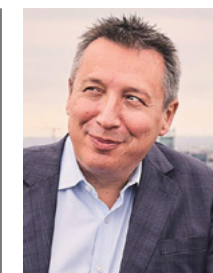
For a truly green recovery, we must ditch our historical obsession with cheapness when it comes to commissioning construction projects, argues *Keith Waller*.

Downing Street has been projecting messages about the vital role construction and infrastructure must play in driving a post-Covid economic recovery. But amongst these announcements on speed and spending, what I have found most encouraging is the prominence given to decarbonisation and innovation. As the PM himself put it, we need to "fuel a green, sustainable recovery as we rebuild from the pandemic".

As construction projects begin again after an extended period of inactivity, there may be a natural temptation for a sector which has faced months of turbulence and uncertainty to return to what we know best – well-established, but highly inefficient practices rooted in cost minimisation and risk transfer.

## Value-based decision-making

If, however, we want to deliver on government's ambition for a green, sustainable recovery, then we



**Keith Waller** is the programme director for the Construction Innovation Hub.

must take a serious look at our approach to value, including, crucially, how we define it. Our historic affinity with cheapness, must give way to a much broader understanding of value, one rooted in delivering better social, economic and environmental outcomes.

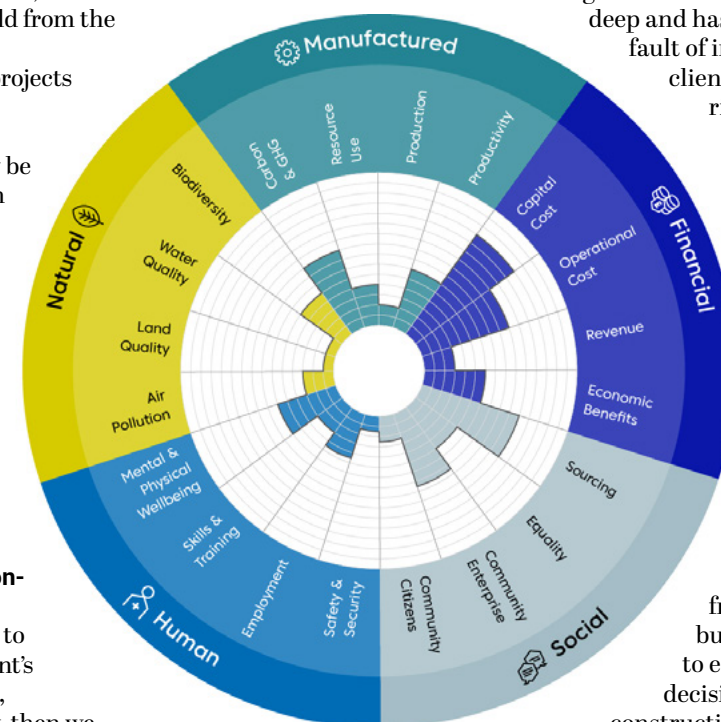
As we outlined in our recently published report, *Driving transformation, delivering value*, commissioning bodies, including government clients, must assess value in a different way, shifting from cost-of-construction to broader approaches based on whole-life value, performance, social impact and carbon reduction. In short, we need to see a fundamental shift towards value-based decision-making.

To help accelerate the journey towards value-based decision-making, the Construction Innovation Hub earlier this summer launched the *Value Toolkit*. A collaborative initiative, which draws together high-level expertise including the CLC, ACE and others, the toolkit is intended to help policy makers and clients make faster, more informed decisions which incentivise industry to respond with innovative, high value solutions.

## Grasping the opportunity for lasting change

Change won't be easy. Construction's fixation with cost runs deep and has done for a long time. This is not simply the fault of industry - the market usually responds to how clients specify, procure, contract and transfer risk. That, too, must change. With that said, I feel there is a real momentum building for change. Since we started the journey to develop the toolkit the enthusiasm we've encountered along the way and the willingness to collaborate has been deeply encouraging. At a webinar we held this summer, an overwhelming 96% of our 400 attendees agreed that a value-driven approach would enhance innovation in the sector.

In creating the toolkit, we're providing the tools that will help create a new and better model of decision-making. But tools alone will not deliver change; we need clients, policy makers and industry to work together and apply them. As we emerge from the long shadow of Covid and get Britain building again, we have a unique opportunity to embed a lasting shift towards value-based decisions which will help ensure a better future for construction, society and the environment.





# How to speed up major infrastructure projects

How can the industry speed up infrastructure project delivery to meet the challenges recently set out by the government? *Simon Kirby* offers some ideas below.

I have spent most of my professional life delivering major infrastructure projects and have seen the benefits projects can bring to individuals and communities across the country. I approach the government's call to speed up infrastructure delivery as someone who cares about infrastructure being at the heart of improving the prosperity of Britain's society. Given the current global crisis resulting from Covid-19, this seems even more of a priority than ever.

Whether it's hospitals, schools or transport projects, improving the country's infrastructure is a great way of stimulating the economy by improving connectivity, livelihoods and society as a whole. Now working for The Nichols Group, who specialise in strategic change, especially in major projects, I see opportunities to significantly improve and streamline project delivery and as the prime minister put it – get Britain “to build, build, build”.

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In my experience, similar issues crop up time and time again, irrespective of sector. I have always believed we can be much faster in project delivery and having seen the speed with which the amazing teams delivering the Nightingale hospitals worked, I am more convinced than ever that it can be done. This is not the first time we've seen project delivery done efficiently at speed as a nation. The Olympic Park is a great example of this. The Olympics has no room for negotiation on timeframes which serves to focus teams and aligns everyone to that goal.

So then, we know that infrastructure projects can be delivered much more effectively and at greater speeds and the government is right to challenge industry to cut back delivery times. In many cases, wasted time can make up as much as 50-60% when compared to international benchmarks. In the era of the Covid-19 pandemic, we have learnt just how valuable time is. The last few months have forced us to be quick, bold and flexible, more so than we've had to be for many years. We should learn the lessons from society's pandemic response and approach projects with the same energy, flexibility and momentum.

If we can cut out time, we can also cut out cost. If we can make projects faster, everyone benefits. It reduces uncertainty for those impacted by projects and delivers the positive social impacts quicker. As an engineer it's easy to look at projects as engineering exercises, but ultimately projects are there for one purpose only – to enable people to have better lives and society to prosper.

But part of the reason projects get delayed is down to changes made by politicians and other decision-makers. In order for a project to succeed, it needs clear requirements that don't change. This is true whether that is a hospital, railway, or an extension to your own home. No matter what the purpose of the infrastructure project, the requirements must be agreed early and fixed. Any successful project needs a vision set either by

government or by private funders, and that vision needs to be able to stand the test of time. Politicians need to create a vision and policy, and then follow through on the plan with conviction – not relaunch every 12 months.

With political support and the project requirements fixed and aligned to local or national needs, the foundation is built for a successful and faster project.

Creativity and diversity of leadership is essential to success. Teams created to deliver a project all with similar experience of one sector tend to recreate environments that they are comfortable in, but that in my view doesn't create the step changes in performance that are possible. Of course, a team must have sector expertise but that doesn't mean a successful team is one that solely has that same expertise. Diversity is essential. Quite often standards become institutionalised and without challenges stemming from diversity of thought, the paradigm doesn't change.

With all of the momentum behind infrastructure right now, it's essential we learn the lessons of the past. I am particularly passionate about the need to embrace diversity in all its forms. Too often leadership teams are 'pale, male and stale' and we need now to actively embrace a greater diversity of people, more diversity in thinking, and more diversity in types of expertise if we are to respond to the needs of the modern world.

To enable a major infrastructure programme to succeed, the governance and bureaucracy surrounding it needs to be as streamlined as possible. In my experience this is rarely achieved. Good governance is essential to any programme, whether privately or publicly funded, but the governance must again be focussed on delivering the right outcomes. Governance can easily become cumbersome and slow and is often created by focussing on short term issues without emphasis on vision.



The local area has seen £2.2bn of private investment since the redevelopment of Kings Cross station and the 2012 Olympics project led to regeneration in east London.



**Simon Kirby** is an associate for The Nichols Group, a former chief executive of HS2 Ltd and former managing director at Network Rail.

Creating speed in project delivery and momentum for success has a large dependency on the supply chain and establishing who the delivery organisation is is essential early in the project. Creating innovation and a design that is quickly buildable to high quality means the delivery suppliers need to be heavily involved early in the design process. Great design is one that balances the project outcome and the needs of the delivery teams tasked with building it. I have seen this principle holding true on many projects from a gas turbine engine through to a railway programme like Kings Cross or Blackfriars Station. It also allows the whole supply chain to be aligned and incentivised commercially to deliver the client requirements.

With requirements fixed, diverse leadership challenging the norm with a motivated and aligned supply chain, innovation will follow. So, there is much to be done and we as an industry need to look at ourselves in terms of how we need to change to improve delivery performance. The prime minister has set us a challenge to speed up big projects. From my point of view - challenge accepted.

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# Covid Recovery webinars see key themes emerge

More than 2,000 industry professionals heard net zero, building a green recovery, social value and redefining best value emerge as key themes in the *Infrastructure Intelligence* Covid Recovery webinars this summer, writes *Rob O'Connor*.

Friday mornings became an essential date in the diary this summer, as more than 2,000 industry professionals signed up for a series of Covid Recovery webinars.

Hosted by *Infrastructure Intelligence* editor Andy Walker, leading industry figures from across the infrastructure, construction and consultancy sectors grappled with a range of key issues as the UK continued to adapt to a new normal in the fight against coronavirus.

As reported in the July/August edition of *Infrastructure Intelligence*, a series of webinars in May and June covered a range of issues including the new normal for construction, the role of infrastructure investment in kickstarting the economy, industry resilience, changing business models, and digital communications. The initial webinars proved so popular that a brand-new series continued throughout July, where the importance of net-zero, building a green recovery, the opportunity for the industry to do things differently, social and community values, redefining best value, and retaining and attracting new talent to the industry were just some of the key themes to emerge – as summarised here.



## After Covid-19: a boost for Net Zero?

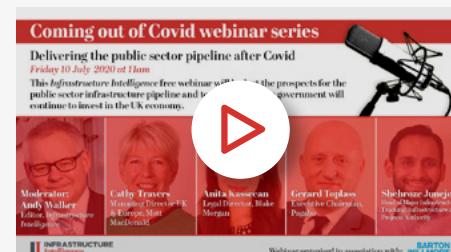
The construction industry has a vital role to play in achieving net zero but needs to move much faster to meet the challenge. That was the clear message from expert panellists who discussed the hot topic of net zero and the prospects for achieving it, post-pandemic.

Former Atkins chief executive Keith Clarke made a series of forceful points about the industry's vital role in achieving net zero, but warned that society and other sectors of the economy were already stealing a march on the construction industry in making positive change. "Other industries are looking to achieve net zero by 2030 rather than 2050. Why can't we?" Clarke asked. "A net zero option should be mandatory when offering solutions to clients, and net zero should be the primary driver of how we design and deliver infrastructure. The market is moving towards net zero, but we're moving much more slowly than society on this," he said.



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## Delivering the public sector pipeline after Covid

Doing things differently, social and community values, highlighting and measuring best value and achieving net zero all emerged as key talking points at this event. Mott MacDonald's UK and Europe managing director Cathy Travers claimed the pandemic has given the industry a major opportunity to actually "do things differently" rather than "just doing different things".

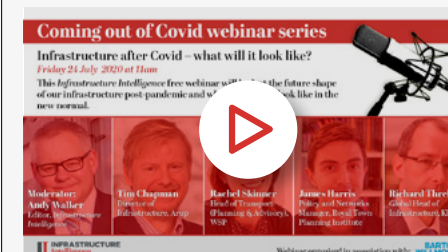
Rather than the much heralded 'build, build, build' mantra of the prime minister, Travers emphasised the need to 'plan, plan plan' and 'design, design, design', saying that projects should be "shovel worthy not just shovel ready". "Future pipelines should give us a massive opportunity to deliver net zero, create jobs and build communities," she said. "And SMEs have a vital role to play both locally and nationally in a community focussed recovery."



## Delivering the private sector pipeline after Covid

The green recovery, identifying investable areas to build business certainty, the need for planning reform and the role of government in leveraging private investment in infrastructure were just some of the issues given an airing at the webinar on Friday 17 July.

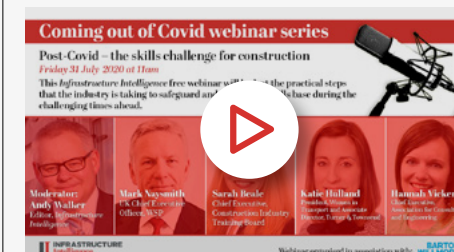
Edel Christie from Arcadis said that although she expected the private sector to bear the brunt of any post-Covid slowdown, it wasn't all "doom and gloom" as changes to living and working patterns post-pandemic would lead to new developments in towns and cities across the country.



## Infrastructure after Covid - what will it look like?

Changing trends in working locations and travel needs, net zero projects, the green recovery and the need for effective strategic planning were just some of the issues highlighted at the webinar on Friday 24 July. WSP's Rachel Skinner said that there was a danger of undoing all the progress that had been made in the area of green transport, but made the point that the infrastructure sector was in a pivotal position when it comes to leading change post-Covid.

"It's in our hands - we are the infrastructure professionals and we need to figure it out," she said. "Covid has shown the limitations of what we have and we know there are new technologies that can make things better. We need to work out how to join things together and at the same time deal with other pressing issues like climate change and carbon emissions. So, we come out of this crisis, faster, better and greener," she said.



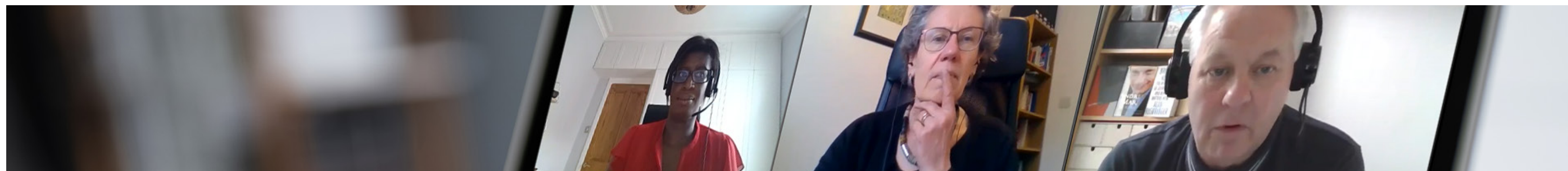
## Post-Covid - the skills challenge for construction

Retaining existing talent and attracting a diverse range of new people to avoid future skills shortages were key points at the final webinar of the summer on Friday 31 July.

Comparing the current Covid crisis to the lessons learnt in responding to the global financial crash of 2008, WSP chief executive Mark Naysmith said: "There's a balancing act between reshaping a business and maintaining a strong skills base. Losing talent would be storing up problems for the future and we must look to avoid creating a skills shortage this time around."

*Infrastructure Intelligence* editor Andy Walker said: "This has been an outstanding series of webinars. All the speakers were interesting, informative and knowledgeable and they didn't shirk from some of the difficult questions posed by attendees. I now look forward to our new series of *Infrastructure Intelligence* LIVE online events this autumn (see page 2) which will further assist the industry as it emerges from the Covid crisis."

Thanks to Barton Willmore for their support for the webinar series. **BARTON WILLMORE**





# Major projects risk leaving legacy of white elephants

‘Levelling up’ risks leaving a legacy of white elephants without culture change on the delivery of major projects, say MPs. *Rob O’Connor reports.*

A hard-hitting parliamentary report has claimed that major infrastructure projects risk wasting billions of pounds and leaving a legacy of white elephants without major cultural changes in how they are delivered.

Government plans to boost growth and ‘level up’ the economy need to be well thought through, responsive to local need and delivered through effective, efficient and transparent major projects, the public administration and constitutional affairs committee of MPs has warned.

In its report, *Delivering the Government’s infrastructure commitments through major projects*, the committee cautions that the hundreds of billions dedicated by the government for new infrastructure projects risk being squandered without better co-ordination of local projects, long-term tracking of performance and greater transparency over delivery.

The report also calls on the government to clarify its overall aims for major infrastructure spending as soon as possible and provide greater detail on how it will support economic development and regional growth.

The report points out that the government’s major projects portfolio currently comprises 125 projects worth £448bn. After the 2019 general election, the government announced its intention to drive growth and ‘level up’ the economy through investment in infrastructure. This was followed by the announcement of £640bn in investment for projects



William Wragg MP, chair of the public administration and constitutional affairs committee.

The prime minister Boris Johnson delivering his “build, build, build” speech.

across the UK and a further £5bn in coronavirus ‘bounce back’ investment.

The report has summarised a number of key areas and made the recommendations set out below.

## Developing a coherent national strategy

At present, says the report, the overall aims of this significant boost in infrastructure spending remain ill-defined. The government must clarify what it means by ‘levelling up’ and set out a coherent plan for co-ordinated infrastructure investment that will deliver defined long-term benefits at a local and national level.

The National Infrastructure Strategy should be published as soon as possible and before a penny is spent on new projects. The government must clearly set out its objectives for the economy and how planned infrastructure investment will support these aims. It should also include an assessment of regional or local needs and provide the central principles on which the value of individual infrastructure projects will be assessed and how they will support wider development.

The Cabinet Office must also take an active role in ensuring

infrastructure programmes are coordinated and avoid a scattergun approach that has plagued major projects historically.

## Delivering long-term benefits

Individual projects should be set up and run with a focus on achieving stated benefits. The principle factor in judging the success of a project must be how much it realises its stated benefits, not simply whether it has been delivered on time or on budget. Mechanisms should be put in place that enable greater scrutiny of this performance in the long-term.

## Identifying and achieving benefits in regional investment

The government will need to understand how it can take local needs into account when developing infrastructure projects. Too often local consultation begins

after fundamental decisions have already been made, leading to project delays and infrastructure that neither meets local need nor has full public support. All projects should include proper consultation, proportionate to their scale and profile, as part of the early decision-making phase and take appropriate action to respond to its findings. Any project failing to prove it has done so adequately should not get treasury or Infrastructure and Projects Authority funding.

## Ensuring the right skills at the right level

Secretaries of state and ministers must be better prepared with the skills needed to develop and drive delivery of major projects. A scarcity of appropriately skilled people and salary constraints in the public sector has also led to ongoing staffing shortages, particularly at SRO level. This lack of capability has the potential to act as a significant block on the government’s ability to achieve its goals in infrastructure.

Publishing the report, committee chair William Wragg said: “Developing grand infrastructure projects must not become an end in itself and we must move away from the short-term view that measures the value of major projects in terms of whether they are finished on time and at the expected cost. As the nation embarks on a period of significant infrastructure spending, we must focus on how much they deliver the benefits they set out to achieve and were the basis for being given the go ahead.”

“The government must clarify its overarching aims for this strategy – how infrastructure spending will support economic growth, what ‘levelling up’ means in practice and how they will be achieved. We must also see improvement in how projects are developed at a local level. It will be critical not just to get local support for infrastructure projects but getting local input in identifying problems and developing solutions must be better supported and become a feature of programme development at a much earlier stage.

“Investing time at the outset to make sure everyone is clear about the aims and proposed benefits, alongside a change in the culture of how major projects are developed and managed, should mean that this transformative change is achievable.”

The report also calls on the government to reconsider what infrastructure will be needed in coming years, reflecting on the experience of the coronavirus crisis. For example, if more jobs will move to home working, whether this might create a greater need for faster broadband rather than new roads. Such a post-Covid view of infrastructure should be reported to the committee for further scrutiny, say MPs.



# Delivering informed value-based decision making

ACE is working with the Construction Innovation Hub to develop a value toolkit.

The Construction Innovation Hub is developing a new value toolkit to help policymakers and clients make swifter and better informed decisions as they wrestle with the complexity of delivering value which meets key policy objectives, notably around implementing modern methods of construction, social impact and accelerating the path towards net zero.

ACE is a key partner in the project and will be researching and developing ideas around delivery models and commercial strategy – one strand out of four that the entire project will tackle. Other areas explore definitions of value, procurement, and measurement.

Hannah Vickers, ACE's chief executive, said: "The Construction Innovation Hub shares our views that as an industry we need to be able to meet definitions of value which better reflect the complexities of the world we're now working in. Value is about delivering better, not cheaper."

Conor McCarthy, an associate in WSP's transport and infrastructure business based in Glasgow, is on secondment helping ACE deliver this work for the Construction Innovation Hub. Opposite, he outlines what he's working on and why the research matters.



Conor McCarthy,  
associate, WSP.

## Why do we need to reassess how we look at value?

CM: Society is changing rapidly and the expectations of the public at large regarding the built environment are increasing. Gone are the days of projects gaining social licence to be delivered simply because they were the cheapest. Delivering value today is already broader, and rightly so. Finding ways to incentivise and quantify valuable outcomes for the supply chain – the funders, beneficiaries and broader community – is really important and something industry is keen to get right.

## In exploring business models and delivery, ACE is delivering a key part of the programme. What will this work achieve?

CM: In addition to developing module two of the Value Toolkit, ACE is developing business service model catalogues for consultancy and contracting which will identify the range of possible models that industry can adopt in response to a client's chosen value profile and delivery model.

In layman's terms, we are trying to create a common language for consultants like WSP and our contracting partners to shift mindsets towards outcomes rather than means and agree innovative business service models that ensure our industries long term prosperity and success.

## This is all vitally important work, isn't it?

CM: The engineering consultancy sector and the construction and planning industry more broadly, has a fight on its hands to stay relevant, but also a unique opportunity to take the centre stage as the country aims to 'build back better'.

As people who have been following ACE's Future of Consultancy campaign will know, the potential to increase our sectors' productivity through automation and digitalisation, combined with an increasing desire to deliver real social value, and a clear need to reduce the carbon footprint of our buildings and infrastructure, was a clear challenge for our industry before Covid-19 – now, these challenges are central pillars of our recovery.

But more important than all of that, it's faster, simpler and focused on value creation for clients!

Read the full  
interview on the  
ACE website at  
[www.acenet.co.uk](http://www.acenet.co.uk)

# Find a Consultant database relaunched

ACE has relaunched its online member database that showcases its members' capabilities and expertise.

Search Find a Consultant now at  
[www.acenet.co.uk/about-us/find-a-consultant/](http://www.acenet.co.uk/about-us/find-a-consultant/)

Enabling searches of members by nation/region, business specialism, name – or a combination of the three – ACE's useful Find a Consultant online tool provides an intuitive way for clients to find the services they're looking for.

As well as all the usual contact details you would expect, Find a Consultant also shares information on branch offices, company websites and social media channels.

ACE director of membership and business engagement, Darrell Matthews, said: "Those with long memories will remember previous iterations of this service, but we're delighted to finally be able to provide a platform for ACE members to showcase their offering on our current site.

"As well as acting as a public certificate of ACE membership, Find a Consultant will allow potential clients to sift through our broad and diverse membership base to find the particular specialists they're looking for. For SMEs it also means an equal playing field ensuring their names have equal status alongside their larger peers.

"We will be promoting the service to public and private sector clients as our online guide to the industry's best. We'll reinforce the power of the tool which will allow them to secure the specialist skills they require and to support businesses local to them."

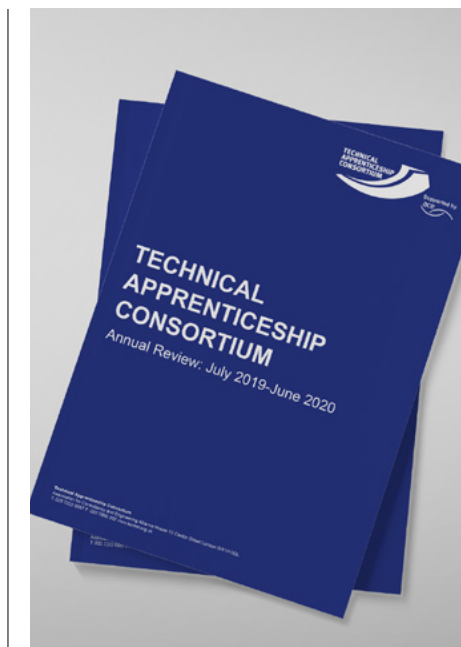


# TAC's year in review

The Technical Apprenticeship Consortium (TAC) has released its annual review for 2019/20.

In the 12 months prior to July there were 905 new apprenticeship starts nationally across the eight TAC standards. Of these, more than three quarters (697) were on degree apprenticeships facilitated by TAC. Across 14 TAC member companies, 300 of the 905 national starts were reported, 200 of which were degree apprenticeships.

Last year saw two new standards launched with the first Environmental



Practitioner Degree apprentices at Kingston University and the first Transport Planning Degree apprentices at Aston University.

Chris Burton, chair of TAC, said: "We have had another impactful year, helping hundreds of people onto apprenticeships and providing the vital link between business, education, government and professional institutions.

"Without sounding too clichéd, we're working through exceptional and uncertain times, but the chancellor's recent support for apprenticeships shows that there's an ongoing important role for TAC to play. We will continue to encourage people onto apprenticeships and help businesses in our industry to fulfil their future skills requirements."

Download the TAC review from the ACE website at [www.acenet.co.uk/news/ace-news/tac-shares-annual-review/](http://www.acenet.co.uk/news/ace-news/tac-shares-annual-review/)





# Turning our attention to recovery



Some good news is expected soon from the government on Northern Powerhouse Rail.

Autumn's political calendar offers plenty of opportunity to influence and generate positive headlines, argues *Hannah Vickers*.

I am writing this in what would normally be a quiet period in politics, but the Covid crisis has ripped up the rule book. Instead of being on holiday, politicians are taking the heat on the country entering recession, exam results, local lockdowns, and quarantines.

I have no doubt that the prime minister and the cabinet will be eagerly anticipating the political calendar this autumn. The budget, a National Infrastructure Strategy, Comprehensive Spending Review (CSR) – and Project Speed running through them all – are all great opportunities to generate positive headlines.

As the only leading Conservative politician to emerge from the crisis with favourable approval ratings, the chancellor Rishi Sunak will relish the opportunity to once again 'splash the cash' at both the budget and the CSR. To what extent he will be able to do so is the obvious question.



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

Meanwhile, prime minister Boris Johnson will also want to be closely associated to the large infrastructure projects that meet government ambitions on 'levelling-up'. With this in mind, we expect some good news on Northern Powerhouse Rail and - with elections postponed until May 2021 - in supporting the metro mayors where we hope construction's role as a catalyst for local recovery is fully recognised.

While much of the media attention will, no doubt, be drawn to major infrastructure projects and headline-grabbing figures, we will be finding out whether ACE's suggestions for tangible improvement and actions within the CSR have been picked up, with an eye on opportunities for longer-term reform.

The main areas of focus will be on accelerating the pipeline, building government confidence in industry's capacity to deliver, shifting conversations towards value rather than lowest cost and unlocking the opportunities inherent to a "faster, better, greener" approach. As part of this, we will want to see how society's ambitions on net zero can be incentivised by both private and public finance.

Building on the foundations of the Construction Leadership Council's (CLC) Roadmap to Recovery, we will ensure our industry remains central to the government's thinking. As well as our role in creating jobs and growth, our strategic planning capability can help cities adapt to a post-Covid world, while our use of digital design is essential if we are to quicken delivery. Furthermore, our understanding of data will help clients make the right decisions in terms of social value and net zero.

Of course, skills will also be key and the recently launched CLC Talent Retention Scheme will not only ensure we avoid the drain witnessed in previous recessions, it will provide the strategic insight for industry-wide decisions on reskilling, the impactful use of funding and in welcoming skills from other sectors, as the recovery further establishes itself.

# Organising and collaborating to meet net zero challenge

The Environmental Industries Commission, working with ACE, is leading the way in galvanising the industry and its stakeholders as they strive to achieve net zero in the infrastructure sector, says *Poppy Kettle*.

Covid-19 has highlighted the importance of resilience within society and infrastructure and there is a general consensus that more concentration needs to be put into net zero projects. Despite the postponement of the COP26 global conference in Glasgow earlier this year, the ACE/EIC net zero report will still be released this October and is coming towards the final stages of research.

Following a survey we conducted, seeking insights from experts across ACE and EIC members, we found that technical feasibility was not the main challenge holding us back from achieving net zero. The main pressures we encountered were surrounding client expectations, planning frameworks and regulatory challenges, amongst many others. To achieve net zero, it is essential that these pressures are resolved to meet the technical capacities we already possess.

The ACE and EIC net zero task force is made up of leaders across the engineering consultancy sector. Following the survey, the task force met in order to identify the sectors that lacked significant research into how to mitigate these challenges. With the challenges faced in the ports and rail sectors being of immediate concern, we have conducted two workshops bringing together leaders within these sectors to further inform the research being done by ACE and EIC. We are also conducting a further two workshops looking at the roads and buildings sectors in September.



**Poppy Kettle**  
is a net zero policy  
executive at the  
Environmental  
Industries Commission.

In recognising the 2045 timeline for Scotland and following on from a meeting that ACE Scotland had with Michael Matheson MSP, the Scottish government's cabinet secretary for transport, infrastructure and connectivity, earlier this year, we are creating a paper for the Scottish government on reaching the net zero 2045 target. With the help of experts in Scottish infrastructure we established the main challenges and the capacity for ACE and EIC members to support the Scottish government in achieving their net zero agenda.

Net zero frameworks have not yet been interpreted into the planning system, something that is essential in reaching the UK net zero targets. Considering this, ACE and EIC have been working with Lancaster University to create a paper assessing the role of environmental impact assessments in meeting the UK net zero 2050 targets. This paper is looking at qualitative and quantitative results based on interviews with leaders across the industry and is an insight into the way the planning system may develop to facilitate the changes needed in the infrastructure industry.

Throughout the project, we have interviewed hundreds of member experts across the engineering consultancy sector who have helped to inform our research and shape the project. In doing this we have learned of many case studies that highlight the amazing work that members are doing in net zero and so are creating a database of member case studies.

As net zero is a growing but still emerging area, we are working towards a comprehensive map of members and wider stakeholders with projects in net zero. This will include universities as well as cross-company initiatives, with the hope of allowing members to find areas of collaboration and to identify the areas that still lack significant work.





# Negotiating successfully in the new digital world

One of the speakers at a recent *Infrastructure Intelligence* webinar was negotiation expert *Derek Arden*. Here he offers his thoughts on online negotiations in an increasingly digital business world.

**W**e all always look to strive for 'win-win' outcomes in negotiations. The benefits are clear to see for our long-term relationships, however, when we are conducting the negotiations electronically, as will increasingly be the case in the new digital landscape we are all having to get to grips with, it can be trickier.

I've put together a simple and straightforward seven-point plan of tried and tested strategies that I would recommend for your online success. While following them all won't guarantee you success, they will make a win-win outcome much more likely than if you didn't use them.

## 1. Set the meeting up yourself. In other words, be the arranger

The benefits are that you have control of the switches. With agreement, you can record the meeting and also download the recording straight away. This gives you the opportunity to review the controversial parts of any discussion or where you suspect the people you are meeting with might not have been as open with you as they should have been. Do all this before you make a counter offer.

## 2. Make sure you know how stuff works

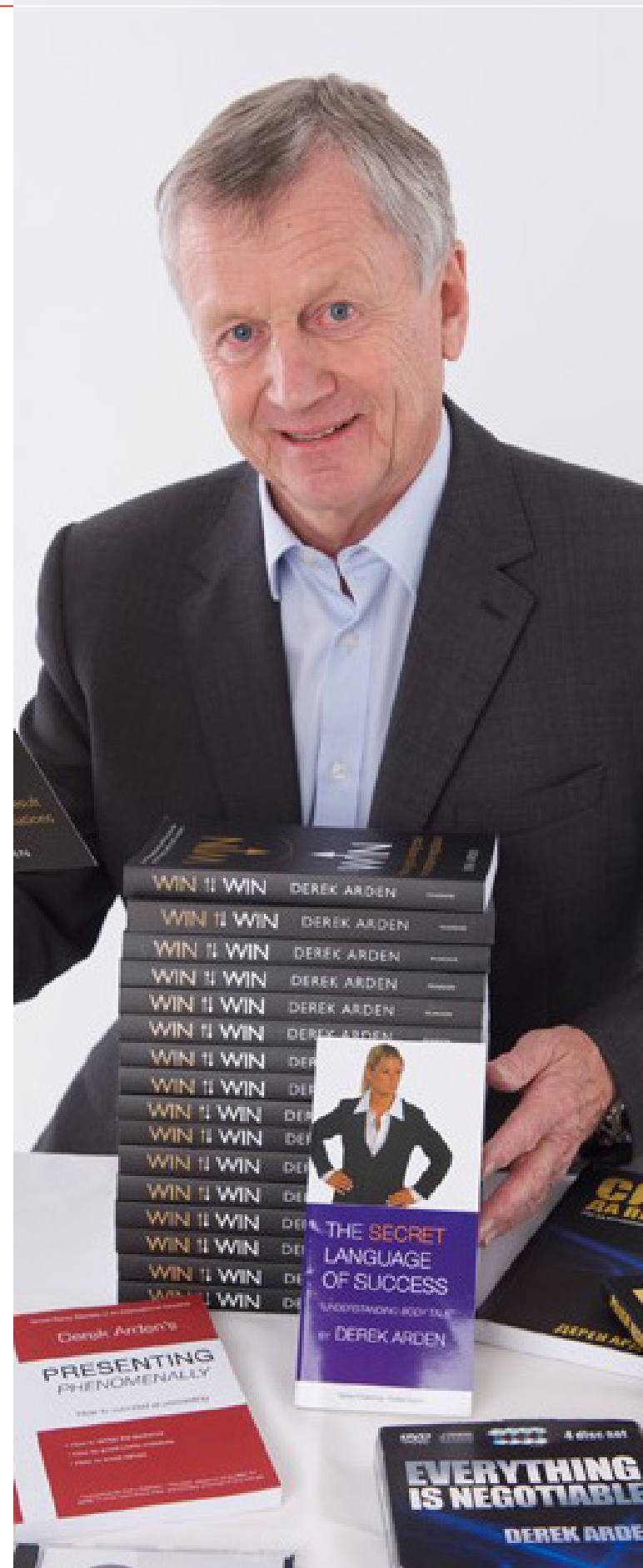
Whatever platform you are using (Zoom, Microsoft Teams, Google), make sure you know how to work all the controls. No one wants to be struggling with the chat room, the participant controls or screen sharing in an important situation. By being confident with the tool bars, you will appear to be more confident in the negotiations. It's also worth sending the agenda in advance and asking the other side what they would like to add as well. This is a tactic to avoid no surprises and is courteous.

## 3. Don't be on your own

Make sure that you have at least one observer in the electronic meeting and on the end of a mobile. In the planning stage, agree the key questions that you are going to ask and get the observer(s) to watch the body language carefully when the other side answers your pre-prepared questions. Remember that the quality of the questions you ask, determines the quality of the answers you get.

## 4. Think about and plan your time outs

Agree in advance with your team when and how you will take a time out. The best practice would be to switch the virtual



Derek Arden is a professional negotiation adviser. He has worked with consultants, constructors and engineers running advanced negotiation masterclasses in Europe, the Middle East and Africa. Find out more at [www.derekarden.co.uk](http://www.derekarden.co.uk) or contact him at [Derek@derekarden.co.uk](mailto:Derek@derekarden.co.uk)

meeting off, go into another room and call your observers. Make sure you that you have your internal structure and tactics sorted in advance to decide on your moves during the time out. This will help you to determine how you might change your best position, target position, walk away position and alternative position.

Be very careful not to make internal calls in the same room and assume you can't be heard or go into a digital breakout room to ensure that you don't accidentally broadcast your thoughts to the other side. Breakout rooms are fraught with technical difficulties. In a recent high court case *PCP partners + Amanda Staveley v Barclays Bank Plc. (June 2020)* the Zoom was still running and one of the defence attorneys called Ms Staveley a liar, for all to hear!

## 5. Think about your variables

Never forget the value of non-monetary items; these are generally called variables. These are items such as payment terms, immediate payments, extra business etc. Make sure you list these in advance and consider as and when you change your position. This is best done during the time out. Never forget to trade any concessions for something valuable in return.

## 6. Don't be rushed

Do not get pressed into a decision which you wouldn't have made in a live room, just because Zoom or another online platform takes potentially longer. Remember that your time outs have three benefits: -

- They give you time to review your negotiating position.
- They give you time to take out any emotion.
- They give you a break to discuss with your colleagues to get their thoughts on the next move.

## 7. Take your time

Remember that there is often a time delay while the Zoom goes to the satellite and back. Take plenty of breaks, beware of Zoom fatigue and don't rush a decision when you are not sure. Remember the age-old adage: 'Sleep on it'. You can always come back and start from where you left off and thinking things through gives you even more time to assess and review.

Enjoy your win-win negotiations!





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