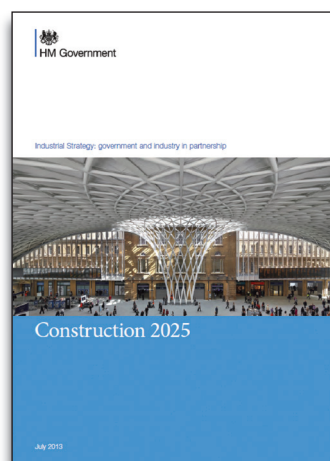


# The Industrial Strategy For Construction: CONSTRUCTION 2025

**Peter Hansford**  
**Government Chief Construction Adviser**



***Construction 2025*<sup>1</sup> was launched on 2 July 2013. It sets out a vision for how industry and Government will work together over the next decade to change the UK construction industry.**

It starts with a vision of a world different from the past – and from today – where buildings and infrastructure are conceived and built much faster, with greater whole-life value and better carbon and energy performance. A vision where construction drives growth across the whole economy, and with UK companies working in partnership in markets overseas. The vision is that by 2025 construction has been radically transformed.

## *... world different from the past ...*

The strategy sets out ambitions for 2025:

- a 33% reduction in the initial cost of construction and the whole life cost of assets;
- a 50% reduction in the time from inception to completion for new build and refurbished assets;
- a 50% reduction in greenhouse gas emissions in the built environment; and
- a 50% reduction in the trade gap between exports and imports for construction products and materials – with more built in Britain.

We will not achieve these ambitions by small changes; the task requires industry to do things differently. In tackling this, *Construction 2025* has five broad themes.

## **PEOPLE**

People are at the heart of construction. To transform construction in the UK we must attract and retain the right people – multi-skilled, diverse, creative and hard working – and become an industry of choice. To achieve this we need to fundamentally change how the construction industry is perceived by the public.

We need to inspire the next generation – both girls and boys – to embark on careers in our

industry. This must start before school curriculum choices have to be made. In addition we need to inspire teachers and parents, as they are very

## *... inspire the next generation ...*

influential when it comes to career choices.

We must also remember the public's main point of contact with the construction industry is through the domestic improvements sector. We therefore need to drive up standards in the domestic market.

In tackling the image of the industry we must address working conditions. The UK construction industry has made enormous progress over the last decade to improve site safety;

but we still have a long way to go. We must now bring the same focus on safety to occupational health.

Lack of diversity in construction has a huge impact on the image of the industry. Less than 14% of people in construction are women and only 2% are from ethnic minority groups, far from being representative of UK society. Our goal must be to create a working environment that is comparable to those in other sectors of today's economy, making this industry a great place in which to pursue a career.

We must do all this while increasing the capability in the workforce. As the economy emerges from the recession,

construction firms must recruit and retain competent people in sufficient numbers to meet the increasing demand for construction. The industry will need people with new skills who can deliver change over the next decade.

## **SMART**

Technology is moving fast, even in construction. We are moving towards a digital economy, which has profound implications for our built environment. We must ensure

UK construction remains at the vanguard of smart construction and digital design.

We have made a good start through the Building Information Modelling programme (BIM). These digital approaches to how we design, manufacture, assemble and manage facilities are starting to transform the way construction is carried out. Impressive efficiencies are being realised, with around 20% savings on some projects now being delivered. Only through the implementation of digital techniques will we be able to deliver more sustainable

## SUSTAINABLE

The transition to a low carbon economy presents the industry and Government with opportunities for growth. Environmental considerations will transform what we build, what materials we build with and how we build it, reaching into every part of the supply chain. One of the biggest areas of opportunity is our existing housing stock, which accounts for over half of the greenhouse gas emissions from the built environment.

The construction industry has perhaps the most influence over

### *... drive up standards ...*

buildings, more quickly and efficiently, with far less process waste.

These techniques are also critical to the successful implementation of a wider off-site manufacturing strategy. The benefits of off-site construction

its carbon impact in infrastructure. In this area, less carbon can equate to less capital cost, and indeed to lower whole-life costs. There is now a challenge to realise this for buildings.

For an industry to be sustainable it is important for

opportunities since 2011, and is now working to make this easier for businesses to use.

## GROWTH

The global construction market is increasing rapidly – over 4% per year to the end of the decade – with substantial growth in emerging economies.

### *... making this industry a great place ...*

Transforming the UK construction industry provides significant opportunities for global trade.

The UK has a reputation for architecture, design and engineering. We lead the world in sustainable construction solutions and in digital engineering, and we have a strong reputation for our collaborative forms of contract and ethical business practices. These all provide great opportunities for economic growth.

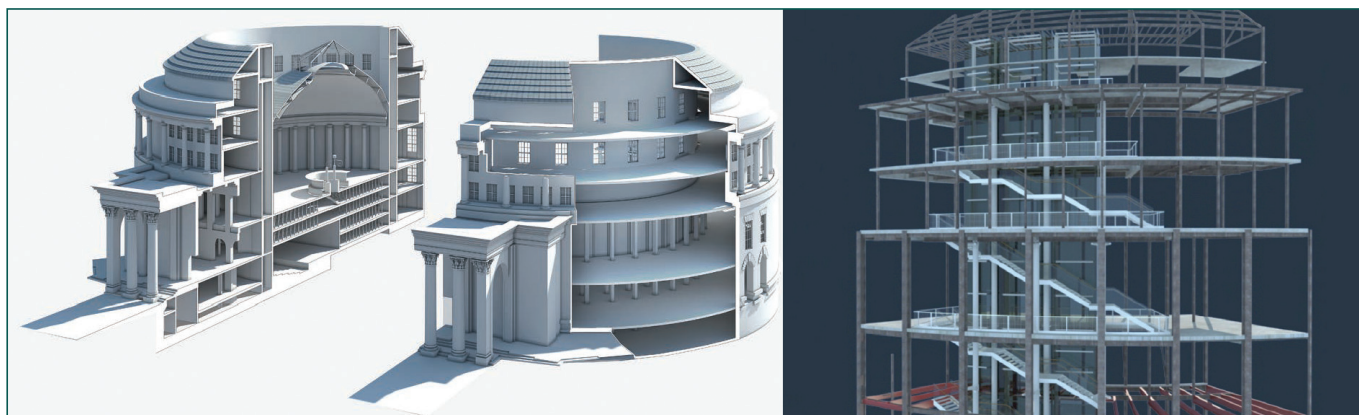
To achieve this there must be a resilient supply chain. The

## LEADERSHIP

Developing the strategy is one thing; taking it forward in partnership between industry and Government needs clear and strong leadership. To this end, we have created a new body to own and implement the strategy – the Construction Leadership Council.

The new Council is co-chaired by Vince Cable and by Sir David Higgins, and comprises representation from across the industry. The task of the Chief Construction Adviser is to work with the Council and with industry bodies to make this strategy happen.

*Construction 2025* is about transforming construction to deliver projects with better value, faster, with lower carbon emissions and with more products and materials sourced and built in Britain. The task of



include greater precision and quality, reducing overall time in manufacture and assembly, and safer and cleaner working conditions.

We have in the UK a world-class science and research base that supports the development of innovative solutions in a number of priority areas. These solutions need to be exploited across the industry.

clients to provide as much visibility as possible of the workload ahead. A better understanding of the shape of future work prospects in all the

### *... implementation of digital techniques ...*

key markets provides business with a basis to make investment decisions. Government has been publishing a pipeline for infrastructure and construction

ability of construction companies to access the right type of finance is vital. There is a significant problem with cash flow in the industry –

addressing this is therefore a key priority if we are to bring about an industry that drives growth across the entire economy.

making it happen is not just for government, not just for industry, but requires a joint desire, joint resourcing and joint commitment. With this true sense of collaboration – of partnership – we will achieve radical change for 2025.

1 This is an extract taken from the JCT Povey Lecture given by Peter Hansford on 14 November 2013. Lecture notes can be downloaded in full from <http://www.jctltd.co.uk/povey-lecture.aspx>