Regional Construction Sector: Sector Implementation Plan (SIP)

A report prepared for *emda*

East Midlands Centre for Constructing the Built Environment (emcbe)

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This document forms part of the *emda* Knowledge Bank

emda

Regional Construction Sector

Sector Implementation Plan (SIP)

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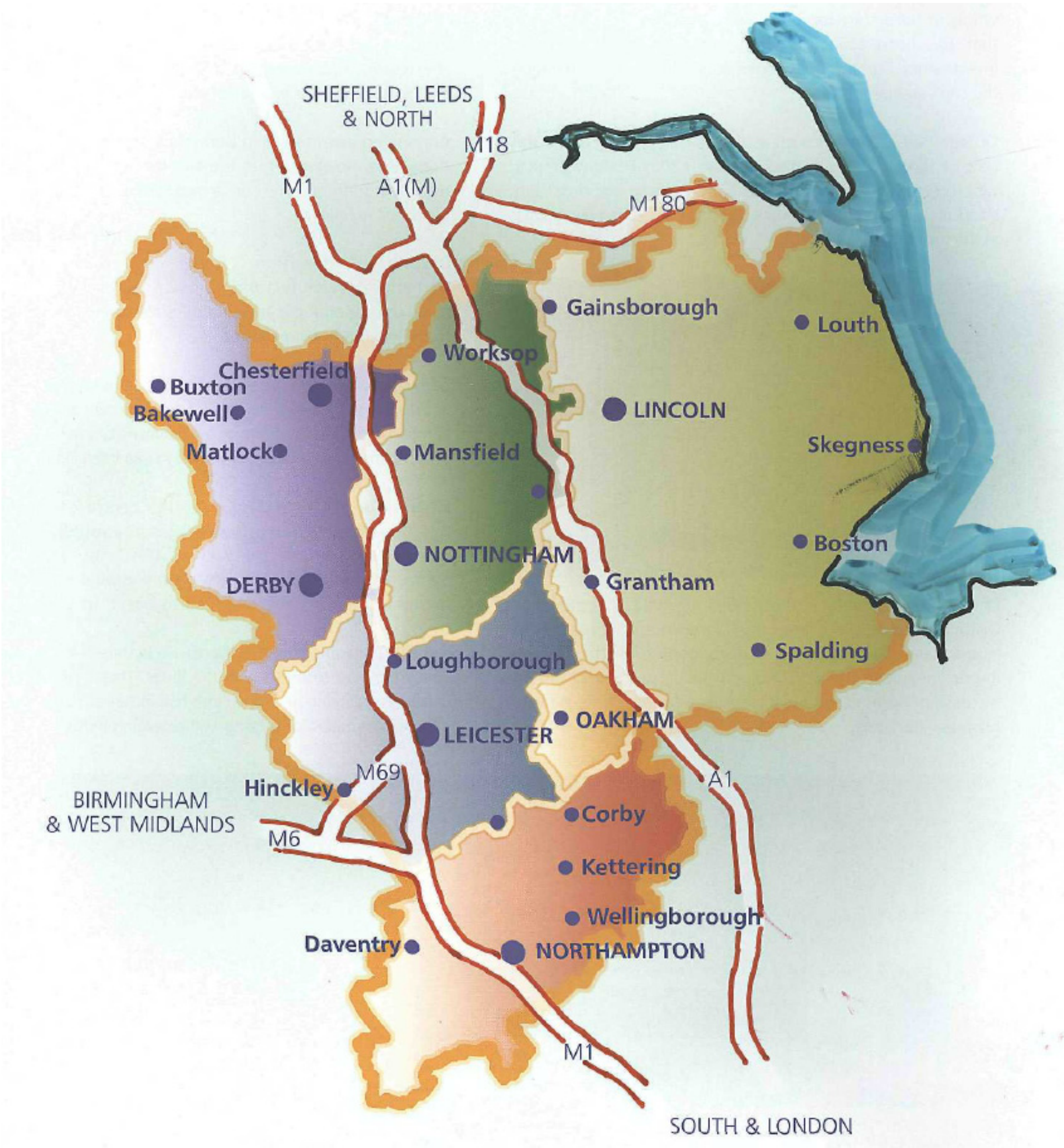
East Midlands Region



❑ Regional Headlines

- Geographically and demographically challenging
- 4th largest region in England, covering 15,607 sq. km (6,026 sq. miles)
- North to South (Glossop to Brackley) – 185 kilometres (115 miles)
- East to West (Skegness to Ashbourne) – 142 kilometres (88 miles)
- 6 rural counties, 5 major cities
- Total population 4.4 million
- Ready access to 4 regional airports
- Highest growth rate for exports (47% across all sectors) in the UK

Significance of the Regional Construction Sector

- **The quality of the built environment is hugely important to the quality of life within the region, and to the economy of the East Midlands.**

- **The region's construction sector is instrumental in helping to achieve the best outcomes and futures for pressing social and business needs and demands.**

- **In its own right, the construction sector provides significant employment and added value to the regional economy.**

- **The sector is involved at all stages of the life-cycle of constructing built assets in a sustainable way, ranging from the design, planning and material production, to construction, facilities management, refurbishing, demolition and replacement.**

- **The regional construction sector must continuously demonstrate its long-term responsibility to mankind's 'one planet' environment**

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1.0 Introduction

1.1 This Sector Implementation Plan (SIP) is an integral part of the Regional Economic Strategy (RES), acting as a high level plan for the region's construction sector, and providing an overview of the strategic actions and interventions which will deliver the outcomes required to achieve progress against each key challenge.

1.2 The RES identifies the construction sector as one of '4 Priority Sectors: *"likely to make the greatest contribution to the East Midlands economy over the lifetime of the RES"*, and to progress against the '3 Structural Themes' of :

- **Raising Productivity**
- **Ensuring Sustainability**
- **Achieving Equality**

1.3 The '4 Priority Sectors' will benefit from targeted intervention as identified within their SIP, to significantly improve and enhance the contributions they can make to the regional economy, in areas such as investment, innovation, skills, enterprise and competitiveness.

1.4 For practical purposes the construction sector applies the '3 Structural Themes' as 3 corresponding Work Streams, namely :

- Productivity and Innovation (Economic Performance)
- Sustainability (Environmental Performance)
- Skills, Diversity and Workforce Development (Social Performance)

1.5 The SIP has been developed in consultation with stakeholders and partners, and draws upon data contained in the RES and other key documents.

1.6 The SIP is a living or dynamic document, which will be continually edited and updated to respond to current circumstances and market failures, the purpose of which is to clearly set out for stakeholders, partners and others the key challenges, issues and opportunities facing the construction sector, and how the region intends to intervene.

2.0 The Construction Sector

Construction is a huge sector, and consists of the following areas of work:-

- infrastructure, repair and maintenance;
- public and private housing;

- non-residential public property (eg prisons, hospitals, and schools);
- industrial (eg factories and processing plants) and commercial construction (eg offices and retail).

The sector is strategically important in providing buildings and infrastructure on which all other sectors of the economy depend.

The sector is characterised as being fragmented and extremely diverse, with many small enterprises and high labour intensity. It is also highly dependent on public regulations and public investments.

A relatively small number of large companies dominate the specialist construction projects, such as PFI, procurement frameworks, major house building schemes, transport infrastructure, and the like.

2.1 BERR (see 5.3) uses a wide definition of the construction sector to take account of the breadth of industry supply chains.

2.1.1 They call it the 'Construction and Construction Products Industry', comprising :

- construction contracting;
- the mining, quarrying and production of materials and products;
- the retail and wholesale of materials and products;
- professional services (eg architects, surveyors);
- plant hire

2.2 At 'craft and operative' level there are over 200 different recognized occupations and specialisms, from 'Access Floorer' to 'Wood Preserver/Damp Proofer', each having its own accredited training programmes.

2.3 For professional, technical, supervisory and managerial working, the vast and diverse sector provides opportunities in both well-known fields and niche areas of work.

2.3.1 The variety of work can be divided into five main areas:-

- **architecture** – new builds, regeneration, conservation, commercial and redevelopment;

- **civil and structural engineering** – coastal and marine, environmental, geotechnical, structural, highways, bridges, rail, tunnelling, airports/ports, transport planning, power, water, public health, risk management, and project management;

- **construction and building services** – construction management, design and build, facilities management, and building services management;

- **engineering construction** – air, power, water, oil, gas and nuclear facilities, chemical process plants and infrastructures;

- **surveying** – building, land and quality surveying, rural practice and hydrographical surveying.

2.3.2 There are at least 135 different recognized occupations and specialisms for professional, technical, supervisory and managerial working.

2.3.3 Not least in respect of *"niche areas of work",* the UK has an internationally proven track record in delivering intelligent, 'green' and energy efficient buildings, and UK consultants and architects lead the world in terms of designing, engineering and delivering 'leading-edge' sustainable buildings.

2.4 So, the UK construction sector is an extremely diverse industry composed of contractors, consultants, building materials and product producers.

2.4.1 The sector is dominated by SMEs and 'micro' businesses alongside a relatively small number of large companies.

2.4.2 The sector is the second largest (after Germany) in the European Union (17.5% of construction activity), and provides annual exports of over £7 billion

(UKTI, 2007)

2.4.3 Unfortunately, the sector is also the second worst performer in the EU in terms of productivity and efficiency.

3.0 The National Context

"Construction is one of the pillars of the national economy, and accounts for 8.7% of national gross value added (GVA). *But its economic importance is wider than that – well managed and successfully delivered construction projects can improve the delivery of public services (such as health, education and offices) and improve standards of living and the natural environment"*.

BERR, 2007

3.1 Employment and Skills

3.1.1 Approximately 2.4 million people (2.3 million in 2006) are employed across over 270,000 active enterprises.

3.1.2 There is considerable self-employment, particularly in construction contracting, estimated to be *circa* 828,000 people, ie 36%, in 2006.

3.1.3 Employment is expected to grow to more than 2.8 million people by 2011

(ConstructionSkills).

3.1.4 It is estimated that there is a requirement for around 87,000 skilled workers (at all levels) each year to 2011, to deliver the expected growth and replace those who leave the industry. (ConstructionSkills).

3.1.5 Of the 2.4 million people employed:-

- 60% are aged between 25 and 49 years;
- 96% are white;
- 90% are male (10% female) at all levels;
- 1% are female at site operative level;
- 19% hold trade apprenticeships
- 11% have 'low' or no qualifications;
- 15% hold Level 4 qualifications or above;
- 92% have been born in the UK.

DfES/DWP : 2006

3.1.6 The *"270,000 active enterprises"* are characterized as follows:-

•	Micro	0 to 9	people	employed	91.1%
•	Small	0 to 49	"	"	98.9%
•	Medium	50 to 249	"	"	0.9%
•	Large	250+	"	"	0.2%

DfES/DTI : 2005

3.1.7 234,000 people (included in the 2.4 million) are employed to provide construction professional services (CIC).

3.2 Output

3.2.1 In 2006, the 'Construction and Construction Products Industry' (ref 2.1.1) output was put at £257 billion.

3.2.2 In 2006, the UK's Construction Contracting Output was £113.6 billion (DTI)

NB: BERR estimates that for 2007, Output will have increased to £122 billion.

3.2.3 Output is expected to grow by 10% between now and 2011.

3.2.4 Of the £113.6 billion in 2006, £33 billion was publicly funded.

3.2.5 The ‘Top 30’ contractors are responsible for 85% of Output (ie £96 billion in 2006).

3.2.6 The ‘Top 20’ consultants are responsible for 37% of Fee Income (ie £4.6 billion in 2002).

3.2.7 In 2006, the UK imported building materials and components to the value to £10.6 billion, and exported £5.9 billion, ie a trade deficit of some £4.7 billion (HM Revenue & Customs).

3.2.8 The construction sector as a whole (ref. 2.1.1) provides exports worth over £7 bn per annum, with a growing reputation in the provision of innovative procurement methods, design, project management and value-added services. (UKTI)

3.2.9 7 million new homes are required by 2016 to supplement the existing stock of 21 million homes, the majority of which are substandard including 2 million which are ‘officially unhealthy’, with construction standards to be raised progressively to comply with the ‘Code for Sustainable Homes’ and carbon neutral standard by 2016.

4.0 The Regional Context

“Construction is one of four sectors (along with Transport Equipment, Food & Drink and Healthcare) *likely to make the greatest contribution to the East Midlands economy over the lifetime of the RES”* (Regional Economic Strategy).

“The four priority sectors were selected on the basis of a number of measures that identify sectors that :

- *perform strongly on productivity and/or have high quality jobs (in terms of higher wages reflecting a greater emphasis on workforce skill);*
- *have good prospects for growth;*
- *have a significant presence in the region – in absolute terms and relative to the UK”*.

emda : 2006

“The regional construction industry is particularly important to socio-economic success and to the future sustained development of an inspirational built environment, investment for which – in capital cost

terms, and excluding the 2012 Olympics – is currently predicted to be greater than in any other RDA for the next 8 years".

The EMCBE : 2006

4.1 Regional Employment and Skills

4.1.1 Approximately 163,000 people of the region's *circa* 4.4 million population are employed in the construction sector.

4.1.2 22,000, or thereabouts, of those are employed in building services engineering across approximately 1800 businesses (mainly 'small' and 'micro' enterprises).

4.1.3 57,000, or thereabouts, of the 163,000 are self-employed.

4.1.4 The 163,000 are predominantly employed in Micro and Small enterprises (see 3.1.6), of which there are *circa* 19,000 in the East Midlands.

4.1.5 Employment is expected to grow to 199,740 by 2012.

(Experian/ConstructionSkills)

4.1.6 Flows into and out of construction (not including training) means that the sector needs to attract around 4,500 new recruits each year to meet anticipated demand.

4.1.7 When current training provision/figures are 'plugged in' and projected, it reduces the annual recruitment requirement from 4,500 to 2,260.

4.1.8 The biggest requirements are in; Wood Trades & Interior Fit-out Electrical Trades & Installation, Construction Professionals & Technical Staff, and Bricklayers.

(Experian/ConstructionSkills)

4.1.9 Across many areas of activity within the sector it has also been identified that there is a pressing need and demand for enhancing 'leadership and management' skills through tailored training.

4.1.10 The SSCs (Sector Skills Councils) which cover the Built Environment are each responsible for developing and maintaining a SSA (Sector Skills Agreement) with the LSC (Learning and Skills Council) including the setting of annual regional targets.

4.1.11 The Regional Skills Action Plan for Construction brings together the issues which are relevant to meeting these particular challenges as well as a general and overall understanding.

4.1.12 There is no reason to believe that the proportional profile of the people employed in the regional construction sector differs markedly from the national profile given in 3.1.5.

4.1.13 That said, the proportion of migrants working in the construction sector nationally was estimated to be 7.7% in 2006, ie 179,000, but with the majority working in London (42% or 87,710) leaving the balance number spread across the regions.

4.2 Regional Output

4.2.1 The current construction sector output in the region is valued at approximately £9.5 billion per annum (2007).

4.2.2 So, the East Midlands accounts for approximately 8% of total UK output.

4.2.3 The average annual output growth is expected to be 1% between 2008 and 2012.

(Experian/ConstructionSkills)

4.2.4 The region's output is analysed in 'headline' terms as follows:-

- 40% new build, refurbishment and maintenance of housing (47%)
- 25% in the public sector (39%)
- 75% in the private sector (61%)
- 63% New Build (65%)
- 37% Refurbishment and Maintenance (35%)
- 38% is spent in the 5 major cities: Derby, Nottingham, Leicester, Northampton and Lincoln

NB : The figures in parenthesis are the national 'headlines'.

4.2.5 The foreign trade performance within the regional construction sector is not fully understood, and particularly in respect of 'projects' and 'services'.

4.2.6 The region has a very well established share of the aggregates, cement, and brick & block markets, which were produced nationally in the following volumes :

- Sand and gravel 78 million tonnes
- Cement 11.3 million tonnes
- Bricks 2.4 billion
- Concrete blocks 875 million (DTI : 2006)

5.0 Key Challenges, Issues and Opportunities

Since the 'root and branch' reviews of the construction sector undertaken by Sir Michael Latham ('Trust and Money' 1993 and 'Constructing the Team' 1994) and Sir John Egan ('Rethinking Construction' 1998 and 'Accelerating Change' 2002), the recurring drivers for the transformation and modernisation of the sector have been:-

- **investment**
- **innovation**
- **skills**
- **enterprise**
- **competition**

The work by Sir Michael Latham and Sir John Egan has underpinned a voluntary determination by the sector to change its culture, examine its own strengths and weaknesses, and step forward with a new business model and certainly a fresh attitude appropriate for the 21st Century.

5.1 '2012 Construction Commitments'

5.1.1 More recently, the Strategic Forum for Construction (BERR) has elaborated on the aforementioned drivers with the development of the '2012 Construction Commitments' as a business improvement agenda comprising:-

- **client leadership**
- **procurement and integration**
- **commitment to people**
- **sustainability**
- **health and safety**
- **design quality**

5.1.2 Encapsulated in these generic headings are *"key challenges, issues and opportunities"* which quite often fall under more than one heading, and certainly include most of the Latham/Egan agenda as follows:-

- collaboration
- risk sharing and management
- supply chain management
- equal opportunities and diversity
- skills, training and personal development
- qualified workforce
- performance and success measurement
- environmental, social and economic aspects to sustainability
- regeneration

- innovation
- modern methods of construction
- IT and communication technologies

5.2 Sector Drivers

5.2.1 It is easy to see that the business improvement agenda is substantially 'people driven' and it has always been that way, coupled with the inescapable and crucially important 'demand' and 'investment' drivers.

5.2.2 The sector must now strengthen the 'knowledge' driver and focus on technical leadership imperative to retain its influential position, ie consolidate itself as a '**learning construction industry/sector'.**

5.3 Some Partners (Regional and National)

- BERR : Department for Business, Enterprise and Regulatory Reform
- CE: Constructing Excellence
- CEPP : Central England Procurement Partnership
- CIC : Construction Industry Council (Professional Institutions)
- CPA : Construction Products Association
- DCLG : Department for Communities & Local Government
- DEFRA : Department for Environment, Food & Rural Affairs
- EA : Environment Agency
- ECITB : Engineering Construction Industry Training Board
- EMB : East Midlands Business
- Business Link : Information, Diagnostic and Brokerage (IDB) service to business
- Train2Gain : Matching training requirements to skills needs
- EMBSA : East Midlands Business Sector Alliance
- EMBF : Ethnic Minority Business Forum
- EMCBE : East Midlands Centre for constructing the Built Environment
- emda : East Midlands Development Agency
- EMRA : East Midlands Regional Assembly
- Envirowise : Environmental advice to businesses
- FECs : Further Education Colleges (30) in the East Midlands
- GOEM : Government Office East Midlands
- HEIs : Higher Education Institutions (9 Universities) in the East Midlands
- HSE : Health & Safety Executive
- HVCA : Heating & Ventilation Contractors Association
- INDUSTRY : The complete Construction Sector supply chain

- iNet (iCON) : Innovation Network
- Jobcentre Plus : moving people from welfare into work
- LAs : 45 Local Authorities, falling into one of 5 sub-regional spatial areas
  * Peak
  * Northern
  * Eastern
  * Three Cities
  * Southern
- Leap Ahead : Lifelong learning network (Derbyshire & Nottinghamshire)
- LSC : Learning & Skills Council
- LGTF : Local Government Task Force
- MAS : Manufacturing Advisory Service
- NSAfC : National Skills Academies for Construction
- NTI : New Technology Initiative
- REM : Regeneration East Midlands
- SSCs : Sector Skills Councils (Built Environment)
  * Construction Skills
  * Summit Skills (Building Services Engineering)
  * Asset Skills (Property, Housing, Cleaning and FM)
  * Energy & Utility Skills
  * Lantra (Environmental & Land-based Industries)
- SSDA : Sector Skills Development Agency
- SSPs : Sub-regional Strategic Partnerships
  * Derby & Derbyshire Economic Partnership
  * Alliance SSP
  * Lincolnshire Enterprise
  * Greater Nottingham Partnership
  * Leicestershire Economic Partnership
  * The Welland SSP
  * Northamptonshire Enterprise Limited
- UKTI : United Kingdom Trade & Investment
- WNDC : West Northamptonshire Development Corporation

5.4 EMCBE

5.4.1 The EMCBE works to improve the social, economic and environmental performance of the regional construction sector, and provides a central ‘hub’ of communication and support.

5.4.2 The EMCBE is the region’s construction sector ‘vehicle’ for the purposes of enabling and facilitating the SIP, in the context of its work with :

- Regional geography and demographics;
- Communications ‘hub’;

- Intelligence gathering/database/cluster map;
- Strategic direction and leadership;
- Target Market – SMEs;
- Regional ‘Champion’;
- Engagement with stakeholders and partners;
- Collaboration and networking (300+ industry groups);
- Events;
- Focal point or conduit for sector improvement and knowledge;
- Working with ‘peer groups’ and Clubs;
- Working with supply chains and supply chain leaders.

5.5 iNets (Innovation Networks)

5.5.1 SPVs (Special Purpose Vehicles) are being established as the iNets for each of the 4 Priority Sectors : sustainable construction, healthcare, food & drink, and transport equipment, to deliver the Regional Innovation Strategy.

5.5.2 The Regional Innovation Strategy – led by East Midlands Innovation, the region’s Science and Industry Council - exists to create an innovation culture and a positive attitude to innovation in the East Midlands.

5.5.3 The Regional Innovation Strategy supports the Regional Economic Strategy (RES), as does the Regional Technology Framework (RTF).

5.5.4 The RTF will inform the **iNets**, as will this Sector Implementation Plan.

5.5.5 The RTF is an integral part of the Regional Innovation Strategy.

5.5.6 The construction sector **iNet** is to be called the **iCON**, and will be based at an **iHub** located in Daventry.

5.5.7 Each of the 4 Priority Sector **iNets** will have an **iHub** – the physical administration centres for the **iNets**.

5.5.8 The four **iNets** will share information and intelligence through a virtual **iPortal**, the Regional Innovation Portal.

5.5.9 The **iCON** will be based in its **iHub** in Daventry, not least because the SPV is a consortium of stakeholders led by the adjacent Northampton University.

5.5.10 The **iCON** (the construction sector **iNet**) will engage with the emerging opportunities for innovation within the construction sector community through fostering :

* knowledge exchange
* innovation support (including skills and finance)
* innovation environment
* emerging technologies

and by using :

* networking
* events
* promotions
* technology leadership
* sector specific IDB (Information, Diagnostic and Brokerage)

5.5.11 The **iPortal** will :

* connect **iNets**
* provide support tools
* deliver products
* undertake marketing, both inside and outside the Region

6.0 Strategic Priorities ('blue') and Strategic Interventions ('black')

The Strategic Priorities are inextricably linked as generic challenges for the sector and, therefore, many of the Strategic Interventions have 'crossover' relevance to more than one Strategic Priority.

6.1 ***Image***

To sustain a vibrant regional construction sector, no longer portrayed by an out-dated and stereotyped identity and culture but branded as being modern and focused on a high tech' and high quality future:

6.1.1 better marketing of the positive 'face' of the modernised sector, which has been transformed over the past 15 years;

6.1.2 continue to change the image by improving working conditions and practices;

6.1.3 make use of experience gained from other industries, and develop a framework to bring these experiences to the construction sector;

6.1.4 share good practice, experiences and success stories, and celebrate achievements;

6.1.5 provide lifelong learning through broad access to further education and continuous training.

6.2 *Retention*

To create an attractive working environment and promote a positive culture which addresses the challenges of employee and staff retention within the regional construction sector, based on initiatives to improve job satisfaction, lifelong learning and career fulfilment:

6.2.1 develop a culture within the sector based on mutual respect, the principles of the Investors in People programme; and Corporate Social Responsibility (CSR);

6.2.2 understand the link between motivated employees, staff/employer retention and profitability, and the importance of proper retention planning;

6.2.3 improve communications and involvement to retain top regional employees, including graduates;

6.2.4 motivate and develop quality staff and employees by providing opportunities for progression, personal improvement and workforce development, and management succession.

6.3 *Skills and Recruitment*

To respond to the pressing need to resolve capacity issues within the region, by making the construction sector a career of choice and matching skills supply to demand with a properly skilled workforce, drawn from the whole working population, to enable improvements in productivity, competitiveness and sustainability:

6.3 1 link recruitment, education, training, and professional development to job placement and career paths;

6.3.2 access new and/or underused sources of potential recruits, including ethnic and other minority groups;

6.3.3 work with training providers to build programmes to meet the needs of the adaptable, flexible and mobile workforce, and the demand for relevant skills and competencies;

6.3.4 map the availability of training across the region for the construction sector, from Post-16 through to FE and HE provision, and providing links to employers;

6.3.5 co-ordinate the availability of opportunities for work experience and the training of apprentices and other vocational trainees.

6.4 ***Productivity, Efficiency and Process***

To make the regional construction sector more competitive, and to drive down costs through better productivity based on greater efficiency and better process control achieved through better integration of supply, knowledge and information channels, and led by improved project management:

6.4.1 develop good management skills as the pre-requisite for profitability and success;

6.4.2 maximise the potential for greater efficiency through : e.Commerce; ICT tools; applied technology and supply chain management;

6.4.3 integrate good design, programming and production planning and logistics as early as possible in the building process;

6.4.4 create the knowledge platform for client/user demand driven improvements, and as the basis for work standardisation (specifications), greater use of MMC, etc;

6.4.5 develop ‘tools’ for measuring the development of productivity and efficiency improvements within the supply chain and on construction sites;

6.4.6 identify and then exemplify good practice as a catalyst for change and continuous improvement.

6.5 ***Innovation***

To create the right environment for innovation within the regional construction sector by encouraging a positive attitude to innovation within the entire sector community through good communications and knowledge exchange, and from a recognition that innovation is a key driver for improved productivity and competitiveness, and ultimately economic prosperity and the future of the industry:

6.5.1 foster the culture, long-term certainty and stability, organisational structure and top management commitment that will allow innovation to thrive;

6.5.2 make the links between legislation, eg reducing energy consumption in buildings, and the need and opportunities for innovative technologies and solutions;

6.5.3 maximise the innovation, ie turning good ideas into practical solutions, that often comes from knowledge and expertise on proven and/or new combinations of materials, products and systems;

6.5 4 increase the sector's willingness to invest in R&D, by removing any resolvable barriers to innovation;

6.5.5 develop networks and platforms for capturing, exploiting and transferring knowledge between the research base and industry;

6.5.6 promote innovation as a key driver for improving competitive advantage, efficiency, sustainability and productivity, and for developing new capabilities, business and markets – including international opportunities, and exporting to overseas markets.

6.6 ***Enterprise and Entrepreneurship***

To build greater capacity in the regional construction sector through a sustained focus on enterprise and entrepreneurship, accepting that the creation of knowledge based enterprises are essential to maintain and increase the competitiveness of the region's economy, and given that it is said *: "for every job created from a new business start-up in the construction sector it creates two further jobs in related sectors"* :

6.6.1 investigate the barriers faced by entrepreneurs in raising investment finance to start-up, support and grow their businesses;

6.6.2 help SMEs 'signpost' their way through the maze of business support available to them;

6.6.3 move regional construction sector enterprises towards the high value products and services, and new growth opportunities;

6.6.4 create access to focused leadership development programmes for senior management;

6.6.5 promote and support the development of existing businesses via the delivery of targeted business development programmes;

6.6.6 provide opportunities for talented people with clever ideas to develop those ideas into products and services.

6.7 ***Sustainability***

To improve the resource efficiency, overall effectiveness and social responsibility of the region's construction sector community, and to make the built environment a valuable asset to the sustainability agenda in its widest scientific, environmental, social and economic context, ie addressing the 'triple bottom line' of People, Planet and Profit :

6.7.1 apply the principles of sustainable development and regeneration to the regional construction sector;

6.7.2 focus on the fact that sustainable development is not just another social or environmental policy but also a business opportunity, with opportunities for an improved and more profitable operation, and an enhanced reputation;

6.7.3 develop a knowledge platform and training programmes in respect of the four key areas of energy, materials, waste and pollution, with a re-assessment and sharing of best practice;

6.7.4 make the link between design quality, sustainable processes and whole-life value for money;

6.7.5 use ICT to help fill the considerable knowledge gap in respect of sustainable construction and remove that barrier to making better progress towards environmental targets.

6.8 *Client Leadership and Procurement*

To work with the clients of the region's construction sector to increase the uptake of a number of established best practices with the supply chain as a whole, including integrated working through a relationship-based approach to project procurement encompassing frameworks, partnering and alliancing, and to develop knowledge-based Customer Needs Management and collaboration:

6.8.1 promote the importance of client leadership in the achievement of successful outcomes, starting with their active participation in the creation of supply chains;

6.8.2 help potential participants to access integrated teams and supply chains, through greater knowledge and understanding of the issues, and of the qualifying credentials required;

6.8.3 address the 'people issues' associated with modern methods of procurement, especially health and safety;

6.8.4 work with supply chain 'leaders' to maximise the benefits to be had from collaborative working, including the use of ICT and e.Commerce for framework portals, bidding, etc;

6.8.5 collaborate closely with public sector clients, recognising that the construction sector is very much investment-led and susceptible to economic downturns, and that these clients are responsible for between 40% and 50% of construction procurement year-on-year.

7.0 Cross-Referencing Matrix

- Strategic Priorities
- Strategic Interventions
- Market Failures/Tactical Interventions

APPENDIX 4: CONSTRUCTION RES IMPLEMENTATION PLAN				TACTICAL INTERVENTION TO DELIVER THE STRATEGIC PRIORITY										
STRATEGIC PRIORITY	**MARKET FAILURE**	**RES Number**	**Owner**	**Provide an integrated regional network for knowledge exchange**	**Drive the development of a major research facilitywithin the region that will benefit business and academia alike**	**Improve access and use of publicly funded business support and funding**	**Maximise the benefits of public procurement**	**Lead & coordinate specialist business support infrastructure**	**Promote innovative approaches**	**Drive low carbon technologies**	**Develop and promote innovative and sustainable approaches to supply and demand management**	**Ensure and safeguard a supply of quality resource for employment**	**Support industrial capacity for housing needs for the region**	**Increase the diversity of the East Midlands workforce**
Raise productivity			Led by	EMCBE	i-Net	emda	Local Govt Centre of Excellence	emcbe	iNet	emda	Constructing Excellence	ESP	EMCBE	ESP
Employment, learning & skills - To improve the effectivesness of resources to meet the skills needs of the regional construction sector	Significant shortage of both number and quality of people	1b, 1c and 1d	Sector Skills Groups and Industry	Map current and future regional skill gaps, define emerging technology needs and match with regional training provision led initiative to increase regional industry experience pool.	Use the facility to build on skill strengths in the region and contribute to addressing future needs.	The Lead to Succeed programme already in place has been "topped" up by emda for 2007/2008. The grant available can be used for management and training and qualifications. Funding via this fund is 50% of cost.	Promote skills development through public procurement	Lead the development of a co-ordinated training programme that addresses priority needs in the sector	Promote the adoption of innovative working practices including effective work organisation and employee development			National academy for construction skills intitative		
	High use of transient labour that require specialist training with no long-term commitment to organisations	1c	Sector Skills Groups	Skills programme and task group			Encourage employment of local skills and training through local public sector procurement							Improve the employability of those without skills and qualifications. Encourage the take up of level 2 qualification.
	Poor image, the construction sector has an image of 'poor working conditions / low margins and low skill' and is not perceived as an attractive career choice	1a	Learning and Skills Council					Work already in place to identify how companies can better access apprenticeships and the new vocational diplomas	Promote National Construction Week			Use graduate "ambassadors" to help overcome negative perceptions		Improve businesses's understanding of the benfits of employing graduates
Enterprise and Business Support - Is to be a region of highly productive, globally competitive businesses	Procurement decisions are not transparent made on best value rather than cost and the contributuion of smaller organisations is not encouraged withn the region	2h	EMCBE	Develop appropriate interventions linked to integrated and sustainable procurement solutions			Use of CMS across all public BE procurement							
	Engage schools and colleges with business	2b	Sector Skills Councils						Promote National Construction Week expand CAGE initiative throughout region			Improve the integration of existing qualifications and links between higher education and industry		
	International trade development - lack of information about current activity or development opportunities	2e	Sector Skills Councils					Devise programmes to develop business skills in areas such as international sales and marketing, language and culture						
	Lack of resource in SMEs limits access to information to technologies, markets, competitors, new suppliers, potential collaborators	2d	EMCBE	Develop an integrated regional business support network and effective links with 300+ sector bodies										
	Companies unaware of various funding opportunites. Administration involve in getting funding can be prohibitive in SME's	2d	EMCBE	Provide access to relevant advice and guidance to businesses and is easy for businesses to understand i.e. access		Target financial support packages for specific business groups		Improve use of schemes to support market development e.g. UKTI	Target relevant companies around key market opportunities		Connect to national programmes relevant to sector needs	Ensure appropriate co-ordination of regional partners		
	Managers operating in micro-environments are tightly focussed and not looking to other businesses / industries / sectors for business excellence i.e. best practice	2b	Sector Skills Groups and Industry	Signpost best practice support to ensure that businesses are offered high quality advice tailored to their needs		Enhance use of skills development programme for M&L	Identify supply chain collaboration opportunities				Provide best practice support to ensure that businesses are offered high quality advice tailored to their needs			
	Complex and fragmentation of sector leads to failure to access critical information	2d	Construction Skills	Use business intelligence capabilities to support companies in decision making with regard to knowledge transfer										
Innovation - To develop a dynamic region founded on innovative and knowledge focussed businesses competing successfully in a global economy	Underperformance in product and process development. Low adoption of innovation and under investment in research by SME's	3a and 3c	EMCBE/iNet	Ensure knowledge exchange is integrated into wider business support and that both can be accessed from each others point of entry	Ensure support appropriately linked	Use funding route to communicate available business support			Provide targeted support to foster innovation within businesses to undertake more redevelopment	"Brew" projects waste minimisation led to an increase in productivity				
	Use of enabling technology is poor - Use of advanced materials and low adoption of ICT in sector	3b	Sector Skills Groups and Industry						Provide assistance in the development, promotion and implementation of new enabling technologies products and processes.					
	Low number of technologies transferred from universities to regional businesses in comparison to amount of research taking place.	3a and 3dii	Sector Skills Groups, Industry, EMUA and Universities	Establish collaborative networks between researchers, businesses and the like.	Develop and promote research excellence so that the region can compete for and benefit from a large share of public and private funded redevelopment	Improve access to funding routes								

Ensure Sustainability														
Transport and Logistics - To improve the quality of regional infrastructure. To enable better connectivity within and outside the region.	Leaner methods of work are ill-used.	4a	Industry						Support regional competitiveness by improving transport efficiency and road congestion by developing innovative approaches to behavioural change, travel demand management, integration and technological advance.					
Energy Resources - To transform the way we use resources and use and generate energy to ensure a sustainable economy, a high quality environment and lessen the impact on climate change.	Lack of understanding of impact of business management on the environment and associated cost	5a	EMCBE	Drive and promote current and future 'Brew' projects in the areas of construction resource efficiency and waste minimisation			Drive changes through public procurement	Develop a regional climate change mitigation strategy / action plan.		Provide dedicated low carbon business support	Support supply chain development to ensure regional economic benefit from renewables investments			
	Inability of industry to meet targets related to to meet low carbon building demands	5a	Sector Skills Groups and Industry	Further the development and trailing of current technology and links between the region's knowledge base and the private sector					i-Hub focus for development and deployment of sustainable built environment iNet focus	Work with key partners to engage policy makers and planners, key developers, manufacturers and house builder to encourage them to adopt more energy efficiency technology and with design and build				
Environmental Protection - To protect and enhance the region's environment through sustainable economic growth	Industry is failing to engage and meet environmental targets	6a	EMCBE	Promote and support programmes on waste minimisation				Continue to work with partners and provide training solutions to increase knowledge and awareness on the environmental atrgets through programmes such as "Easy Access"						
Land & Development - To ensure that the quality and supply of development land, and the balance between competing land users, contributes towards the sustainable growth	Availability of affordable commercial property	7bi	Asset Skills									Provide local and regional plans and policies	Build on the experience of ongoing best practice	
	Availability of developed land is a barrier to the growth of the sector	7bi	EMCBE	Maintain an up to date regional picture of employment land supply and quality issues and best practice with regard to sustainability and market intelligence										
	Business support is not always responsive to all communities	7b	Local Government Centre of Excellence						Promote the National Coalfields Programme					Encourage job creation through private sector development and the targeting of public sector resources for priority sites
Achieve Equality														
Economic Renewal - To ensure all people and communities have the opportunity to create new and sustainable economic futures.	Cost of crime on the business community can deter people from investing and remaining in some areas	9b	Sector Skills Groups					Integrate specialist needs into the regional business support model.						
Economic Inclusion - To help overcome the barriers, or market failures, that prevent people from participating fully in the regional and local economy.	Skills and potential that exist within migrant / transient labour workers population are not maximised by breaking down barriers that exist preventing social cohesion and integration.	9a and 9c	Sector Skills Groups and Industry						Disseminate good employment practice					Encourage private sector developers and employers to recruit from underutilised local labour forces.
Measurable Output				Reduction in SME energy costs (£)/5000, reduction in CO2 emissions (tonnes)/30, reduction in SME waste costs (£)/768000, reduction in commercial and industrial waste to landfills (t)/25600, reduction in SME water costs (£)/500, reduction in water use (M3)/500, number of SME's implementing environmental action plans/policies/commitment/systems/40				40 organisations assisted		8 workshops,businesses assisted/100, people assisted/100 business supported/30/on-line knowledge support				