PRESS RELEASE





The All Party Parliamentary Group for Excellence in the Built Environment launches 'A better deal for public building' report

The All Party Parliamentary Group for Excellence in the Built Environment is calling on Government to implement "a procurement revolution" that will deliver significantly better value for money across the public sector.

Amongst the Group's proposals is a call to adopt procurement processes employed by the Olympic Delivery Authority, which built the venues for the London Olympic Games 2012, hailed for its successful delivery of top-class projects, to budget and on time.

The Group's 13- point plan to increase value for money for the taxpayer is set out in its report *A* better deal for public building.

The report endorses the Government's aim of achieving 20 per cent cost savings for public construction projects over the course of the current Parliament, as outlined in its Construction Strategy unveiled last year. But it says that unless Government implements its proposals, there is a danger that the savings are achieved at the expense of good quality design.

The report, which is due to be discussed with Cabinet Office Minister the Rt Hon Francis Maude MP later this week, says that public sector clients are often poorly equipped to commission construction work and often fail to devote enough time and effort to developing the brief and managing the project. Nothing short of a cultural shift is needed if they are to develop lasting and sustainable improvements in the procurement of buildings and infrastructure, the report says. The Government must commit the necessary support and resources to make this happen.

Key recommendations include:

 Setting up a Best Practice Procurement Advisory Group to assist inexperienced public sector clients (including Government departments, agencies, non-departmental public bodies and local government) to define their objectives clearly and adopt appropriate procurement arrangements for the size and type of project. The Government should do



this via its Chief Construction Adviser. Infrequent clients would also benefit from appointing a professional adviser to develop the brief.

- Procuring projects on the basis of integrated teams (designers, contractors and, if appropriate, asset managers). The selection of an integrated team must not be made on the basis of lowest price. Instead, as with the construction of the venues for London 2012, the decision should be made on the basis of a balanced scorecard. This means, marking the bid against a prescribed range of specified criteria, one of which should be long-term sustainability.
- Ensuring large-scale public projects (£100m-plus in value) have mandatory construction commitments, based on the 2012 Construction Commitments. Participants in the project should be required to report progress in meeting these commitments over the duration of the project.
- Government should encourage voluntary adoption of such construction commitments
 across a wide range of public and private sector projects with a programme of promotional
 activity, including awards, to highlight and celebrate success. Key indicators could include:
 client leadership, sustainability, team integration, design quality, health and safety, and
 commitment to people, which includes a commitment to employing local people and
 excellent facilities.
- Requiring the Government's Chief Construction Adviser to prepare an annual report on the
 performance of public sector clients (including Government departments, agencies, nondepartmental public body and local authorities) in construction procurement. This should
 highlight positive achievements in successful projects, as well as failure to deliver value.

Sir Tony Baldry MP, chairman of the All Party Parliamentary Group for Excellence in the Built Environment Construction, says: "As the squeeze has tightened on public spending, it is more imperative than ever that public sector clients and their suppliers work together to lower the cost of building procurement to the public purse. Lest it be overlooked, the Government is still the construction industry's largest single client spending £46bn a year."

"The austere times we are living in will certainly provide a driver for change for both client and its construction industry suppliers. If costs can be reduced it should ensure more building and infrastructure projects go ahead.



"We hope our observations and recommendations will provide support for the Government Construction Strategy, underline the magnitude of the task, and offer suggestions for finally putting the know-how we have into action across the public estate in order that we can bring about the procurement revolution we still so desperately need."

Fnds

Notes to the editor

1. The APPG for Excellence in the Built Environment

The All Party Parliamentary Group for Excellence in the Built Environment launched the Commission of Inquiry into public sector procurement in 2011, with a call for written evidence. The Commission began its work in early 2012, holding five open sessions where oral evidence was presented between January and March 2012.

Members of the Commission are drawn from Parliament and construction industry experts. They are: Sir Tony Baldry MP (chair), Sir John Armitt, Peter Bonfield OBE, Oliver Colvile MP (deputy chair), Alan Crane CBE, The Earl of Lytton, The Earl of Mar & Kellie, Gordon Masterton OBE, Jack Pringle, Simon Rawlinson and the Rt Hon Nick Raynsford MP.

The Secretariat for the Group is provided by the Construction Industry Council which represents professional bodies in the built environment.

2. The construction industry

The construction sector is a major part of the UK economy. Its annual turnover of £122bn in 2011 represents between 7 and 8 per cent of the nation's GDP. It employs 2.2 million people, according to Office of National Statistics figures for 2011. In addition there are an estimated 27,950 professional services firms, including architects and engineers employing an additional 270,000 people, with a fee income of £13.9 billion on projects in the UK on the last occasion that this separate survey was undertaken in 2005/6.

The public sector at a national and local level is far and away construction's largest client, accounting for nearly 40per cent of spending. It invests nearly £46bn per year in infrastructure and building projects, according to the Office of National Statistics.

Contact the CIC Press Office on 020 7399 7400 or email Rosanna Bortoli; rbortoli@cic.org.uk, CIC Press & PR

Copies of the report including executive summary and key recommendations will be available from the CIC and APPG (www.appgebe.org.uk/) website on Tuesday 11 September.

