

**'Modernise or Die' – One Year On** 

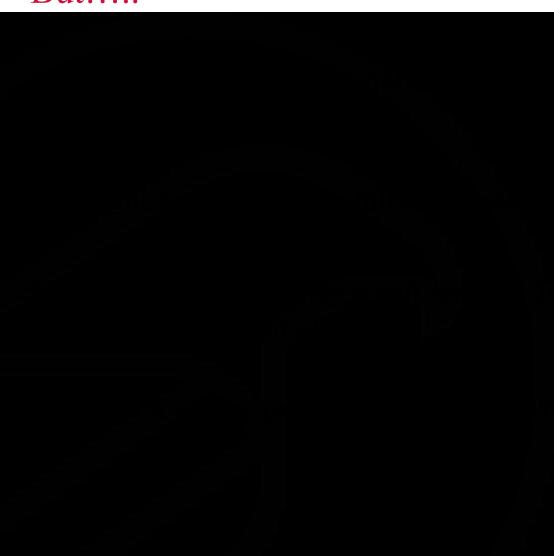
Implications on Homebuilding in UK

Constructing Excellence South West Housing Summit 4<sup>th</sup> October 2017

# **REMINDER OF CONTEXT**



# We Have a Burning Platform



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### ive ability to reform itself

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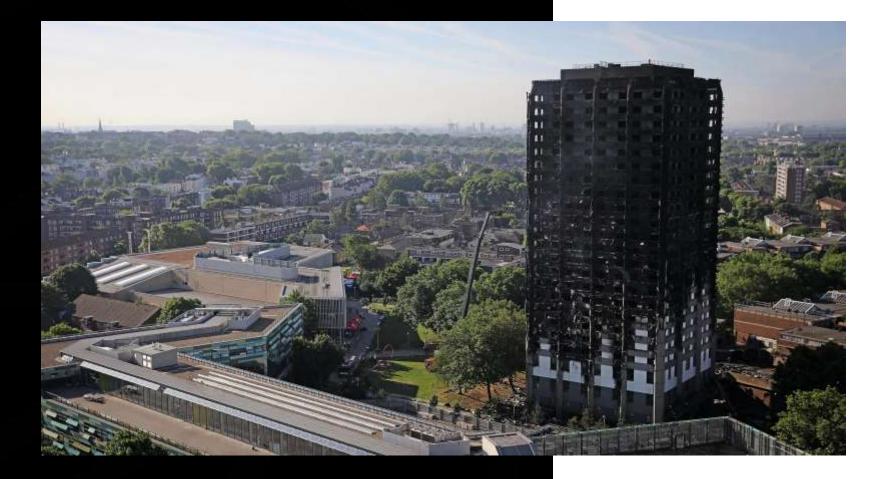
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# **IF NECESSITY IS THE MOTHER OF** INVENTION. **DISCONTENT IS THE** FATHER OF PROGRESS.

### Discontent with Construction Performance is Now Coming From

### Various Quarters





Post Grenfell Analysis Will Likely Point To Systemic Failure In Whole Design, Procurement & Construction Process

> Level of On Site **Supervision** g in trades Falsification of Records / **Covering up Mistakes**

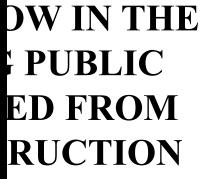
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'Engineered' Versus **Prescriptive Building** 

Regulations

**Premature Completion** Certification

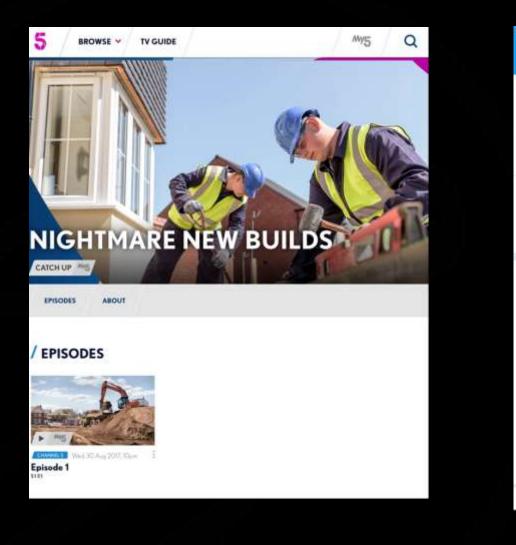






### For the Homebuilding Sector There are Some Very Real Pressures

### That Need to be Addressed







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### More homes, fewer complaints

Report from the Commission of Inquiry into the quality and workmanship of new housing in England

July 2016

### PropertyWeek.com

HOME	NEWS	FINANCE	DATA	RESI	PEOPLE	INSIGHT	OPINION
Regions	Brexit	Planning 8	& Policy	Retail	Industrial	Offices	Hotels & Leisure
HOME	1943						
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### An Understanding of the Root Causes of Delivery Failure Needs to

### Define the Solution

- Pesign Uniqueness
- ite Labour Intensity
- Io. of Transactional nterfaces (Vertical ntegration)
  - Io. of Works Interfaces Horizontal Integration)



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We Need to Recognise that the Traditional 'Main Contractor' Model is Broken

## ONE OFF TRANSACTIONAL LED CONTRACTING / CONSTRUCTION PROCESS ISN'T WORKING!!



And We Need to Move to a New Organisational Model Which Works with Higher Levels of Pre-Manufacturing

#### **DIGITAL ENGINEERING & ASSET PERFORMANCE**











Encouraging Wider Institutional & Policy Reforms Led by Both Government & Industry are now Starting to Take Place in the Last 11 Months

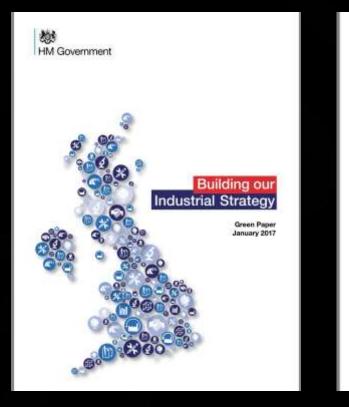


**Cast** 

### And Industry Itself is Moving, Slowly but Surely...



### UK Government Has Now Created a Seminal Opportunity to Drive the Right Construction 'Sector Deal' that Links Skills to Productivity Challenge



#### The pillars

- Investing in science, research and innovation we must become a more innovative economy and do more to commerciales our world leading science base to drive growth access the LK.
- 2. Developing skills we must help people and businesses to three by ensuring everyone how the basic skills needed in a modum economy, building a new spittern of tradinical education to benefit, the half of young people who do not go to university, booking, STEM (second, technology, engineering and matters skills, digital skills and numeracy, and by raising skill knowle in lagging areas.
- Upgrading inflastructure we must upgrade our standards of performance on digital, energy, transport, water and flood delences inflastructure, and better slign period government infrastructure investment with local growth priorities.
- 4. Supporting businesses to start and grow we must ensure that businesses across the UK can across the finance and management will be they need to grow, and we must onate the right conditions for comparises to invest for the long term.
- Improving procurement we must use strategic government procurement to drive innovation and enable the development of UK supply chains.
- Encouraging trade and inward investment government policy can help boost productivity and growth across our economy, including by increasing compatition and helping to bring mass ways of during things to the UK.
- Delivering affordable energy and clean growth we need to keep costs down for businesses, and secure the economic banefits of the transition to a low-carbon economy.
- Cultivating world-leading sectors we must baild on our areas of competitive advantage, and help new sectors to flourish, in many cases challenging existing institutions and insumberta.
- 8. Driving growth across the whole country we will create a homework to build on the particular strengths of alternin places and address factors that hold places buck whether it is investing is key tritesinutine projects to encourage growth, increasing skill levels, or backing isoail introvition strengths.
- 10. Creating the right institutions to bring together sectors and places we will consider the best structures to support people, industries and places, in some places and sectors there may be meaning institutions which we could create, or existing ones we could strengthen, be they local civic or encenterial institutions, main associations of fruenzal institutions.

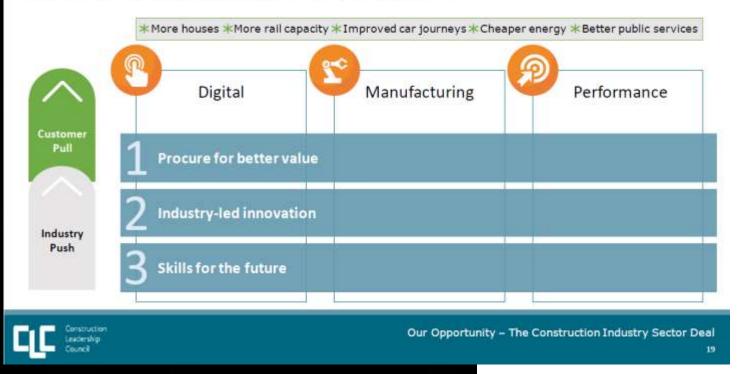




### The Emerging Construction 'Sector Deal' Industrial Strategy

### Response is Now Crucial

### ...delivered through three key enablers





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### Where 'Modernise or Die' Meets the New Build Mortgage /



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House of Commons Communities and Local Government Committee

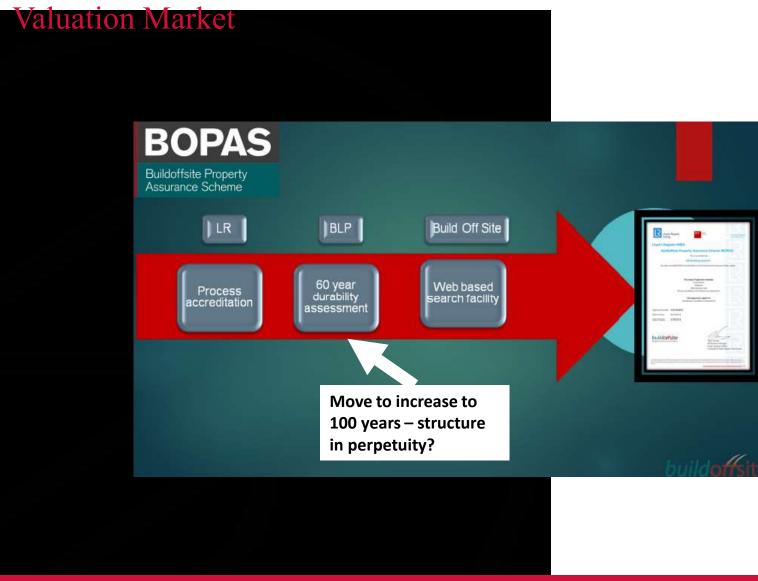
#### Capacity in the homebuilding industry

Tenth Report of Session 2016-17

- 29. We welcome the Government's support of Modern Methods of Construction, but believe that it needs to take a more active role to improve the wider sustainability of the MMC supply chain and to encourage the market to grow. This could include the work of the HCA and its support of rental developments. (Paragraph 115)
- 30. We support the increased use of Modern Methods of Construction and note the understandable caution exercised by lenders. In order to address this, homes built using MMC should have a single, recognised quality assurance mark, sponsored by the Government, to give lenders, consumers and builders the confidence to use new methods. (Paragraph 119)
- 31. We welcome the recognition from the Government in the housing White Paper that accessing finance is a major obstacle to custom and self-building, and its commitment to continue working with lenders to address this. We ask that the Department provide the Committee with an update on this issue in twelve months' time. (Paragraph 122)



### Where 'Modernise or Die' Meets the New Build Mortgage /





Where 'Modernise or Die' Meets the New Build Mortgage /

Valuation Market

# BUT ANY CHOSEN ACCREDITATION HAS TO BE A PROXY FOR PROVEN **BETTER** QUALITY THAN TRADITIONAL BUILD







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NMENT POLICY & PUBLIC ING STRATEGICALLY NISATION JOURNEY

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REASON THAN MOST TO NDA – WHETHER PUSHED



