

Driving better outcomes through value-based decision making

Ian Nicholson

Value Delivery Lead - Construction Innovation Hub

November 2021

VALUE TOOLKIT



1

Why do we need a Value Toolkit & who is it for?

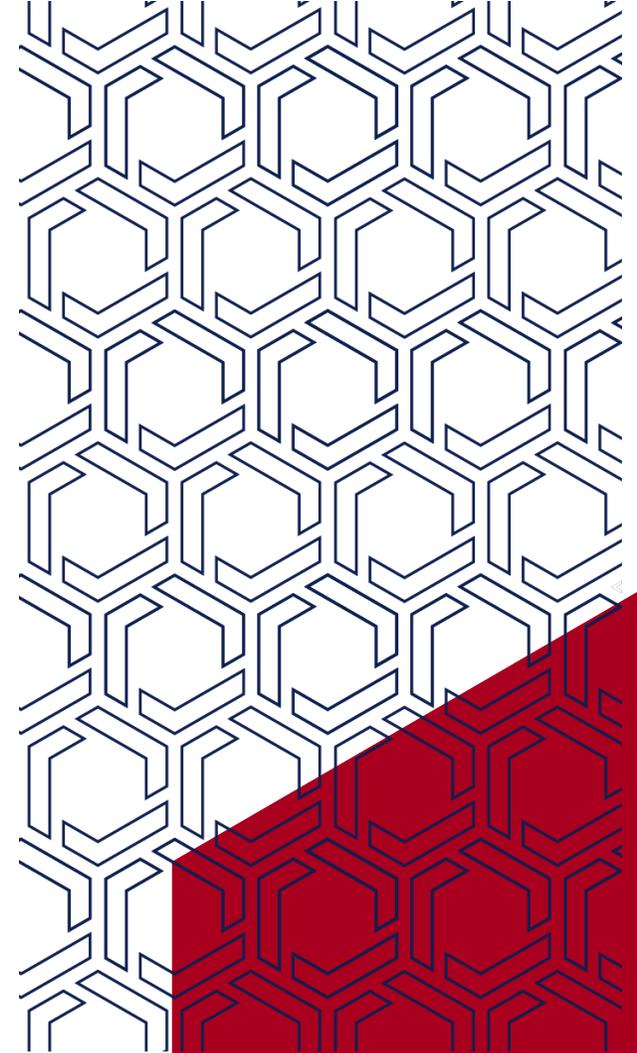
2

What is the Value Toolkit?

3

What's happening next?

Why do we need a Value Toolkit & who is it for?



PROJECT ORIGINS

Industry Will:

“Develop an industry wide definition of value which takes into account more than capital cost [and] produce a universally applicable methodology for procurement...”

Government Will:

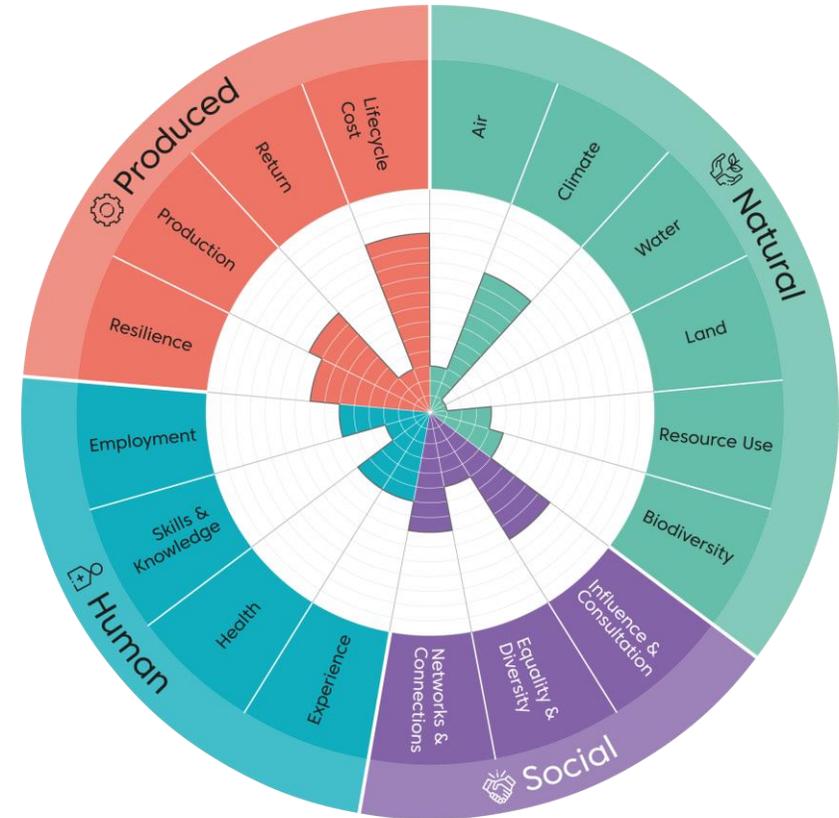
“Embed a ‘procure for value’ approach in public procurement and build capability to do this...”



OVERARCHING AIM

The Value Toolkit aims to drive better social, environmental and economic outcomes through value-based decision-making.

This means better outcomes from **what** we deliver and **how** we deliver it, leading to a more sustainable built environment and a more sustainable model for our industry.



WHY DO WE NEED A VALUE TOOLKIT?

We are all operating in an increasingly complex decision-making environment.

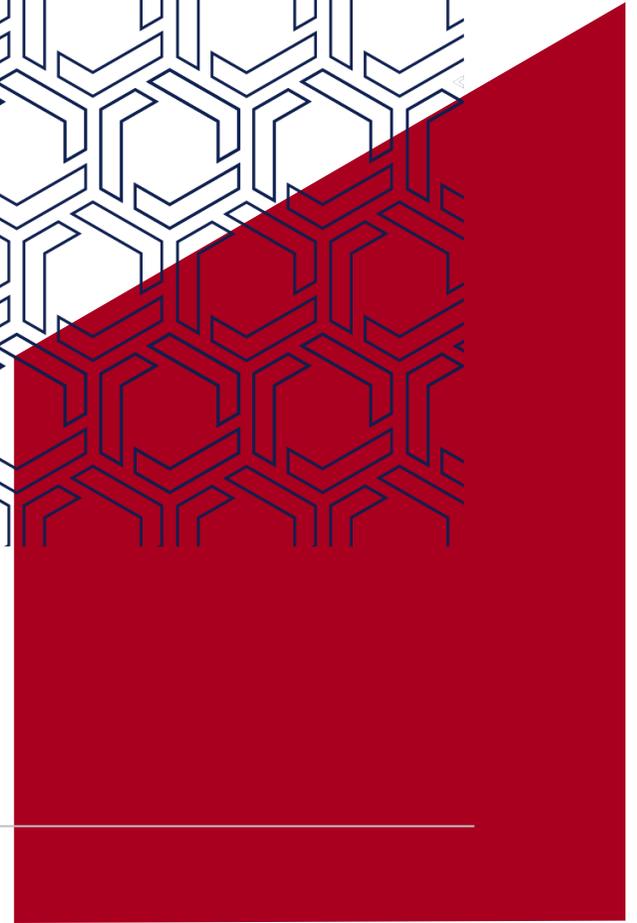
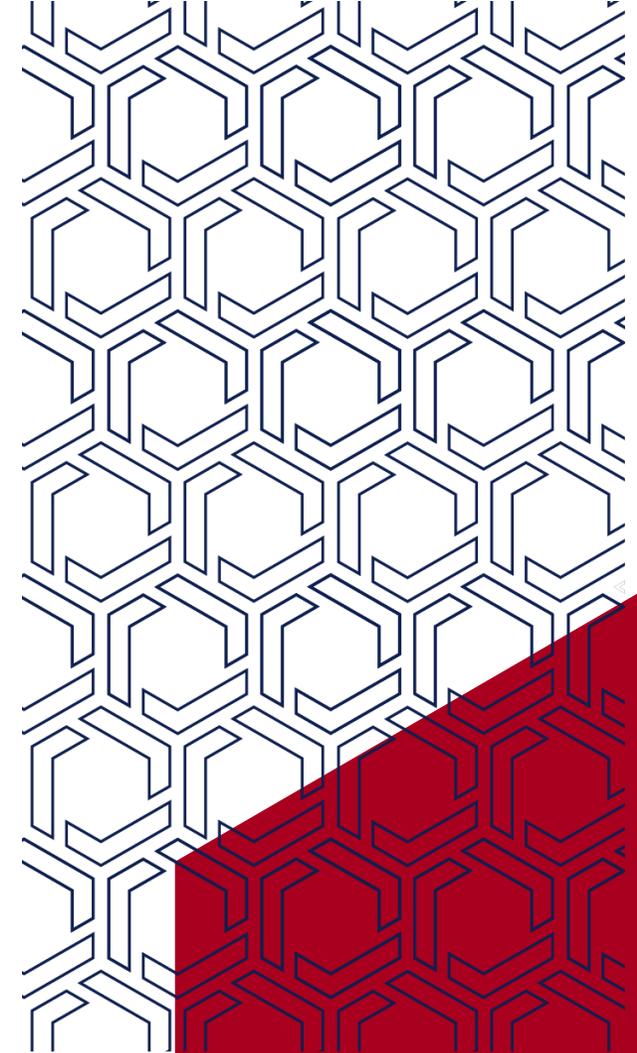
For public sector clients, there is need to demonstrate that policy is being translated into meaningful action in projects, programmes and across portfolios.

For private sector, the increasing role of ESG is driving the need to demonstrate the delivery of broader outcomes beyond traditional cost, time and quality.

If clients start to present value-based requirements, it presents an opportunity to the market.



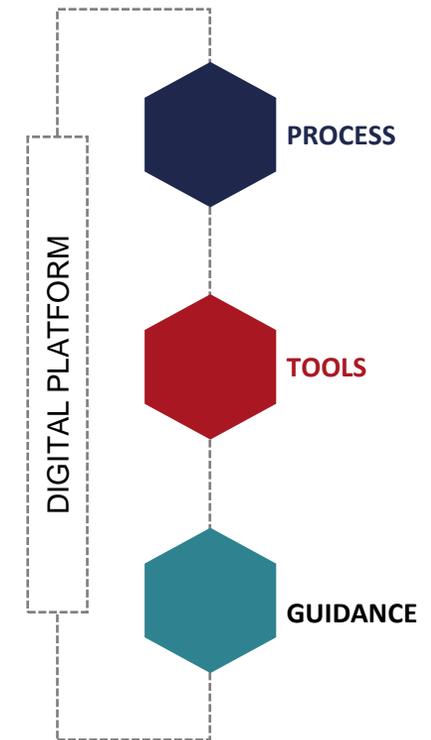
What is the Value Toolkit?



...BUT WHAT IS IT?

The Value Toolkit sets out a series of integrated activities - supported by tools, resources and guidance – which should be undertaken by clients and their teams over the lifecycle of a project or programme to drive value-based decision-making.

The Value Toolkit provides clients and industry with a more consistent approach to communicating, measuring and realising value within projects programmes and portfolios.



INTEGRATED PROCESS

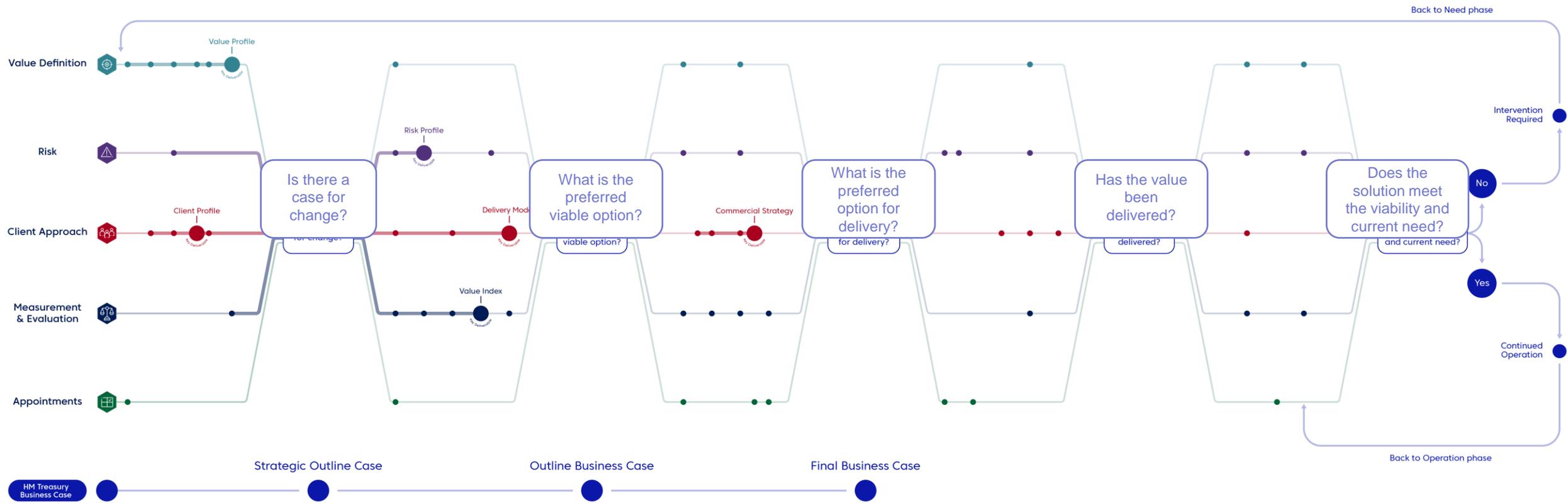
Need phase

Optioneering phase

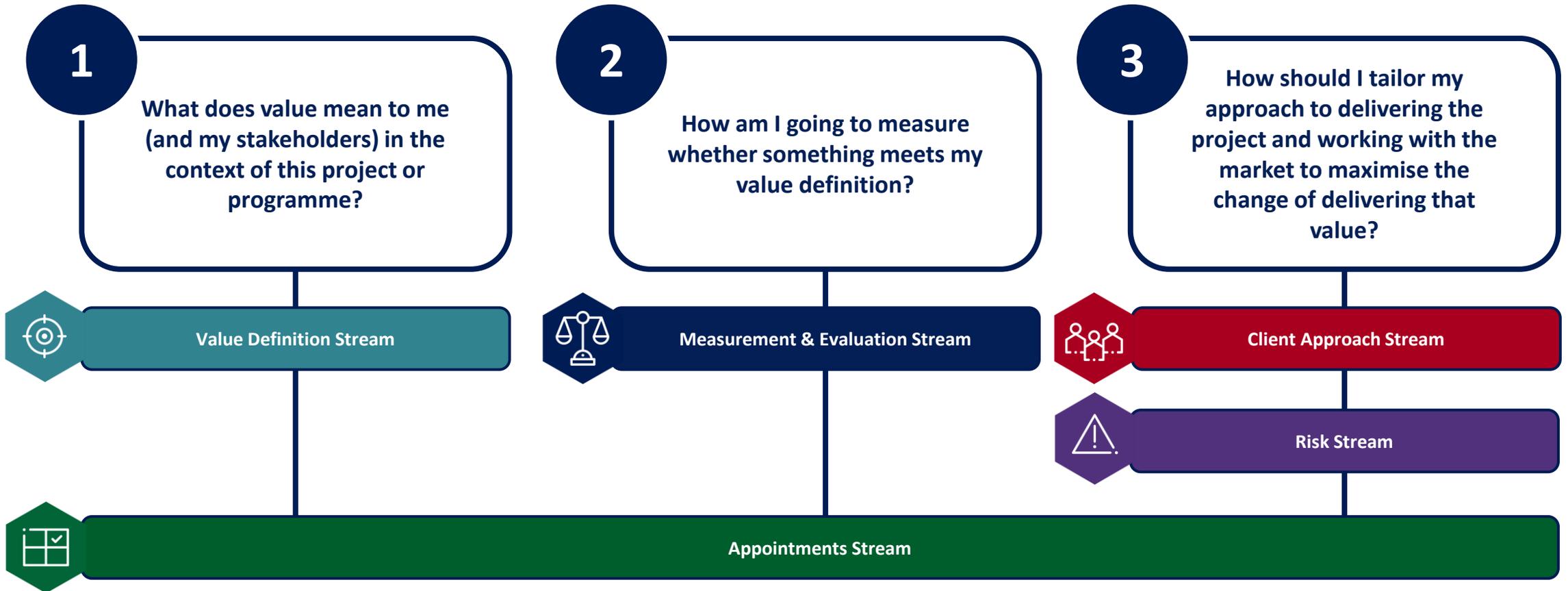
Design phase

Delivery phase

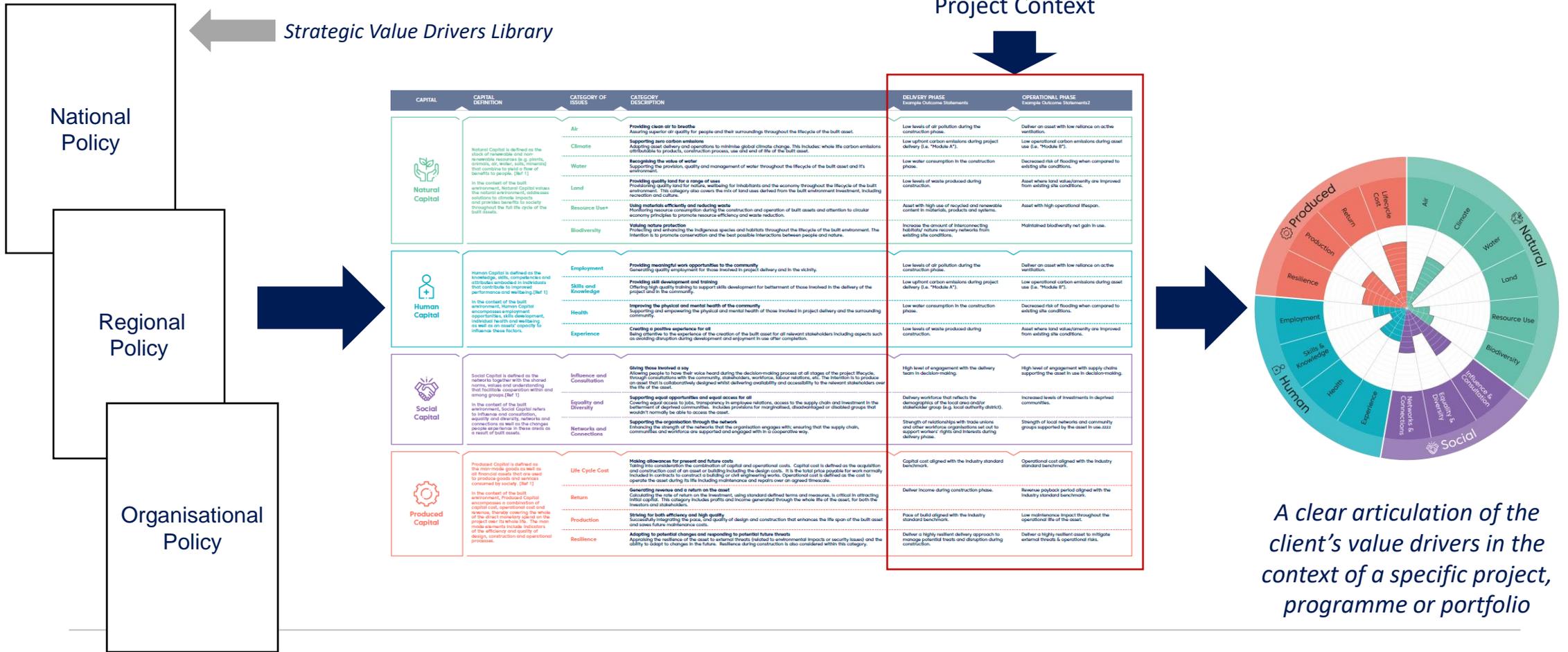
Operation phase



INTEGRATED STREAMS & PROCESS LOGIC



VALUE DEFINITION: TRANSLATING POLICY INTO ACTION



WHO IS THE VALUE TOOLKIT FOR?

- The Value Toolkit has been developed to support client based decision making.
- It is a facilitated process and the tools require suitable expertise for correct application.
- Where some clients may wish to build this capability in-house others will look to the market to implement.
- There is opportunity for the market to respond to value-based requirements, with innovative value-led solutions.

Projects

Applied to individual projects, the Value Toolkit maximises the outcomes that can be achieved by embedding value-based decision-making across the project lifecycle.

Programmes

Where applied to wider programmes of work, the Value Toolkit drives consistency across multiple projects while allowing flexibility to account for local needs and priorities.

Portfolios

The Value Toolkit can also be used to support strategic planning and capability development within an organisation, embedding and continuously improving value-based decision-making across a portfolio.

BENEFITS OF THE VALUE TOOLKIT



Optimise value for every investment decision



Align to the Construction Playbook & TIP Roadmap to 2030



Identify conflicting outcomes & necessary trade-offs



Protect core areas of value through value engineering

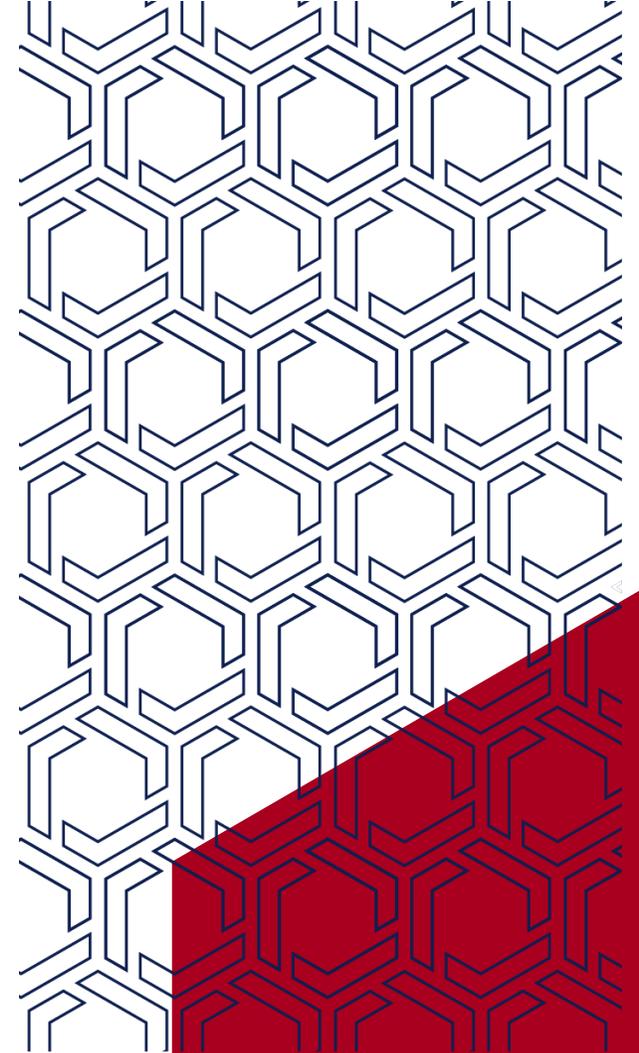


Support a common language, built on the consensus of the sector



Create market clarity and confidence

What's happening next?



Next steps

- Pilot of process in industry:
 - Launched 26 April – running to 30 November
 - Opportunity for Early Adopters (Clients) and Early Implementers (practitioners) to test the processes and tools on real projects and programmes.
 - Review and refine process
 - Fine-tuning the methodology and tools
 - Development of BS Flex standard
 - Finalisation of web application
 - Building a training regime
 - Scale roll-out: Spring 2022
-

Q&A



CONSTRUCTION
INNOVATION HUB



INDUSTRIAL
STRATEGY



UK Research
and Innovation