ADDRESS PRIOR TO COUNCIL BY PETER HANSFORD, CHIEF CONSTRUCTION ADVISER

Prior to the Council meeting, there was an address by Peter Hansford, the new Chief Construction Adviser, to Council members and other Institution guests.

Mr Hansford outlined his agenda, having taken over from Paul Morrell on 1st December 2012. The role sat partly in Cabinet Office and partly in BIS, reporting to Ministers in both departments. He also chaired the Government Construction Board and was a member of the Green Construction Board, and would work closely with industry bodies, acting as an interface between industry and Government.

Mr Hansford was primarily concerned with delivery, integrating the industry, and encouraging innovation.

He went on to outline the Government Construction Strategy, launched in 2011, which targeted a reduction of 15-20% of the cost of Government construction projects over the life of the current Parliament. Progress was being made, but there was a long way to go to reach the £2Bn savings targeted.

The Strategy included a number of strands, including the Government Construction Board, which had representatives of seven departments with significant construction spend. The Construction pipeline sought to deliver transparency of workload, and avoid stop-start expenditure. Each department had been challenged to produce benchmarks and cost reduction trajectories. Efficiencies and elimination of waste a key issue, with a number of initiatives within it. BIM was another key area, as was well known to CIBSE, and Level 2 BIM was being rolled out by all government departments by 2016. New procurement models were also important, with help being provided to clients to find the most effective procurement route. A number of options were being developed, and trial projects were in hand.

Regarding Benchmarks, the publication of cost benchmarks and cost projections within each department was a new initiative, which enabled departments to tackle cost reduction and to identify trends in cost reduction. It would also provide important information to clients on what cost levels should be.

In addition to the Strategy, the Infrastructure Cost Review had been launched in 2010. It was focussed on identifying 15-20% in the cost of UK infrastructure projects, both public and private – a potential saving of £2.7bn a year. UK projects were seen as being more expensive than elsewhere in the world – the UK was the fifth highest in an EU study of cost levels, and efforts were needed to understand this and to tackle the problem. Key implementation objectives include pipeline visibility, supply chain engagement, competition / procurement models, engineering standards and infrastructure data and benchmarking – and crucially it was concerned with changing behaviour.

The potential to save billions of pounds – or to build more for the same money – was stressed. The scale of projects in the construction and infrastructure pipeline was very substantial. A three year programme was envisaged, involving stages of enabling, implementing, and embedding – ultimately changing behaviour and improving efficiency and sustainability, and involving the private as well as the public sector.

The two programmes described had previously operated separately, however there was much opportunity for synergy, and they had now been brought together under a joint steering committee chaired by Andrew Wolstenholme.

Moving on to the Green agenda, Mr Hansford referred to the Green Construction Board, and its work to reduce carbon whilst also saving costs and overcoming complexity. Providing opportunities for growth was a priority, as was the need to deliver whole life reductions in carbon.

Regarding BIM, Level 2 BIM was now mandated for projects by 2016, with the intention of avoiding conflicts and reworking, and providing a single point of data entry. BIM could have a huge impact for industry, and potentially deliver great efficiencies.
Regarding innovation, it was felt that there were barriers in the industry. The industry could be slow to change, and it was necessary to identify and address the barriers. It was important to show that innovators would be rewarded, and to tackle unhelpful procurement systems and lack of information. Innovation did exist but much was hidden, and should be identified.

Moving on the integration, this was a key focus to improve industry performance. Vince Cable had announced plans last year to drive growth throw industry, and Construction was one of the industries highlighted. Mr Hansford was responsible for driving the development of a shared long term vision of the industry in 2025, which would be produced between the industry and government. This would pull together a number of ongoing work streams, such as those already described, as well as a number of new initiatives. The first step was to produce a future vision for 2025, in consultation with industry and key industry bodies; a high level of industry buy-in was needed. To help, the Construction Industrial Strategy Advisory Council (CISAC) had been established, with key individuals from across the industry.

Mr Hansford was asked whether checks would be in place to ensure that cuts to capital cost did not impact on operational performance and on whole life costs. Mr Hansford acknowledged that there was a tendency to focus on capital cost, particularly in times of recession, and he and his colleagues were very conscious of this concern. There were several competing pressures, but the need not to jeopardise performance and whole life cost was acknowledged and understood. It was suggested that procurement processes were a key concern in this context, and it was pointed out that work on soft landings was addressing this risk.

Reference was made to the previous lecture by Alistair Buchanan on energy supply, which had implied a continuing heavy dependency on fossil fuels, and Mr Hansford was asked how the dynamic needs of building operation related to the demand for energy supply. Mr Hansford referred to work being undertaken modelling energy demand, and to the Low Carbon Route Map, and suggested that the business imperatives to drive change would be the key issue.

It was pointed out that there had been many initiatives previously within the industry, but it had proved difficult to generate the change to the industry that had been hoped for. Mr Hansford acknowledged that people had to want to change, and so part of the exercise was to paint a picture of where the industry needed to be, and to encourage people to buy in to that vision. He agreed that this would be a challenge, and stressed that the objective was to generate as much input and participation from industry as possible; it was not intended to be purely a government initiative. People needed to be shown a reason to change, and it was felt that the nature of current times was a clear driver for this.

Regarding the targeted savings, Mr Hansford was asked how the savings were measured, and whether the information was available online. He explained that he could not fully describe the methodology used by departments however he was confident that valid savings had been made. Individual departments were being required to publish their cost reduction strategies and results on their websites, and future reporting will take account of this need. Further thought would be given to making this more transparent.

The President David Fisk expressed the Institution’s thanks to Peter Hansford for his contribution, and looked forward to working with him in pursuit of the objectives outlined.

COUNCIL MEETING - WELCOME AND INTRODUCTION

The President David Fisk welcomed members to the Council meeting,

TEAMBUILD

Richard Rooley addressed Council, remarking on the tendency of the industry to operate in a number of silos. Architects, engineers and others were well educated and trained within their own disciplines, and whilst there had been many initiatives and attempts to build bridges, this was not reflected at grass roots level.
He went on to explain that the Teambuild competition was designed to get people working together across the industry and to communicate, to lead, and to follow as appropriate. The competition was held in November each year, with a quiz leading up to it in July which provided an opportunity to form teams. It was noted that not many building services engineers had taken part, but many Council members could encourage participation through their companies. He expressed his thanks to CIBSE for its support, and would be happy to answer further questions that members may raise.

BUILDING INFORMATION MODELLING

Hywel Davies explained that he was presenting work that had been developed on the Digital Plan of Work, which had been presented to the CIBSE BIM Steering Group.

The DPW had been under development for 18 months, seeking to cover all disciplines and all types of work in construction, not only buildings. He noted that this was not a consultation, but did provide an opportunity to provide some feedback.

Hywel Davies drew attention to screenshots from the website, covering libraries, data and delivery and mapping out a series of seven stages of the construction process. A distinction was made between top level data, of interest to government clients, and detail which was required only by the industry. The website provided guidance on what information was required at each stage, and the objects and tools that were involved. An increasing body of information was implied through the stages, and there was emphasis on the operation and maintenance requirements, being an area that historically had not received enough attention.

He went on to explain that Level 2 BIM was intended to be implemented without a major impact on contract documents, although some changes would be required. The Digital Plan of Work envisaged information being built up through the stages of the project, with different views appropriate for those involved. This would be made available on the website and it was important for people to get involved and for CIBSE to feed all the relevant views into the BIM steering group. It was important to be aware of the speed with which the BIM programme was being driven by government, and the key message was that we needed to engage quickly, and flag up issues in a constructive way as soon as possible.

Regarding feedback loops, Hywel Davies explained that the Soft Landings exercise aimed to get manufacturers and installers involved earlier, to influence the design stage, and to establish real targets for energy and water use, and waste, with hard measures which would be looked at not only at the individual building level, but in aggregate. It would take longer to build the feedback loops in, but the principle was acknowledged and being addressed.

Regarding the cost to the industry in developing these tools, which were hoped to deliver savings to government, Hywel Davies noted that other industries had changed radically over recent decades. There was a view in government that the construction industry had avoided fundamental reform and that it now had to change and deliver better value for money. It was suggested from the trial projects, however, that the cost was not necessarily so great as may be thought, but there may be a need to be more robust in being clear about the level of detail that was required at different levels. Whilst cost was involved, the industry needed to improve and to match value delivered elsewhere. The importance of client behaviour was also stressed, and government needed to take heed of this; it was noted however that much government money was spent at ‘arms length’, for instance in healthcare, where individual trusts were responsible. It was also pointed out that with all IT projects, it was essential to ensure that the requirement was clearly defined, and not imposed by the systems developed, and it was suggested that US experience could usefully be studied.

The importance of possible new procurement methods was also noted, and Hywel Davies confirmed that this was being considered, and was reflected in the discussions on contract documents.
CHIEF EXECUTIVE’S REPORT

Stephen Matthews drew attention to the tabled Chief Executive’s Report, which he believed provided an important record of the work of the Institution, and explained he would be happy to answer any questions.

He also drew attention to the latest Engineering Council registration figures, which had arrived too late to be included, and Carilyn Clements informed Council that CIBSE had achieved a 4% growth in registrations over the last year, which exceeded the performance of any other Institution with over 1,000 registrants.

In response to questions, Stephen Matthews explained that CIBSE’s office in the Building Centre was a small room which was available for use by CIBSE Officers, committees, groups etc.

KNOWLEDGE PORTAL DEVELOPMENT AND COMMERCIAL OPPORTUNITIES

Stephen Matthew introduced the items, noting that 50% of members had registered on the Knowledge Portal, and 30% had visited more than once. It was felt that the development of the Portal was on track, and provided an important source of reliable, high quality information. It had, however, been an expensive project, and whilst CIBSE was not a commercial organisation, it nevertheless had to generate the necessary funds to finance this and other aspects of its work. A number of options for generating income from the Portal had been suggested, and the views of Council were sought on the most appropriate approach.

Nick Peake reminded members of the current content of the Portal, which included all CIBSE’s publications available as PDFs or in hard copy. 140 publications of other organisations were available for sale as hard copies, and additional entries had been created linking to other useful resources. There were also links to 3,300 selected BSI standards. There had been over 120,000 visits to the portal by 79,000 unique visitors from over 160 countries, with 33% of visitors being based overseas.

The trend of visits had increased, and January 2013 had been the busiest so far. Over 90,000 downloads had been undertaken since launch, although the number viewed on-line had been much smaller. He also referred to plans for additional content, including Technical Symposium and PROBE papers, other CIBSE content such as the Journal, BSER&T and LR&T, and publications from associated bodies such as BSRIA.

Stewart Gilmour reported that looking ahead, as part of the new Content Management System, the KP would be integrated with other CIBSE websites, and direct engagements with KP users would be encouraged. More frequent updating was needed and additional functionality.

The KP currently carried no advertising, which could be considered. Neither were there any corporate licensing arrangements, or linking to companies, in particularly manufacturers, through analysis of search terms. All these approaches could be considered, but clearly this would involve some changes to the nature of the Portal.

Stephen Matthews confirmed the options for possible income generation, summarising the options as:

1) Advertisements – banner ads and pop-ups
2) Sponsorship
3) Corporate Licensing
4) Blend of all or some of the above
5) None of the above (purity)
6) Other?

Members were asked for their views on these options. It was pointed out that on some sites advertising hindered their use by causing pages to load slowly, and this should be avoided. It was pointed out, however, that in the past advertising was carried in Institution guides, but there was a feeling that only relevant advertising should be considered. It was also pointed out that the approach was important – banner advertising being more intrusive than other approaches, such as listings of products for which a charge could be made, in a similar style to OPUS. The question of the quality of products advertised was raised, as it would be difficult to guarantee that advertising was purchased by manufacturers of quality equipment; this could be an area of concern.
It was suggested that another approach might be to segment the data in the portal to gear up membership, so that not everything would be available to every member grade. The issue of updating was also stressed, to keep the knowledge up to date and relevant, which was a substantial job.

The directory approach was suggested as one that was more acceptable, and members were asked whether they perceived there was a demand. It was felt that there was competition in the market, but that nothing had replaced OPUS as a straightforward source of information.

The issue of collaboration with other publishers was also indicated, as this would have to be acknowledged where it arose and any other sponsorship or advertising arrangement should take account of this.

It was noted that BSRIA now included some advertising in its publications – however it was pointed out that voluntary authorship was often in effect supported by companies that employed those authors. Care would have to be taken over the opportunities offered to other companies, which did not provide such support.

Stephen Matthews summarised that there was concern over straightforward banner advertising / sponsorship, however there was more support for something akin to the OPUS approach.

It was also stressed that CIBSE was an organisation of individual members, rather than companies, and the technical development costs of providing corporate access, or segmenting the data to restrict access to different classes of user, could be considerable.

The issue of advertising ‘tainting the ‘gold standard’ of CIBSE information was also pointed out, with users possibly questioning whether publications were influenced by the companies being advertised. It was suggested that this might depend on the nature of the publication, with this being a greater problem with publications that related more closely to products.

It was suggested that manufacturers would be happy with an OPUS style listing, rather than necessarily needed to adopt the ‘banner advertisement’ approach. Such a directory listing could also provide direct links to manufacturers though it was felt this should be separated from the CIBSE information in the presentation.

Members were thanked for their input, which would be considered further.

**PRESIDENTIAL YEAR**

George Adams noted that this was David Fisk’s final meeting of Council as President, and recorded a vote of thanks to him for his work as President and for his Chairing of Council over the last year.