

Trust and productivity - summary

The private sector construction playbook
November 2022

Why a new playbook?

The new playbook has been developed by leading clients, contractors, and consultants within the built environment to help drive a step change in the way projects are commissioned, procured, delivered and operated. Their goal is to overhaul a highly fragmented industry that they believe lacks transparency and suffers from a lack of trust.

Trust and Productivity has been developed by the Construction Productivity Taskforce on behalf of the UK construction industry. It builds on the work of the Government's *Construction Playbook* first published in December 2020. It encourages clients and their construction and design teams to work in a more collaborative way to boost productivity, quality and value and in doing so reduce carbon emissions and improve the health, safety and wellbeing of the work force.

It is a widely acknowledged that the UK construction industry and supply chain is highly fragmented and has some of the lowest productivity levels compared to other industries. UK construction productivity growth fell by an average of -0.6% each year between 1997 and 2019 according to new research by Oxford Economics. Over the same period, the productivity of the whole UK economy rose by 2.8%, while the productivity of manufacturing grew by 3.9%. It now takes a larger workforce to build the same output in real terms, which makes construction more expensive than it need be and has led to a downward spiral of low margins and low investment. This, combined with high levels of fragmentation, makes innovation all the harder. Yet increased productivity is essential if we are to cope with ever-increasing skills shortages,

use resources more effectively and afford to invest in highly sustainable buildings that meet net zero commitments.

Trust and Productivity offers a suite of guiding principles – distilled from best practice and collective experience from leading companies across the sector – to overcome these shortcomings, thereby delivering better value to clients and helping create more financially sustainable main contractors and supply chains through increased productivity.

Trust and Productivity is designed to support everyone involved in the construction process – from clients to contractors, from designers to construction managers, from bid writers to procurement teams, in organisations of all sizes.

What makes a project successful?

To achieve more productive outcomes the authors have set out 10 drivers for success, which form the foundation of best practice, from inception to handover. The 10 drivers for success that should underpin any project are:

1. Form effective partnerships
2. Adopt portfolio and longer-term contracting
3. Take an outcome-based approach
4. Embed digital information flows and technologies
5. Involve the supply chain early
6. Benchmark objectives
7. Allocate risk fairly and appropriately
8. Pay fairly
9. Assess the economic and financial standing of suppliers
10. Promote innovation and continuous improvement

Trust and Productivity contains a number of key takeaways and practical ‘toolkit’ suggestions covering behaviours, activities and exercises applicable to the chapter subject. They provide basic information and ‘how to’ guidance. They include:

- Draw up a clear project vision which defines project success, instils a positive project culture, aligns goals, provides collective accountability and outlines specific metrics, which should be tested as the project progresses.
- Ensure risk is clearly defined, considered and apportioned equitably at the right time which will lead to a healthier construction industry.
- Embrace modern methods of construction as a vehicle through which to build faster, better, safer, greener and more cost effectively – but select the most appropriate MMC options, recognising that not all will be appropriate to particular projects.
- Adopt fair and considered contractual terms which are equitably transferred to establish trust and attract credible bidders.
- Document a clear strategy on why the project is being undertaken and define the measures of success – particularly the criteria for determining value for money.

About the Construction Productivity Taskforce

Trust and Productivity is the result of 12 months’ work across the industry and is part of the work of the Construction Productivity Taskforce. It is intended to be used in tandem with *Measuring Construction Site Productivity: A seven-step framework for success*, also produced by Taskforce members. Principal authors for *Trust and Productivity* come from across the sector – British Land, Lendlease, GPE, Land Securities, Sir Robert McAlpine, Morrisroe, Gardiner & Theobald, and Alinea. The playbook is supported by the Construction Leadership Council and the British Property Federation and other organisations aspiring to change the industry for the better.

The Taskforce itself comprises British Land, Skanska, Lendlease, BAE Systems, Landsec, Sir Robert McAlpine, SOM, Turner & Townsend, Bryden Wood, Morrisroe, GPE, Mace, Cast and Be the Business.

The Taskforce has also launched a not-for-profit Construction Data Trust (CDT) to collate, share and benchmark productivity data and is encouraging industry players to measure productivity of their projects and share the data with the Trust.

What next: Commitments from industry

To maintain momentum and ensure that the proposals have an immediate impact, the contributors to the playbook are committed to achieving the following goals by early 2023:

Embracing the playbook’s principles across their projects – we will continue to evolve our practices to ensure that they deliver excellent outcomes, to the highest level of safety, quality and sustainability. We will endeavour to take a collaborative approach and ensure this is pursued along the supply chain so that the playbook’s principles are embedded from earliest concept to handover and aftercare, in line with our recommendations.

Spreading the word – we will create a team of champions from each of the disciplines - client, QS, designer, contractor – to promote use of the playbook through regular communications, live events and feedback sessions.

Evolving and refining – we will produce an interim report detailing progress so far alongside productivity benchmarking, and recommending any changes or refinements to this playbook. This is a living, agile document which will develop and grow over time.

Further commitments will be made as *Trust and Productivity* evolves and the knowledge base grows from the next generation of projects.

The full report can be found at www.bethebusiness.com/our-thinking/Trust-and-productivity-private-sector-construction-playbook/