

Building Research + Construction Clients' Group



Best Practice Study Tour United Kingdom

24 September – 4 October 2006

Personal Homecoming



- **Traditional adversarial construction**
- **1994 – Latham Report – Constructing the Team**
- **1995 – Reading Construction Forum – Trusting the Team**
- **1996 – Designing and Building a World Class Industry**
- **1998 – The Egan Report – Rethinking Construction**
- **1998 – November – relocation to New Zealand**

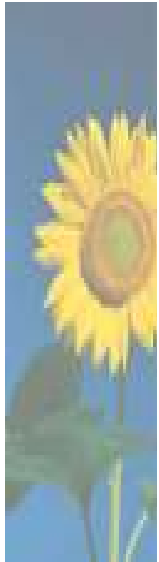
Study Tour



Met major UK contractors:

- Costain
- Taylor Woodrow
- Carillion
- Mansell
- Balfour Beatty
- Thomas Vale

Study Tour



Met Construction Managers:

- Mace

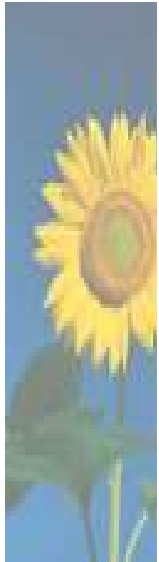
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Met Client Groups:

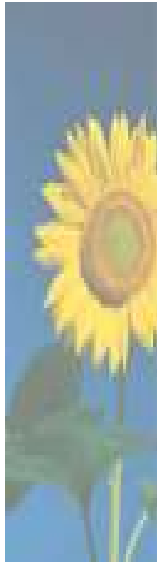
- Hertfordshire County Council
- Hampshire County Council
- Slough Estates
- Grosvenor Estates
- The Highways Agency

Study Tour



Met Construction Excellence UK

Study Tour



Viewed Major Construction Projects:

- T5
- O2
- RBOS

Key Messages



- Traditional competitive tendering does not produce best outcome in terms of cost, programme or quality.
- Significant move away from individual project procurement to framework arrangements, leading to long term relationships over a number of projects.

Key Messages



- This has happened at design team / main contractor level, but is also percolating down through the supply chain.
- The word that we heard used repeatedly was “TRUST”.

Key Messages



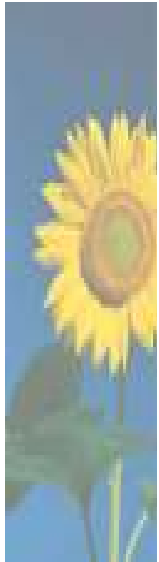
- Alternative forms of contract are being used, and in particular NEC, which is specifically designed for non-adversarial, collaborative working.
- Business improvement has become a key focus within the UK Construction industry with the use of targeted KPI's to benchmark and drive that improvement.

Key Messages



- A vast database of demonstration projects has successfully raised the profile and momentum of the drive to change the industry.
- Safety culture and sustainable design are now givens within the UK industry.

Impact for New Zealand



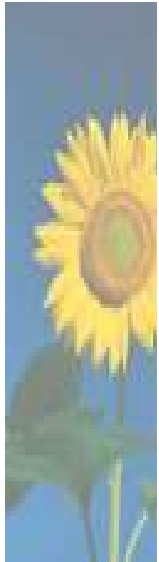
- The New Zealand market is significantly smaller in volume and consequently, less consistent in workflow.

Impact for New Zealand



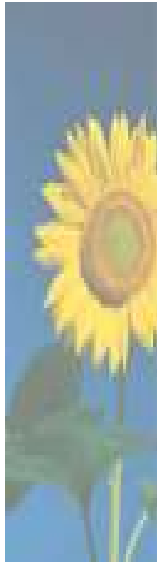
- Improvements in output don't happen overnight. In the UK typically three years of relationship building before significant benefits came through.

Impact for New Zealand



- The UK is ten years ahead of New Zealand in the journey.

Impact for New Zealand



- Relationships of trust involve cultural transformation throughout the team, with the tone set from the top of the organisations.

Impact for New Zealand



- There is no doubt that such changes are necessary to bring about a transformation of the industry.