

Embargoed: Tuesday 6 March 2018

A Catalyst for Change

The collapse of Carillion earlier this year, played out in front of us, shows the outcome when a major industry sector operates with a commercial model that is not fit for purpose. We have seen up close what happens when we have a combination of lowest price, inequitable transfer of contract risk, poor payment practices and inadequate governance.

Yet we can't say it was unexpected or a huge surprise. We have all known, and talked about for years, the practices and behaviours that would deliver a successful and more profitable construction business environment. So why do we all continue to perpetuate the practices that inevitably lead to business failure?

Build UK believes that the lack of trust between parties throughout the whole construction supply chain drives the way we behave and if ever there was a Catalyst for Change this is it and if there was a time, it is now.

Throughout bull and bear markets the construction industry lurches from collaboration to conflict promoting inconsistent behaviours; in addition, the transactional nature of our projects and business relationships do nothing to engender long term trust.

The Build UK Board is clear that it can, and will, provide the strong, bold and incisive leadership that the construction industry so desperately needs. Bringing together the supply chain including Clients, Contractors, Specialist Contractors and now Professional Services, institutions and others, has created the opportunity to stop talking about what is right for one party or another but to do what is right for the whole industry and we need to lead the industry accordingly.

Build UK's priorities of Improving Business Performance, Increasing Productivity and Recruiting, Training and Retain Talent, identify that unless we address the Commercial Model we currently operate we will never truly be able to deliver an industry that is fit for purpose.

To show that we mean business, to demonstrate that working collectively will benefit all of us and to change the way construction services are both procured and provided, our focus over the coming year will be to deliver three outcomes that will make a difference.

- We have brought together a task force to identify the bespoke contractual clauses regularly introduced to the standard forms of contract that demand the impossible and perpetuate the inequitable transfer of risk. Together we intend to challenge the status quo
- We will publicly benchmark our Members on their payment performance helping clients, contractors and suppliers to make informed decisions about who they work with on their projects
- We will implement a roadmap to zero retentions addressing both the practice and its underlying drivers, changing payment practices for ever

Improving our business performance and rewarding success with a sustainable level of profit will enable the industry to drive innovation, invest in future skills and apprenticeships and support the digital transformation we would all like to see.

PRESS RELEASE



The prize cannot be understated but it requires both leadership and the industry to be unified and united if we are to claim it. The Build UK board, on behalf of Build UK, represents 40% of the construction sector. It is prepared to lead the charge and by all of us working together we can change the industry from one of mediocrity to one which realises its potential to be truly world class.

Mark Castle	Suzannah Nichol
Chairman	CEO

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Notes to Editors

1. Build UK provides a strong collective voice for the contracting supply chain in construction. We bring together the industry's largest Main Contractors and leading Trade Associations representing Specialist Contractors – www.builduk.org.
2. To find out more about Build UK's priorities, see the [Build UK Action Plan](#).
3. The Safety Helmet Colours Standard is available to view on the [Build UK website](#).
4. The Training Standard is available to view on the [Build UK website](#).