

What if... sustainability was at the heart of decision making?

PARTNERS

Construction Innovation Hub
Developed in partnership with
over 200 experts from across
government and industry

Discover how, by redefining what value means, success can be realised through saving more than just cost and time.



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INTRODUCTION

Each and every day numerous decisions are made about the future of our built environment and infrastructure. How best to design it, build it and maintain it. Then, each decision must demonstrate its value.

Traditionally those decisions, and the way in which value is assessed, have been predominantly based on cost and the programme of work. However, as we know the impact of the UK construction sector on society, the economy and the environment must drastically improve, it's time to think beyond just cost and timeframe. It's time to consider a new way to make decisions.

It's time to reconsider the definition of value for today's world.

LOCATION

UK-wide.

THE NEED

The construction sector has an impact on the life of each and every person in the UK. From designing, building and maintaining our homes, workplaces, hospitals, schools, prisons etc, to employing approximately 3.1 million people. Everyone is affected by the construction sector. Unfortunately, however, because the construction sector is also responsible for 40% of the UK's annual carbon footprint that impact is not always so favourable.

Our historic approach of defining value based purely on how low-cost a project can be, or how quickly it can be completed is failing to deliver the outcomes we need. This is why our very definition of value needs to be redefined. For example, if a school is constructed within budget and in the minimum amount of time possible, but produces huge amounts of carbon in the process, removes job opportunities from local communities, presents extensive maintenance costs due to the use of low-cost and unreliable materials etc, we shouldn't be able to claim that project as having delivered real value.

We are taking great strides to improve the sector's impact on society, the economy and the environment. Extensive research, testing and innovations are helping to combat these negative impacts. In addition to this, new policies are being introduced defining ways in which industry and clients need to make decisions that demonstrate value in ways beyond merely cost and timeframe and consider such factors as Equality, Mental & Physical Wellbeing and Biodiversity in their projects. Introducing these policies makes decision makers more accountable for the impact made by the sector, whether positive or negative. However, as a lot of these new considerations will be unfamiliar to many and may need justification also, an important part of this evolution involves reframing the definition of 'value' across industry and supporting clients in implementing and measuring it.

For many, this may seem like an insurmountable challenge. When you have a project to complete how do you know what to prioritise in terms of deliverable value? When basing value on cost or timeframe the results are easily evidenced, but how do you measure factors you've not had to consider previously?

THE SOLUTION

When we walk into a supermarket to buy fresh fruit, how do we know which to choose? There's fruit that is grown in the UK but wrapped in plastic. There's loose fruit to choose, but that's imported from thousands of miles away. There's organic fruit but it's not Fairtrade certified and there is Fairtrade fruit which is non-organic and wrapped in plastic. As a conscientious shopper who cares about environmental and societal issues, how do you decide which fruit to buy?

When it comes to the construction sector, the decision-making process can seem even more overwhelming. Budgets and timeframes hold considerable sway over how projects are executed, but there are so many other factors to consider for example, weighing up the impact on local employment against the gained efficiencies of offsite manufacturing. Clients are having to factor in ever-broadening targets in order to demonstrate a project's success and value.

With a rising volume of incoming policy influencing decision-making across Government and industry, the Construction Innovation Hub (the Hub) in partnership with the Government and more than 200 organisations from industry, including industry bodies such as the CLC, ACE, CECA, RICS, RIBA, CIOB, UKGBC and Social Value UK, have created a decision-making framework to assist people to make more informed decisions. Decisions that will help steer us closer towards Net Zero targets, improve the overall quality, lifespan and usability of our built assets and contribute more positively to society in terms of improving overall health and wellbeing, increasing employment opportunities and regenerating disadvantaged regions/groups.

As part of their work, the Hub and partners have created the Value Toolkit – a suite of tools designed to assist decision makers in developing outcomes, understanding how to prioritise them, and navigating metrics to suit a wide range of project outcomes. The overall aim is to embed a more holistic approach to defining value within projects that is as commonplace as considering cost and timeframe. This means it must be easy to understand, to implement and to measure the success of.

The Value Toolkit brings together five integrated streams designed to support key decisions at every stage of the investment lifecycle, allowing clients and the market to work together to target, measure and deliver improvements in value. The first of these streams supports clients in delivering a new definition of value, that is unique to their needs and considers a broader range of outcomes than simply cost and timeframe. The definition considers wider social, economic and environmental factors, helping clients to demonstrate alignment with national, organisational and regional policies and priorities. They are designed to be considered from the very outset of a project through the full investment lifecycle, not just at the point of procurement, or equally abandoned once the construction work is completed.

The Toolkit then takes the client through a further four streams pertaining to Risk – helping clients to identify risks associated with their outcomes and create a risk profile for projects; Client Approach – helping clients to select a delivery model and commercial strategy that best enables delivery of the value profile for a project; Measurement & Evaluation – supporting clients with developing a project-by-project value index containing metrics and targets for each outcome, to enable evaluation and performance review; and finally, Appointments – helping clients to build a motivated team to deliver on all phases of a project.

Introducing the Value Toolkit framework and an approach to decision making that considers the impact on society, the economy and the environment will help to create a better built environment – one that impacts in a consistently more positive way on everyone. This world-leading approach should position the UK construction sector, and its clients, at the forefront of conscious and informed decision-making that delivers more positive outcomes for all.



BENEFITS

- A consistent definition of value that can be applied universally to projects within the built environment;
- Empowerment of decision-makers to make more informed and policy-aligned decisions;
- Reduction of the sector's negative impact on natural assets and the environment;
- Improved social mobility through inclusion of equality and diversity metrics in decision-making;
- Reduction of risk throughout an asset's lifecycle;
- Improved efficiencies and lifecycles of built assets; and
- Reduced waste and time spent on projects.

WHAT'S NEXT?

After 12 months of rapid development, in April 2021, the Hub and partners moved into live testing the Value Toolkit's process and suite of tools on real projects and programmes with clients and practitioners. Around 141 early adopters (clients) and early implementers (practitioners) signed up to be part of the pilot.

During the live testing phase, the Hub has been consulting in a feedback loop with both clients and practitioners in order to help fine-tune the toolkit. This process of fine-tuning includes the development of a beta-web application and building out a training programme ahead of a scale rollout in Spring 2022.

The Value Toolkit supports the delivery of the United Nations' Sustainable Development Goals and objectives from the Government's Construction Playbook, and recognises the interconnectedness of capitals such as the natural built environment highlighted in the Transforming Infrastructure Performance: Roadmap to 2030, allowing policymakers and clients to make informed decisions throughout the project lifecycle.

As we face the unprecedented challenges of the climate crisis and building back from a historic pandemic that brought the world to a standstill, the Hub and partners will continue to champion the collaborative ethos that was the hallmark of the Toolkit's development and drive adoption of the Value Toolkit across industry. Leading with Government-funded projects, the use of the Toolkit will be able to produce measurable results and feedback on its usage that can be provided as evidence of its success.





FIND OUT MORE:

To learn more about the Value Toolkit and the partners from across government and industry contributing to the Value Toolkit, [click here](#).

CONTACTS

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The Construction Innovation Hub is a consortium between:

