

# INSIGHT INTO THE GOVERNMENT CONSTRUCTION STRATEGY 2016-2020

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- ▶ The government has implemented two strategic infrastructure and construction plans.
- ▶ The plans focus upon investment and project delivery.
- ▶ Developer clients are provided with a pipeline of government planned projects, underpinned by a clear framework and commercially-focussed strategy as to how these can be achieved more efficiently.

## What's it about?

On 23 March 2016, the UK government published the Government Construction Strategy 2016 – 2020 (**GCS**) and the National Infrastructure Delivery Plan 2016-2021 (**NIDP**), setting out the government's ambitions for smarter procurement, fairer payment, reducing carbon emissions, improving digital skills, and increasing client capability in the built environment and infrastructure sectors.

## Why does it matter?

Over a quarter of construction output is from the public sector, and central government is the UK's biggest single construction client. Highlights of the plans include:

### **GCS:**

- ▶ a commitment by the government to become a better construction client by improving its co-ordination and leadership in order to deliver construction projects more efficiently;
- ▶ increasing the use of digital technology (including BIM Level 2);
- ▶ implementing fair payment policies and Project Bank Accounts to ensure consistent payment;
- ▶ utilisation of new procurement to encourage early supplier engagement, cost transparency and collaborative working; and
- ▶ addressing the issues faced by employers in attracting skilled employees;

### **NIDP:**

- ▶ a commitment by the government to invest £100 billion by 2021 in UK infrastructure;
- ▶ a focus on investment in large-scale housing and social infrastructure, including doubling the housing budget as well as £48 billion targeted at social infrastructure;
- ▶ emphasis upon the development of the 'Northern Powerhouse';
- ▶ over £58 billion road and rail investment package to facilitate over 100 major road schemes and support rail developments including High Speed 2, Crossrail and northern rail links; and
- ▶ new airport infrastructure at Manchester, Luton, Heathrow and Gatwick.

## Now what?

The government's engagement with the sector presents a number of opportunities and a clearer framework. Increased productivity will support the government to deliver the £163 billion of planned projects identified in the spring 2016 Government Construction Pipeline, which includes housing regeneration projects for the first time. Achievement of the Infrastructure Pipeline includes over 600 projects and programmes with a combined value of £425 billion (excluding social infrastructure), the management of which will be spearheaded by the establishment of the newly merged Infrastructure Projects Authority.

The team at Addleshaw Goddard LLP will be happy to discuss the options with you. Please contact Joanna Codling or Luke Baines.

## Who to contact

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