The Potential wider uses of Pipelines – Industrial Strategy, Productivity, Skills, Powerhouses, Procurement and Social Value

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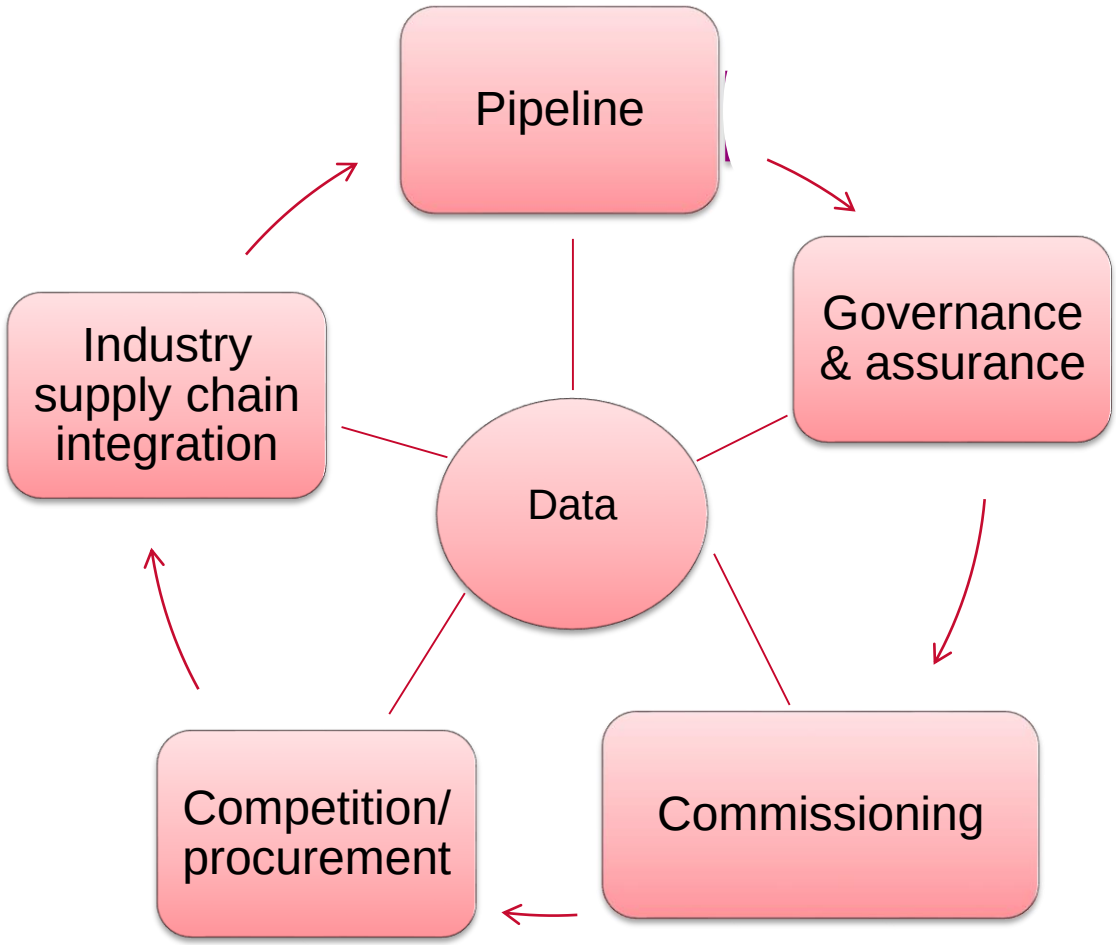
What is the point of a pipeline?




HM TREASURY Infrastructure UK

Infrastructure Cost Review:
Implementation Plan

March 2011

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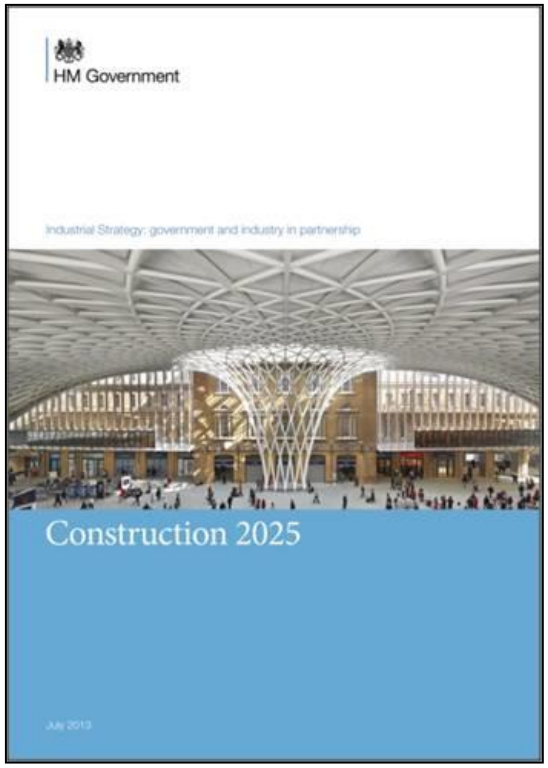
Pipelines for an Industrial Strategy?: Construction 2025

- **pipelines to build a better picture of future demand**
- **more useable for all construction businesses**



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Department for Business, Energy & Industrial Strategy

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National Infrastructure Pipeline by region

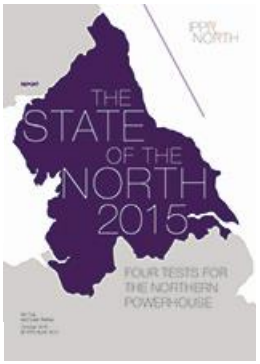
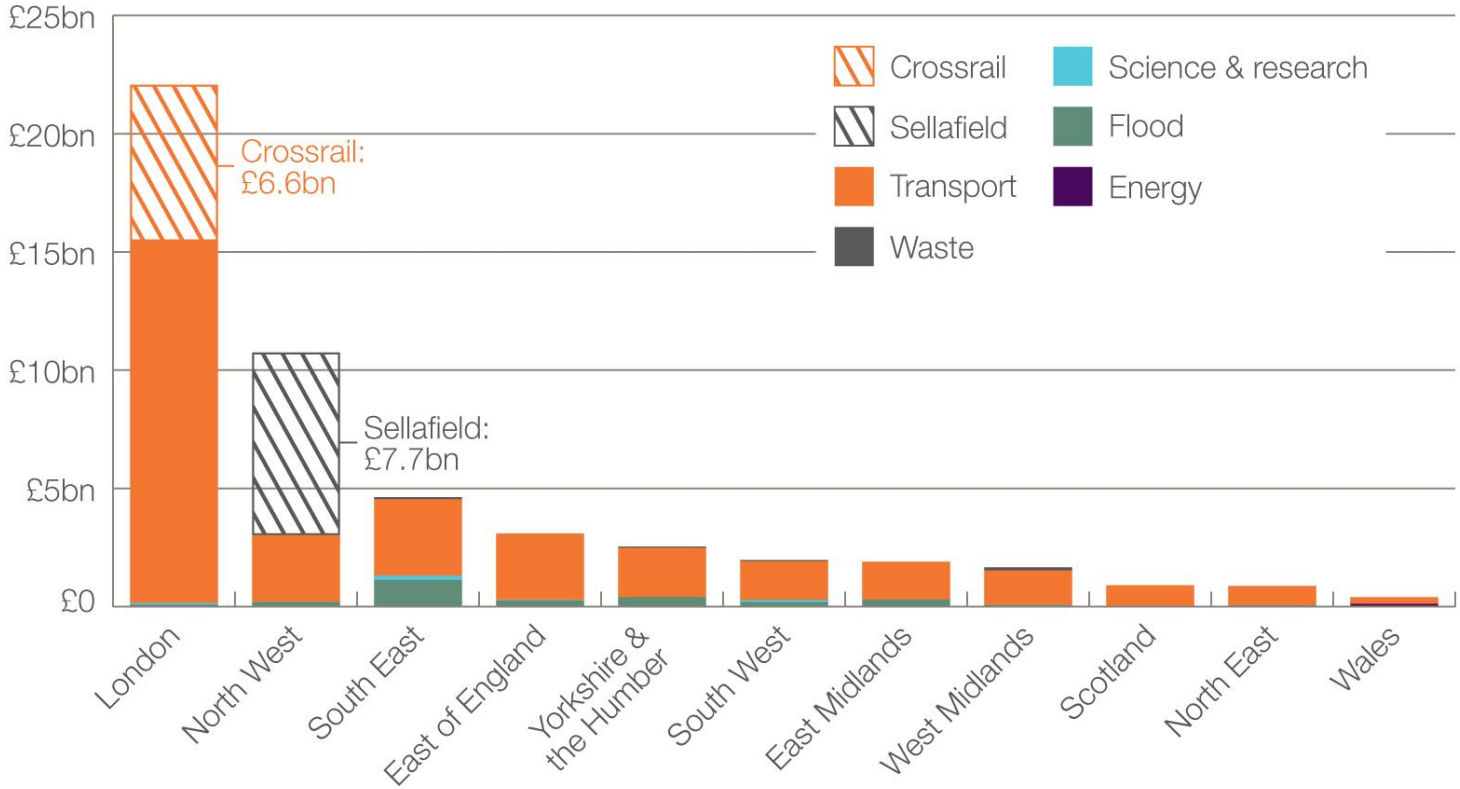


Figure 3.3
Planned expenditure, from 2015/16 onwards, on public and public/private funded projects included in the national infrastructure pipeline, by UK region/nation



Source: HM Treasury 2015

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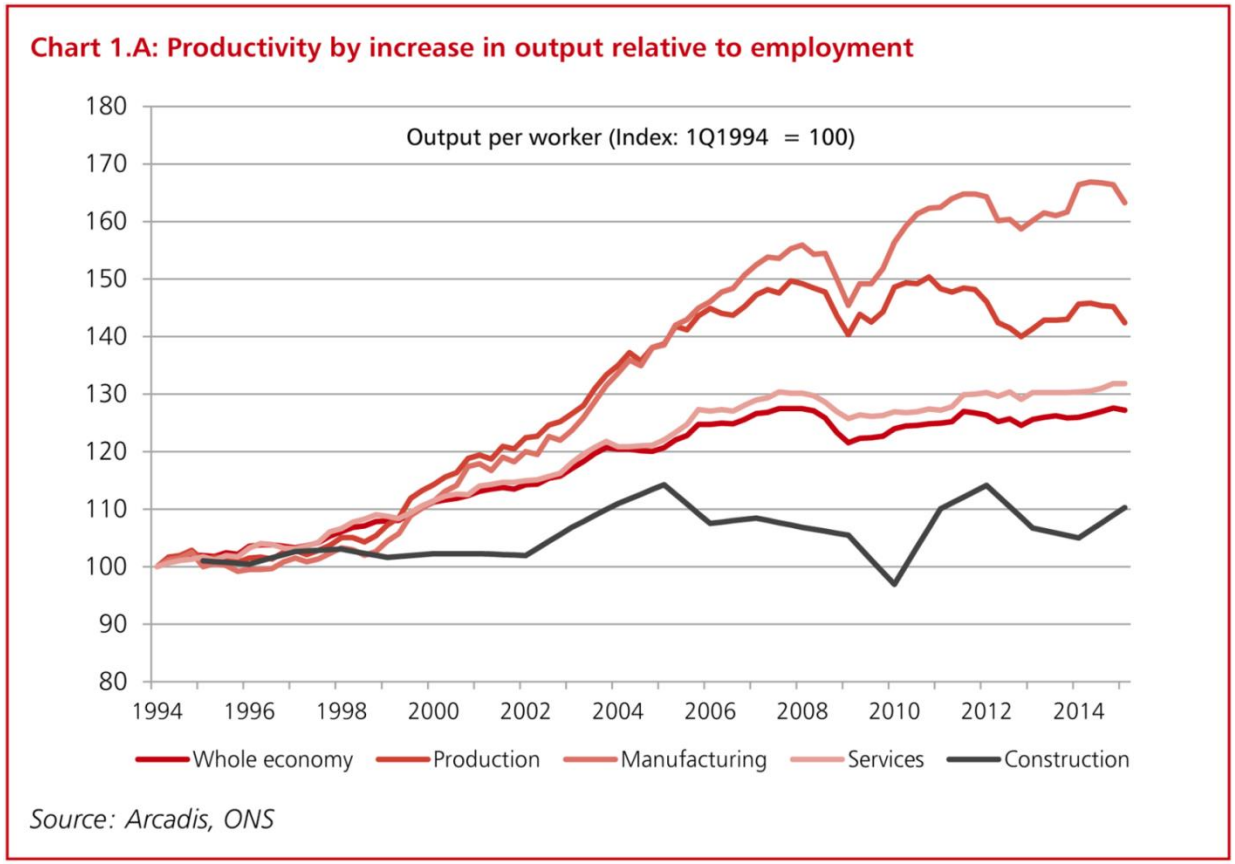
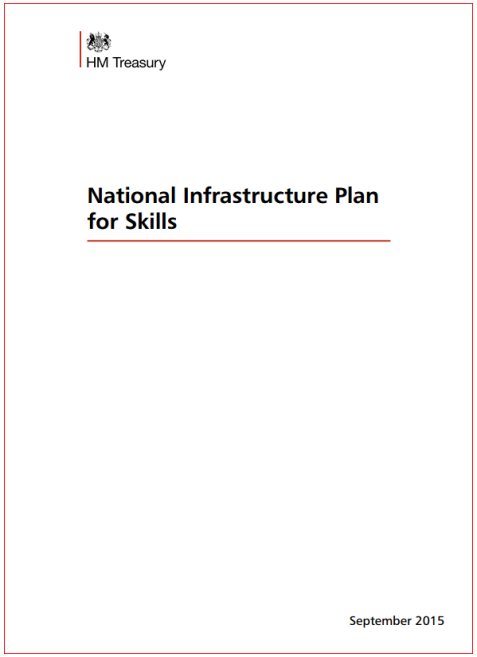
A Pipeline for Productivity in Construction?



Construction sector has lowest productivity


HM Treasury

National Infrastructure Plan for Skills

September 2015

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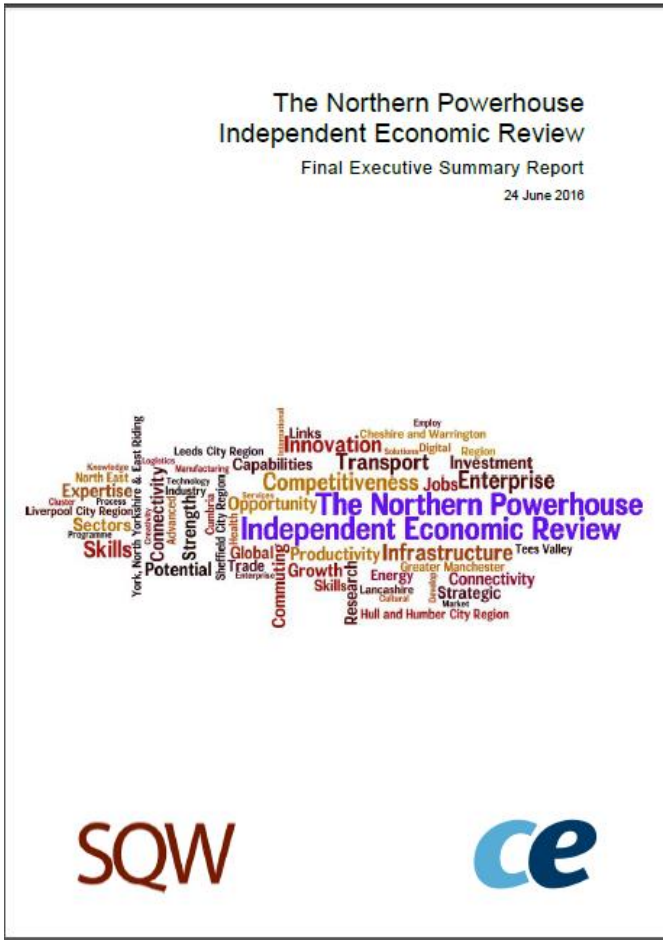
A Pipeline for Productivity in the North?

Productivity – followed by employment – account for the largest share of the North's 'performance gap



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CONSTRUCTION SUMMIT - Q5. The Northern Powerhouse Independent Economic Review (June 2016) identifies the following requisites for resilience and improvement in economic performance in the North – which three are most significant for improvement in the construction sector?

Responses 135

1. Improved education outcomes and work-based and vocational training 19.50%
2. Improved graduate retention and attraction, helped by better prospects for skilled, mobile workers to make their careers in the North 23.70%
3. Better commercialisation of university research to the benefit of the North's business base 10.00%
4. Better management skills, including the uptake of innovation 22.20%
5. Attraction of inward investment 25%

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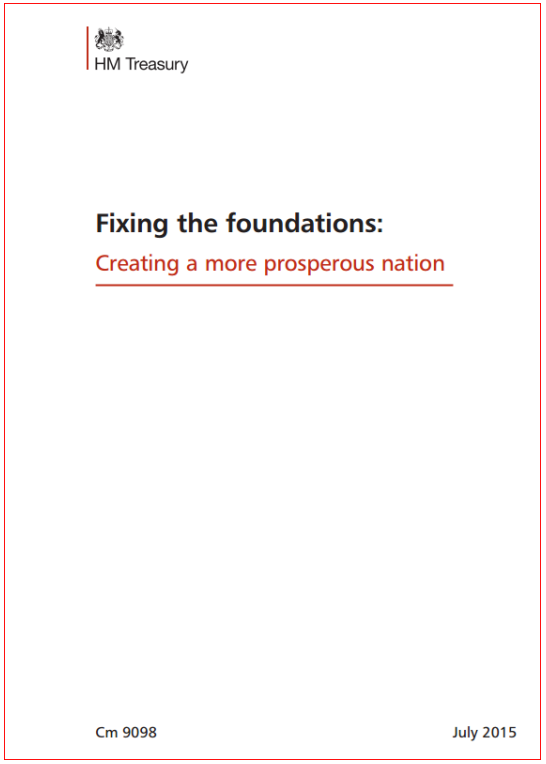
“The government’s framework for raising productivity is built around…….

…
A rebalanced economy and a thriving Northern Powerhouse.”


HM Treasury

Fixing the foundations:
Creating a more prosperous nation

Cm 9098 July 2015

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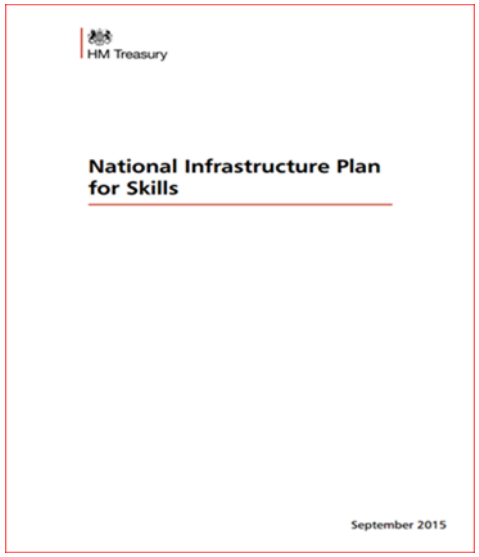

HM Treasury

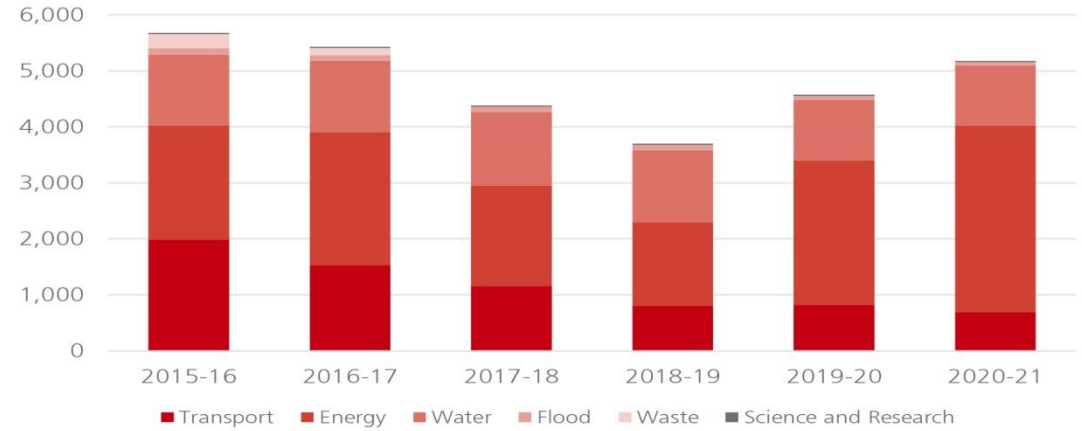
National Infrastructure Plan for Skills

September 2015

Northern Powerhouse Infrastructure pipeline investment 2015-2020 (£29 billion)

Northern Powerhouse

Infrastructure pipeline investment 2015-2020 (£29 billion)



(excluding regional share of national programmes)

Key projects

Energy:
Moorside Nuclear Power Station, Trafford Power Station, Drax Biomass Conversion

Transport:
Mersey Gateway Bridge, Northern Hub, A1 Leeming to Barton

Science and research:
National Graphene Institute

Skills demand 2015-2020

Current workforce: 85,000 **Peak workforce: 99,000**

	Client and project leadership	Engineering and technical	Construction management	Skilled trade and labour
Current	8,300	24,000	16,400	36,300
Peak (year)	9,800 (2015)	27,300 (2015)	18,800 (2015)	43,700 (2020)

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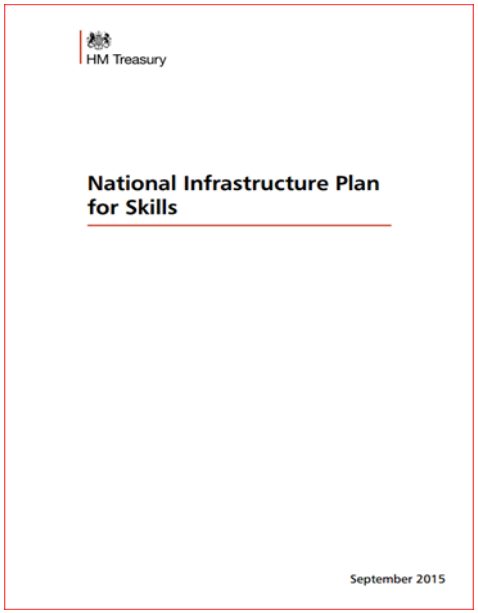
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National Infrastructure Plan for Skills

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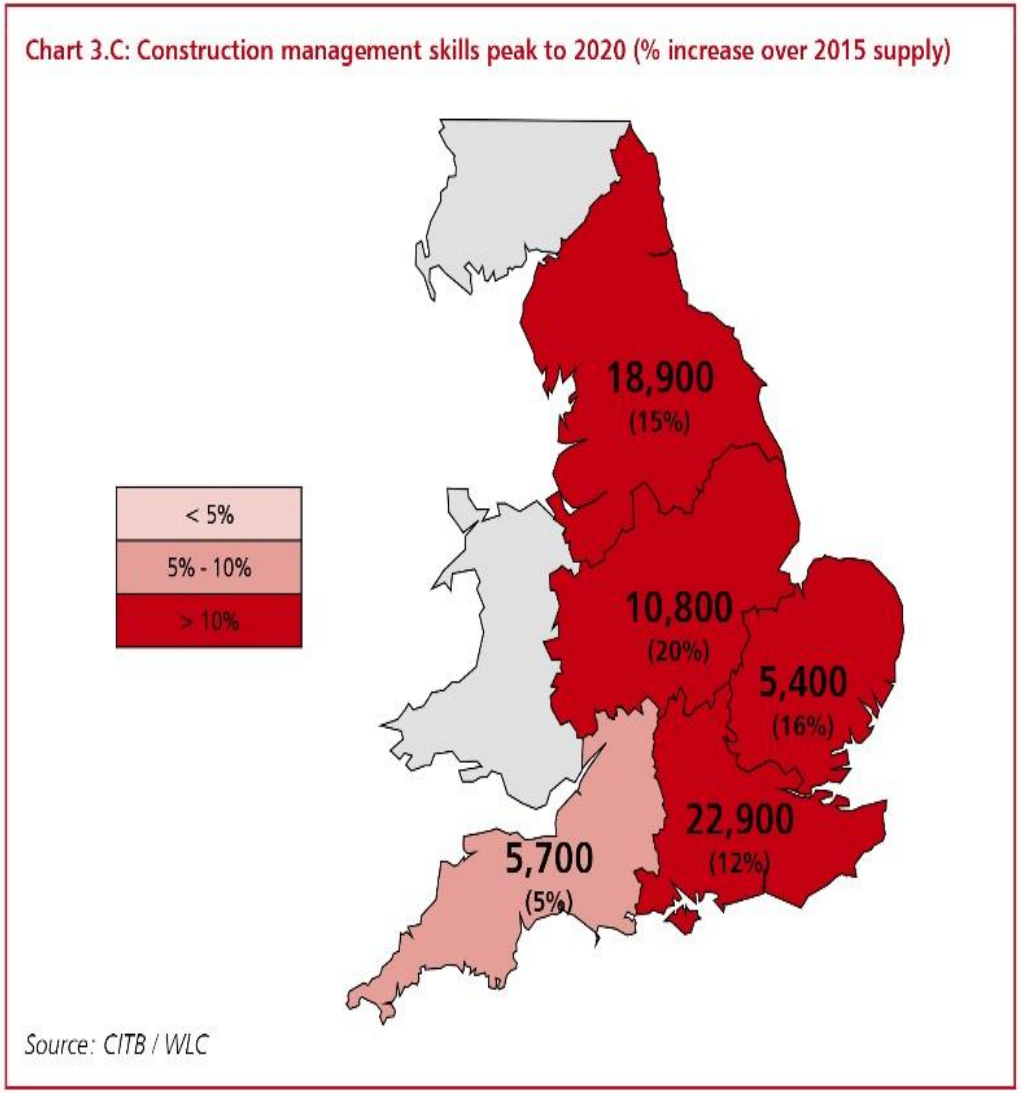

Construction management and supervisory roles increasing levels of demand for these skills across all English regions over the next five years….

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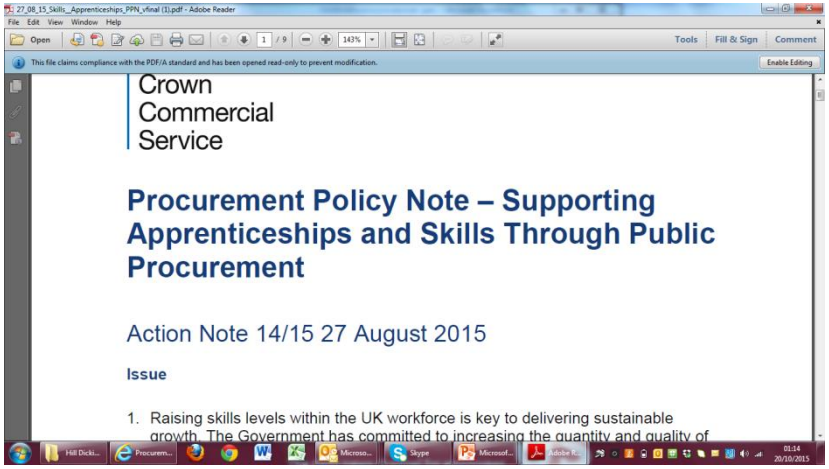
Procuring for Skills?



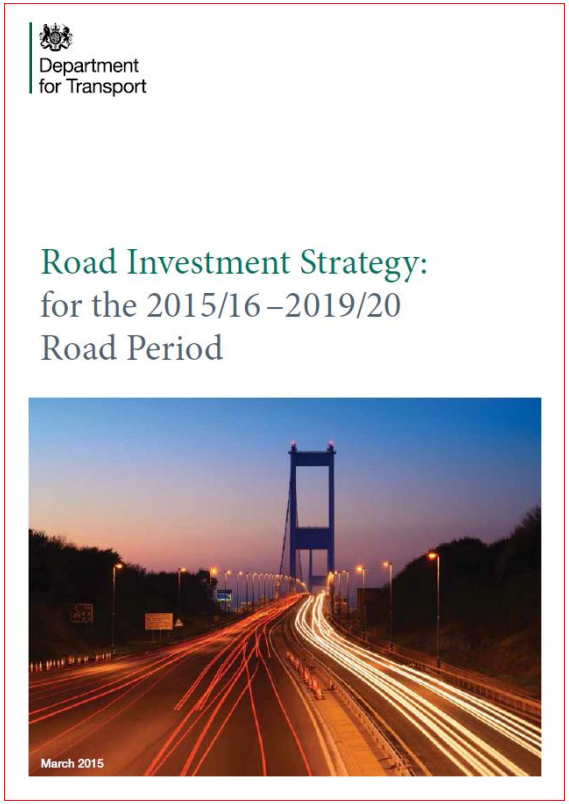
Crown Commercial Service

Procurement Policy Note – Supporting Apprenticeships and Skills Through Public Procurement

Action Note 14/15 27 August 2015

Issue

1. Raising skills levels within the UK workforce is key to delivering sustainable growth. The Government has committed to increasing the quantity and quality of



Department for Transport

Road Investment Strategy: for the 2015/16 – 2019/20 Road Period

March 2015

Skills mandated in contracts

New Training Levy opportunity for Procurement leverage

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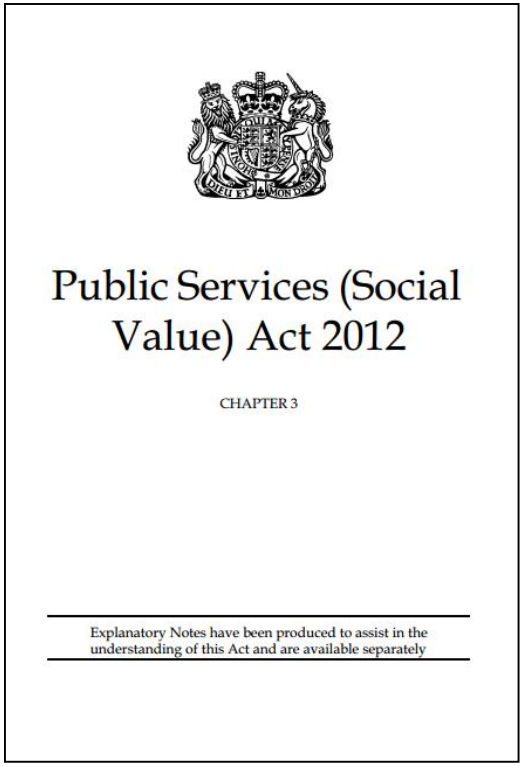
Procuring for Social Value in the "Powerhouse"

What if…..Procurement Authorities considered from the outset how the services and products they *commission and procure* might improve the economic, social and environmental well-being of the area?



Public Services (Social Value) Act 2012

CHAPTER 3

Explanatory Notes have been produced to assist in the understanding of this Act and are available separately

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The Potential wider uses of the Construction and Infrastructure Pipelines – Client business models

- to help identify hot-spots of activity and pinch points in supply
- to potentially forecast the impacts of demand scenarios derived from the pipeline on future outturn costs, and help to mitigate the impacts of cost inflation;
- To encourage major clients in the region to invest more in the commissioning phase of programmes and projects
- To encourage the major clients in the region to adopt more Common Procurement Principles

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The Potential wider uses of the Construction and Infrastructure Pipelines – Supplier business models, suppliers may

- Increased profitability
- reduce false self-employment.
- invest more in their own workforce,(or their sub-suppliers),
- improve payment times, and

it would, inter alia,

- mitigate against any overall falls in this spend during the next parliament
- help prepare the suppliers for more inward, private sector investment
- stimulate local growth by increasing the spend that passes, directly and indirectly, to SME's in supply chains

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Procuring the Northern Way?