

INSIGHT

THE JOHN ROWAN AND PARTNERS MAGAZINE

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PARTNERS** launch
in the United Arab
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THE JOHN ROWAN AND PARTNERS MAGAZINE
SIX SUMMER EDITION 2015

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Quote of the month

"Over the last five years planning has been blamed as a barrier to growth. Here's evidence from developers that it's actually the lack of planning resources that is holding back housing"

Finn Williams (the Farrell Review's planning champion) on a report by Knight Frank.

Stat of the month

According to the latest Office for National Statistics (ONS) data, women make up just 16% of the construction industry's workforce.

John Rowan and Partners

John Rowan and Partners is a global property and construction consultancy specialising in the delivery of cost management, project management, building surveying, health and safety, planning, sustainability advice, information systems and strategic asset management services to all areas of the construction and property industry.

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Stephen Gee

Welcome to the latest edition of Insight.

The last financial year was certainly very busy for us at John Rowan and Partners and this edition takes a look at what we've been up to and how the industry has been responding to the upturn...



Stephen Gee
Managing Partner

The past financial year was our strongest yet and the renewed confidence in the construction sector helped us to grow by 28% over the last year, achieving a turnover of £9.95m – a record year for us!

Much of this was down to the numerous projects that we undertook last year. Which also included the completion of the Olympic legacy project East Village in which we impressively helped to deliver 2,818 homes, an academy campus and a healthcare centre.

We have now launched our latest 5 year business plan. The plan envisages us turning over £25m in the year 2017-2018 and employing over 300 people in different global locations. Key to achieving this goal is the exciting news that we have started a new joint venture company. The new venture will be called John Rowan and Partners International and will work across the Middle East and North Africa, but more about that later.

We have strong ambitions for the year ahead and our aim is to improve on our record year, so far 2015 has given us a strong start in meeting these ambitious targets and we will continue to develop both our target markets and our global reach, looking to undertake further work in France, Prague, New Zealand, India and the UAE.



A shortage of resource



According to the latest forecast from the Construction Products Association the construction industry is expected to grow by 23% by 2018, contributing £12bn to the UK economy. This is welcome news however with an industry that has been through the wringer it is not in the best shape to respond to the ever increasing demand. Rob Russell talks to insight about the challenges that the upturn brings with it...

As growth has returned to our sector we have seen a number of issues arising including construction companies

attempting to recoup losses having previously 'bought' work. Material supply has started to affect delivery of projects. These issues have arisen due to a number of reasons such as contractors being more selective of projects they tender for and more realistic when accounting for risk and inflation.

On the plus side stalled projects have been resurrected and there has been a shift in attitude from 'lowest price wins' to a more 'multi criteria' emphasis. Clients will also benefit from increased sales values due to an improved economy and increase in demand. However clients can expect contractors to continue to price jobs higher than normal as an initial reflex action to previous unsustainable profit margins during the recession.

So what can be done? The good news is that there are ways that clients can help to manage these issues. Many clients may now need to look into undertaking two stage procurement as we have found that there is less willingness from construction companies to take

part in single stage competitive tenders. Clients should also work earlier with contractors to get projects programmed in before their order books fill up and miss the project start date.

There are a number of other ways that these inflationary risks can be managed such as agreeing realistic fixed price additions or a part fixed sum (within the contract sum). In addition to this we can help to de-risk projects through design assurance, vetting and well planned procurement which attracts the right capacity and not created to drive a price.

Early engagement is key to give all parties the right time and to get resourced up and realistic programming to ensure that you are not setting yourself up for failure.

For more information on how we can help contact me at russell@jrp.co.uk or **0208 567 6995**

Insight on diversity

Why do so few women undertake construction related degrees? And for those that do, why do so few go on to join our industry? With only 1% of the sector represented by women, Stephen Gee talks to Insight about the importance of improving diversity in our sector...

So why do so few women work in the construction professional services sector? The sector has suffered over the years from image related issues, especially on construction sites, which have negatively impacted on diversity levels. But schemes like Considerate Constructors and changes made by the industry itself have gone a long way to address this. But with the number of women entering the sector on a downward trend, clearly there's still more work to be done, so where do we start? The issue needs to be addressed in the roots of the education system. Early engagement with schools is imperative if we want to attract more women into our sector. Unless there are more females undertaking construction related degrees, the numbers in our industry or at board level will never increase.

So how do we get a wider range of female graduates to enter the industry? To take a leaf out of the Construction Youth Trust's book I think early intervention is vital. This involves getting into schools and highlighting the opportunities and rewards. After

all there is no reason why you shouldn't have as many women working in our sector as men, much like any other professional services sector.

So what can be done?

Decisions about entering a profession such as Quantity Surveying really need to be made at 16 when career choices are being formed and defined by the academic decisions which go on to shape our careers in the short and in some cases longer-term. My own career path pays testament to this. Having undertaken a short spell of work experience in Wimbledon as a QS, the subsequent conversation with my careers adviser was focused – without hesitation I wanted to be a QS. The careers adviser pointed out the A Levels I needed and which university courses I should target. Unfortunately I suspect there are very few females attending work experience at construction related companies. There may be some, but I suspect they are few and far between.

We need to act now and break the mould, but change needs to

start within our schools, which may mean targeting teachers and careers advisers, rather than pupils.

We as employers have a role to play by working with organisations such as the Construction Youth Trust on programmes such as their Budding Brunels. This scheme encourages companies to go into schools and broaden school children's aspirations and understanding of the career opportunities within our industry. They engage with construction companies to get them to offer work experience and to show teenagers just what it is we all do. They also offer advice on courses, qualifications and universities.

Diversity is a good thing and much needed within our industry, it's time to start highlighting and informing young women at the start of their higher education, or even before this, rather than asking questions when they don't turn up.



Christine Townley, CEO of the Construction Youth Trust talks to Insight...



So in a nutshell what does the Construction Youth Trust do and what is it trying to achieve?

Construction Youth Trust is a charity that aims to bridge the gap between communities and construction, and the journey into bright and prosperous careers. That could be young people who are NEET (not in education, employment or training) who need that bit of additional support to access training and a transition into the trades. Equally it could be sixth formers to give them a taste of what the professions

are like. In particular it's about encouraging women and BME candidates to apply to university and study construction degrees or undertake higher level technician apprenticeships. Our aim is to enable young people to see what our industry is all about and for industry to connect with young people and recognise their talents.

How do you go about doing this? We have two main engagement programmes, Budding Builders and Budding Brunels. Budding Builders is all about raising awareness of

the different trades and giving young people the opportunity to experience them, apply for CSCS cards and most importantly help them to access placements and jobs. Budding Brunels is focused on the professions and is targeted at year 12 students at a key decision making point in their academic and personal development. We connect a range of construction companies across the sector with schools to give students first-hand experience of what it's like to work on a construction project.



CONSTRUCTION YOUTH TRUST

The programme, which typically lasts three days takes them out on-site, introduces them to young professionals in the sector and gives them an understanding of the different routes into the sector.

A percentage go on to complete work placements which then helps support their UCAS applications.

Both of our programmes aim to help our young people overcome barriers to education, training or employment in construction.

We also have an initiative to promote and celebrate exceptional young talent, which is through The Duke of Gloucester's Young Achievers Scheme. It celebrates diversity, and recognises achievements made by young people from challenging backgrounds as well as construction advocates who actively promote the built environment to young people in their communities.

What lesson would you like to see the industry learn from the recent downturn? I'd like to see better planning and preparation where lessons are learnt from this recession and applied for the commercial benefit of the sector and wider economy. If companies had the foresight to continue with skills development during the recent downturn

they would be primed to deal with the improving market and the opportunity it presents. As a country we currently have 750,000 young people unemployed and 750,000 jobs that need to be filled, which is madness. The sector should take the time to engage with these young people, to encourage them to look at the opportunities within our industry and train them for the jobs.

What do you think is the most effective way to promote a career in the construction industry to young people?

We need to get construction professionals into the heart of our communities and connected with young people. It's about taking industry professionals into schools, this means real people doing real jobs and inspiring young people with their stories. We already do this with the professions but I'd like to open it up to foremen, steel fixers, scaffolders and the many other myriad of roles that make our sector one of the most dynamic and diverse. I don't think young people appreciate the wealth of trades within the industry and career opportunities open to them.

What are the biggest challenges facing the sector with employment in the future?

The biggest challenge facing the sector aside from the skills

shortage is our aging workforce. We're not only facing a skills shortage but we also have a high level of workers who will be retiring. Essentially not enough people are coming in and half of them are heading out. This will further intensify the skills shortage and force more work to be outsourced abroad.

If you could change one thing within the construction industry what would it be?

I think the construction industry is apologetic. I would like to see it being bolder and more confident about what it achieves. You only see a CEO of a construction company when something goes wrong, so why aren't they seen when things go right? We don't have any big business celebrities to promote the industry. I want to know who is the Michael Leary or the Richard Branson of the industry? I think having someone like that could change everything. If you took ten significant people from our industry into a school I doubt many people could identify any of them. But having recognised personalities for the construction industry could really make a difference in raising awareness with young people.

60

seconds with Andrew Crosher

In 2014 **John Rowan and Partners** appointed Andrew Crosher, who moved from CBRE to work within the Building Surveying team. Insight caught up with Andrew to find out a bit more about his role...



Tell us a little about what you do? I specialise in providing dilapidations and lease obligation advice and I have been working in this area for the past 10 years. This includes working for both landlords and tenants particularly when it comes to lease exit strategies and negotiations for occupiers.

Who do you work with? Unlike much of the business, my work is less about construction and more about people buying, selling and renting property and all the things that go with that. This means we work with a wide range of people including developers, landowners, agents and solicitors.

What's the biggest change that we may see this year? There isn't any specific legislation coming into effect, however earlier this year there were major changes made to the 2007 CDM regulations. This saw the CDM coordinator role replaced with the role of 'Principle Designer' and clients need to make sure they are up to speed with the changes so as not to fall foul of the new regulations.

What has been your most interesting project to date? I led the technical team who prepared the vendor survey for the sale of the 45 floor HSBC tower in Canary Wharf twice. The first time was in 2007 when it sold for £1.1bn and then again in 2009 when it sold for £773m.



So what have the CDM regs ever done for us?

On 6 April 2015 the CDM regulations saw their biggest overhaul since they were implemented in 1994. Guy Chapman gives insight an overview of what these changes mean...

The Construction Design and Management (CDM) regulations were brought in to comply with EU legislation and to help improve health and safety on construction sites.

The results have been impressive with a 57% reduction in deaths and a 75% reduction in injuries resulting in 3 days off work. Not only is this important for health and safety but it is also a large reduction of the financial cost of injury.



So why change? When the Coalition Government came into power the Cabinet Office sought comments from the public on all regulations and a number of comments were made on the CDM regulations. This combined with pressure from Europe, who was threatening infraction proceedings, for not fully implementing the EU Directive.

So what does this mean?

In short it is a significant simplification of the regulations, replacing the Approved Code of Practice with targeted guidance and swapping the CDM coordinator role with the 'Principal Designer'. The explicit competence requirement is also being replaced with specific requirements for appropriate skills and a new duty holder.

But if the CDM Coordinator role saved lives, why lose it?

It was certainly a positive role on a construction site but unfortunately across the industry too often appointments were made too late, appointees were not fully embedded into the pre-construction project team and the HSE wants to realign the way in which the coordination function is delivered.

So what is a 'Principal Designer'?

Moving forward the Principal Designer will be responsible for planning, managing and monitoring the pre-construction phase of a project in the same way the Principal Contractor is responsible for planning, managing and monitoring the construction phase.

It will be important that clients and contractors understand the changes to the CDM regulations and their individual responsibilities. Essentially it is business as usual for designers, contractors and clients, however clients will have additional duties which could require independent advice.



For more information on the changes to the CDM regulations contact Guy at gchapman@jrp.co.uk

An aerial photograph of Dubai, United Arab Emirates, featuring the Burj Khalifa as the central focus. The city's skyline is visible in the background, and a large artificial canal with a circular island is in the foreground. The sky is a clear, light blue.

John Rowan and Partners launch in the United Arab Emirates

We have now signed a joint venture deal with engineering and design consultancy RW Armstrong to create a new company that will trade as John Rowan and Partners International. The new company will provide a range of construction consultancy services across the Middle East and North Africa with offices in both Abu Dhabi and Dubai.

RW Armstrong has a wealth of experience operating across the Middle East and has worked on high profile projects such as the Masdar Institute of Science and Technology and the Al Wakrah Waterfront Master Plan in Qatar.

RW Armstrong was attracted to John Rowan and Partners because of its highly regarded brand and reputation for delivering successful large scale projects such as the Savoy Hotel and Olympic Legacy project, East Village.

Paul Sherwood explained why they are expanding into the Middle East.

“We have been steadily expanding our global business working across Europe, India and New Zealand, but this opportunity to develop our presence in the Middle East and North Africa enables us to accelerate our growth.”

Society News



OUR PEOPLE IN THE MEDIUM OF LEGO



JOHN ROWAN AND PARTNERS TAKE ON THE SKYLINE CHALLENGE FOR THE CONSTRUCTION YOUTH TRUST



THE HOSPITALITY
REAL ESTATE GROUP

LAUNCH OF
THE HOSPITALITY REAL
ESTATE GROUP



John Rowan and Partners has been named as a **Building Good Employer** for the **7th year in a row.**

The
**Building
Good Employer
Guide 2014**

EAST VILLAGE LONDON E20



Paralympic Games
ended on the 9th September
2012 - Legacy works begin!

Olympic and Paralympic
Village was home to **23,000**
athletes and officials
during the Games



 john rowan
and partners

the Independent Certifier



Over **6,000** workers
have worked
more than six
million hours



560 acres of parks
and open spaces