



Southern Construction
Framework

Annual Report

2023 - 2024

Introduction

With some politicians branding the 2024 budget ‘a new age of austerity’, and the Local Government Association reporting a town hall funding gap of £4 billion over the next two years, you could be forgiven for thinking that opportunities for public construction projects would be falling. But, bucking the trend, SCF has continued to support the public sector deliver some of the most challenging projects, through its busiest ever year, helping the sector respond to rapid changes in demographic, political, and environmental needs across the public estate. Over the last 5 years, there have been two revisions of the Construction Playbook, with another on the way, a new Procurement Act, Environment Act, a new Common Assessment Standard, and alongside Cabinet Office procurement policy notes too numerous to mention, public works commissioners can be forgiven for being overwhelmed with new compliance requirements. In fact, Construction Leadership Council co-chair Mark Reynolds challenged the government to “implement the Construction Playbook consistently”, warning of a lack of adherence to the guidance contained in the document, in a recent letter to chancellor Jeremy Hunt.

Expertise is in high demand across the sector, driven by a combination of “Dragons’ Den” style competitions to win funding, wholesale regulatory changes, and an accelerating succession of best practice requirements. There has never been a better time to leverage the collective resource of a well-managed framework.

Has all this led to a retreat to delivering the bare minimum? Will public bodies even be permitted to enhance their schemes above a statutory minimum level? And will this approach, if taken, lead to further

worsening of the challenges in our industry and in our communities? There’s a real danger that all the progress made in undertaking social, economic, and environmental value assessment in construction procurement could be undone. If social value has taken a back seat in the face of bigger challenges, will an increase in insolvencies across the supply chain force a return to focus on ethical supply chain practices? The work that SCF has done in digitising its supply chain marketplace over the last 5 years puts it in a better position than ever to reward best in class specialist suppliers and manage them in a more intelligent fashion than the industry has been prepared to accept in the past.

Integration of added value in public construction procurement is yet another area in which high performing framework operators can make a real difference. SCF operates at a scale where tangible benefits can be realised without undue costs passed through to procurers, leveraging the collective influence of the sector to not only provide meaningful opportunities for high quality employment, and maximise local economic benefits, but to work towards a better and more attractive industry better placed to meet the demands of tomorrow’s society.

With challenge comes opportunity. SCF has seen its most successful year, in the face of significant adversity, testament to the hard work and dedication of the framework management team and suppliers in delivering the very best in construction project delivery. This report outlines some of the achievements and highlights of the last year and we hope you enjoy reading it as much as we enjoyed playing our part in this diverse range of projects and initiatives.



Adam Sanford
Operations Lead
(South East & London)



Kingsley Clarke
Operations Lead
(South West)

Completed Projects 2023/2024

Bishops Waltham Fire Station Hampshire and Isle of Wight Fire and Rescue Service Value: £3m

The fire station had been in the town since the 1960s and after many years had reached the end of its serviceable life. The site required major restoration works. A demolition and rebuild provided the most appropriate and efficient solution. In February 2023 a brand new energy efficient fire station was delivered with training facilities helping the fire service make lives of the local community and wider county safer.



300 Harrow Road Westminster City Council Value: £46m

A mixed use development providing 112 new homes, community space and public realm for local people in Westminster. This project also provides over 1,400 square metres of community facilities including a new community hall, nursery, flexible workspace and canal-side café. It is capped off by improvements to the surrounding green space, including giving residents easy access to Regents Canal.

Freemantle School Surrey County Council Value: £15m

This school expansion project was delivered for Surrey County Council (SCC) and comprised a new two-storey SEND school building on the school’s site. The new facility has enabled Freemantle School to have a separate secondary and further education building. It has allowed the school to continue with their expansion to 270 places with two forms of entry for students aged 4-19 years old. This will significantly help the council meet a growing demand for SEN student places in the county.



New Engineering and Design Facility University of Plymouth Value: £29.8m

This project involved refurbishing and building a new Engineering and Design Facility. The new facility houses contemporary specialist equipment and laboratories, bringing engineering, science and the arts together, to address some of the world’s biggest issues, such as climate change and healthcare. Through exemplary social, research and teaching spaces, it allows a new depth of collaboration across related subject areas, facilitating brilliant minds coming together and solving real-world issues.

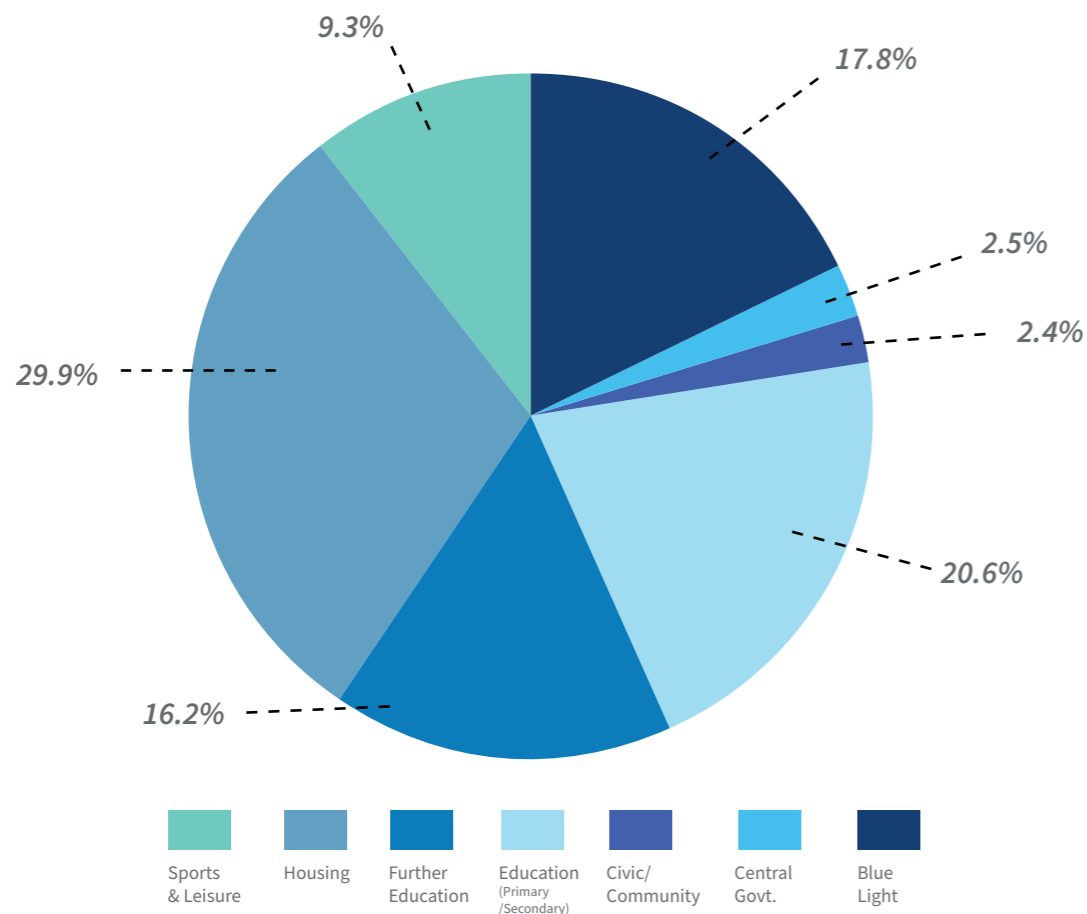
Overview

Southern Construction Framework 5 (SCF5) marks the 5th generation of Frameworks managed in partnership between Hampshire and Devon County Councils. Launched in May 2023, SCF5 began with a backdrop of ongoing recoveries from the 2019 Pandemic, war in Europe, high inflation and a cost-of-living crisis that has impacted life at all levels and across all industries. Construction has suffered from higher material & labour prices, high inflation, increased levels of insolvency and uncertainty in the market. The public sector has reported budget reductions, with several high-profile S114 notices issued over the last 18 months. In addition, the industry is evolving to new legislation focussed at improving building safety and biodiversity on developments which are slowly rolled out in the market. Considering these uncertainties, SCF5 has new values aimed to create an environment to allow sustainable bidding practices from partnering contractors. Contractor innovations are incorporated to support the public sector towards net zero rules. The Procurement Act on the horizon, SCF has implemented new tools to deliver the most transparent procurement process, to main contractors and down into the supply chain.

Due to these uncertain times, Glenigan Construction Review has reported a reduced workload across the South in 2023/2024. Despite this, SCF has continuously supported clients in the procurement process, seeing an increase in procurements in the first year of SCF5 when compared to same period in previous generations. This performance reiterates SCF's commitment to transparency, demonstrating SCF's support to clients throughout their project lifecycle, and remaining a trusted advisor to clients during these uncertainties.

SCF5 has procured **£687m** worth of projects across all sectors with university & blue light facilities being a significant proportion of the projects procured this year. SCF5 remained the framework of choice for delivering leisure facilities, with 3 procured in the last year, building on an excellent track record of over 20 delivered over the years. SCF are pioneers in 2 stage procurement as a methodology, particularly useful for delivering in uncertain market conditions. SCF has shown the merits of early integration of the contractor and their specialist supply chains, mitigating risks and adding value to project teams.

SCF5 Sector Breakdown



SCF has seen a rise in the number of projects being procured as part of a programme, reflecting a change in the market's approach to procurement, and aligning to the recommendations of the construction playbook. SCF5 is ideally placed to support this approach, creating opportunities for contractors to be engaged early in the process, standardise delivery and look for opportunities to create efficiencies within the delivery phase.



Added Value

The data captured over the past 16 years suggests the earlier a contractor is appointed, the more benefits can be brought forward to the scheme. These benefits, such as risk mitigation, lifecycle savings, and specialist supply chain buildability advice, have provided an average 13.6% of added value ensuring clients projects are delivered to budget and meet all their key requirements.

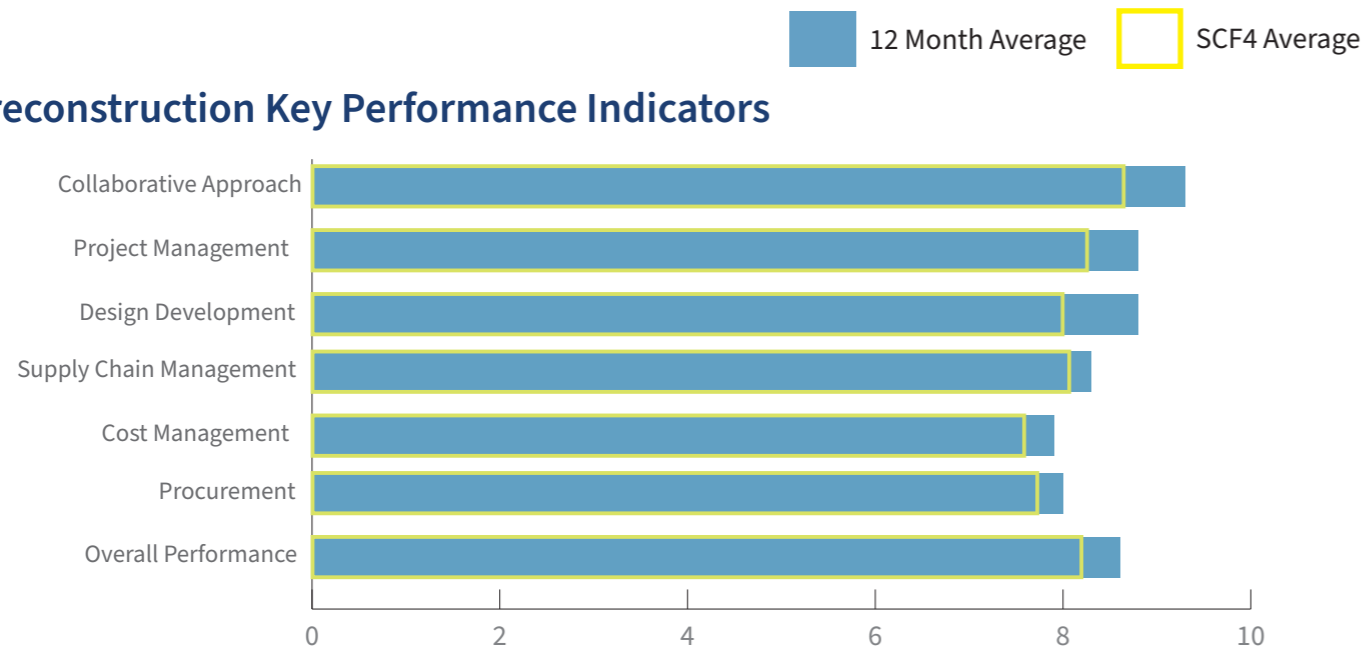


As the first year of SCF5 comes to an end, the pipeline for 2024/2025 remains strong with a further 10 projects being actively procured, including large Adult Social Care programmes, SEND schools, and more leisure facilities. SCF has noted an increased delivery of both adult care and SEND projects, as local authorities look to modernise their facilities to meet the needs of the community. There continues to be a push toward energy efficient building, with a rise in Passivhaus building techniques and projects targeting Net Zero in operation. 2024/2025 will be an interesting year, not just for construction, but for the economy as a whole: a general election, further recovery from the cost-of-living crisis, and new legislation will likely have a significant impact on the built environment.

Performance

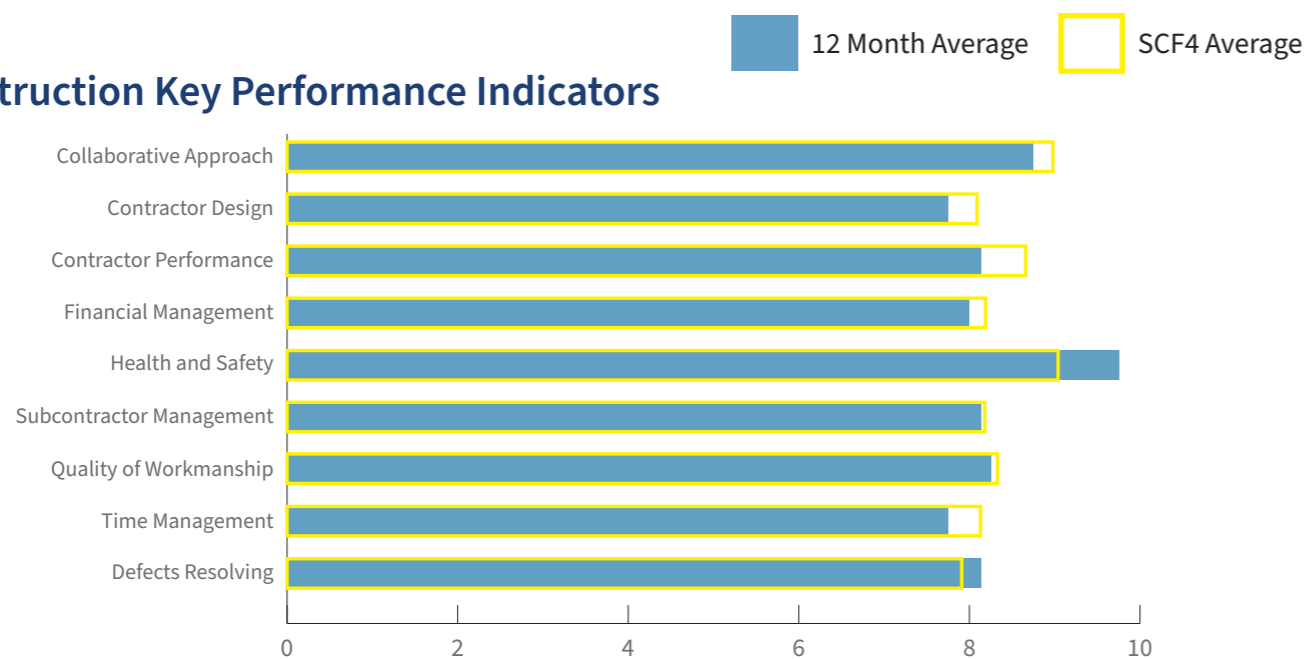
SCF's values are monitored closely through numerous Key Performance Indicators (KPIs). These KPIs not only serve as a benchmark for best practice in the industry, but also to ensure continuous improvement for the framework, SCF's partners and users. KPIs are collaboratively scored by client and contractor teams throughout preconstruction & construction.

Preconstruction Key Performance Indicators



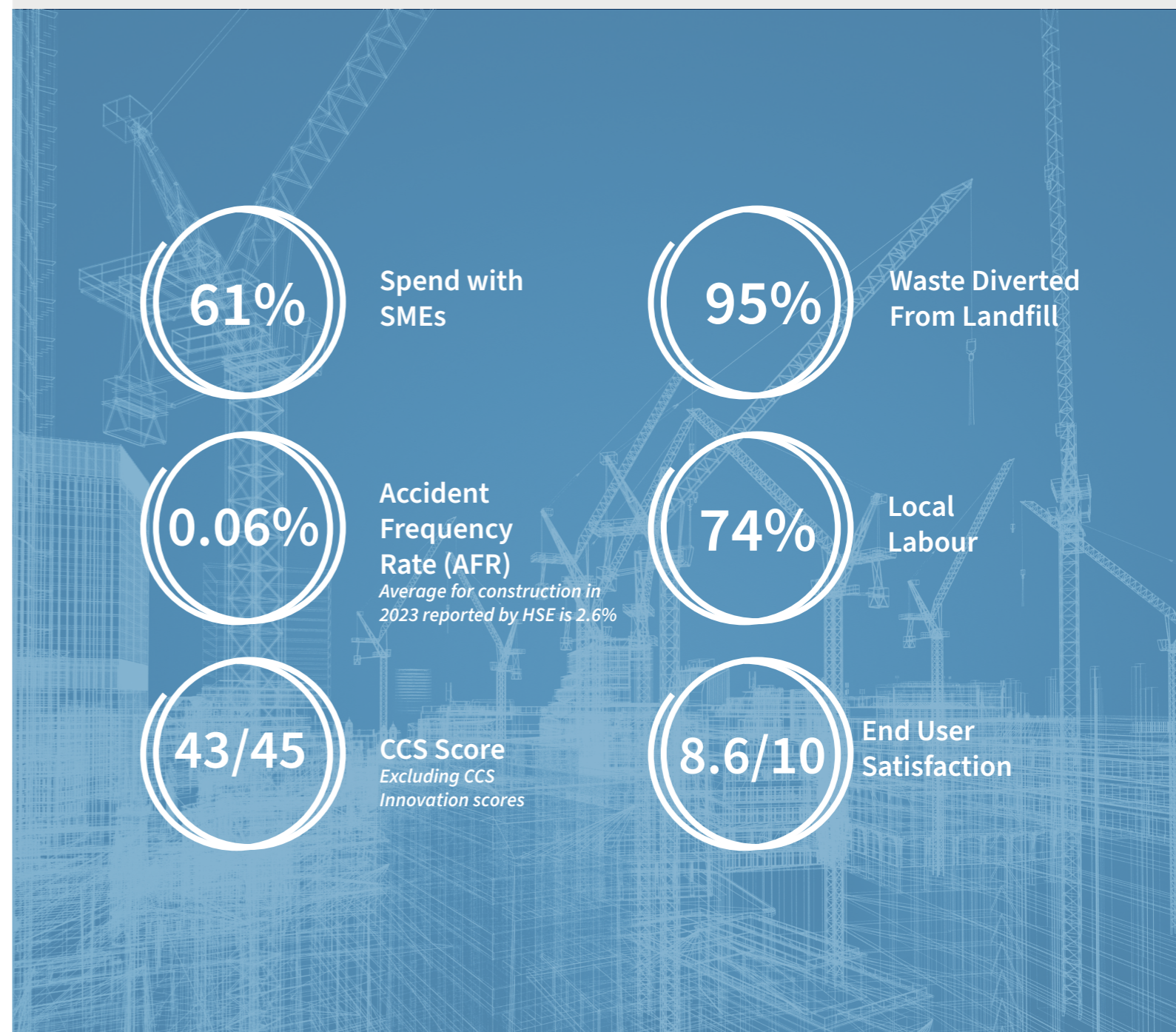
SCF Preconstruction KPIs capture the benefits of early contractor engagement. The high scoring of Collaborative Approach & Project Management KPIs suggests that clients have indeed experienced the added benefits of early contractor engagement. Furthermore, the year-on-year increase in contractor performance in the preconstruction stage displays a positive trend, reiterating the importance of SCF's emphasis on lessons learned and continual improvement.

Construction Key Performance Indicators



Elsewhere, collaboration as a cornerstone of SCF and 2 stage approaches remains high, with good performance across all our mutually scored construction indicators. Despite the economic pressures discussed above, time and cost performance has also been strong during the last year, with projects delivered within 5% of the contract sum and delivered on site within 1% of the programme.

During 2023/2024, a total of 2,148 apprentice training weeks were achieved on SCF sites, with 152 new jobs created for local people on SCF projects. Looking forward, projects that are awarded in 2023/2024 have planned a total of 5,131 training weeks and the creation of 156 jobs.. The performance of the framework highlights the commitment of the SCF team, and the contracting partners to deliver best in class services, build projects that leave a legacy in their community and have a positive impact on all those involved.



Working Group Updates

12 SCF contractors secured positions among the top 25 in the industry as part of the recent Glenigan report. Recognising these contractors as class leading industry voices, SCF proactively convenes them all into working groups. The working groups aim to address the key industry challenges through collaboration, knowledge sharing, and innovative initiatives to support public sector construction. The outputs of these working groups are incorporated in all the projects undertaken by the SCF team in the

future. There are 4 working groups which cater to several aspects of a project.

During previous generations we have seen the implementation of our bespoke social value approach, the introduction of Community Logistics Community Safety (CLOCS) on all SCF projects to protect the wider community from construction traffic and the roll out of our Local Supply chain portal, increasing transparency in the supply chain.

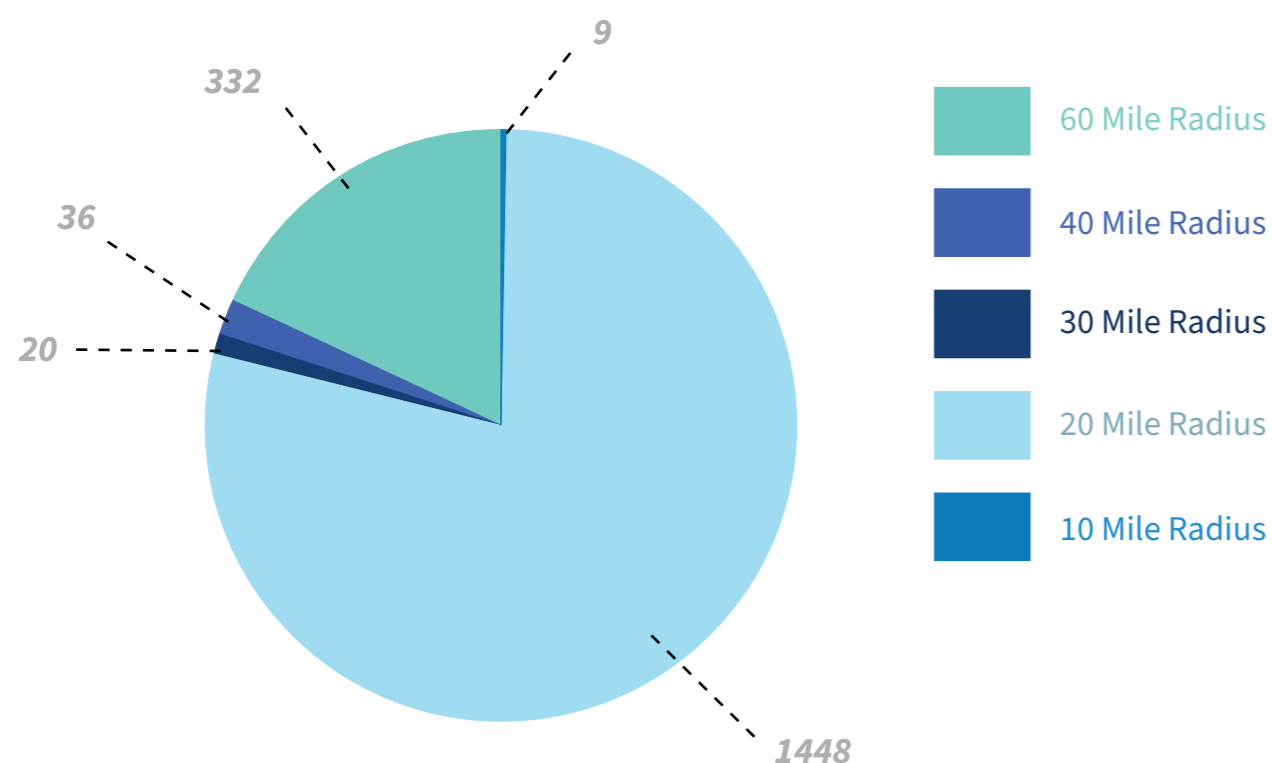
Supply Chain Working Group

The Supply Chain Working Group meets quarterly with guided discussions towards supply chain engagement. Its contributions include formulating the quarterly MI report which enables SCF clients to make data driven decisions.

2023/2024 saw the full roll out of the Local Supply Chain (LSC) portal, now a mandatory part of the framework. This tool encourages engagement of local suppliers, increases client visibility during the package procurement process ensuring SCF's key transparency goal is met. As a result, a total of 37 projects are being procured through the portal, with 78% of engaged subcontractors located within a 20-miles radius of the project.

[See the latest SCF Market Intelligence Report](#)

Subcontractors engaged on SCF projects

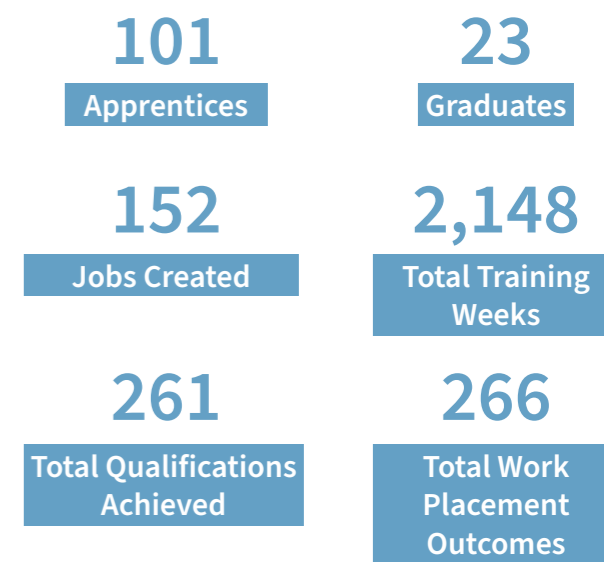


Social Value Working Group

The Social Value Working group has been founded to improve social value outcomes, with SCF projects currently averaging 8.6/10 for their approach to social value delivery, aligning to the client's ambitions and delivering tangible outcomes and legacy.

The group is responsible for the implementation of employment and skills plans for all projects, for ensuring the framework's mandatory apprentices are achieved, and to enable contractors to share knowledge and lessons across the framework, to the benefit of SCF's clients.

This year, the group has supported the CITB's roll out of the new project-based approach to employment and skills plans. SCF have been piloting the new plan of their wider implementation.



Climate & Sustainability Working Group

The Carbon working group was initiated to help support SCF's goal of being the go-to framework for those considering the impact of their projects on the environment. The group has been key to initiatives since its inception, such as supporting the carbon reduction charter by the University of Cambridge, providing guidance on biodiversity net gain initiatives, and a collaborative approach to recording emissions alongside colleagues in the National Association of Construction Frameworks (NACF).

[The Road to Decarbonisation - see article](#)
[Six Point Guide to BNG - see article](#)

This year will see the group collaborating to deliver carbon reduction apps to enable clients to make informed decisions on their embodied and in use carbon when delivering new schemes.

Health & Safety Working Group

SCF's commitment to uphold the best practices in the industry extend to the Health and Safety aspect of the project. SCF's Health & Safety Forum continues to bring together some of the country's leading construction professionals to address and improve site safety, acting collectively where appropriate. Based on the principle that safe sites begin with positive intervention activities to ensure that working conditions and practices are optimum, all SCF contractors continually deliver a range of activities.

Positive intervention activity delivered on SCF sites over the last twelve months:



SCF's Health & Safety Forum and its activity has been reported in the national construction press this year with comment from members particularly around the use of technology in improving safety.

Highlights



Pioneering Green Skills

In March, our framework partners Morgan Sindall achieved a significant milestone, being recognised as the first company to be awarded the CITB's National Skills Academy for Construction status for delivering their new benchmarks including green skills training on Winton Community Academy, delivered under the SCF Framework.



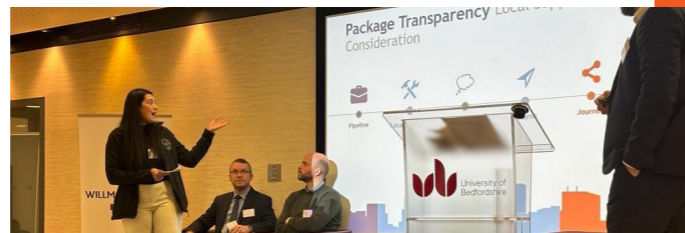
NACF: National Carbon Initiative

SCF has long stood behind NACF for the vision of embodied carbon data collection which has been rolled out in 2023/2024. The NACF's collaboration is aimed to build a bigger dataset which allows the clients to make informed decisions about embodied carbon. SCF contractors have started reporting in the data set in the 5th generation of SCF.



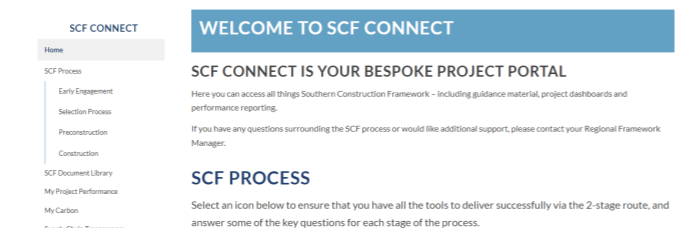
11th Annual Construction Conference 2024, in association with NACF & LGA

This annual event brings together senior colleagues from local government and leaders from the business, voluntary and community sectors to discuss some of the challenges and opportunities facing the public sector. Adam Sanford (SCF Operations Lead, South East & London) led discussions on 'Harnessing the power of BIM in facilities management' and 'Maximising social value delivery through frameworks'.



Enabling Local Engagement

In partnership with Luton Borough Council and Willmott Dixon, SCF hosted a Meet-the-Buyer event to boost market interest and engage local businesses within a 20-mile radius of Luton's Town Hall to support the town's regeneration plans. There were over 100 attendees, 55% of whom registered through our Local Supply Portal.



SCF Connect

SCF Connect is a bespoke project portal for all SCF clients. In SCF Connect, clients can access guidance material, project dashboards and performance reporting. The real-time dashboard gives them insights into the performance and progress of their SCF projects. Our dashboard provides clients with live statistics, empowering them to monitor key aspects of their projects effortlessly.



Local Supply Chain Apprenticeship Tool

All SCF5 contractors were required to propose innovations that, if approved, would be implemented throughout the framework's duration. One of these innovations was implementing apprenticeship functionality on the LSC portal. This innovation was delivered by Kier, who collaborated with LSC to develop and launch this functionality. Since its launch in October 2023, the tool has improved the number of completed apprenticeships by precise matching of suitable opportunities.

The Journey

In 2005, when the first regional construction framework was created through regional improvement and efficiency grant funding, local government was just finding its way out of compulsory competitive tendering. The landscape included many frameworks as there are today, maybe more, but they were single authority based, used very traditional forms of contract, and provided nowhere near enough work for all the contractors on the frameworks.

Our idea was simple:

- Establish & share best practice so that others can benefit from our experience
- Provide capacity and expertise whilst allowing local control
- Add value to capital projects

Contemporary frameworks at the time were very transactional and just a route to market. In order to develop, improve and generate real added value, we would have to partner with contractors and concentrate on a single collaborative & integrated approach to developing and delivering construction projects. Hence, we chose to focus on what industry acknowledges as two stage open book.

This partnership meant that we, as a local authority, led a framework that delivers a much greater pipeline than we could achieve on our own. As such, we commanded the attention and partnership of the contractors whilst providing them a significant workload. For others using the framework, they were dealing with an ongoing framework relationship, and were not prey to one off project-based relationships.

Over the years, we have seen huge developments in areas such as Social Value, Health Safety and Welfare, Carbon, Supply Chain which is followed by private sector ventures replicating our success on a commercial footing. We are public sector officers, and we understand our colleagues' needs in the public sector. Our data collected over the last 18 years clearly shows the success of the integrated

team approach through two stage open book, and we have never moved away from the model, making SCF industry leaders. The open warfare of compulsory competitive tendering has long gone, and we have no disputes any more. It is difficult to understand how frameworks that offer any and all possible contract approaches can develop the same relationships and measures of success that we have, so we will continue to develop on behalf of those in the public sector who want to add real value to their construction projects.

Along the way, we have pioneered numerous developments through government construction strategies. Our success and collective efforts through NACF are now a widely recognised and admired as a body that has driven real collaboration and cooperation between framework providers. NACF provides a platform for construction procurement people that not only talk to each other, but openly support and help each other. Rules, standards, and processes have brought limited improvement over time, whereas the supportive and collaborative nature of the NACF has demonstrably done so. To the point where it no longer matters what is published by others such as the government playbook, gold standard, value toolkit, the NACF has always adopted the best of those practices.

Regulation is a poor substitute for getting people together and agreeing the best way to do things, so I look forward to seeing what changes the Procurement Act, and the Building Safety Act will bring, but what I do know is that SCF and NACF will always already be there ready and prepared so resource hungry public sector clients can call upon construction solutions that will deliver everything expected of them.



Keith Heard
Framework Lead

Look Ahead

The Challenge

What does the next year have in store for SCF? The short answer is, business as usual, supporting an ever wider and more diverse range of public clients in delivering the highest possible quality schemes in which to deliver public services.

But for a longer-term view, SCF will continue to respond to the wider needs of the sector. By the end of the next generation framework, SCF6, 2030 will be upon us, and progress against those world-beating climate targets will be plain to see. But net zero isn't the only challenge facing the industry, there are also demographic and workforce challenges requiring significant change to deliver.

Changing Climate

With the UK set to miss its COP26 climate target of a 68% reduction against 1990 greenhouse gas emissions, will a 59% reduction be sufficient to limit the potential damage caused by climate change? Whilst the UK Green Building Council highlights that construction is 'significantly off track' and identifies 'a critical and substantial gap' in green policies, only time will tell. But with parliament reporting that in 2022 the UK's built environment is responsible for 25% of the UK's greenhouse gas emissions, it's clear that construction will need to further clean up its act to safeguard our environment for future generations. SCF's approach to this has been two-fold, with a bespoke embodied carbon calculator and benchmarking tool, and adoption of the Carbon Reduction Code for the Built Environment, leading the movement amongst colleagues across the National Association of Construction Frameworks to further cement these in innovations.

With the Environment Act came the principle of biodiversity net gain, a varied challenge with an equally varied approach to mitigation, SCF has launched a tool to guide clients towards the most effective methods of ensuring a positive outcome for

the environments in which we operate. The principle of leaving the communities in which we operate in a better state than we find them is a sound one and aligns well with SCF values and processes.

Changing Demographics

The way the public sector uses buildings has fundamentally changed since the covid pandemic, and despite differences in remote working policies across the public sector, a reduction in built estate is widely seen as inevitable. But can these lessons in efficiency be transferred into 'growth areas' in public service? Health and social care spending is now consuming two-thirds of the average council's budget, according to recent research by the LGA. Can innovations in the built estate play its part in easing the burden of a changing population? Whole life cost assessments are becoming more prominent in social care settings, and SCF's early integrated team model is ideally placed to assist in making the right decisions for long-term outcomes.

Changing Workforce

CITB recently reported a need for an additional 225,000 workers to meet UK construction demand by 2027. Coincidentally, in February this year, the UK economic inactivity rate for those aged 16 to 64 years was 22.2%, up 275,000 more people than a year ago.

It would seem obvious that to solve the chronic labour shortage in construction, it must appeal to young people. But, whilst the introduction of T Levels are undoubtedly playing a part in attracting young people to our industry, all signs point to this situation worsening before any current policy changes the sector's fate.

Health and wellbeing are a perennial challenge in construction, and with Richard Hughes, chairman of the Office for Budget Responsibility, citing mental health as "the single largest reason to be outside the workforce if you are an adult", it pays as a client to think about the impact that ethical procurement decisions have on the wider workforce delivering their projects. SCF has taken ethical project delivery 'back to basics' to promote a fair and rewarding environment for its workforce, where every worker is valued and protected whilst working on our sites through SCF's early integrated team approach and unparalleled levels of transparency and fair treatment right through to project completion.

[Building with Integrity: Ethical Delivery in Construction - NACE](#)

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