I-Construct Project Summary

The I-Construct project’s vision is to drive innovation and productivity in the construction sector in the South East Local Enterprise Partnership area, to enable timely delivery of high quality and sustainable housing and infrastructure (including MHCLG supported Garden Community sites) and to generate economic growth in construction and related priority growth sectors such as ICT, Advanced Manufacturing and Engineering and Renewable Energy.

Strategic Context

The project focuses on innovation in the Construction industry as this is critical to achieving and responding to the economic growth objectives set out in the ESIF Growth Programme and the European Commission’s Growth policies, Smart Specialisation for England Strategy, the Industrial Strategy, the Housing White Paper and the SELEP Strategic Economic Plan.

However, the Construction industry has major structural problems including low productivity, lack of innovation and a declining labour force, which are all examined in the Farmer Review of the UK Construction Labour Model: Innovate or Die (Oct 2016 sponsored by DCLG/BEIS). These issues combined to the growing levels of public discontent about build quality, safety, the recent collapse of Carillion and wider drivers for change such as the Grenfell Inquiry and technological advances summarised as Industry 4.0, create a compelling case for innovation and potential opportunities not only for companies who can build innovation into their business strategy but also for the public sector to drive forward develop new models of collaboration with the private sector to achieve improved economic and social outcomes from investment.

SMEs make up 99.9% of the sector and their role is critical to supporting the growth and housing objectives of the LEPs’ Strategic Economic Plans (SEP) but SMES are playing a declining role in housing construction since the last recession and struggle to access the finance to develop smaller sites and struggle to compete for public sector contracts due to lack of visibility of the supply chain. SMEs also struggle to embrace innovation in order to capitalise on the growing need for their services and improve their productivity. Over the past 25 years productivity in the whole economy has grown by 41% as new technology and new ways of working make business and industry more effective. In construction, it has grown by just 11% - almost four times slower. (Housing White Paper).

The South East LEP has the largest proportion of construction companies amongst all LEPs and the complementary priority sectors of: Energy and Environmental Technologies; ICT and Digital; and Advanced Manufacturing and Materials; which if linked to the Construction sector will enable truly sustainable and high-quality growth and enhance the productivity of SMEs in all sectors. The SELEP area offers major opportunities for growth through the development pipeline with a target of building 100,000 new homes by 2021 and the SEP recognises “the need to restore or build capacity in the development industry” in order to meet the targets and improve productivity in the industry....In 2011, just under 500 companies completed properties in the SE LEP area; in 2013, 20% fewer companies were completing homes.” There are also several large-scale housing developments planned including new Garden Communities which offer scale for innovation and long term collaboration and delivery models which could transform supply chains.

Start-ups, early stage companies and larger SMEs need co-ordinated and sector-focussed support to access these opportunities and this is not being provided in SELEP. So by bringing together SME enterprise, innovation and housing agendas in a holistic approach, the project will provide added value, supporting the
delivery of the significant job and housing targets in the SELEP area and helping Government to reach wider national targets.

The Project

I-CONSTRUCT is a £7.5m, 3 year project which will commence in January 2019 (subject to ERDF Funding approval as 50% will be funded by ERDF), and will create a permanent innovation hub and network which will enable innovation, collaboration and jobs growth across construction supply chains, bringing commissioners from the public and private sectors together with entrepreneurs, SMEs, large industry, research and technology organisations, universities, further education and training providers and the third sector.

Areas of particular focus for the project include:

- Building awareness of the need for innovation in the sector and raising awareness of the support that is available for SMEs via the project and the Growth Hubs
- Working with partners in SELEP to build awareness of long term development pipeline and to develop supply chain capacity for delivery of larger scale projects
- Working with major site promoters and commissioners in the public sector on supply chain development and procurement innovation to provide routes to market for SMEs
- Innovation via off-site construction and modular build, adoption of ICT, growth in renewables and design to enable modern methods;
- Support for R&D and new product/service launches via technology readiness advice and support to showcase and market test innovations
- Generating opportunities for job creation via market opportunities and business strategy, including considering apprenticeships as a route to additional capacity or capability
- Student entrepreneurship – promoting the opportunities in the construction sector for FE and HE graduates and start-ups.
- Start-up support to access construction markets and stimulate further innovation

Key Project Activities

1. A Business Innovation Hub for Construction

The project will create an I-Construct innovation hub building in Braintree, Essex which will work to boost construction related economic growth across SELEP. The Hub will act as a demonstration building for off-site construction (both during and after construction) and be part of BRE’s wider Innovation Park Network. It will also offer SMEs and start-ups new product technology readiness support and demonstration space, It will encourage digital adoption e.g. via a BIM software suite for SMEs and providing access to new technologies so that SMEs can “try before they buy”. Events and conferences will be run from the hub building but these will also be offered across the SELEP geography via an outreach programme and by developing the wider network and virtual hub so that SMEs across the whole of the SELEP can access the project’s support. The hub will not offer accommodation and will be collaborative and outward facing, acting as connecting point in the wider innovation eco-system by linking with wider technology based innovation centres in Kent and East Sussex and sector specific innovation centres and R&D centres such as Hethel, BT Martlesham, Universities and FE Colleges to build stronger links between other sectors and construction.

2. Enterprise and Innovation in Construction Network

The project will build a network to reach out across SELEP for SMEs which: brings construction companies (SMEs, Start-ups and larger companies) together with other growth sectors through other innovation hubs (e.g. ICT, Energy Advanced Manufacturing and Materials), clients, developers, housing associations, housing development companies, local authorities, professional service providers, HEIs and FE colleges, RTO’s,
industry bodies, manufacturers, logistics and transport companies, materials suppliers etc; and fosters innovative approaches to commissioning, delivery and collaboration across the supply-chain.

The network will run a programme of events, workshops, conferences and activities across SELEP, focussed on supply chain development around the housing development pipeline and raising awareness of the business opportunities around innovation. The project team will work with development site promoters and commissioners public and social housing sector and their development partners and other framework contractors to identify opportunities for SMEs to be part of innovative delivery projects. The events programme will also cover key innovation related topics and offer case-studies, site visits, student engagement at FE and HE levels and more general business strategy support including procurement readiness support and legal advice on different approaches to contracting.

3. Grants and Funding Support

SMEs in the sector with significant growth plans will be able to access additional support from the project including:

- Grants of £1-25K to 150 SMEs to support implementation of innovation based growth plans at a 40% intervention rate. Grants could fund consultancy, software, capital equipment, the creation of a new role to project manage the innovation. This could also include Technology Proof of Concept or Proof of Market support e.g. trial design with FE/HE partner or BRE via the grant programme
- Advice on other funding bodies such as Innovate UK and links back into Growth Hubs
- Co-ordination with other bodies offering access to finance

Project Leadership

**Haven Gateway Partnership** - The HGP brings together a unique and longstanding partnership of industry, local government, Higher Education and Further Education, focussed on long term economic growth in SELEP and NALEP, including regeneration of under-performing areas; supporting growth sectors such as construction; and the delivery of major infrastructure and housing. I-CONSTRUCT is led by the Haven Gateway Partnership with Essex County Council acting as the accountable body and we will work with our delivery partners to roll out the project across SELEP. The SELEP Housing and Development Group will provide strategic oversight to the project and the East Sussex, Essex and Kent Developers Groups will also be invited to support, advise and get fully involved in the project.

Our delivery partners are:

**Braintree District Council** - responsibility for developing the Innovation Hub and capital match funding. The council will also use its involvement in major housing delivery and the North Essex Garden Communities to engage SMEs in understanding the development pipeline and to support the development of supply chains around major development opportunities for SELEP based SMEs.

**BRE** - Innovation stimulus workshops and market opportunity reports; BRE Innovation Park Network; 1:1 R&D support for SMEs with new product/service; links to wider BRE activity.

**E3 Ltd** located in Kent, is a specialist consultancy with expertise in the application of renewable energy and storage technologies, off site construction methods and planning and design for expansion of electric vehicle infrastructure.

**Colchester Institute** - providing expertise in Construction and support for entrepreneurship activity involving students, employers and working with other FE providers in the SELEP area.

For more Information: Jemma Little, Funding Manager, Haven Gateway Partnership

jemma.little@haven-gateway.org; 01206 713611 or 07912 310066