



Nadhim Zahawi MP
Minister for Business and Industry
Department for Business Energy & Industrial Strategy
1 Victoria St,
London, SW1E 5ND.

19 February 2020

Dear Minister,

Re: Letter from Industry Leaders regarding Consultancy Sector Futures Institute.

Further to your meeting with Hannah Vickers on 17 January 2020, we the undersigned are writing to demonstrate our commitment to the Association of Consultancy and Engineering's (ACE) proposal for the creation of the **Consultancy Sector Futures Institute** with financial commitment and resources from the industry to the sum of £75 million over five years.

Through this industry investment, we stand ready to work with you to deliver the Chancellor's vision for an "infrastructure revolution" in helping to achieve the Government's core objectives of levelling the North/South divide, meeting the Net Zero target while also tackling the UK's long-standing productivity challenge. We are now seeking a financial commitment from Government at the forthcoming budget to enable us to create the partnership based on a co-developed business case and ambitious programme to transform the sector and our built environment.

The scale of the opportunity

By taking a new technology enabled approach and considering cities as interconnected systems we can boost the productivity of the 30% of the economy that relies on the built environment to function – through our ability to shape new ways of planning, designing, building, integrating and operating infrastructure.

We can help drive towards **Net Zero**. As you are aware, around 30% of global energy use comes from buildings. This approach can work both with new buildings, but crucially with existing infrastructure which makes up the vast majority of the built environment. We are not proposing a tactical, project-by-project approach, but one that takes a strategic approach to the built environment, considering cities as interconnected systems to solve not just the Net Zero challenge but the underlying factors contributing to **complex social deprivation** and **low regional productivity**. Our initial real-life demonstrators of this approach will take place in the north of England before being expanded throughout the UK over the course of the 5 year programme.

We can meet the ambitions of the **industrial strategy**: through our hubs based within our academic partners in the north of England, we will work to build future-ready capability and capacity in our major engineering and consultancy businesses, in turn protecting and creating high value jobs across the UK.

Evolving our business models to incentivise business investment in innovation towards the Government's 2.4% target and capitalising on our world leading reputation to create global centres of excellence within global firms through attracting inward investment into the UK.

A new delivery vehicle

Our vision is for the establishment of the **Consultancy Sector Futures Institute**, through the formation of a consortium that will develop a special purpose vehicle (SPV), which will provide the framework and collaborative infrastructure necessary to transform our sector.

The SPV will be a **jointly funded, five-year programme** similar to the Aerospace Technology Institute (ATI) but encompassing a wider range of technical readiness levels (TRLs) to draw through world leading science into commercialisation and application underpinned by the skills and capability required to identify and create value for our clients. Funding for the Institute will be split three-ways between private industry, Innovate UK and EPSRC/SRC/BEIS - based on the same funding models used by the High Value Manufacturing Catapult.

We recognise that for the Government to commit the funding from **Innovate UK** and the **EPSRC** it will need to have the certainty that industry is prepared to match fund a large contribution over the full five-year period. We wish to give you and the Government that assurance by stating our full support to match fund from our sector alongside additional industry expertise and capability to make the programme a success.

It is the industry's belief that this would set a global standard for engineering and infrastructure delivery, capitalising on our current position as the world-class engineering consultancy sector to put the UK at the forefront of the fourth industrial revolution. We are ambitious for the programme and the timescale for delivery and would like to see an announcement of Government support in the upcoming budget in March. We are also willing to make our commitment public ahead of any announcement of support from the Government.

In the meantime, ACE will continue, on behalf of our industry representing over 100,000 employees across 240 offices across the UK, to work to align the proposed funding streams and partners so that we are ready to launch the delivery vehicle as soon as the Government has announced its commitment to the scheme.

To facilitate this outcome, we would like to suggest that we hold a follow up meeting with you and with a few selected signatories from below so we can fully demonstrate our commitment to this proposal.

Yours sincerely,



Paul Reilly
Managing Director, Infrastructure & Buildings

Stantec UK & ACE Chair 2020

We the undersigned fully support the proposed Consultancy Sector Futures Institute.

Industry leaders

Hannah Vickers
Chief Executive

**Association for
Consultancy and
Engineering (ACE)**

David Barwell
UK & I CEO

AECOM

Mark Cowlard
CEO

Arcadis UK & Ireland

Geoff Hunt
Director and COO

Arup

Richard Robinson
CEO, UK & Europe

Atkins

Sarah Prichard
UK Managing Director

BuroHappold

Dave Spencer
Managing Director

**Capita Real Estate &
Infrastructure**

Mark Farmer
CEO

**Cast Consultancy &
government MMC
champion**

Keith Waller
Programme Director

**Construction Innovation
Hub**

Alasdair Reisner
Chief Executive

**Civil Engineering
Contractors Association
(CECA)**

Steven Hale
Director

Crofton Consulting

Tomás Neeson
Managing Partner

Cundall

Rob Melling
Chief Executive

Curtins

Simon D. Innes
Managing Director

Goodson Associates

Mark Arthur
MEP Director

**HDR | Hurley Palmer Flatt
Group**

Mark Reynolds
CEO

**Mace &
Construction Leadership
Council member**

Chris Dulake
Global Railways &
Transit Leader

Mott MacDonald

Mathew Riley
Managing Director

Ramboll UK

Ann Bentley
Global Board Director

**Rider Levett Bucknall &
Construction Leadership
Council member**

Craig Huntbach
Global Director -
Maritime & Aviation

Royal HaskoningDHV

Nick Smith
Director

Siemens

Andy Mitchell
Chief Executive Officer

**Tideway &
Construction Leadership
Council chair**

Chris Young
Executive Managing
Director

Tony Gee

Nick Taylor
Chief Executive

Waterman

Mark Naysmith
UK CEO

WSP in the UK

Academic partners

Robert Allison
Vice-Chancellor

Loughborough University

Joanne Purves
Pro Vice-Chancellor
- International and
Regional Partnerships

University of Salford

Professor Michael
Arthur
President and Provost

**University College London
(UCL)**