

The bigger and more complex the better

Big projects that present significant technical challenges are exactly where **Crown House Technologies (CHT)** wants to be, according to UK operations general manager **Gavin Body**.

He oversees delivery of a major portfolio of MEP services work including Laing O'Rourke's construction projects and those of several external clients, including Kier and Lendlease.

Following a "difficult year" of trading to the end of March 2023, Body sees better times ahead with a clear pipeline of projects, as its parent group owner

Laing O'Rourke continues to win work in its priority sectors – healthcare, science and research, nuclear and green power, and data centres. Laing O'Rourke was recently appointed as preferred bidder to deliver Calderdale Royal Hospital in West Yorkshire and is working on several large science and research projects, among them the 30,000 sq m Ellison Institute of Technology site in Oxford designed by Foster + Partners.

CHT will be responsible for the delivery of all the MEP services on these major schemes and is also already on-site at the Hinkley Point C nuclear project, and Body expects the Government's ambitious New Hospitals Programme to result in more work.

"We focus on the larger, more complex projects as this is where we think we can offer most value and it differentiates us from the rest of the market," says Body.

Gavin Body, UK operations general manager, Crown House Technologies

"There are not many engineering firms out there that can deliver MEP schemes valued at £50 million – and we are already working on a number that are worth more than £100m.

"The New Hospitals Programme team has questioned the industry's capacity and ability to deliver at scale, and we have been working closely with them to demonstrate how a manufacturing led approach to construction – and to MEP systems – can improve productivity and quality and shorten programmes. By demonstrating this, we want to avoid the more price driven end of the market and we rarely engage with multiple stage bidding anymore."

LEGACY

Like much of the sector, CHT has had to manage some significant challenges during 2022, mainly related to inflationary pressure and its impact on jobs secured before the Covid-19 pandemic on a fixed cost basis. Body has been alarmed by the rate of insolvencies among small to medium sized contractors in the last two years, which he described as the worst he had seen in 25 years in the sector. However, he now believes the industry is turning the corner.



Delivering MEP services at the new Louisa Martindale Building at Royal Sussex County Hospital



“We focus on the larger, more complex projects as this is where we think we can offer most value. There are not many engineering firms out there that can deliver MEP schemes valued at £50 million – and we are already working on a number that are worth more than £100m.”

“Whilst you will see our 2022/23 turnover is down on the previous year’s trading, our 23/24 forecast has increased significantly, and we see this trend continuing in the financial year to the end of March 2025”. We are working with some fantastic clients who really understand the value that our delivery model offers. For example, we have been working with Oxford University for many years and they really appreciate and value the way we work.”

CHT is also benefitting from the fact that complex, high tech projects are increasingly MEP-driven because it can account for more than 50% of the total project value.

“There is strong demand for what we do, but we must also be aware that the industry is not attracting and retaining enough people. To continue to meet demand and deliver these high value projects we need to capture more talent,” he says.

With construction as a whole requiring something like 225,000 new recruits over the next six years to meet demand, Body is clear that the industry must also

become far more diverse. For example, women still represent only 12% of the MEP workforce.

Crown House is putting more investment into recruiting apprentices and graduates as that is where it believes it can influence the campaign to attract more people from different backgrounds. However, MEP is still something of a “hidden industry”, according to Body, who started out as an apprentice at Haden Young more than 25 years ago.

The increase in the amount of work carried out offsite could also make the sector more ‘attractive’ as it continues to struggle with its image, he says. CHT operates the largest offsite manufacturing centre in the country at over 120,000 sq ft and it delivered its highest ever output with record breaking turnover.

“Offsite has been around a long time and it has been a real challenge to get more people in the industry to recognise the value, but more of our clients now understand this approach,” says Body. “Data centres, in particular,

have picked up on this and we are delivering more packaged pump rooms and switchgear assemblies.

“A lot of the clients in our priority sectors can see the benefits of the MEP services being manufactured and inspected in our factory. This improves quality and can help achieve defect free installation on day one. It also has significant health and safety advantages for our people – it’s a more comfortable working environment – and it is also more productive.”

VALUE

Body also believes more clients are looking at “what they are buying for the long-term”, including energy efficiency and reduced carbon emissions. This growing focus on the sustainability of systems supports more work being completed offsite.

The Building Safety Act is also concentrating minds on the quality of the work and the ability of firms to demonstrate competence and compliance with new legislation, but clients will have to rethink some of their cost planning to reflect the new requirements, adds Body.

“It is a simple message: We need more standardisation of design so that we construct more buildings in the same way. That’s beneficial and true whether it’s a hospital, a power station, a prison or an office.” says Body. “Although that does not mean buildings cannot be unique and have their own characteristics.

“But clients and a large part of our industry are not there yet. The change needs to begin upstream of construction, with all delivery partners clear as to what is expected of them and willing to collaborate to achieve the best outcome.”

“From a technical point of view, we are a highly literate business. Our engineering know-how and ability to develop solutions for clients are second to none. This means we are well equipped to manage the changes required by the Act, and we can also help our clients and sub-contractors understand what’s required of them.” ■

www.crownhouse.com