

CIC Policy Update



January/February 2009

Evidence given to Children, Schools and Families Committee

CIC was called to give evidence at the meeting of the Children, Schools and Families Committee on January 21 2009 as part of its inquiry into “Sustainable Schools” and the Building Schools for the Future programme. This session of the Commons committee sought to examine progress in the Building Schools for the Future (BSF) project, the flagship £45 billion programme to renew secondary schools in England. The particular focus of this meeting was on quality of design, school construction and the impact of the economic downturn.

Graham Watts, Chief Executive of CIC, speaking alongside the Chief Executives of the Royal Institute of British Architecture (RIBA), the Commission on Architecture and the Built Environment (CABE) and the Deputy Chief Executive of the British Council for School Environments (BCSE) strongly supported the educational building programme, one of the few bright spots in the present economic situation.

Speaking of the measures introduced in the pre-budget report, he praised the acceleration of the Primary Capital Programme (PCP) together with the on-going BSF programme which he said represents a unique opportunity to create educational opportunities in buildings tailored to local conditions while also creating construction jobs which will ensure a continuity of skills in the current sharp downturn.

While welcoming recent European Investment Bank funding in relation to a small number of well advanced BSF schemes which include a Private Finance Initiative (PFI) element, Graham pointed out that current financial circumstances cast the funding of other privately financed BSF schemes in some doubt. Reports of delays, postponements and bidding difficulties are creating uncertainty within the construction industry in relation to publicly funded work within the education sector, he said.

High bid costs were highlighted as one the barriers to entry for smaller players. In large part these derive from the complexity of the procurement process, a point which was endorsed by the RIBA.

The availability of finance is a key issue for all those involved in construction at present and the desirability of some form of direct funding is a question which needs to be discussed if the building programme within the educational sector is to stay on track.

The story was picked up by the Times and formed the lead article on January 26 2009.

Prompt payment code

CIC is helping to publicize a new Code of Practice in an attempt to speed up payments to smaller companies, an issue of crucial importance in the current economic climate. This document has been drawn up by BERR in conjunction with the Institute of Credit Management.

The aim of this Code is to establish a clear and consistent policy in the payment of business to business bills by ensuring that firms pay their suppliers on time and do not attempt to change their payment terms retrospectively.

BERR wants to encourage businesses to sign up to this code of practice.

<http://www.cic.org.uk/newsevents/PromptPaymentCode.doc>.

CIC input into new Construction legislation

Following extensive input into the consultative documents it was gratifying to note that the new Local Democracy, Economic Development and Construction Bill has incorporated many of the changes which CIC has already suggested. The Bill as drafted still however requires amendment. In this respect, CIC is particularly active on the issue of the adjudication provisions.

One particular issue concerns Section 108A (3) which in its current form does not permit the parties to agree - prior to the issue of a notice of intention to refer - that the adjudicator has power to determine who shall pay his costs and expenses. The danger is that after the notice of intention to refer, the parties will not agree that the adjudicator will have this power. In that case who pays? CIC is pressing for an amendment to provide that in the absence of an agreement the adjudicator should have discretion to allocate his fees, bearing in mind that there is a considerable body of case law on the question of reasonableness of fees in relation to adjudication.

CIC is also advising on amendments to the Scheme for Construction Contracts (England and Wales) Regulations 1998.

It is interesting to note that in 2008 there were 67 adjudicator nominations by CIC, more than twice the number in the previous year.

Carbon Criticality

The Carbon Criticality – CIC Member Audit report, which examines what CIC member organisations have done to date in relation to carbon reduction and the built environment, has been put out to consultation and additional inputs have been received from CIC members. These have now been added to the report. The next stage in the process is to edit and publish this document.

In tandem with this exercise, a meeting was held on December 12 2008 with the lead organisations of the working task groups to produce draft plans which will in turn further one of the central aims in relation to the UK Strategy for Sustainable Construction – the development and delivery of a work programme by all 31 CIC member organisations in support of sustainable construction.

This meeting reiterated the existing strategy of having four working groups under the headings of Skills (ICE), Design (RIBA), Decision Tools (RICS) and Lobbying (CIC). At this meeting CIBSE and BIFM put forward the idea of setting up a group in relation to Operations, an idea which was accepted.

Each task group represents a “work stream” of activity, with CIC members contributing across the range of groups. The task groups are seeking to bring together existing initiatives and promote the low carbon message in the built environment sphere by means of CPD, information sharing and the development of standards, qualifications and toolkits.

The first drafts of suggested work programmes have been produced and these are being co-ordinated into an overall plan.

Party Conferences Task Group

CIC has set up a task group of the Public Affairs Panel with the aim of co-ordinating a joint approach to the parliamentary conferences which will take place in Brighton, Manchester and Bournemouth later this year.

Negotiations are going ahead to book rooms, speakers and accommodation in the three centres hosting these events. In relation to the messages we are seeking to get across, opinion is being canvassed in relation to this but these will probably be wider in scope than the purely “common denominator” areas usually promoted by CIC. Carbon criticality/sustainability, the economic situation

(particularly in relation to public spending) and training/ health & safety are obvious starting points. CIC will also seek to co-ordinate activities with other sister organisations which have a common interest in the built environment so that if possible we can cross publicise activities between bodies.

In tandem with the promotion of joint messages at the conferences, CIC is also working on the production of a joint manifesto for the built environment which can serve as a document produced for the conferences and then be re-used as the basis of an election manifesto. This document, which would be “punchy” in style, would cover broad policy issues such as: infrastructure policy; design policy; planning ; regulatory issues; professional liability; and education/ training with the underlying theme of “low carbon” message permeating throughout. The aim will be to have this document ready for printing by mid July. Well designed, with a cohesive style, the content will have a “people focus” which will appeal to a political audience. The aim is to produce an outline of this manifesto towards the end of February.

Meetings with Ministers

Despite the adverse weather conditions on Monday February 2, the chairman, the deputy chairman and the chief executive of CIC had a meeting with Iain Pearson, the recently appointed Construction Minister.

Topics discussed included: the carbon criticality project, the new post of Chief Construction Officer and the crux economic issues which have come out of the meetings of the Strategic Forum for Construction’s Economic Task Force.

Another meeting in relation to carbon criticality has also been set up with Joan Ruddock MP, who is Parliamentary Under-secretary of State at the Department of Energy and Climate Change (DECC). This meeting was arranged further to correspondence with the Prime Minister in which CIC volunteered to brief the Government on the contribution which the built environment can make to achieving national targets in relation to carbon emissions.

Construction fatalities input

A meeting has been arranged between CIC and Rita Donaghy, the former chair of the Advisory Conciliation and Arbitration Service (ACAS) who has been appointed by James Purnell, the Secretary of State at the Department for Work and Pensions (DWP) to lead an inquiry into the underlying causes of construction fatalities in the UK.

This inquiry will be undertaken in three phases:

- firstly a comprehensive review of existing work to consolidate the understanding of fatal injuries in the construction industry with specific reference to vulnerability;
- secondly, to carry out a deeper analysis of underlying causes including factors outside the health and safety system; and
- thirdly reporting to Ministers and Health and Safety Executive (HSE) Board.

Gordon Masterton, who is the health and safety champion at CIC has assembled a small task group to consider the issues raised as a result of this inquiry. Commenting on the forthcoming meeting with Rita Donaghy, one of the members of the task group Peter Caplehorn said that “I am very keen that she recognises that the consultant and particularly the designer world want to be involved in any discussion going forward, as I believe sometimes this has not been the case in the past “.

As Mr Purnell pointed out when he first commissioned the inquiry, “construction is one of the most dangerous sectors in the country – over 2,800 people have died from injuries they received as a result of construction work in the past 25 years”. Last year alone, some 72 workers died in the course of construction work.

Ms Donaghy has confirmed that the report which will be produced by this inquiry is scheduled to be with Mr Purnell by 30 April 2009.

Promoting diversity

The Diversity Panel in CIC has just produced a report highlighting problems in the collection of data to measure the diversity of people within the construction industry.

Commissioned from the Faculty of the Built Environment at the University of the West of England, the report noted that there is a marked lack of consistency and monitoring in relation to data collection on diversity within the construction industry.

If a single set of consistent statistics could be gathered and monitored within the industry, this information could be used to produce research which would encourage recommendations and actions for diversity, based on actual facts rather than conjecture. Ultimately this would be value to the whole industry.

This report is due for publication next month.

Fair access to the professions

The Government have established a panel looking at the issue of “Fair Access to the Professions”. Led by Alan Milburn MP, this panel seeks to identify options that the professions, working with Government could take to improve access. This study in particular strives to identify barriers to access to the professions for people from disadvantaged socio-economic backgrounds.

Following on from the “Gateways to the Professions Report” produced in 2005 by Sir Alan Langlands, this panel seems to adopt a rather narrow view of the concept of “professional”. From the wide range of construction professions, only the Royal Institute of British Architecture (RIBA) have been invited to participate but RIBA have very kindly adopted a broad view of their brief and sought input from CIC.

In our submission to the panel (the first meeting of which is at the end of February) CIC put forward an advance copy of the new CIC report on “Diversity within the Construction Profession”. Initiatives from a range of other professions (e.g dentistry and accountancy) were also highlighted and some reasons for the current situation outlined.

Key factors which have been identified in restricting access to the professions for those from lower socio-economic background include the following.

- The high costs of training for those in the lower social-economic groups as study for professional life generally involves several years full-time study. This can often result in £30,000 of debt accumulated during a four/five year course.
- The perception of many professions as being: white, male-dominated, middle class and elitist. Within the construction professions this is as much fact as perception (see recent CIC Diversity study).
- The lack of good careers advice for school leavers. This can occur either within the schools themselves, as a result of a dearth of information on options or as a consequence of having few “professional” role models within some communities.
- Indirect discrimination by firms and organisations which draw on a narrowly based pool of applicants in tandem with very traditionally based criteria for choosing applicants: typically by means of a CV which emphasises educational history, grades, work experience, skills, achievements and interests.

