



Housing standards review outcome

In its [response](#) to the Housing Standards Review, DCLG have announced measures which will reduce 100 housing standards to fewer than 10 and which will bring down the numbers of remaining pages of guidance from 1,000 to fewer than 100.

These measures include scrapping rules that require house builders to get the same work checked by a range of different organisations. Currently, a builder may have to have the same work checked by the planning authority, a Code for Sustainable Homes Assessor, a building control organisation, the Homes and Communities Agency and independent standard assessors. Under the new system technical requirements will be assessed by building control bodies alone.

The new system will include “optional building regulations”, which will only apply where it is right to do so, with councils deciding whether they apply to developments being built within their areas. Examples include:

- water efficiency - where a different standard may be available for areas facing water shortages - potentially saving households £100 a year in bills;
- accessibility - where different standards may be needed for homes for older people and wheelchair users.

The minister, Stephen Williams also confirmed that the Government would develop a national space standard to be available to councils where there was a need and where this would not stop development. This would replace the variety of different space standards which are currently required by councils.

The government will also take forward development of a new standard for security in new homes. It will be based on current industry best practice to be applied either nationally or on the basis of local need, taking account of cost-effectiveness.

Currently, in addition to existing building regulations, councils can also impose locally-set targets for energy efficiency and renewable energy. Instead, with a new zero carbon homes standard coming into force from 2016, building on strengthened energy efficiency requirements in building regulations in 2010 and 2013, national standards have been catching up and overtaking local targets. In future energy efficiency standards will be set through national building regulations.

Future trends in work

A new report, from the UK Commission on Employment and skills, “ [The Future of Work – Jobs and skills 2030](#)” looks ahead, using a mixture of identified “stable” trends and likely future disruptions to chart out four development paths in UK employment patterns. Some long term trends identified include the following.

- Emerging economies are acquiring a stronger representation within global production chains.
- Demographic change and migration are changing the face of the workforce.
- Technological developments are slowly dissolving the boundaries between sectors and are changing traditional modes of working.
- Organisational structures in business are evolving and becoming more flexible and more networked.

In relation to construction the report states that: “Construction is often regarded as a bell weather for the economy as a whole, sensitive to changes that come with growth and recession. Whilst it is plausible that the sector will continue to experience the (cyclical) impacts of the economy as a whole to 2030, there are several key drivers that are likely to shape employment and skills demands. The growing population of the UK will sustain demand for construction jobs, although the building of new housing relies on an enabling regulatory environment. Resource efficiency is another key driving factor for the sector –both in the creation of new housing stock and in improving existing stock. Offsite construction with on-site assembly and final construction are anticipated to offer cost-effective and flexible means for meeting some of the increased future demand. Whilst some of the sector will continue with established techniques and approaches, new technologies, (for example, energy and materials), will change work needs for both construction, maintenance and repair.”

Last year in September 2013, UKCES produced a report, [Technology and Skills in the Construction Industry](#), which explored the role of technology in driving high level skills needs in the construction industry, with a specific focus on offsite construction. This report examined the skills required to meet the demands created by the use of offsite construction and the associated impact on job roles. It showed that with 12 per cent of construction taking place on locations away from the primary building site; the use of offsite construction presents skills requirements that are very different from traditional construction.

This report provides new insights on the skills and job roles in offsite construction. It offers perceptions of the current training and qualification on offer and attempts to predict the future demand for jobs and skills if the uptake of offsite construction increases. The conclusion reached is that if the construction industry is to exploit the potential of offsite - multi-skilling, collaboration and greater flexibility within job roles

is key. An understanding of the interaction between principles of construction, manufacturing, design and engineering is also important.

Boosting the creative industries

The Institute for Public Policy Research (IPPR) has produced a report "[March of the modern makers](#)" which calls for an industrial strategy for creative industries. Architecture is recognised by Government as one of the nine broad sub-sectors comprising this sector. This report notes that between 2009-2011 exports of the creative industry's services grew by 16.1% compared to 11.5% for UK service exports overall. One in 12 jobs in the UK are either in the creative sector or in creative jobs in other sectors.

Of the 10 recommendations in this report, five are particularly relevant to the creative industries within construction. These are set out below.

- The creation of a new Creative and Information Economy Council empowered to develop and implement strategy in this area.
- The establishment of a new British Investment Bank, operating particularly at a regional level, with expertise to promote longer term investment for the small businesses which dominate this sector.
- Copyright issues need to be closely monitored. For instance, a 'terms of trade' for sharing the IP created through public sector procurement and collaboration, should be developed in order to support innovative businesses to exploit the IP they generate.
- Employer-led training programmes should be rolled out across the creative sector, supported by match-funding from government (as at present). This should be integrated within an industrial partnership approach, linking employers to education providers through the sector skills councils at the national and regional level.
- Industry, through its representative bodies, should be given more control in identifying and growing new markets for UK creative content, for example, by allocating a proportion of business support funding to relevant trade bodies. Ministers and officials should provide more consistent support for the protection of intellectual property in these markets.

Infrastructure investment opportunities

City lawyers, Linklaters have published a report "[Set to Revive: Investing in Europe's Infrastructure](#)". This publication indicates that global institutional investors, such as pension funds, insurers and sovereign wealth funds have on hand estimated sums of around \$1trn to invest in Europe's infrastructure over the next ten years. If fully

invested, this capital could improve the level of annual EU GDP by 1.4% between 2014 and 2023.

Investments from China, Canada, South Korea and Japan in Europe's infrastructure have risen by 465% between 2010 and 2013, in comparison to the previous four years. It is not lack of private finance that is the obstacle to a revival of European infrastructure but the lack of assets to buy or appropriately structured projects to invest in. If European governments can provide a pipeline of new projects, release assets for sale and provide a stable regulatory landscape, they have the opportunity to secure investment which can significantly boost their national GDP.

Pre-budget construction sweeteners

Three days before the budget was delivered the Chancellor of the Exchequer announced measures aimed at boosting construction, in particular house building. He announced that the Help to Buy: equity loan scheme, is to be extended to 2020 and a further £6 billion invested to help 120,000 more households purchase a new-build home.

So far government figures indicate that through the Help to Buy scheme, 25,000 households have been able to afford to buy or reserve a new-build home. Every home built under the equity loan scheme is a new-build home, and the Government estimates that the new system currently supports up to 30% of all new build homes in England. The separate Help to Buy: mortgage guarantee scheme is unaffected by this change to the Help to Buy: equity loan scheme.

The Chancellor also set out plans for a major new development around the high speed rail station in Ebbsfleet in Kent, which is only 19 minutes from Central London, to provide up to 15,000 new homes based on existing brownfield land. Up to £200 million of public investment is pledged in relation to this.

The Ebbsfleet area has long been identified as having great development potential, but investment and progress have been stalled for decades. Now a new "Garden City" Development Corporation will expedite this process.

HS2 boost

Sir David Higgins, the chairman of HS2 in his [report](#) published on 17 March 2014 restated the government commitment to the HS2 high speed rail project, while introducing some cost saving measures.

He identified that the main challenges facing transport were lack of capacity south of Birmingham, and poor connectivity in the North not just with London but also east-west across the region.

Key elements of the report include the following.

- Euston station should undergo a comprehensive redevelopment.
- Phase two of the project should be accelerated for completion by 2027 and extended 43 miles to a new transport hub at Crewe.
- The current proposed HS1 – HS2 link should be reconsidered.
- The estimated costs of £21.4 bn plus the £3 bn for trains should be enough to deliver phase one of the project.
- The slow progress of the parliamentary process affects the overall cost, in particular the contingency elements of these costs.

The report points out that, currently, London receives a disproportionate amount of public sector spending on transport and that transport investment is a key factor in promoting growth. HS2 will ultimately provide 18 long distance trains into London every hour and, by separating long distance traffic from local services and freight, it will free capacity on existing lines. Phase two, as currently implemented, might substantially cut journey times. For instance, one hour could be shaved from the London to Manchester route. While capacity is an issue for some areas of the North, connectivity is a bigger problem. HS2 is just one factor. In particular some Trans-Pennine links are very poor.

CIC Corruption in Construction seminar

CIC set up a seminar on “Corruption in Construction” which was held on 18 March 2014 at ICE. There were five speakers at this event, one from the CIOB, one from the newly established National Crime Agency (NCA), one from the Serious Fraud Office (SFO), a representative from the Society of Construction Lawyers (SCL) and a fraud specialist from the accountants BDO.

Some of the main points to emerge from the seminar were the following.

- The CIOB report published last year which dealt with this subject, indicates a widespread perception of corruption in the construction industry. This chimes with the [report of the European Commission](#) published last month (see page two of the chapter on the UK).
- Corruption means different things to different people, hence it is hard to define. It is invidious and people may not always be aware that their behaviour may be illegal. Some [corruption indicators](#) are set out on the SFO website. There is a substantial body of law (most recently the Bribery Act) in place but this is not an area of crime that is easy to deal with either in respect to either detection or evidence gathering.
- The nature and profile of “crime” in general is changing. Globalisation, cyber crime and the growing sophistication of fraud are clear trends which the traditional policing network (with 46 constabularies in England) and the culture

that has developed within that structure is not well equipped to deal with. In particular lines of communication between different police forces and with business differ widely across the country.

- The new [National Crime Agency](#) is just six months old but has 4,500 officers and a budget of £494m. It represents an attempt to have an “intelligence led”, pro-active approach to co-ordinating police work and to have a new focus on “economic crime”. The BDO presentation at the Corruption in Construction seminar set out some of the costs of economic crime. It was pointed out that mortgage fraud in the USA was a leading cause of the economic difficulties leading up to the Lehman collapse.
- The NCA is very anxious to find out more about the construction industry. The complexity both of the industry and the work carried out can create opportunities for crime. Procurement processes and the intricate web of relationships in all phases of development from planning right through to construction itself can create opportunities for collusion, fraud and sharp practice. Procurement practice is an area in which corruption can become embedded. Scotland has [discussed reforms](#) in relation to this.
- The establishment of the [National Business Crime Forum](#) just over a year ago is a recognition that with shrinking resources for the police, it is more important than ever for businesses to help the police build up a picture of crime as it affects them.
- The SFO is a law enforcement agency which investigates and prosecutes the topmost tier of serious fraud and bribery. It is comparatively small with only around 300 people employed. It is primarily concerned with frauds in excess of £1m or those with a trans-national element. The fragmentation of the construction industry means that the work of professionals is often quite isolated from the contractors/sub contractors and the construction supply chains where many of the problems lie.
- Although many professional bodies have ethical rules and principles, these need to be followed through with effective policing of these rules and publicity for cases of malpractice. There are considerable opportunities for education and awareness raising within the professions.

At the discussion of the Corruption in Construction seminar at the recent CIC Council meeting it was decided to do the following.

- Conduct a survey among our members to find out how they deal with breaches of professional ethics.
- Try to engage members who did not attend the seminar.
- Get CIC to join anti-corruption networking groups (e.g the Anti-corruption Forum and the National Business Crime Forum).
- Find out how CIC can assist the NCA crime mapping exercise.