



House of Commons
Business and Enterprise
Committee

**Construction matters:
Government Response
to the Committee's
Ninth Report of
Session 2007–08**

**Tenth Special Report of Session
2007–08**

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The Business and Enterprise Committee

The Business and Enterprise Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Business, Enterprise & Regulatory Reform.

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The current staff of the Committee are: Eve Samson (Clerk), Emma Berry (Second Clerk), Robert Cope (Committee Specialist), Louise Whitley (Inquiry Manager), Anita Fuki (Senior Committee Assistant), Lorna Horton (Committee Assistant) and Jim Hudson (Senior Office Clerk).

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Tenth Special Report

On 16 July 2008 the Business and Enterprise Committee published its Ninth Report of the current session, *Construction matters*. The Government response was sent to us on 4 November 2008 and is published as an Appendix to this Report. We were happy to allow the Department longer than the normal two months for a response because it had been exemplary in keeping the Committee informed about progress and policy announcements.

We wish to put on record our appreciation of this full and considered response. We are particularly pleased that the Government has accepted our central recommendation that there should be a Chief Construction Officer, tasked with ensuring that Government acts consistently in its roles of policy maker, regulator and major customer.

Government response

1. We welcome the close interest of the Business and Enterprise Committee in the construction industry and are grateful for the time and effort it has spent in carrying out this comprehensive and well-written review. We are grateful too for the time and effort individuals and organisations within the industry have spent in providing the Committee with such a rich source of information.
2. This response demonstrates the real steps in hand to address the issues relating to fragmentation of construction policy and procurement across government. We hope that the Committee will accept that there has been progress, but equally, that we accept that there is the potential to achieve much more.
3. That is why in October 2008 we announced our intention to consult on a potential new champion for the construction industry, in line with the Committee's recommendation that the position of a Chief Construction Officer should be created in Government. We will continue to engage with industry and public sector bodies on this proposal. Full details of the potential terms and scope of the role will be confirmed following engagement with both industry and public sector bodies as part of the Operational Efficiency Programme announced by the Chief Secretary to the Treasury in July 2008. We will keep the Committee informed of developments.
4. The Committee's Report is particularly opportune given that these are very difficult times in the global economy. The twin global shocks of the credit crunch and the surge in energy and food prices have hit every country in the world, including the UK. Families are feeling the effects of the credit crunch on their mortgages and have in addition, been hit by a big hike in world oil and food prices this summer.
5. The Government is determined to help families and businesses get through the tough times ahead—keeping the banking system safe for savers, supporting small businesses, jobs and helping families stay in their homes.
6. In terms of public finance, it is important for government to take action to support the economy, so the Government is protecting public spending during the downturn even though tax revenues are falling.

7. The Government is also working to tackle the causes of the problem in the banking system and in global financial markets. Government is working with our European partners and other global leaders to get banks lending again and to reform the international financial system.

8. We agree with the Committee's assessment of the vital contribution the construction industry makes to the UK—both directly through its contribution to GVA (Gross Value Added) and employment, and because it underpins economic activity generally while contributing significantly to the delivery of the Government's social and environmental objectives.

9. We agree with the Committee's analysis of the UK construction industry and of the challenge of dealing with this highly fragmented industry which works in an inherently project-based way. These challenges are amplified as construction can be a complex product with a significant impact and a long service life. The customer base is equally fragmented. In the public sector for instance, the Government has increasingly sought a devolutionary role with local government, allowing more room for local decision making and innovation. As the Committee has noted, the public sector is not very different from the private sector—in both sectors there are a relatively small number of large, repeat and experienced clients. Most clients buy construction infrequently or on a one-off basis and are not well placed to fully understand the industry and its processes. The Committee is right to point out that the key distinction is not between public and private clients but between experience and inexperience.

10. We welcome the Committee's support for the reform agenda on which we are working closely with the industry and for its recognition of the progress the industry has made. The Government has a part to play but the industry must continue to accept its responsibility for achieving targets and aspirations—for instance by sharing good practice and innovation and also challenging poor client performance. We agree that there is potential to achieve significantly more. In terms of demonstrating that potential, we are grateful for the Committee's endorsement of what the Olympic Delivery Authority (ODA) has achieved so far in terms of implementing good practice through construction procurement. The Olympic project offers the UK construction industry an unparalleled showcase.

11. We note the Committee's approval that the industry's new improvement targets reflect the need to promote economic, environmental and social sustainability. We also welcome the support for the joint industry and Government *Strategy for Sustainable Construction*.

12. Our response is presented under 6 key themes which broadly reflect those in *Construction matters* and in the industry's Construction Commitments. These are client leadership, procurement and integration, people (for instance health and safety and skills and training), sustainability, regulation and innovation.

CLIENT LEADERSHIP

The role of the client

Increasingly, framework agreements are being used to develop longer-term relationships between customers and their suppliers. They can improve project delivery

in terms of time, cost and quality. However, many public sector clients are not yet managing their frameworks rigorously enough to achieve all their potential benefits. One of the functions of the Chief Construction Officer, in conjunction with the Department for Communities and Local Government and others, should be to ensure wider use and more effective management of frameworks, where they are appropriate, both at central and local government level. (Paragraph 42)

13. We welcome the Committee’s recognition of the important role that frameworks can play in the efficient procurement of construction. Frameworks are widely used within government. After being successfully introduced in South East England, the approach is now being rolled out within local government by the Regional Improvement and Efficiency Partnerships (RIEPs). Similar arrangements are now being introduced elsewhere in the UK.

14. We note the Committee’s comments about the effective management of framework projects. Together with CLG (Department for Communities and Local Government), BERR supported the production of a report by the Local Government Task Force called “Taking Advantage—how SMEs can become successful framework contractors”. This report captures developing best practice on framework contracts.

The Construction Clients’ Charter

The features of a ‘good’ client are the same whether they are frequent or occasional customers to the industry. They include setting clear and consistent objectives, appreciating the importance of value rather than cost alone, and active involvement throughout the project to manage risk. Following its extremely poor take-up, we welcome the industry’s intention to revise the Construction Clients’ Charter to reflect the new Construction Commitments. This should provide a comprehensive outline of what being a ‘good’ client entails. Once in place, we believe the Government should lead take-up of the new Clients’ Commitments and contribute to the Strategic Forum’s new target for client leadership by requiring all major public sector procurers of construction works in central Government to become signatories within the next two years. We expect local authorities to make a similar commitment, and look to the Local Government Association to encourage this, recognising the benefits this would bring to those authorities and their council taxpayers. (Paragraph 49)

15. We note the Committee’s support for the new Client Commitments. We are grateful for the work of the Construction Clients’ Group, which BERR has actively supported, both in developing them and in developing simple “how to” guidance on how to implement them. We look forward to the publication of this soon.

16. Implementation of the Client Commitments is one of the key targets of the Strategic Forum for Construction going forward to 2012. It is also one of the deliverables within the joint industry-government *Strategy for Sustainable Construction*. To demonstrate the public sector’s commitment all members of the Public Sector Construction Clients’ Forum have signed the Construction Commitments. Having established this base, we will explore with the Construction Clients’ Group and others how best to take forward this initiative with local authorities.

Helping occasional clients

Occasional clients in the public sector who lack sufficient procurement and construction management skills should be able to draw on skills from elsewhere. The centralised expertise provided by Partnership for Schools shows this can be done. The Chief Construction Officer, in conjunction with the Office of Government Commerce, should establish where such skills gaps exist across the public sector. Where deficiencies are found, a process should be put in place to address the issue, involving the sector skills council, ConstructionSkills, where appropriate. (Paragraph 54)

17. A Public Sector Construction Clients' Forum (PSCCF) Working Group has carried out a study of client capability and capacity. PSCCF now needs to agree the process for addressing recommendations made.

18. The larger spending departments are subject to Procurement Capability Reviews (PCRs). These reviews are carried out by an independent panel of experts who examine departmental procurement capability. The results of these PCRs are published at:

[http://www.ogc.gov.uk/ogc -
_transforming_government_procurement_procurement_capability_reviews.asp](http://www.ogc.gov.uk/ogc_-_transforming_government_procurement_procurement_capability_reviews.asp)

19. PCRs are strategic, covering the widest range of procurement from commodities through to complex PFI projects. PCRs consider departments' procurement activities across the whole lifecycle, covering policy, strategy, delivery, and disposal. Programme and Project Management (PPM) capability is therefore included within PCRs. While PCR reviews do not routinely examine construction related procurement, they do examine this area of activity from time to time—depending on the nature of each department's procurement profile. To date there are several published examples of PCR reports where construction activities are mentioned.

The Office of Government Commerce's Gateway Process

The Office of Government Commerce's Gateway Process offers a means for public sector clients to assess and monitor their procurement performance for construction projects and programmes. We are disappointed by the low take-up of the Process. All public sector construction commissioners should be aware of it. The effectiveness of the scheme should be evaluated urgently, and action taken if the review teams lack necessary expertise. Furthermore, and while the responsibility for initiating reviews must rest with responsible senior officers who will be able to assess when projects are ready, we hope the practicability of giving the OGC power to enforce its use will be explored. (Paragraph 59)

20. The Gateway review process is mandatory for all projects and programmes within central civil government. The OGC regularly reinforces this message with departments and their Permanent Secretaries. Centres of Excellence within departments are responsible for managing the portfolio of projects and for ensuring that Gateway reviews take place at the right time. OGC liaises with the Centres of Excellence.

Helping the industry plan for additional capacity

If the construction industry is to have an incentive to improve its capacity to deliver in the long run by investing in training and new ways of working, it requires the security of a long-term flow of work. The public sector is beginning to acknowledge the role it can play in engaging early with the construction supply chain. It is setting longer-term investment programmes for public services, introducing a new approach to planning, and has clearly committed to ‘zero-carbon’ homes by 2016. However, it could still do more to improve the flow of information to the construction industry, particularly when programmes are delayed, amended, or abandoned. We believe that there is scope for greater co-ordination of major construction projects to mitigate the effects on construction price inflation and to ensure a steady workflow for the industry, although the industry must recognise that its health is only one of the factors the public sector has to take into account. Like any other client, different parts of the public sector will expect to arrange their construction projects to meet their own needs. (Paragraph 107)

21. Government is continuing with one of the largest investment programmes in recent times. The OGC, through its work with the PSCCF, gathers data on public sector future demand for construction as part of its econometric modelling. A summary version of this information is openly shared with industry. This should help suppliers to identify potential areas of opportunity and be in an informed position when planning strategically their own organisation’s investment in capacity and capability.

22. Specific responsibility for departmental investment programmes remains with the departments themselves. It is inevitable that priorities are likely to be reassessed or change over time.

23. Departments are required to take account of full Exchequer costs when they carry out economic appraisals of potential investments. The OGC has made its econometric model available to government clients to assist them in their appraisal process. On major programmes of activity the Major Projects Review Group expects to see evidence of such evaluation before programmes proceed.

One of the responsibilities of the Chief Construction Officer should be leading the Public Sector Construction Clients’ Forum’s work on capacity planning. The postholder should work with departments both to improve the flow of information on construction programmes, and to advise on their co-ordination. As the industry’s largest single client, the public sector ultimately benefits from such early engagement. (Paragraph 108)

24. This will be considered as part of our discussions on the wider potential roles and responsibilities of the proposed Chief Construction Officer.

Retentions

The practice of holding a retention against contractors as an insurance against defects undermines efforts to promote team-working and integrated supply chains in the construction industry. It also damages the cash-flow of smaller sub-contractors and reduces investment in training and innovation. Government has other means by which it can ensure the sector delivers good quality projects, for example where it has long-

term framework arrangements in place. Given that the practice is at odds with the Government's promotion of integrated working through the Common Minimum Standards and the Construction Commitments, we urge it to require all parts of the public sector to end retentions as soon as possible. (Paragraph 143)

25. We are fully aware of the Committee's view of the use of retentions on public sector projects. The Committee is aware of the Government's position following the then Trade and Industry Committee's inquiry into the general practice in 2002 and again in 2003 specifically regarding the role of the public sector as a client of construction. The Government continues to believe that the improvement of procurement processes and practices is fundamental to the achievement of a better quality product and considers that the implementation of better practices will allow a commensurate reduction in the use of retentions. Both outcomes are important and will be pursued. The Construction Commitments, which have been signed by all members of the PSCCF, stipulate that there should be no unfair withholding of retentions. Further, the OGC's Fair Payment Charter and guide to fair payment practices require that any client arrangements for retention should be replicated through the supply chain.

PROCUREMENT AND INTEGRATION

In the wake of the launch of the new industry-wide Construction Commitments, we recommend the Government reinvigorates the *Achieving Excellence* initiative by establishing new targets for public sector construction project performance. The OGC should also put in place performance measurement systems that collect data against all of these targets—not just some. (Paragraph 67)

26. Achieving Excellence (AE) is valued by clients as a useful tool in helping them to improve their performance in the procurement of construction. It is widely recognised within the industry. The OGC is planning to refresh AE within the next year to take account of developments in government and industry and to ensure that it continues to assist clients to strive for procurement excellence.

27. The OGC and the PSCCF have agreed to explore the concept of greater sharing of departmental management information in order to identify further potential opportunities for government as a whole.

The Common Minimum Standards

The Office of Government Commerce has set Common Minimum Standards for construction procurement, based on the *Achieving Excellence in Construction* guidance, which are mandatory across the public sector. Yet anecdotal evidence suggests their implementation, particularly at local authority level, has been patchy, due in large part to a lack of awareness. We believe the Government should now update the Standards to reflect the principles set out in the new Construction Commitments. The OGC should also work to promote greater awareness of the Standards; to measure their use across the public sector; and to enforce compliance by central government departments and their agencies. Local authorities, with the support of the Local Government Association, should also comply with the Standards in the interests of the communities they serve. (Paragraph 71)

28. The Common Minimum Standards (CMS) summarise government policy for construction procurement. The CMS will be updated and all relevant policy initiatives will be considered as part of that process.

29. The Local Government Task Force recommended that the CMS be applied to all construction procurement activity. The OGC, together with BERR, Constructing Excellence, the HSE (Health and Safety Executive), the ODA and the RDAs (Regional Development Agencies), ran a series of regional roadshow events to raise awareness and understanding of the CMS.

The Public Sector Construction Clients' Forum

We welcome the establishment of the Public Sector Construction Clients' Forum and its work to support the co-ordination of construction activity and initiatives across government. We urge all involved in its work to regard it as a permanent feature of the public sector's engagement with the construction sector. (Paragraph 72)

30. We welcome the Committee's recognition of the important step taken by the OGC in establishing the Public Sector Construction Clients' Forum. It is certainly intended that the Forum should continue and build on its successes to date.

Transforming government procurement

We welcome the *Transforming government procurement* initiative and in particular the OGC's new focus on implementing best practice across the public sector. We are, however, seriously concerned that the Office has been provided with neither the resources nor the powers it needs to achieve this task. We recommend that the OGC's staffing levels are reviewed. We also recommend that the Government reviews the means by which the Office can better perform the role of 'enforcer' of good practice across the public sector. Several potential institutional levers exist already for it to achieve this, but more may be needed. It should involve taking advantage of its position as an office of HM Treasury. It should also include greater engagement at permanent secretary or ministerial level with other government departments. (Paragraph 78)

31. Resources will be an integral consideration in the proposed appointment of a Chief Construction Officer. The OGC's role includes, where necessary, challenging procuring organisations in what they do. That challenge may, on occasions, involve escalation of issues to departments' senior management so that they are in a position to take any enforcement action necessary.

Raising performance through integrated teams and supply chains

The fragmentation of the construction industry has contributed to its poor performance on delivery to time and cost. Integrated working not only improves value for the client, but also allows time for firms in the supply chain to develop business relationships with each other, creating an environment that encourages investment in capacity and innovation. Despite the potential benefits for all involved, progress in adopting integrated working has been slow. We welcome the new targets for the period 2008 to 2012. We are encouraged that the industry bodies have recognised their responsibility. The Government should also play its part through, for example, effective

framework arrangements; engagement with the industry on its long-term construction programmes; and departments' compliance with the Common Minimum Standards. (Paragraph 118)

Early engagement with the supply chain

Government is not doing enough as client to engage with the supply chain early on—a key feature of integrated working. As a result, the public sector is missing out on efficiencies that would deliver a cheaper and better quality end-product. (Paragraph 120)

Improving economic sustainability

Overall, integrated team working can provide the way out of the vicious cycle of adversarial relationships and poor performance that have characterised the construction industry for so long. Paragraphs 23 to 32, above, have outlined a number of ways in which this can be facilitated. However, it requires a culture change by all the sector's participants—clients, contractors and sub-contractors. As the single largest construction client, government should be taking the lead in tackling that challenge. (Paragraph 162)

Response to the above three recommendations

32. The Committee draws a number of specific conclusions and makes a number of recommendations about integrated working and the role of government.

33. Promoting more integrated working practices is the cornerstone of the industry's improvement agenda and we are grateful for the Committee's support for the Strategic Forum's new targets in this challenging area. We are also grateful for the emerging work of the Strategic Forum's Integration Task Group which is seeking specifically to articulate better the business case for more integrated working. As that group and the Committee have acknowledged, there are potential benefits for all involved—it is important that we do not lose sight of that.

34. In partnership with the industry, Government is seeking to play its part in promoting more integrated working practices in its construction supply chains (see also paragraphs 15 and 16). As we have previously mentioned, members of the PSCCF have signed the Construction Commitments—a key component of which is procurement and integration—and we will be seeking to build on this to ensure that the high-level commitment works through into practice on the ground.

35. Early engagement with the supply chain is a key feature of integration and we are keen that modern procurement practices, such as framework agreements, play their full role in delivering more integrated working practices. Collaborative procurement is one of the five initial themes under the Operational Efficiency Programme.

36. The Strategic Forum for Construction is a member of the PSCCF and is engaged in the discussion about long-term construction programmes. In addition, the move towards longer-term framework contracts and larger procurement programmes (such as Building Schools for the Future) has introduced greater transparency into spending plans.

37. Compliance with the Common Minimum Standards is clearly an important issue both for Government as it seeks to ensure value for money and for the industry as it seeks to secure culture change and promote more modern and efficient ways of carrying out its business. The Common Minimum Standards align with the Construction Commitments and we will do further work to ensure that alignment is even closer. In this regard we are greatly helped by the members of PSCCF who are already working to deliver the principles in the Commitments on the ground.

38. However, we would not want to unduly raise expectations. Integration is not a tap Government, or any single sector of the industry, can simply turn on. Widespread adoption of integration across the industry involves significant culture change and will take time. We accept that there is still some distance to go but we believe that Government is taking important steps to promote integration more widely. We intend to continue to build on that.

Collaborative contracts

Integrated team-working needs to be underpinned by contracts that foster collaborative rather than adversarial relationships between clients, their contractors and their sub-contractors. Unfortunately the industry does not seem able to do this for itself. As a result clients must take the lead. There are useful standard contract forms such as the NEC3 Engineering and Construction Contract, recommended by the Office of Government Commerce for all public sector construction projects. Despite this, a large proportion of government construction is still let using a variety of traditional contractual arrangements. Led by the OGC, departments should work towards the use of collaborative contracts as a matter of course, and ensure they are adopted throughout their supply chains. (Paragraph 132)

39. The use of collaborative forms of contract is a key element of the Achieving Excellence in Construction initiative and the OGC recommends the use of NEC3. A number of the larger central government construction procurers have already moved to NEC3 and a number of others are now considering doing so. The OGC has just completed a further review of standard forms of construction contract for compliance with the principles of Achieving Excellence. Further advice will be issued in due course.

Project insurance

Integrated Project Insurance provides single cover for the entire project team, and could foster integrated working by encouraging the collective ownership of a project's target budget. It is an emerging concept, but one that could deliver benefits for all members of the project team. We encourage the OGC to set a target for the approach to be piloted across a range of departmental construction projects so it can be properly evaluated. (Paragraph 136)

40. Both the OGC and BERR assisted with the development of the Project Insurance product. The OGC is now working with a number of public sector clients to identify projects to pilot the use of project insurance.

The 'Fair Payment' Charter

We welcome the introduction of the 'Fair Payment' Charter. The OGC should ensure all central government construction clients have affirmed their adoption of the Charter by the end of 2009. The Office should then aim for all local authorities to have signed up to it by the end of 2010. The OGC's monitoring of implementation should ensure that clients are adopting the principles of the Charter throughout the construction supply chain, and not simply between themselves and their main contractors. Where construction firms believe their client is not abiding by the principles of the Charter, we urge them to make representations to the Minister and to the OGC. (Paragraph 146)

41. BERR and the OGC have encouraged suppliers to government to draw their attention to any instances where government's practice falls short of the 'Fair Payment' Charter.

Project Bank Accounts

Both the Office of Government Commerce and the National Audit Office have endorsed the use of project bank accounts as a means of improving payment practices and facilitating integrated working. Central government procurers should now start to make use of project bank accounts, where practicable and cost-effective. The OGC should monitor take-up and evaluate the benefits. (Paragraph 149)

42. Government has supported the development and use of project bank accounts in the construction industry. Their use is increasing and it is anticipated that key government clients will make further announcements on their introduction in the near future.

43. The OGC has already committed to, and established, arrangements to measure the implementation of fair payment best practice through to 2010. Similarly, the OGC will work with departments to evaluate benefits flowing from the adoption of fair payment principles.

Constructionline

The Government must reduce the burden that multiple public sector prequalification schemes impose on construction firms, particularly SMEs. Constructionline was set up to address this, but it has proved unsatisfactory for the industry. The Government should either make it work, or abandon it. If the consensus is that Constructionline cannot work as intended, then the Office of Government Commerce should consider how it might develop core criteria and mutual recognition between schemes. (Paragraph 276)

44. The main aim of Constructionline is to reduce burdens on contractors and tendering organisations. It does this by providing proof of prequalification for all the core questions relating to financial stability, certification, insurances etc. It does not attempt to supply tender-specific information. Most other prequalification services focus on 'added value' functions in addition to prequalification, such as searches for work opportunities, or tailored prequalification for specific organisations.

45. Constructionline is expanding steadily. There have been increases in the number of users in the last year to date of 1,500 suppliers and 1,800 buyers. The past year has also seen

a 40% increase in usage of the system by buyers, who made over 160,000 enquiries of the database.

46. The new Constructionline contract, let this autumn, should see the numbers of buyers and suppliers double over the four-year term, encouraged by incentives in the contract which allow the contractor to reduce overhead expenses as membership and usage by buyers grows.

47. BERR is working with the OGC to make sure that there is better alignment of core criteria (the common questions everyone should ask). The 'Successful Delivery Toolkit' prequalification section links directly to Constructionline with a recommendation that purchasers should consider using the service. We will continue to work with Constructionline, the OGC, the HSE, the Equality and Human Rights Commission and others to ensure proper alignment across the board, to provide an effective standard. (As part of the Government's work to simplify industry prequalification schemes, the HSE is working with the Safety Schemes in Procurement (SSIP) towards achieving mutual recognition of Stage 1 of the CDM 2007 core criteria.)

COMMITMENT TO PEOPLE

'Bogus' self-employment

The widespread practice of wrongfully classifying directly employed workers as self-employed, otherwise known as 'bogus' self-employment, creates significant costs for construction workers, clients, the wider industry, and the Exchequer. To tackle the problem, HM Revenue and Customs' Construction Industry (tax) Scheme (CIS) now places a greater onus on contractors to verify the employment status of their subcontractors. The success of this new approach will depend on the collective 'buy-in' of contractors. Government must also ensure HMRC has the power and resources to monitor and enforce compliance. (Paragraph 177)

48. We accept that the level of "bogus self-employment" is a problem, resulting in a significant loss to the Exchequer in addition to other negative consequences. Enforcement is important and in recent years HMRC has both increased and restructured the resources it deploys on this. These are commensurate with the risk presented by the construction sector compared to other sectors. HMRC is also working with other government departments and external stakeholders to explore ways to encourage greater voluntary compliance and more effectively to detect and take action against non-compliance. Changes introduced to the new CIS with effect from April 2007 will also help HMRC to better tackle the problem of false self-employment.

We welcome the setting up of the Vulnerable Worker Enforcement Forum and look forward to its recommendations. We hope it will give particular attention to whether the Gangmasters Licensing Regulations should be extended to cover construction workers. More generally, the public sector as client has a major role to play in providing long-term security of work for construction firms, which departments should actively take advantage of. Among the benefits this would bring is a real encouragement for contractors to take on more direct employees. (Paragraph 178)

49. The Vulnerable Worker Enforcement Forum published its final report containing the Government's conclusions on 5 August 2008. There was discussion in the Forum, although no agreement, on whether the Gangmaster Licensing Authority's licensing regime should be extended to other sectors, including construction. Employment agencies providing labour to the construction sector (and all other sectors not covered by the GLA), are regulated by the Employment Agency Standards Inspectorate (EAS). Government does not currently intend to change these arrangements. We will prioritise effective enforcement of the existing law by taking steps to strengthen the EAS and ensure that it develops a significantly higher profile amongst agency workers and agencies themselves—building on the stronger investigative and penalty powers being legislated for through the current Employment Bill.

ConstructionSkills and the Levy

The structure of the construction industry and the nature of its work create disincentives for many employers to invest in training and skills. The CITB-ConstructionSkills Levy provides an effective means of tackling this problem, which has the support of the majority of those who pay it. The Levy provides a vital means of funding for training, which contributes to the long-term skills needs of the sector. We support its continued use. (Paragraph 185)

50. DIUS, as the Construction Industry Training Board (CITB) sponsor department, will continue to support levy proposals where these enjoy the support of the majority of employers.

Training routes into construction

Given that migrant labour is unlikely to provide a stable long-term solution to the skills needs of the construction industry, it is vital to attract more domestic recruits to the sector. The initial take-up for the now abandoned Construction GCSE suggests there is an appetite within schools to engage with the industry early on. We support the development of the new Construction and Built Environment Diploma and hope that it will provide a credible qualification and entry route for those considering a career in construction, as well as meeting the skills needs of employers. Given the importance of developing skills in this vital sector of the economy, its effectiveness must be rigorously and regularly reviewed. (Paragraph 189)

51. The Diploma in Construction and the Built Environment, which has been available to 14-19 year olds in England since September 2008, should have a positive effect on boosting the numbers of young people choosing a career in construction. Employers from the sector have been closely involved in every stage of the design and development of the new qualification, and the development process is led by five Sector Skills Councils. The Diploma will provide learners with the knowledge and skills that employers seek from their new recruits.

52. We agree that it is vital to monitor and evaluate the impact and effectiveness of the new qualification. All Diplomas will be subject to a rigorous three-year evaluation period, with an annual evaluation report being produced. Two reports, on the development and on the implementation of the Diploma programme, will be published in January 2009.

It is a disgrace that only a quarter of construction companies are training apprentices. We support ConstructionSkills' efforts to provide more flexible routes to on-site experience for trainees and their sponsors, such as through programme-led apprenticeships. Employers must now do their part by taking on more apprentices, tapping into the large number of people who want to work in the sector. The Government should also review its support for adult learners and specialist trades to provide greater flexibility of training provision to meet the needs of the construction industry. (Paragraph 194)

Adult Skills

53. Through Train to Gain, the Government offers a flexible service helping employers and their employees improve skills, unlock talent and drive up business performance. Since it was fully rolled out in the autumn of 2006, over 100,000 employers have engaged with Train to Gain, with over 260,000 learners achieving a qualification. Funding for Train to Gain will increase from £520 million in 2007-08 to over £1 billion by 2010-11.

54. In June DIUS announced a new 'Train to Gain Sector Compact' with employers to deliver more skilled construction workers to do the jobs of the future. £133 million has been earmarked to help current and future skills shortages. In conjunction with ConstructionSkills, Train to Gain offers training solutions helping employers improve the qualifications and skills of their workforce, and offering a greater number of apprenticeships. The number of construction employers already engaging in Train to Gain from April 2006 to June 2008 is 16,000. This is expected to grow as a result of the Sector Compact.

Apprenticeships

55. *World Class Apprenticeships: Unlocking Talent, Building Skills for All* was published in January. It sets out a wide range of steps which will improve apprenticeships for the future and ensure that an apprenticeship place is available for all qualified young people by 2013.

56. Funding for all apprenticeships will increase from £900 million in 2007-08 to over £1 billion in 2010-11. Funding will be available specifically for expanding apprenticeships for those aged 25 and over. This reflects both the high employer and learner demand for apprenticeships for this group and the value that an apprenticeship can bring to a range of adults making a labour market transition for various reasons.

57. The Committee may be interested in the specific actions being taken to safeguard the future of apprenticeships:

- A joint task force will be established between DIUS and CITB-ConstructionSkills to review the wider issues facing construction sector apprenticeships. The task force will bring together employers; trades unions; education and training providers and others from the industry and Government. Its overall purpose will be to review the approach to apprenticeships within the construction sector, and how it might be expanded and improved; and to make recommendations to Government.
- Working with CITB-ConstructionSkills and the Learning and Skills Council, DIUS will set up a 'clearing house' for apprentices. The Secretary of State for Innovation,

Universities and Skills wants this to find new employer places for those who have started their training but who are at risk of being laid-off from their current employer. It would also sustain the range of places offered to new apprentices, and ensure training programmes can be continued with colleges/training providers. DIUS will work with Sir Michael Latham, Chairman of CITB-ConstructionSkills, to identify a small group who can take this work forward.

- DIUS is working with CLG to convene a Joint Ministerial Summit with key representatives from the industry, to examine the longer-term implications for skills arising from the targets contained in the 2007 Housing Green Paper.
- The public sector is increasingly using the significant leverage available to it through public procurement to promote apprenticeships in the construction sector. For instance, in DIUS's college building programme, successful contractors are required to have in place a formal training plan for their project workforce that maximises access to apprenticeships, work-based learning and other training opportunities. We want to build on this example of what can be done. The Secretaries of State for Innovation, Universities and Skills, and for Children, Schools and Families recently wrote to Cabinet colleagues to encourage them to promote apprenticeships through their departments' procurement processes.
- Government is working to ensure that major developments such as the Olympic and Paralympic Games include opportunities for apprenticeships. Already the Olympic Delivery Authority (ODA) has committed to get at least 2,000 people in apprenticeships and work placements (up to 2012) at the Olympic Park and other venues that the ODA is working on or building.

The revised Apprenticeships Blueprint, announced in the World-class Apprenticeships Report, includes further flexibilities, for example, making it easier for employers to have their own training accredited and streamlining the process of approving Apprenticeships Framework.

Training the existing workforce

There has been considerable progress in raising the skill levels of the existing construction workforce. We welcome the establishment of the National Skills Academy for Construction and support its project-based approach to delivering training. We also commend the high level of take-up of the Construction Skills Certification Scheme (CSCS) and hope the industry will be able to achieve 100% coverage by 2010. However, clients must play their part in reaching this target. Public sector clients in particular should adhere to the Common Minimum Standards, and contractually oblige their supply teams to ensure their workforces are CSCS-carded. Contractors not committed to the Scheme should not be invited to tender for work. (Paragraph 198)

58. The Common Minimum Standards require all workers on site to be registered on the CSCS or be able to prove competence in some other way.

Workforce diversity

The vast majority of the construction workforce is white and male. This means there is a potentially huge pool of untapped talent which could relieve capacity constraints in the sector, and make the composition of its workforce more representative of wider society. Government as client to the sector is in a powerful position to effect change by ensuring contractors provide employment opportunities to atypical recruits. We welcome the explicit inclusion of promoting a diverse workforce in the industry's new Construction Commitments. We recommend that the Government strengthens this by making equal opportunities part of the Common Minimum Standards for public sector construction procurement. (Paragraph 204)

59. We will consider these proposals when updating the CMS next year.

60. The CMS summarises government policy but does not restate what is required by legislation.

Health and Safety

More generally, government as client has a vital role to play in improving performance. The Common Minimum Standards already state that clients should ensure all contractors are assessed for health and safety when tendering for work, and all workers should be registered on the Construction Skills Certification Scheme. But this is not happening. The new Construction, Design and Management (CDM) Regulations 2007 place a much greater emphasis on the client's role in ensuring health and safety, whilst the Corporate Manslaughter and Corporate Homicide Act 2007 provides the punishment in the event of a fatality due to organisational failings. The Government should use both of these to enforce a change of approach in public sector construction procurement, and to drive culture change across the sector.

61. The HSE continues to use the CDM 2007 Regulations to drive improvements in performance by all parties, including public sector construction clients.

62. As above, we will consider these proposals when updating the CMS next year.

We welcome the Strategic Forum's commitment to ambitious targets for reducing the number of workplace fatalities and major injuries over the coming years. After a period of steady decline in construction fatalities since the turn of the century, the number of deaths has increased significantly since 2005/06. Housing repair and maintenance has had the worst record, primarily because so much of the sector operates in the informal economy. To tackle this the Health and Safety Executive must devote more resources to inspection, whilst HM Treasury should look at ways of reducing the size of the informal economy, for example by conducting a full analysis of the overall consequences of cutting the rate of VAT on all repair and maintenance work. (Paragraph 218)

63. The number of fatal injuries is too high and we attach great importance to continuing action to reduce them.

64. Since the publication of the Committee's Report, the HSE has published provisional figures for 2007/8. These show a small reduction in the numbers killed in the previous year from 79 to 72 and a corresponding drop in the rate per 100,000 workers from 3.9 to 3.4.

This reduction is in line with the long-term downward trend since the high experienced in 1989/90 when 154 workers were killed. 72 people killed is still too many and we are also concerned that there has been a levelling off over the last 5 years or so of the downward trend in the number and rate of worker fatalities.

65. Prompted by these concerns, the Secretary of State for Work and Pensions has asked the HSE to commission an independent review of the underlying causes of construction fatal injuries, with the aim of re-establishing the downward trend. A formal announcement on the detail of the review is expected shortly.

66. The HSE routinely reviews its approach to the improvement of safety and health practice in the industry, and the study's findings will be taken into account. In the meantime, it will continue with the current approach. This includes inspection of construction sites as a key element in a balanced programme of influential interventions (some of which are carried out by staff who are not front-line inspectors). The HSE believes that the combination of inspection, enforcement, awareness-raising and influencing is the best way to stimulate those with the main responsibility for managing health and safety performance.

67. The HSE is committed to maintaining the Construction Division's frontline inspection capacity over the period covered by the current financial settlement—i.e. until the end of 2010/11. This is in line with the Government's wider commitment to maintaining frontline capacity. In 2008/09 the HSE plans to maintain an average of 145 operational construction inspectors. The numbers currently working in the Construction Division are slightly below these levels and the HSE is taking action to resolve the issue. 22 Health and Safety Awareness Officers (HSAOs) also assist front-line operational inspectors.

68. We acknowledge the construction industry's increasing acceptance of responsibility for controlling the risks it creates and welcome the wide range of initiatives co-ordinated through its representative organisations.

69. We firmly believe that legitimate trade should not be undermined by businesses that evade taxes. HMRC deploy specialist teams whose prime function it is to tackle businesses that fraudulently avoid paying VAT and other taxes.

SUSTAINABILITY

Maximising whole-life value

A whole-life value approach to construction procurement seeks to maximise the benefits and minimise the costs of a project across its life-cycle. It requires an integrated project team able to develop a design that creates best value for the client. However, it also requires clients to have the skills and long-term perspective to make investment decisions which are not based on short-term price. Government has made progress in encouraging a whole-life approach in the public sector, but in the words of the Minister: "There is a good deal more to do". We welcome the emphasis placed on whole-life value in BERR's *Strategy for Sustainable Construction*. We also welcome the publication of the OGC's supplement to the *Green Book* on whole-life appraisal in construction, which the Office should now seek to embed in procurement practice across government. It should support this by ensuring clients have the information to

accurately quantify whole-life costs and benefits. Finally, the Government should make it mandatory for all public sector projects with a value in excess of £1 million to use a structured mechanism for assessing their design, such as the Design Quality Indicator. (Paragraph 127)

70. A whole-life value approach to investment decisions is a requirement of the HM Treasury *Green Book*. That suite of guidance continues to grow in order to help clients carry out what can be quite complex investment appraisals. The OGC and Defence Estates have worked with the British Standards Institute and the Royal Institute of Chartered Surveyors to develop industry-wide guidance on standardised approaches to carrying out life-cycle assessments.

71. The successful implementation of these measures into everyday practice is challenging for the whole industry but tackling this in a joined-up manner will assist organisations to develop the skills needed.

72. Government already supports the appropriate use of tools such as the Design Quality Indicator (DQI) where these assist clients in the successful delivery of their construction projects. With government's current substantial school building programme the Department for Children, Schools and Families is now the largest user of the DQI tool by some margin. The Department of Health's pioneering DQI—the Achieving Excellence Design Evaluation Toolkit (AEDET)—was first published in November 2001 and is the health sector specific standard for design evaluation. Similarly, the Department's complimentary National Environmental Assessment Tool (NEAT) was issued in 2002 and has now been replaced by the Building Research Establishment's Environmental Assessment Method (BREEAM) for Healthcare. It provides an accredited assessment against standards.

73. The Construction Commitments support the appropriate use of design tools and the Strategic Forum for Construction has set itself a target of achieving a 10% year-on-year increase in the number of projects using the DQI tool.

Measuring Performance

Integrated working should give teams an incentive to evaluate their performance and apply lessons learnt to future projects. Greater use of post-occupancy evaluation (POE) has the potential to benefit construction teams, their clients, and future clients through increased use of evidence-based design. We welcome the OGC's decision to mandate POE for central government departments, building on its initial pilot project, although we note that the work is mainly focused on office buildings. Once established, the scheme should be extended to cover all parts of the public sector as soon as possible to collect information on a range of different types of building. We hope the OGC and the industry will be able to use the information gathered to inform the construction of future public sector buildings. (Paragraph 161)

74. OGC has mandated the benchmarking of the performance of government's office buildings. Over time, that data should help to inform good design. More immediately it provides user departments with comparable data on the performance of their buildings to help them identify opportunities for improvement. The Energy Performance of Buildings

Directive provides a similar incentive to those responsible for the management of public buildings.

Environmental sustainability: the construction process

Reducing the environmental impact of the construction process is a key part of Government and industry's *Strategy for Sustainable Construction*. We support new targets for reducing waste, and for cutting energy and water consumption. Achievement of these is likely to stem mainly from economic incentives, as well as higher fuel costs. Any increase in taxation must be accompanied by greater enforcement activity against fly-tipping. The public sector as client also has an important role to play in improving the construction process. Integrated team delivery can reduce the waste arising from construction projects through early planning and engagement with the supply chain. We saw examples of this in our visits to the Royal London Hospital and the 2012 Olympic site in Stratford. Rigorous enforcement of the Common Minimum Standards by the Office of Government Commerce should also include requiring that all public sector projects are registered for the Considerate Constructors Scheme, or some equivalent. This will demonstrate best practice to the private sector, and help improve the public image of the industry. (Paragraph 230)

75. Reducing the environmental impact of the construction process is an important part of the *Strategy for Sustainable Construction* and we welcome the Committee's support for the new targets for reducing waste, and for cutting energy and water consumption.

76. Tackling fly-tipping and wider waste crime is a priority for the Government. We are aware that increasing the cost of legitimate waste disposal may encourage fly-tipping (although the evidence is not always definitive as to the extent). The Government's 2007 Waste Strategy for England included an illegal waste action plan which aims to reduce fly-tipping through better prevention, detection and risk-based enforcement. We have made clear that any local initiative to boost recycling should be supported by fly-tipping strategies aimed at preventing the illegal dumping of waste.

77. New Regulations came into force in April 2008 which make Site Waste Management Plans compulsory for all construction projects in England costing over £300,000. Site Waste Management Plans will encourage greater resource efficiency in construction and help to reduce waste.

78. We also agree that the public sector as client has an important role to play, and that integrated team delivery can reduce waste. As planned in the *Strategy for Sustainable Construction*, WRAP (Waste & Resources Action Programme) has launched a voluntary agreement for clients, contractors and other members of the supply chain to commit to delivering targets for reducing waste to landfill. Defence Estates is one of the signatories. This sector-wide approach will bring a consistent approach to measurement and galvanise collective action.

79. The Common Minimum Standards do require registration through a suitable Scheme such as the Considerate Constructors Scheme.

Environmental sustainability: the housing sector

What the Government cannot influence through its purchasing power it must achieve through regulation. Changes to the Building Regulations have led to significant improvements in the energy efficiency of new buildings. We support the Government's target for all new build homes to be carbon neutral by 2016, and the role of the *Code for Sustainable Homes* in achieving this, but we recognise the extremely ambitious nature of this target. The existing housing stock also needs to be made more sustainable. To this end, we continue to believe the Government should conduct a comprehensive review of the incentives for homeowners to improve the environmental sustainability of their dwellings. (Paragraph 244)

80. We welcome the Committee's support for the target for all new homes to be zero carbon from 2016 and for the *Code for Sustainable Homes*. The Government will shortly be consulting on the definition of zero carbon to give industry greater certainty and clarity to enable it to plan for 2016 in terms of investment decisions and supply chain development.

81. We also agree that the existing housing stock needs to be made more sustainable. The Government recently published its response to the Communities and Local Government Select Committee inquiry into Existing Homes and Climate Change (Cm 7428, July 2008). The response explained that the Government will be consulting this Autumn on an energy efficiency strategy, which will include energy efficiency in existing homes and non domestic buildings. The consultation will address the challenges of helping consumers and businesses to reduce emissions and save money on their fuel bills.

Strategy for Sustainable Construction

Overall, we welcome the Government and industry's joint *Strategy for Sustainable Construction* and hope that it will set the agenda for improving the long-term environmental performance of the sector. However, policy responsibility for sustainable construction is particularly fragmented across government. The Strategy itself is the product of six different departments. It sets out which bodies are responsible for particular targets, but no individual has overarching responsibility for its delivery. A Chief Construction Officer would make an important contribution to co-ordinating policy delivery across departments and promoting sustainable construction. (Paragraph 245)

82. Several departments have policy responsibilities relevant to sustainable construction. A major incentive behind the development of the *Strategy for Sustainable Construction* was therefore the need to present a coherent plan of how Government and industry together are driving forward sustainability in this industry.

83. To drive forward the implementation of the Strategy in a coordinated way, a Delivery Board has been formed. This comprises representatives of various government departments: CLG, Defra, DIUS, DCMS, [DECC (Department of Energy and Climate Change)] and BERR as well as the OGC, the Sustainable Development Commission and industry.

INNOVATION

Construction R&D

Unlike most other developed countries the UK does not have a dedicated publicly funded research and innovation programme for its construction sector. We believe this is unwise. Research and innovation is necessary to meet the Government's targets for sustainable construction and its own needs as a client. The structure of the construction industry and the nature of its work mean that the usual commercial drivers of R&D investment are either missing or very weak—if there is market failure, government support has to be provided. There needs to be an urgent assessment of the level of support, and how it should be supplied, followed by monitoring to ensure the support continues to meet the industry's needs. A Chief Construction Officer would be best placed to do this. We recognise that increased spending in one area has to be offset by decreases elsewhere, or an increase in revenue. However, the industry pays a considerable amount through the Landfill Tax and Aggregates Levies. We believe there is scope for recycling a proportion of these funds to the industry to help fund research, even if this means additional funds have to be provided, either from the taxpayer or the industry. Finally we note that a Chief Construction Officer could also co-ordinate public sector spending through the modest programmes that already exist to ensure its effectiveness is maximised. (Paragraph 263)

84. We note the Committee's recommendation that the proposed Chief Construction Officer could assess the level of support for construction R&D and could co-ordinate public sector spending to ensure its effectiveness is maximised.

85. One of the potential responsibilities of the Chief Construction Officer could be to promote innovation. In doing so, he or she would need to take account of public sector spending on construction-related R & D and of how that can yield maximum benefit.

86. The supplementary memorandum submitted by BERR to the Committee explained why DTI decided in 2003 to move from a sector-based approach to R&D support to one based on support for strategic technologies and described the significant levels of construction-related public R & D funding currently available.

87. The White Paper *Innovation Nation* set out policy commitments to drive increased demand for innovative products and services. From next year, each Government Department will include an Innovation Procurement Plan as part of its commercial strategy, setting out how it will drive innovation through procurement and use innovative procurement practices. A second commitment was that DIUS will reform the Small Business Research Initiative (SBRI), refocused on technology based research. The revised SBRI is to be extended to all participating Departments by April 2009, and Departments will be able to place any suitable contracts for research and development in the construction sector via this programme.

88. The business-led Technology Strategy Board (TSB) plays an important leadership role in stimulating business R&D and innovation. It operates at arm's length from government and has a cross-government role, in delivering a national Technology Strategy and advising on policies which relate to technological innovation and knowledge transfer.

89. The TSB has a good dialogue with the sector to identify and prioritise needs through the Modern Built Environment Knowledge Transfer Network and industry bodies such as the Construction Industry Council, Construction Products Association, UK Green Building Council and many others.

90. TSB support, including *via* a dedicated Low Impact Buildings Innovation Platform, brings together supply and demand-side measures to help UK industry innovate and benefit from the opportunities arising. This support complements that from the Research Councils, other government departments and agencies, organised on both a thematic and sector-specific basis.

91. The Technology Strategy Board and the Research Councils would be happy to engage with and take into account the views of the proposed Chief Construction Officer, amongst others, in helping inform their decision making.

REGULATION

The Building Regulations

The construction industry believes the Building Regulations are too complex, and changed too often. We agree. We welcome the Government's proposals to create a framework to manage changes to the Regulations over a three-year cycle, and to limit amendments on any single issue to once every six years. We hope that this will effectively address the industry's concerns on the timing of changes and the way in which frequent changes hinder its strategic planning. We hope too that the Department for Communities and Local Government will use the first review cycle, which will begin in 2010, to address inconsistencies and overlaps in the current Regulations. We are, though, disappointed that a more radical simplification of the rules is not under consideration and believe the possibility should be re-examined. (Paragraph 268)

92. We welcome the Committee's support for the way we propose to conduct future reviews and amendments to the Building Regulations. Stakeholders have confirmed that this regular and systematic approach, combined with the standstill period for industry to prepare for the incoming changes, will do a great deal to help industry's forward planning and compliance with the Regulations.

93. We will, in this approach, bring together for review and revision those Parts of the Building Regulations which are closely linked. For example, Part F (ventilation) needs to be and will be reviewed alongside Part L (energy efficiency). In doing so we will be better able to look for and address inconsistencies, conflicts and overlaps between the Parts of the Regulations and the guidance we issue in support of them.

94. We will also be looking, alongside these reviews, at ways we might improve the guidance we issue, including the Approved Documents, to help industry achieve compliance with the functional Regulations.

95. We will shortly be publishing an implementation plan outlining the actions we will be taking following the consultation on the Future of Building Control. In this we will set out our review plan for the coming decade, starting with the 2010 review of the Buildings Regulations. This implementation plan will also outline our plans for improving the

building control system, including modernising inspection, enforcement and alternative routes to compliance. (In addition, we are working with HSE to consider the scope for better integration of the Planning, Building Control and Construction (Design and Management) (CDM) regimes, to simplify matters for stakeholders and aid compliance.)

96. We note the Committee's disappointment that we have not undertaken a more radical simplification of the rules and the Committee's view that we should re-examine the possibility of this.

97. The consultation on the Future of Building Control marked the biggest overhaul of the building control system since we moved from prescriptive regulation to a system based on functional requirements under the 1984 Building Act. That consultation made clear that stakeholders had confirmed this system was generally working well. We recognise the need for increased compliance to achieve the targets for more new and sustainable homes, whilst reducing the burdens and costs placed on users of the system. We believe that our implementation plan will address these issues.

98. It is essential we make urgent improvements in the sustainability of buildings and reduce their impact on the environment through raised Building Regulations standards, supported by improved compliance. We believe our new approach to reviewing the Regulations will deliver these policy objectives, and that these aims might be compromised if industry had to come to terms with more radical changes. That said, we remain open to other ways to make improvements.

Amending the Construction Act

The *Construction Act* provides the legal foundations for successful team-working. However, it is widely accepted that it still has some weaknesses. After years of consultation the Government has developed proposals, which it believes will address many of the industry's concerns, particularly those of sub-contractors. They appear to strike a sensible balance between the interests of main contractors and subcontractors. BERR's aim now should be to ensure the amendments fulfil the policy objectives the Department has set out, and do not leave room for exploitation. It is vital that the next Session's opportunity to reform the legislation is taken. (Paragraph 155)

99. We are grateful to the Committee for taking the time to consider the proposals to amend the Construction Act. As the Committee rightly points out, we have sought to identify consensus within the industry for the changes we might seek to make. While this has been comparatively easy to achieve for the adjudication proposals, it has not been possible in respect of the payment provisions. Given the lack of consensus we consulted on a number of proposals that sought to strike a balance between the range of different views in the industry to which the Committee has referred.

100. Our intention to introduce these amendments in the 2008/09 Parliamentary Session was announced in the Government's Draft Legislative Programme—*Preparing Britain for the Future*. The final content of the 2008/09 Session will be set out in the Queen's Speech which will take place on 3 December 2008.

TrustMark

Companies need to be able to show that they are competent to give their clients confidence and to ensure a level playing field for competition amongst suppliers. We hope the TrustMark scheme will, in due course, become a recognised symbol of quality for builders in the same way that CORGI is for gas installers. This will take time, but with some 16,000 builders already registered, the initiative has made good progress since its launch in 2006. It is in the interests of reputable companies that the scheme should succeed and we believe that the onus for funding and publicising the scheme falls on the industry and not the Government. (Paragraph 272)

101. TrustMark continues to grow steadily, with over 1000 new builders and 5 more scheme operators registered in the last year to date. The branding has been seen on television and in the national press, and public knowledge of the benefits of using TrustMark registered firms is growing. BERR will continue to assist this process wherever possible but agrees that the onus for the formal marketing and funding rests with the industry.

4 November 2008