

PRESS RELEASE

6 April 2005



CIC calls for a better post-election structure for government to interact with those who design, create and manage the built environment

Stuart Henderson, Chairman of the Construction Industry Council has written to the Prime Minister and the Leaders of the Conservative and Liberal Democrat Parties on behalf of CIC's membership to seek post-election improvement to the way in which the construction industry is recognised by, and interacts with government.

These letters mark the culmination of a six-month campaign by CIC to express the collective concerns of its diverse membership about the fragmented nature of the government's recognition and interaction with the industry and the progressive narrowing of the definition and scope of the sponsorship role within the DTI.

For further information please contact the press office at CIC press@cic.org.uk or 020 7399 7407

Ends

1. CIC is the representative forum for the professional bodies, research organisations and specialist trade associations in the construction industry. It provides a single voice for professionals in all sectors of the built environment through its collective membership of 500,000 individual professionals and 30,000 firms of construction consultants.
2. A copy of the letter to the Prime Minister is attached.

5 April 2005

The Prime Minister
10 Downing Street
London
SW1A 2AA

Following your announcement of the General Election, I am writing to you on behalf of the Construction Industry Council and its membershipⁱ about the way in which the construction industry is recognised by, and interacts with, your government. The CIC is keen to deal with government in a positive and constructive way but is frustrated by the fragmentation of the current arrangements.

We believe that it is the opportune time to raise this matter with you when plans for the restructuring of government departments are being actively considered for implementation in May.

The industry and government

The industry which creates the built environment (including construction) facilitates all other activity, defines much of our quality of life and enables delivery of government policy, particularly in relation to regeneration, climate change and improving public services.

The CIC has been pleased to work with the OGC, CABE and procurement officials across several departments addressing many diverse issues, including the development and implementation of Design Quality Indicators as a vital tool in enhancing the value of our public buildings. This is one of several success stories in the relationship between the construction industry and government in recent years.

We suggest, however, that this relationship could become more positive, planned and effective if you are able to improve the fractured way in which the government currently recognises and interacts with the industry. The associated processes of creating the built environment and the different products of the construction industry are now the separate responsibility of diverse divisions within at least four Departments of State. The effectiveness of the relationship between government and industry is compromised because these interfaces separate the planning of a project from its design (architecture), which is then further separated from its manufacture (construction); and when distinct types of the same product are sponsored quite separately within different departments. For example, housing is separated from other forms of building, which in turn is separated from other aspects of construction, such as civil engineering.

The main source of carbon dioxide in the UK is buildings. Construction is, therefore, the principal industry involved in delivering Kyoto targets, and the prime industry that can lead the world into a Low Carbon Economy. We need a more rational structure for interacting with government in order to maximise the effectiveness of the industry's contribution to meeting these crucial targets.

An integrated approach

The government's own cross-departmental construction group has identified ten key areas of policy that traverse the boundaries of several government departments. These included a number of very key areas, such as sustainability, quality and skills. We are concerned that important matters might fall into the gaps between these departmental boundaries.

The present fragmented arrangements have been exacerbated by the movement of construction sponsorship to the DTI in 2001, coupled with a narrowing of the definition and scope of this role. The DTI has demonstrated little understanding of the vital importance of the construction industry to the national wellbeing. For example, the recent establishment of a Technology & Strategy Board to advise DTI Ministers does not include anyone with expertise or knowledge in construction or any related sector and, last year, a vital industry research programme was lost simply because it does not fit the DTI's way of dealing with industry. These are not isolated examples of the key role of construction being lost within the DTI.

Your government has rightly been pressing the construction industry to develop and implement an integrated approach to construction projects in line with the *'Rethinking Construction'* (1998) and *'Accelerating Change'* (2002) agendas. The government itself can enhance these agendas by creating an integrated interface with industry.

The government relates to the construction industry in three ways, as:

- sponsor;
- regulator; and
- client.

We fully recognise that these should ideally be separated to avoid conflicts of interest. However, within the confines of these three facets, we would argue that there should be as much harmonisation as possible: to create a stronger sponsor, a more effective regulator and a more expert client.

A single government department

At its broadest definition, construction has a workforce of almost 3 million people, employed in 350,000 companies (not one of which has more than 2% of the market) and it accounts for over 10% of GDP. This broader definition includes the quarrying of raw materials, the manufacture of construction components and the associated professional services such as architecture, engineering and surveying.

Our industry, quite literally, builds Britain and is central to the essential regeneration of our villages, towns, cities and the links between them.

It is crucial to the smooth delivery of policy for sponsorship of the associated elements of designing, constructing and maintaining the built environment to be consolidated within a single government department. This could be a new Department of the Built Environment or a major directorate within an existing department, led by a senior civil

servant and with a Minister of State dedicated to the construction industry. We have had excellent support from Nick Raynsford MP and, more recently, from Nigel Griffiths MP but it is clear that our mutual relationships would benefit from a single, wider ranging contact at a higher level than Parliamentary Under-Secretary.

The new department or directorate should, at the very least, bring together the sponsorship responsibilities for:

- planning
- architecture and building design
- building and building services
- construction
- housing
- surveying
- structural and civil engineering
- sustainable communities
- sustainable construction
- innovation & research in the built environment

It should also foster the opportunity for enhanced interconnection with those agencies and departments responsible for the crucial policy areas of climate change (mitigation and adaptation), emissions trading, energy efficiency and carbon management.

The CIC understand and accepts that the regulation of the industry should be kept separate from this enhanced sponsorship role but harmonising the raft of regulations governing the construction process within a single department's responsibility would greatly reduce the regulatory burden and its subsequent impact on the cost of building. There is no reason why this function should not be maintained within the sponsoring department, providing that there are adequate and effective safeguards in place.

We hope that you may give this matter some consideration when preparing for and implementing post-election decisions about the restructuring of government departments.

Stuart Henderson
Chairman, CIC

ⁱ The Construction Industry Council is the umbrella body for the professional institutions, research organisations and specialist trade associations with a membership of some 55 representative organisations. It provides a single voice for professionals in all sectors of the built environment through these organisations' collective membership of 500,000 individuals and 30,000 firms. A list of members is attached.