

## Policy Update – September 2010



### Review of England's school building programme

Following the closure of the Building Schools for the Future (BSF) programme, the Secretary of State for Education, David Gove had asked Sebastian James, the Operations Director of DSG international plc, to lead a review of the school building programme in England. Other review team members include Kevin Grace, Tesco - Director of Property Services, Barry Quirk, Chief Executive of Lewisham, John Hood former Vice-Chancellor of University of Oxford and Sir John Egan, former Chief Executive of Jaguar and BAA.

The review will guide future spending decisions over the next Spending Review period (2011-12 to 2014-15). It will look at how best to meet parental demand; make current design and procurement cost-effective and efficient; and overhaul how capital is allocated and targeted.

CIC has contacted Sebastian James in relation to the review, pointing out that although the bureaucracy of much of the BSF programme was costly and inefficient, a considerable body of expertise has been built up in relation to building and refurbishing schools. Lessons in relation to low carbon design, minimum design standards, whole life costing, sustainability and value for money had been learnt and still need to be applied in the on-going process of building and renovating school buildings.

A meeting with the head of the school building review programme to which a CIC delegation have been invited, is being set up.

### Changing the Building Regulations

Andrew Stunell, the CLG minister with responsibilities for the Building Regulations, issued a letter on July 29 2010, asking wide ranging questions on how these regulations can be improved.

This letter was issued as a 'stand-alone' document seeking views on how the regulations can be "improved, added to, or even slimmed down to ensure they remain proportionate and fit-for-purpose in the future". The letter also raises the question of compliance.

These ideas have been requested by August 31 2010. After consultation with the Building Regulations Advisory Committee there is a commitment to present a plan to improve the Building Regulations in late 2011, on a set of detailed proposals for change for 2013.

CLG, have also indicated that they are interested in getting ideas and evidence through a series of workshops which will run in September and October. To assist CLG in the task of generating ideas for change, CIC therefore plans to hold a workshop entitled: The Building Regulations – Prospects for Change which will be held in the Building Centre on October 26.

### **Pointers for change**

BIS has published a document “Strategy for Sustainable Growth” in July 2010, which provides some pointers as to the direction of the coalition government. Aspects of particular interest include: the use of regulations, investment in infrastructure, and regional development.

One indication of the new approach is a declared wish to move “away from the assumption that central government can only change people’s behaviour through rules and regulations”. Towards this end, a Reducing Regulation Committee has been established, and a “One in, One out” aim declared, with the removal of a regulation for each new one added. The proposal is also advanced for “sunset clauses” to be put into new regulations which will require individual regulations to be reviewed periodically.

The document also notes that to maintain competitiveness and move to a greener economy, the UK may need as much as £40 - £50 billion per annum of investment in key infrastructure such as better transport links, information communication technologies, green energy, water and waste. The document acknowledges that achieving these goals within the current public spending constraints will be difficult and will require the need to facilitate private sector investment to deliver this. If this goal is to be achieved, clear information is needed on major infrastructure priorities and goals. The publication in the autumn of a National Infrastructure Plan from Infrastructure UK will provide more information on this topic.

One element of the previous regime to be retained is the concept of National Policy Statements which provide a framework for planning decisions on major infrastructure projects. These will be put before Parliament for ratification. The Infrastructure Planning Commission is however to be abolished.

One trend noticed in the BIS document is the tendency for London and the South-East to grow consistently faster than the rest of England over the last forty years. CLG will address this issue in a White Paper to be published on sub-national growth in the autumn.

[Strategy for Sustainable Growth](#)

## **Measuring progress**

In the letter sent to colleagues on August 3 2010, the Prime Minister and deputy Prime Minister declared that deficit reduction is the most urgent issue facing Britain. They emphasised a focus on “localism” and promised major long term reforms on many key areas. New Structural Reform Plans set out for individual Government Departments have been published. These indicate the priorities of departments set aside the milestones which measure progress.

The CLG reform plan is of crucial interest to the construction industry. Central to this plan is the promise of “a radical shift of power from Westminster to local people” with the new Localism Bill as the key instrument for doing this. The projected date by which the Localism Bill is to be passed is November 2011.

In tandem with this, the Regional Development Agencies (RDAs) will be scrapped and work is proceeding with local authorities and businesses to promote shadow Local Enterprise Partnerships (LEPs). By April 2012, it is anticipated that the RDAs and the Government Offices for London will be dissolved. Radical reform of the planning system is another feature of the CLG agenda following on from the revocation of all regional strategies.

### [Draft structural reform plans](#)

## **Local Enterprise Partnerships**

Vince Cable, Secretary of State for BIS and Eric Pickles, Secretary of State for CLG have written to local authorities and business leaders inviting proposals to form new Local Enterprise Partnerships (LEPs). Outline proposals are requested by 6 September.

It is anticipated that these LEPs, which are joint local authority and business bodies, will have a private sector chair in most cases. Indeed, the LEPs have been declared a central part in the declared aim of “rebalancing the economy towards the private sector”. These new bodies will take over some of the functions carried out by the Regional Development Agencies (RDAs). There will be a White Paper in the autumn which outlines the transition from RDAs to LEPs.

The Government is not proposing that local enterprise partnerships should take on all existing RDA functions as some are best led at the national level – including inward investment, sector leadership, responsibility for business support, innovation, and access to finance. However, local enterprise partnerships will support the local delivery of many of these functions.

Local enterprise partnerships will tackle issues such as housing; planning; local transport and infrastructure priorities; employment and enterprise as well as the

transition to the low carbon economy. It is anticipated that some LEPs will be in place by the end of the year to shadow the Regional Development Agencies, which will be wound up by March 2012.

There is concern expressed in the letter sent by the two Secretaries of State that some local and regional boundaries do not reflect functional economic areas. To be sufficiently strategic, it is expected that partnerships would include groups of upper tier authorities.

CIC regional committees are maintaining a close interest in the set up of these new bodies.

### **New All Party Parliamentary Group**

The new All Party Parliamentary Group for Excellence in the Built Environment is due to have its first meeting on 26 October 2010.

Some 28 MPs have now signed up to be members of the group and it is anticipated that the group will have at least the same number from the Lords. It is hoped to have 80 Parliamentarians signed up to the group by the date of its first meeting.

One development worth noting is that some pre-existing APPGs connected to the Built Environment are not being re-established in the new Parliament (e.g. the APPG for Building Services Engineering, which will now seek to pursue its work through the new APPG for Excellence in the Built Environment).

The new APPG will aim to run two working meetings in each of the periods between September/December; January/April and May/July (i.e. 6 per year) and it will also aim to hold one Commission enquiry in each parliamentary session.

The two proposed provisional dates for the two working meetings in 2010 are Tuesday, 26 October and Monday, 6 December 2010. Both meetings will be from 5-7pm in the Thatcher Room at Portcullis House and will be open to members of the APPG and to invited guests. The first two subjects will focus on "Building Excellent Schools in the Future" and "Constructing an Excellent Olympic Games". Subject to numbers, representatives from several CIC members have been asked to contribute to the discussion. This invitation has drawn a considerable response from members.

Speakers for both meetings are being considered at the moment. The idea will be to have 15/20 minutes of introduction to the subject and then 40/60 minutes or so of discussion. Meetings will be written up and reports circulated.

The Commission's first Enquiry is likely to focus on construction procurement in the context of providing necessary public facilities in a time of austerity and debt recovery. It will be ongoing through the winter and spring with a report to be published around May of next year.

### **Migrant workers**

Construction Skills is responding to the consultation from the Migration Advisory Committee on economic migration from those outside the EU.

The consultation, which finishes on September 7, concerns the levels at which proposed limits on non-European Economic Area migration into the UK should be set for the first full year of their operation. It also considers the economic, social and public service impacts of such migration.

Pointing out that construction is very sensitive to changes in the economy and, therefore, susceptible to considerable swings in employment; the Construction Skills response draws on figures from the Construction Skills Network highlighting the predicted annual recruitment requirement by occupation in the construction industry for the period 2010-2014.

### **Regional Growth Fund**

Following on from the promise in the budget for a £1 billion Regional Growth Fund, BIS has published a consultation paper on this subject, the deadline for responses being *September 6*. This consultation is proceeding in parallel with proposals to form Local Enterprise Partnerships (LEPs).

After 1997, the gap in growth rates between London and the South East and the rest of England widened from 0.3 to 0.9 percentage points, while public spending in the lagging regions has increased. This regional disparity means that public spending in the North East of England now accounts for 56.4% of the economy compared with 30.4% in London.

The aim of the Regional Growth Fund is to provide a means of bringing together fragmented funding streams that support sub-national economic growth into one consolidated pot. The idea is that it will also enable private sector investors, business, the public sector and communities to come together to formulate an overall strategy for their area.

The fund will be spread over the years 2011-12 and 2012-13 and can be used in a variety of ways which reflect the different priorities for different areas. One of the questions in the consultation document concerns the types of activities which ought to be funded. Actual allocation of a proportion of the fund would be by a bid system, with the criteria being matters such as financial backing from the

private sector and potential links with national infrastructure investment. The deadline for the first round of these bids would be the end of December 2010.

### [Consultation on Regional Growth Fund](#)

#### **BCA Developments**

The new chair of the Building Control Alliance, Diane Marshall is launching the organisation's website on 1 September 2010.

Two new BCA documents have been recently endorsed and will be on the website when launched. One, an *Initial Notice Protocol* was drawn up to ensure a coordinated approach to the giving and acceptance of Initial Notices. Another document on *Commencement of Work* concerns work related to an Initial Notice which has already been started.

The BCA is also working on an agreement between the Health and Safety Executive (HSE) Construction Division (CD), and the BCA, to work together in England and Wales to promote and encourage improved standards of health and safety in construction.

[www.buildingcontrolalliance.org](http://www.buildingcontrolalliance.org)

#### **Larger than local planning**

CIC has endorsed a campaign led by the RTPI on the coalition government's attitudes in relation to strategic planning. Following the dispatch of a letter on 29 July 2010 to Eric Pickles, the Secretary of State has responded, stating the importance of "larger than local planning" and even using the term "effective strategic planning".

The secretary of state has expressed a wish to arrange a meeting on this particular issue. This will be a valuable opportunity to have input into the new Localism Bill.

#### **IGT seminar**

Following the initial findings published on 17 March 2010, the final version of the Low Carbon Construction IGT report is likely to be published in November. To further the debate, CIC is hosting a one day policy seminar to be held at the Building Centre on 16 September 2010. This will develop proposals for the Low Carbon Construction IGT as they relate to the professions and obtain a coordinated commitment from key members to progress actions.