



focus

Voice of the Specialist Engineering Contractor

The members of the
SEC Group are:

Association of
Plumbing and Heating
Contractors

British Constructional
Steelwork Association

Electrical Contractors'
Association

Heating and
Ventilating
Contractors'
Association

Lift and Escalator
Industry Association

SELECT

SEC GROUP PRIORITIES 2008

The SEC Group has recognised the importance and need for priorities. Currently these are:

1. Review of the Housing Grants, Construction and Regeneration Act 1996.

The Construction Minister has announced that the Government will use primary legislation to enact amendments and are currently examining a range of options to secure the earliest legislative opportunity.

Against this background SEC Group will continue to be actively engaged with Government Ministers and civil servants on making the case that amendments to the Act must result in effective security of payment especially for SMEs. In particular the Act must be improved so that there is absolute clarity on what is due and when.

The Review also allows the opportunity to address and amend the Adjudication provisions.

2. The Office of Government Commerce 'Guide to Best Fair Payment' Practices - Construction Procurement'.

The OGC 'Guide to Best Fair Payment and Model 'Fair Payment' Charter took effect from 1 January 2008. (This is available on the SEC Group Website: www.secgroup.org.uk)

The Guide confirms that all firms in the supply chain (for all new public sector projects) are asked to sign a Payment Charter before appointment. The Charter makes it clear that:

- Companies have the right to receive correct full payment as and when due. Deliberate late payment or unjustifiable withholding of payment is ethically not acceptable.
- Fair payment will apply equally between the client and lead contractor and throughout the supply chain.
- To ensure effective and equitable cash flow for all those involved, all contracts will provide for regular payments and have payment periods not exceeding 30 days.

The SEC Group - along with other sectors of the industry - was committed to the adoption of the Guide and the Charter. The SEC Group will work closely with the Government and all relevant parties to ensure that the 'Fair Payment' practices



receive the appropriate implementation, sector awareness and monitoring. (It should be noted that at this stage this publication and guidance does not apply in Scotland)

3. Inquiry by the House of Commons Business, Enterprise and Regulatory Reform (BERR) Select Committee into the UK Construction Industry.

SEC Group has submitted its evidence and produced oral evidence to the Select Committee. Supplementary information has also been provided. The Committee's Report with recommendations will be published by mid 2008. SEC Group would like to see robust recommendations that address the challenges facing the industry.

4. Project Bank Accounts.

Most of the Guide is devoted to Project Bank Accounts (PBAs). It has been recognised that there is a good alignment between PBAs and the principles of 'Fair Payment' and it has been recommended that public sector clients should progressively specify use of PBAs where practicable and cost effective. Working closely with relevant parties (including commercial banks) SEC Group will progress the development of PBAs to obtain maximum benefits and savings.

5. 2012 Construction Commitments

SEC Group has signed up to the 2012 Construction Commitments.

6. Health and Safety /Core Criteria for Assessing Contractor Safety.

Working closely with the Health and Safety Executive and others SEC Group has secured the inclusion in the Approved Code of Practice (accompanying the 2007 CDM Regulations) of the core criteria for demonstrating competence. SEC Group will actively encourage clients and major contractors to apply the core criteria at pre-qualification stage. Clients, major contractors and assessment schemes to improve mutual recognition and convergence between their various schemes, in line with the new criteria. Trade associations and other stakeholders to target their training and information to members to help their members to comply with the criteria. Government (in collaboration with industry) to develop core criteria in relation to technical competence and financial standing for recognising membership of registration/licensing/qualification schemes as a reliable indicator of competence (or for recognising individual firms as competent).

7. Strategic Forum for Construction.

SEC Group supports the Strategic Forum and works closely with the other construction umbrella bodies. The priority is to put in place drivers to achieve integrated project delivery following the failure to achieve the 2007 target of 50% of construction projects (by value) to be delivered by integrated teams.

SEC Group will lobby to link funding of public sector projects with evidence of integration.

8. Project Insurance.

SEC Group will continue to invest in the development work on project insurance and to bringing together the various parties including clients, consultants, contractors and insurers. A number of public sector projects have been identified as potential pilot projects.

9. Scotland/Wales.

SEC Group, with other relevant parties, is working with the Scottish Government to take forward the proposed 'Best Practice Charter for Scotland' – with particular emphasise on project bank accounts. SEC Group is also working with the Welsh Assembly to take forward some of the above priorities.

For further information on all aspects of SEC Group and its activities contact:

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