

press release

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FOR IMMEDIATE RELEASE

SME contractors hear conflicting messages from government wise men

A national conference of some of the UK's top building contractors heard two opposing views from speakers representing the government, concerning the challenges facing SME builders around access to public sector work.

The National Federation of Builders' (NFB) first annual conference of its largest members, the Principal Contractors' Group (PCG), heard two starkly contrasting takes on the relationship between frameworks and small and medium sized firms (SMEs).

Taking a robust stance, government chief construction adviser Paul Morrell told 100 plus delegates that it was the need for efficiency reforms and collaborative working which was driving the use of frameworks and the aggregation or 'bundling' of contracts, often resulting in the exclusion of small and medium sized companies (SMEs). Mr Morrell asserted that it was the role of government to get the best value for taxpayers money, adding that it was "down to the market place, not the government, to ensure the survival of SMEs".

A short time later, Stephen Allott, the crown commercial representative for SMEs, "the voice of SMEs at the table", made it clear that the government recognised that SMEs would be the drivers of renewed growth in the UK economy, and was determined to ensure that they were not shut out of public sector work. He suggested that there was often a tension between politicians who were keen to support SMEs and civil servants who were convinced of the benefits of greater aggregation and working with a limited number of suppliers.

Mr Morrell made a distinction between weak and strong frameworks, saying that he was determined to "get rid of wobbly, weak frameworks; frameworks which are a lazy or weak way through the procurement process." However, he admitted he had very little power to prevent local authorities from engaging in procurement practices that unfairly discriminated against SMEs. "You can't stop them taking that line. You can stop working for them. I know that's not easy. But the proposition is to show them that they're wasting money and won't get the best value," he said.

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The conference, which was chaired by the distinguished broadcaster Selina Scott, attracted a host of prestigious and engaging speakers.

The NFB's chief executive Julia Evans kicked off the conference by presenting an upbeat message for difficult times: "We're working through very challenging times and the industry is not forecast to grow until at least 2014. But if there's one thing the construction industry has shown us, it's that the industry is creative, resilient and always adaptive. Its innovation and tenacity always finds a way to achieve by taking on new ways of working, producing stunning spaces in which we can live, work and compete."

Speaker of the House Commons, Rt Hon John Bercow MP, gave an impressive keynote address, urging the industry leaders present to engage with their elected representatives. "Forge a relationship with your local member of parliament. If they are willing, make the time to invite them into your businesses. It will benefit them and it will benefit you." He told the audience to continue to make their voice heard, telling them: "You are a very substantial sector and you are inexplicably bound up with the life, and health and vitality of our economy."

Other speakers included shadow housing minister Jack Dromey, who attacked the "chaos" currently unfolding in the planning system. Though this met with agreement in the audience, Mr Dromey also strongly defended the need to continue with a brownfield first policy and with obligations to build affordable housing, against significant scepticism from the audience.

Noble Francis, economics director of the Construction Products Association gave a gloomy assessment of the economic outlook facing the industry, but managed to find a positive note to finish on, pointing out that there will still be significant investment in the rail industry over the next few years, and a gradual increase in the private housing sector from this year.

On a more upbeat note, Lawrence Waterman, head of health and safety for the Olympic Delivery Authority (ODA), gave an inspiring account of the much-admired health and safety record of the ODA. He told delegates that it demonstrated that "you can be no more at risk if you are working in construction than in any other area of life," adding that: "If you can run a project in a really healthy and safe way, it is actually a more efficient project that drives down costs and makes sure you are going to meet deadlines."

Commenting on the success of the conference, Julia Evans said: "I am so proud that we have staged this event, our first PCG national conference, and delighted at the calibre of our speakers. In partnership with our members and the wider industry, these are the people who are finding answers to the enormous challenges we face and who will shape the way we work for decades to come."

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Notes to Editor:

1. The NFB is one of the UK's longest established trade federations for small to medium-sized (SME) builders, contractors and house builders across England and Wales. It was created 150 years ago to represent the building profession and to help create the conditions for its members to thrive and contribute to the economic success of the UK. Its members range from the sole trader to large, multi-million pound construction companies, with turnover ranging from below £500k to £500m plus. The NFB provides advice, training and business solutions to ensure members stay up to date.
2. The NFB campaigns on the issues that impact the construction industry such as procurement, utilities, sustainability and funding. It represents the industry at government and industry forums and is an active media commentator and policy influencer.
3. For further information please contact the NFB press office on 01293 586664 or email marketing@builders.org.uk