

Issue 35 January/February 2011

Impact

The voice of consultancy and engineering

A portrait of Graham Nicholson, a middle-aged man with glasses and a goatee, wearing a dark suit, a striped shirt, and a tie. He is smiling slightly and looking towards the camera. The background is a blurred office setting.

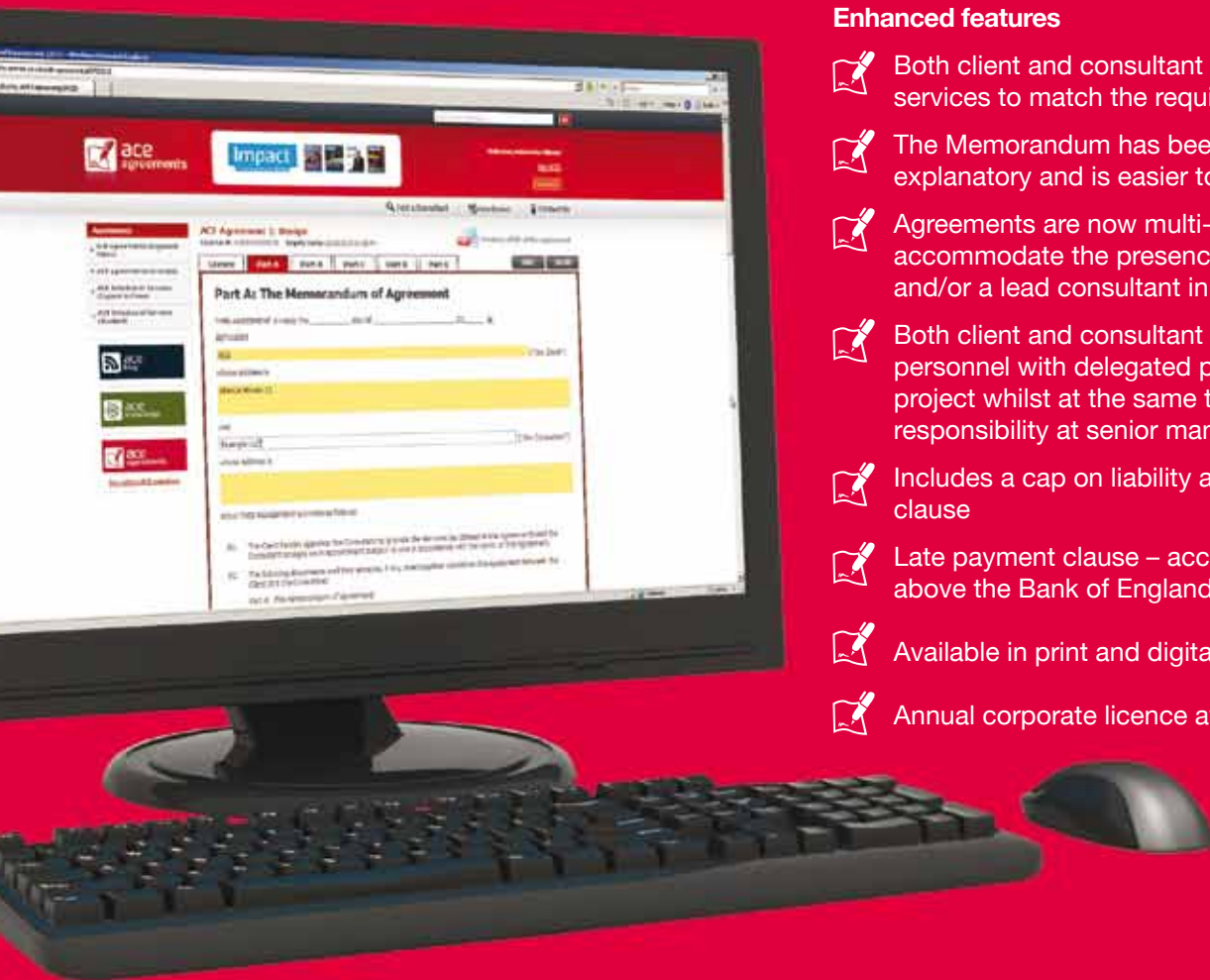
Graham Nicholson talks infrastructure and finance

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Association for Consultancy and Engineering
 Alliance House
 12 Caxton Street
 London
 SW1H 0QL
T: 020 7222 6557
F: 020 7990 9202
 consult@acenet.co.uk
 www.acenet.co.uk

Chief Executive
 Nelson Ogunshakin

Membership and Regions Director
 Ian Parker
T: 020 7227 1885
 iparker@acenet.co.uk

Head of Policy and External Affairs
 Michael Hall
T: 020 7202 0256
 mhall@acenet.co.uk

Operations Director
 Naz Choudhury
T: 020 7227 1889
 nchoudhury@acenet.co.uk

Legal and Compliance Director
 Sally Partridge
T: 0207 227 1887
 spartridge@acenet.co.uk

Impact
Editor
 Gavin Pearson
T: 020 7202 0255
 gpearson@acenet.co.uk

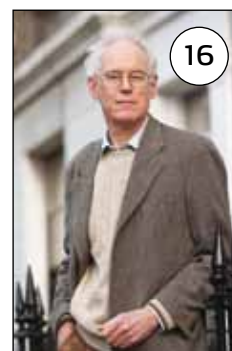
Designer
 James Dixon

Advertising
 Gary Bullett
T: 020 7202 0257

Impact welcomes articles and features on issues relating to the business of consultancy and engineering. Contributors should send material to the editor at impact@acenet.co.uk or to the address above. Phone *Impact* on 020 7202 0255.

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ACE Corporate Plan 2011-2013

ACE Board has approved a new corporate plan for the coming three years, the third such plan since the restructuring of 2004. *Impact* looks at its aims and principles.

The new plan aims to build on the development works and achievements already delivered, and take account of the changing environment and developing challenges for ACE's member companies.

There is also attention paid to the key findings of new market research conducted for ACE by ComRes in July 2010.

At the core of the plan are three strategic principles. These are:

- The need to develop ACE's representational and positioning strategies in the light of policy and economic challenges;
- The need to grow ACE's income stream, including non-subscription income; and
- The need to improve operational efficiency and reduce waste.

Guiding principles

This Corporate Plan is grounded in a number of guiding principles. It aims to build on ACE's achievements over the last six years, to do fewer things and do them well. It looks to improve on ACE's public advocacy to strengthen ACE as the voice of the industry, and to increase market penetration, attracting more members and a more diverse membership.

The plan also makes clear a need to recognise external pressures on members' businesses, and to focus on deliverable objectives on members' services. ACE also commits to be sustainable and financially viable for the future and to celebrate appropriately, its own centenary in 2013.

A major challenge for ACE is to ensure that its offering and services remain relevant to members. This means developing the strategy to reflect changes in the market.

A key development in this Corporate Plan compared with previous plans is a broader focus on professional services in the built and natural environment, in contrast with traditional consulting engineering. This reflects changes in the ways that ACE members and their clients work, for example a shift from traditional design-and-build toward holistic asset management.

Deployment and measurement

Performance against the Corporate Plan will be the key means of measuring ACE's performance.

To facilitate this, a scorecard has been developed. This summarises the key objectives, strengths and weaknesses, risks, financial considerations and KPIs.

Each team within ACE will develop its own version of the scorecard, cascading the overall organisational objectives to the team level.

The scorecard will help to focus on monitoring performance and ensuring that ACE's activities are aligned with the Corporate Plan throughout.

Each area of the Corporate Plan is assigned a lead team and supporting teams. The lead team will hold overall responsibility for developing and coordinating responses to the headline objectives, with support from other teams where appropriate. This will ensure a clear understanding of responsibilities and leadership throughout the Corporate Plan period.

ACE's key ambitions for 2013

- To become the voice of the UK industry
- To establish ACE as an industry thought leader
- To increase ACE's representation
- To promote the business interests of its sector
- To celebrate and mark ACE's centenary in 2013
- To promote members' views on procurement
- To promote construction liability law reform
- To provide information, services and standards for the sector
- To develop a sustainable corporate governance structure
- To market ACE's members in the UK and internationally
- To promote the value of the industry
- To develop and support ACE's people
- To extend reach within devolved nations and English regions

Brave new world?

The start of another year came with bad tidings as GDP shrank in the fourth quarter of 2010. The weather played a big part in that as freezing conditions and heavy snow kept shoppers and workers at home.

It was a disappointing end to 2010 for the construction industry too. Having led the country out of recession, our sector also led the way back into retraction, not least because building works often

halt in severe weather.

There was also a weather-related catastrophe for the water industry in Northern Ireland. As temperatures fell to severe lows very quickly, and rose again afterwards, old pipes burst. This is not an uncommon problem but the consequences were uniquely severe.

Despite warnings to commercial properties to turn off their water mains over the cold snap, many did not. That meant that leaks on private

property spilled millions of gallons of water and drained the reservoirs dry.

It is hard to find positives in thousands of people losing access to clean water over Christmas. But we can at least hope that the situation in Northern Ireland challenges complacency among the public and policy-makers over infrastructure investment and maintenance.

The government has been clear about the need for cuts. They will certainly hit home this year; the recent downturn will not deter this, nor will the court ruling against the manner of their decision to cancel Building Schools for the Future.

It is clear that we are entering a new world driven by new philosophies. The old language of top-down, state-driven development is becoming obsolete. In its place is decentralised decision-making, local solutions, and community focus. Rightly or wrongly, we can no longer think in terms of the public sector pump-priming development.

So we need to look at how private investment is generated. Private development is key to much of our industry. House building is largely conducted with private money. Commercial property in London has started to rebound and we hope to see that spread to the rest of the UK.

As an industry we will continue to promote investment in infrastructure and encourage better management of risk. The case for this is strong as we look to grow the economy and generate jobs throughout. But we must also look at how that benefit is monetised for investors.

Innovative new ways to make investment pay are needed. Some projects like bridges can be funded with tolls. Crossrail looked at how to generate funds from the appreciation effect it had on nearby commercial

property values. Some have suggested that infrastructure can be funded by packaging of land nearby for commercial and residential development.

ACE will continue to work with governments on these issues, and with major financial institutions to generate ideas and develop solutions. We will also continue to work with clients to help them better understand how they can control costs and reduce project risks.

This effort is now built into our new Corporate Plan (detailed across the page). Member firms want a variety of things from ACE and we work hard to deliver them. But what they want more than anything is work.

ACE will therefore prioritise its effort to promote members and the sector over the next three years. We will highlight not just the things members need, but the considerable benefits our industry provides for the country.

A greener environment, economic growth, and technological advancement all need the engagement of our members; so does keeping the taps running and the lights on. 2011 will see further efforts to make that happen.

I would like to express my happiness that Graham Nicholson has been elected ACE chairman for 2012. (see interview on page 12). Graham is executive managing director at Tony Gee and Partners and was treasurer of ACE for the last three years. He will be a great asset to us throughout 2012.

I would also like to thank Michelle McDowell MBE, our outgoing chair of 2011. Michelle has been a pleasure to work with and will no doubt continue to be a great ambassador for our industry.



Abolition of Default Retirement Age

The coalition government recently announced that the statutory default retirement age (DRA) of 65 will be abolished on 1 October 2011.

Currently, employers can use the DRA to compulsorily retire workers when they reach the age of 65. From 1 October 2011, no employee can be compulsorily retired by an employer when they reach 65 unless that retirement can be objectively justified.

The proposed changes, which apply to all employers, will have far

reaching implications for the way businesses work. It is important to plan now and take a new approach to managing issues that previously had little or no legal risk.

The removal of the DRA raises practical issues for employers. It will impact on how they manage older workers, conduct succession and workforce planning, performance management and ensuring consistency and fairness in policies and practices. There will also be

implications for employees in terms of career expectations and advancement.

The Confederation of British Industries (CBI) has spoken against this proposal, requesting for more clarity for businesses. They do not consider that enough time has been allocated for businesses to put in place new procedures. The British Chambers of Commerce (BCC) has also spoken against the idea. However, the Federation of Small Businesses (FSB) supports the government's proposal, stating that nearly 80 percent of their members do not currently use the DRA for their staff.

Employers are advised to review their policies, procedures and practices in light of this change.

They should consider removing the default retirement age/clause from contracts of employment and company handbooks, along with other relevant documents.

Employers should also consider training for managers dealing with workplace discussions that may be deemed discriminatory.

ACAS training courses are available for employers who would like to learn more about making necessary changes to their policies, procedures and practices.

Humber Gateway offshore wind farm given go-ahead

The Yorkshire and Humber region could benefit from jobs and investment as E.on was granted permission to construct a 230MW wind farm off the coast of Humberside.

The Humber Gateway wind farm will generate enough electricity to power up to around 150,000 homes.

Secretary of state for energy and climate change,

Chris Huhne, commented on the plans, saying: "A new wind farm off the Humberside coast will be a further jobs and investment boost for the region, hot on the heels of Siemens' announcement of plans to develop the Port of Hull."

The announcement came as energy minister Charles Hendry co-chaired the Offshore Wind Developers Forum in London. The forum saw wind farm developers discuss how the government's proposals for reforming the electricity market can help remove barriers to investment.

GHA Livigunn wins at ICE North West Awards



United Utilities' Mab Lane DG5 Flood Alleviation Scheme has been named winner of the ICE North West Civil Engineering Community Award 2011.

The project resolves sewer flooding issues in the Mab Lane area of West Derby. The solution provides

protection against a 1:30 year flood and removes 71 properties that flooded approximately 3 to 4 times a year from the flood risk register.

GHA Livigunn was appointed as the design consultants on the project by DCT Civil Engineering Ltd, and the solution for the flooding was to develop a below-ground detention tank capable of containing 14,100 cubic meters of water.

The project also saw

development of over 1km of sewers up to a meter in diameter constructed using both open cut and microtunnelling techniques in a residential area.

The judges commented that the project "demonstrated the significant community engagement and noted that the project team fostered strong links with the local community, addressing initial negative media coverage and resulting in positive news outputs."

Extensive use of off-site construction and an innovative storage tank base design saved 200 tonnes of reinforcement and 10,000 m³ of concrete and saved 7,000 HGV movements through a residential area.





CS FINANCIAL SOLUTIONS

New ACE affiliate

Impact introduces ACE's new affiliate CS Financial Solutions

Formerly known as Griffiths & Armour Financial Services, CS Financial Solutions are now part of the Charles Stanley Group plc. Members of the London Stock Exchange since 1852, Charles Stanley has steadily grown to become one of the most respected UK firms in the field of private client stockbroking, investment management and financial planning, consistently winning industry praise for its high level of service.

An established top 100 firm of Corporate Benefit Advisers in its own right, CS Financial Solutions now provides a complete range of innovative advisory based solutions to its corporate client base, many of whom are existing ACE members.

Our business is founded on three key principles:

- Independence
- Integrity
- Transparency

Our service, which is mainly fee based, is delivered by experienced and industry qualified professional consultants.

From an initial discussion to a bespoke employee benefits review the process is tailored to each client's needs and objectives. Our primary focus is to assist clients in the delivery of a successful employee benefits strategy. As Independent Employee Benefits Consultants we have access to all major institutions, offering a comprehensive range of services to help our clients achieve their objectives.

Our range of specialist services cover the following main areas:-

- Pensions Consultancy and administration
- Medical and Protection Benefits plans
- Employee Engagement and Communication portals
- Flexible Employee Benefit solutions

Through our bespoke advice, we will review and design an offering that helps our clients reap the rewards of staff loyalty, business continuity and reduced recruitment and motivational costs.

Whether you are a new business or a more mature company with an established employee benefits package, our consultants, who have extensive experience of the requirements of your industry can help guide and advise you on getting the maximum value from your benefits spend.

If you require further information on the services we provide or have any queries that we may assist with then please contact Naveed Riaz on 01923 804911 or naveed.riaz@csfinancialsolutions.co.uk

Michelle McDowell shortlisted for business woman of the year

ACE's immediate past chair, Michelle McDowell MBE, has been nominated for the Veuve Clicquot Business Woman of the Year Award 2011.

The award was created in 1972 following Veuve Clicquot's bi-centenary. It operates in 16 countries and this year's award will be the 39th in the UK.

Previous winners of the award include the Body Shop's Anita Roddick DBE and Barbara Cassani, the founder of low cost airline Go Fly UK.

The awards celebrate entrepreneurs and business women who contribute to the economic and wider life of the country. Financial results are

judged on an equal footing with environmental and social responsibility in their business practices.

Michelle is a board member with BDP and was awarded an MBE last year in recognition for her services to the sector. She leads BDP's civil and structural engineering group.



Appointments

Impact keeps you up to date with who's who in the consultancy and engineering sector...



Parsons Brinkerhoff strengthens power management team

Parsons Brinkerhoff has announced the appointment of Dr Sean McGoldrick as director of power networks for the Europe, Middle East and northern Africa regions. Dr McGoldrick was previously general manager at the single electric market operator for EirGrid plc, an Irish energy business. He has over 20 years' experience in research and development, construction, operation and trading activities associated with large-scale power systems.

Dr Bell re-appointed to Civil Aviation Authority

Transport secretary Philip Hammond has announced the re-appointment of Dr Catherine Bell as non-executive director of the Civil Aviation Authority.

Dr Bell will now serve until April 2014, having been a member of the CAA board since 2006. She is also a non-executive director of the United Utilities Group Plc and Ensus Ltd, and has recently held the same role at the Department of Health.



WYG CEO appointed board member of Leeds City Region LEP

Paul Hamer, chief executive officer of WYG Group, has

been appointed to the board of Leeds City Region Local Enterprise Partnership (LEP).

Paul Hamer commented "As a Leeds-based business it is important to work with partnerships across the region to stimulate activity and growth which will drive local and national economic prosperity."

The LEP chair intends to bring together board members as soon as possible to begin discussing the key issues facing the partnership, which will be set up formally from April 2011.



Gordon Clark elected FIB deputy president

Chairman of the independent engineering and environmental consultant Gifford Gordon Clark CEng FICE has been elected deputy president of the International Federation for Structural Concrete (FIB).

FIB is based in Switzerland and promotes the study of scientific and practical matters to advance the technical, economic, aesthetic and environmental performance of concrete construction.

Gordon Clark has been closely involved with FIB since 1996. He is Chairman of the FIB Commission for Structures and a member of the Commission for Prestressing and Reinforcement Systems. He is also deputy chairman of its Technical Committee.

Gordon will serve for

two years as FIB deputy president, following which it is expected that he will succeed the current president.



New group chairman and managing director at Mott MacDonald Mott

MacDonald, the global management, engineering and development consultancy, has announced that Keith Howells has succeeded the retiring Peter Wickens as the company's chairman. Mr Howells will be replaced as managing director by Richard Williams.

Keith Howells has been managing director for the employee-owned group for six years and has successfully worked with Peter to grow and develop the company.

He commented: "With over 100 industry awards won in 2010, we've a strong track record in delivering successful and innovative projects, and we're also widely acknowledged as leaders of best practice in sustainability. As chairman I will be leading the drive to further improve our performance with a key focus on delivering value to our customers."

Richard Williams, formerly group development director, leads the company's stance on ethics and is actively engaged with global organisations involved in promoting transparency, high standards and strong governance.



Honorary degree for Terry Hill
Civil engineer and economist Terry Hill FREng has

received an honorary degree from Lancaster University for his leadership and achievements in the transport sector.

Mr Hill was presented with an honorary doctorate of Laws (LLD) at the December graduation ceremony, where over 1,500 students graduated with higher degrees and diplomas.

Alan Cook takes Highways Agency role

Alan Cook has been appointed the first non-executive chairman of the Highways Agency.

Mr Cook is presently a non-executive board member at the Department for Transport and a non-executive director of the Financial Ombudsman Service. The new role will focus on providing independent advice to the Transport Secretary and to promote greater efficiency at the Highways Agency.

Transport secretary, Philip Hammond, commented: "Alan Cook's experience as a board member of the Department for Transport, and his extensive experience elsewhere, make him well placed to support the Highways Agency as it implements the changes required to deliver the agreed efficiencies during the spending review period."

Have you recruited somebody new to your team that you want to announce?

Contact *Impact* on gpearson@acenet.co.uk or call 020 7202 0255.

Atwal v Rochester

ACE's senior legal assistant, Sharon Akumiah, writes about the latest legal developments affecting the industry



The case of *Atwal v Rochester* highlights the need for sole traders and consultants to consider making arrangements in the

“Atwal claimed that Rochester had breached his obligations under the contract and sought to claim damages”

unlikely event they fall ill and are unable to fulfil their obligations under the contract.

Mr Rochester was a building contractor who entered into a contract with the client Atwal to undertake some building work at the home owned by Atwal. The work came to an end prematurely, and was incomplete, when Rochester fell ill and was advised not

to work. Atwal claimed that Rochester had breached his obligations under the contract and sought to claim damages for the delay and the added expense of engaging another contractor to finish the work. Rochester counterclaimed and said that the contract was discharged by frustration rather than a breach and so was seeking payment of a just sum for the work that he had done.

The High Court held that Atwal's claim was unsuccessful and agreed that the contract had been frustrated rather than breached. The reason for decision was that the court considered the contract was a personal service contract. This was because Rochester had agreed to undertake the work himself and personally manage any specialist work that needed to be undertaken by sub-contractors.

Frustration is a legal concept that allows for a contract to be discharged when an unforeseen event renders contractual obligations impossible to fulfil, or when some event takes place that significantly changes the performance of the contract contemplated when the contract was formed.

Bribery Act 2010

The Financial Times reported on 31 January 2011 that the Ministry of Justice has indicated that the Bribery Act, due to come into force in April, will be delayed. It is expected that the Bribery Act will come into effect three months after the publication of the guidance literature to accompany the legislation. This is currently being prepared. ACE will keep members up to date with the progression of the Bribery Act. For the most up to date guidance about the Bribery Act please view the guidance note written by Michael Archer, partner at ACE's legal affiliates Beale and Company Solicitors LLP, which was featured on ACE's website www.acenet.co.uk.

ACE would like to hear from members on how they are preparing for the introduction of the Bribery Act. All comments should be sent by email to Sharon Akumiah ACE's senior legal assistant at sakumiah@acenet.co.uk

Local Democracy Economic Development and Construction Act 2009

Last year ACE reported that Part 8 of the Act which makes amendments to the Housing Grants, Construction and Regeneration Act 1996, most notably to the provision of payment notices and to adjudication, was likely to come into force in April 2011. It is now rumoured that the Act will come into force in October 2011 at the earliest. ACE will keep members informed on the progress of this Act.

Traditional Structures Ltd v HW Construction

In the case of *Traditional Structures Ltd v HW Construction* the court allowed a rectification of the contract due to a mistake made by one of the parties. The sub-contractor had faxed a quotation for the supply and installation of steelwork and roof cladding to the main contractor but had inadvertently omitted the price for the cladding work.

The main contractor argued that the quote they had received from the sub-contractor should cover all the works. The court held that that the main contractor had failed to clarify with the sub-contractor as to whether the price covered both works and must have realised that the sub-contractor's quote was a mistake. The court decided that the contract should be rectified to reflect the fair price for the cladding which the sub-contractor was entitled to.

Ground source heating system at One New Change

Impact editor Gavin Pearson visits the basement of a new shopping centre and finds a new heating and cooling system that Land Securities is keen to tell the world about

In the midst of a freezing winter, the first thing most people think of in the morning is heating. So it was warming one frosty Thursday morning to visit a new low carbon heating system that will double as a cooling system in the summer.

Underneath the City of London, within sight of St Paul's Cathedral, Land Securities and Geothermal International have installed a new breed of ground

source heating system. 60km of pipe work has been laid, largely in the foundation piles of a brand new shopping centre. These pipes will draw up warmth from the ground in winter, and put it back in summer.

The development of One New Change is a remarkable achievement in itself. The site is directly across the road from St Paul's Cathedral, making it part of a heritage zone that requires

its visual impact to be sensitively managed. It has also been built during downturns in consumer confidence and the commercial property market, each bought on by the credit crunch.

The project has cost £540 million, £270 million of which was the construction. There is space for 3,000 office workers as well as three floors of retail space. Fortunately for Land Securities, which built and will continue to operate the building, it is now 80 percent let having opened in October.

For now, economics takes a back seat. The big talking point is the ground source heating system.

Francis Salway, chief executive of Land Securities, explained: "We are proud to be pioneering this highly advanced renewable energy system at One New Change. The shopping and leisure destination is transforming the City of London, and now, with this technology, we hope to transform the way the industry designs and builds properties."

His pride is not misplaced. Land Securities' head of engineering, Neil Pennell is quick to point out that this is the largest hybrid heat pump in Europe. There are real advantages to the technology.

Because the system uses the natural

temperature difference between the ground and the air, it reduces fuel needs. Estimates at present suggest it will save around £300,000 a year at One New Change in heating costs. It will also help to cut carbon emissions by at least 10%.

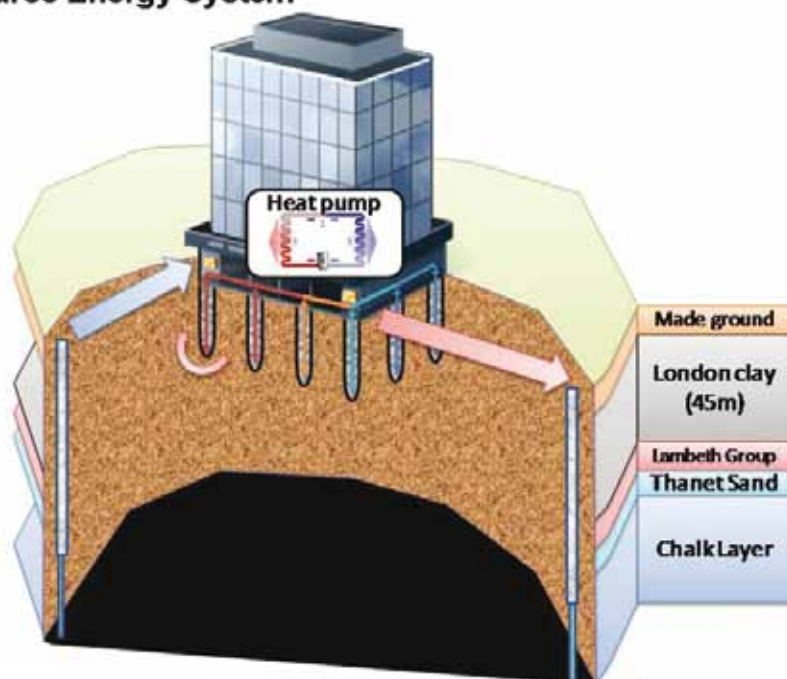
The fact that the same system both heats and cools the building also saves space. That space can be valuable, especially where it means freeing up the centre's roof for a scenic bar.

The dual system uses two metre diameter foundation pile cages, in which ground source pipes are buried along with the foundations. This means they have to be durable. Once the holes are filled in the pipes become

inaccessible. While this transfers heat between closed loop pipes and the ground, additional pipes use the large aquifers that make London suitable for

One New Change Ground Source Energy System

LandSecurities



The U.S. Environmental Protection Agency (EPA) has called ground source heat pumps the most energy-efficient, environmentally clean and cost-effective space conditioning systems available.

more conventional ground source heat pumps.

Neil Pennell is clear about the issues faced. The £4 million system he saw installed is unique, but to see the technology grow he suggests that greater certainty will be needed for the licensing system that governs use of underground aquifers. It will also need a longer term outlook from investors.

"We retain our buildings and manage them ourselves. That means we take a long term view," he explained. However, there were also more immediate commercial benefits to this combining heating and cooling in one system in one of the world's most expensive locations: "This system uses 30 percent less space than would be needed for separate heating and chilling systems."

Karl Draye is operations director of Geothermal International Ltd. Their technological knowhow and partnership with Land Securities made this project possible. He is less concerned about aquifer licensing. He suggests that because open pump systems require aquifers, their use will always be restricted. Many places simply don't have the geology to support them, though where they can be used they work well.

Instead, the strength of One New Change was that so much of the work would be done by the closed circuit. This means that the water travels on a loop, being warmed or cooled by the air or ground. Anywhere with a good degree of heat differential between the Earth and the air above it can benefit. This especially true of a technology that is not particularly intrusive. The pipework fits within existing foundation piles so long as they are installed at the same time.

"This technology is real and available in all sorts of buildings," he explained. However, he acknowledges that the imagery involved may struggle to inspire public imagination. When stood in a large dark hole in the ground watching pipes being embedded under a concrete slab, he questions how to get across the message that this is "the cutting edge of renewables."

Land Securities is the UK's largest commercial property company and a member of the FTSE 100. The company owns and manages more than 29 million sq ft of property, from shopping centres to offices. For more information see www.landsecurities.com

Impact talks with climate change minister



While visiting One New Change, *Impact* had a chance to chat with climate change minister Greg Barker.

Mr Barker has a crucial job within government. While efforts are made to spur private investment and grow the economy, it is Mr Barker's job to ensure that growth is sustainable and that climate change doesn't fall from anyone's agenda. And he is clear about the task ahead.

"This sort of thing has to become the norm," he said of Land Securities' unique £4 million hybrid ground source heating and cooling system. He had been invited to officially switch on the system that is the largest of its kind in Europe.

"Ever-rising energy prices mean we need renewables for our environmental and economic future," he explained, going on to promise that he was working to secure a "decade of delivery". He added that installations like this were "a tangible demonstration of what can be achieved."

Mr Barker is pleased that a number of visionary companies are willing to lead the way. However, he makes clear that what is needed now is a "national movement" that can spread best practice across the public and private sectors for

the benefit of all.

He is also animated about the new government's role in that. In particular he stresses that this large task will require a lot of work to get things right for years ahead.

"We have to establish the long term financial incentives and regulatory framework to make this happen," said the minister. He was pleased to add that "this kind of technology will benefit from the Renewable Heat Incentive."

The Renewable Heat Incentive is due to launch in June and is a big part of the government's plans for generating investment in new technology. It will support the installation of biomass boilers, air source and ground source heat pumps, and solar thermal water heaters with £860 million of funding over four years.

But while money will support development, the minister is clear that there is more to this than finance.

He concluded our quick talk by saying: "It is vital to get company buy-in. Staff here at One New Change are part of the solution. Having engineering staff shows that this leadership is inspiring."

Graham Nicholson talks infrastructure and finance



Graham Nicholson is the new chair of ACE for 2011. *Impact* Editor Gavin Pearson has caught up with him to hear his views for the year ahead

Graham Nicholson is executive managing director at Tony Gee and Partners, and has served as ACE's treasurer for the past three years. He was elected to the position of ACE chair for 2011 and is delighted at the prospect.

"I am quite humbled and honoured

to take on the important role of trying to lead our board members. One of the real advantages of working with ACE is that I get to see what is happening across firms in the industry. Being able to share our common challenges helps us find solutions that we might not have thought about around our own board tables."

The year ahead

Graham Nicholson feels the UK needs confidence and vision to invest in long term projects.

"There are a lot of pressures with the large deficit and everybody knows that there is going to be some pain as that is addressed. So it is for ACE to try to ease that process."

"It is going to be a tough year but it

"We must emphasise continued investment in important infrastructure is essential for our everyday lives."

is going to be better than it might have been. I do believe that ACE has had a real influence on government and managed to get across the findings in ACE's infrastructure paper. When you look at what is being affected by cuts in public spending, infrastructure has seen a clear direction from government and there is a clear need to maintain spending in the power and energy sectors. In other sectors it is less rosy. Highways are facing cuts and that is going to affect our members, and so it is for ACE to keep getting the message out that infrastructure is the key to the UK's economic future."

With that in mind he notes the value of last year's infrastructure paper.

"It is a fantastic paper and I hope a lot of people get the opportunity to read it. It gets across the case in a very quantitative way. And that is what we need to do, provide a very compelling argument by putting numbers together to demonstrate benefits rather than relying on warm words."

Finance

Getting projects underway means finding money. Graham is aware of how hard that may yet prove.

"How do we find a way to release money so that the private sector can invest? There is pressure on public spending. We don't know a great deal yet about the LEPs, but they seem set to

engage with the private sector.

“ACE has to be part of that debate. There is some movement now. There are signs of improvement in the private sector, particularly housing and commercial property, in the south of England. We need to make sure that continues and see real commissions and work flow through for members. But we also need to expand our influence to cover as much of the country as possible. ACE is very conscious of the regions and there is room for more regional activity.”

Northern Ireland

Following a terrible winter in Northern Ireland, where water infrastructure virtually collapsed, Graham Nicholson sees wider lessons to be learned.

“The incredibly severe winter has shown the weaknesses in our infrastructure and particularly the fragility of our water supply. From what I read and see the infrastructure there is old and in poor repair. There is always a case for saying we should invest and maintain, but until the problems arise we have a tendency to put investment off. Then, when all of a sudden there is a problem, the public suddenly ask why hasn't there been investment.

“So the lesson is that we should be looking forward. We don't have to assume the worst all the time, but it's important that we understand the risks and consequences of only dealing with the short term problems. So we must emphasise continued investment in important infrastructure is essential for our everyday lives. Water, sanitation, communication, power and transportation are key areas that we take for granted and that we must maintain and be robust enough to withstand what we can reasonably expect the climate to throw at us.”

Climate change

That leads into climate change and the drive for greater sustainability.

“Weather patterns are changing and global warming is happening. So, although as engineers we can solve these problems after the event, it must be better to look ahead and get engineers leading the solutions at the earliest stage.

“However, we are in difficult times. There are calls from each individual sector making its case. For example, education and health are two that are probably most visible in the public's mind. Transport too is important as people rely on our infrastructure to get to work and they

don't expect roads to be blocked or the trains not to run.

“In the UK, people generally aren't exposed to or, feel the impact of, a water shortage. They turn a tap on and the water runs. We should be ensuring that we never get to a situation where we run short of clean, fresh water. People expect water from their taps and you can see the shock on people's faces when suddenly it isn't there.”

SMEs

The new chair is keen to build on the formation of ACE's SME Forum last year and reflect the needs of struggling small firms.

“SMEs can be very sector dependent. Large consultancies often work in a large number of sectors so they can divert resources from sector to sector. Smaller firms tend to specialise and so can't do that. It is important for ACE to listen to them and help those in sectors where business is relatively depressed.

“I come from an SME and I understand most of the SME challenges. But we do need to find ways to encourage SME members to come to ACE events and make full use of ACE membership. I would like to see greater involvement and participation.

“We know that senior figures in SMEs often find it hard to allocate time to get involved with ACE's activities. It is different for larger firms who have larger

“The incredibly severe winter has shown the weaknesses in our infrastructure.”

management groups who are able to spread the workload around more. The SMEs are more restricted. However, ACE offers SMEs a large range of benefits for their membership and I'll work with the new SME Forum under Alan Bramwell to see what we can do this year to engage better with the smaller firms.

“SMEs have some advantages. The ACE Benchmarking project suggests that they have lower overheads and can be competitive in a market where work is in short supply. The trouble is that when there is a falling workload, perhaps due

to a lack of capital spend in the private sector, SMEs can suffer. ACE is here to help by engaging with stakeholders and facilitating ways to release finance and allowing clients to fund new work.”

Benchmarking

To build on advantages and overcome problems Graham Nicholson is keen to ensure members are as well informed as possible.

“I'm a great advocate of the ACE Benchmarking initiative and I would like to see members take advantage of what I really do believe to be an incredibly valuable tool. It allows people to understand where the costs are in their businesses and where improvements and efficiencies can be made.

“For my business it has been an incredibly constructive initiative and a confidence building exercise, because it has enabled us to look at all our performance data and, for example, confirm that our overheads are at the right level. We also study the amount we spend on marketing and bidding and so on. To be able to compare ourselves with other similar organisations is very valuable. Even if you are doing well it gives you the confidence to know you are doing everything right.

“If you were to go and employ an outside consultant to carry out a similar analysis it would cost you a huge amount more than the ACE benchmarking project. So for the money it is very good value.”

“How do we find a way to release money so that the private sector can invest?”

The future

Finally, while the economy continues to struggle, Graham notes that there is still a positive long term outlook for the industry.

“Although it is a tough year, as an industry we have an awful lot to offer. The challenges of climate change and the challenges of growing the economy are real. The solutions on those will come from our industry. It is really important that we continue to believe in ourselves and invest in the graduates who are coming through our university now so that they remain in our industry. We need to make sure there is a place for them.”

Training local aid workers to reduce the impact of disasters

As the world moves into 2011, RedR UK chief executive Martin McCann looks at the last twelve months and what the future holds

The frequency and intensity of natural disasters worldwide is rising. If the current trend continues, in the next four years the number of people affected by disasters will soar from an average of 250 million, to 375 million a year. Without further investment in disaster relief training, we will face a shortage of relief workers who are able to respond to communities in crisis.

In 2010 nearly 300,000 people lost their lives in 950 natural disasters across the world. In all of these disasters, the first people to respond were the

people who live in the country affected. During the weeks and months that followed, these same people – whether experienced aid workers or not – played a key role in response efforts. And in the years of recovery that will follow the Pakistan floods and the Haiti earthquake, it is local people who will continue to rebuild their communities.

With the support of companies, in particular RedR patrons, the organisation was able to scale up its operations to respond immediately to the rapid onset of emergencies in both Pakistan and Haiti, and provide disaster relief training

to local relief workers.

In Pakistan, RedR trained 425 relief workers in the first four months after the flooding, covering key response areas such as humanitarian practice and principles, safety and security, humanitarian coordination and capacity building.

Through RedR's programme in Haiti more than 1,000 relief workers were trained in vital humanitarian skills including water, sanitation and hygiene (WASH), shelter, supply chain and fleet management, safety and security, and

“In 2010 nearly 300,000 people lost their lives in 950 natural disasters across the world”

telecommunications.

In both Pakistan and Haiti more than 90% of the trainees were national aid workers working for a variety of aid agencies including ActionAid, World Vision, Save the Children and the World Food Programme, as well as many national NGOs.



Building the professional skills to respond to immediate and future disasters

Titus Prince, RedR trainee and Field Coordinator for national NGO Sungi Development Foundation, was one of the first relief workers to respond to the Pakistan floods.

“Just after attending RedR’s Essentials of Humanitarian Practice (EHP) training in July we were immediately deputed to the field to respond to the floods crisis,” Mr Prince says. “The RedR training has helped us to deliver a higher quality of assistance. The course increased my knowledge about various ethical standards and international laws and enabled me to plan a comprehensive and coordinated response for my organisation.”

Mr Prince was part of an emergency response team providing relief items and food to 8,400 people, and water, sanitation and hygiene (WASH) programmes targeting 16,800 people in Rajanpur, southern Punjab.

“From the RedR training we knew exactly the daily calorie guide from Sphere - internationally recognised minimum standards in disaster response - in order to design ample food package for a family,” Mr Prince explains. “Following Sphere standards, we established latrines taking into account the distance from the dwellings, and gender issues like privacy for females. We were able to ensure that the affected people are getting good quality clean drinking water in accordance with the Sphere standards.

Developing the skills of local relief workers not only increases the



effectiveness of immediate disaster response, but it also means that those skills remain in-country longer-term. This enables communities in disaster-prone areas to prepare for, and cushion the impact of future disasters.

“RedR trainings have a long-term impact on the humanitarian sector as more humanitarians will be able to deliver high quality assistance to the affected people,” Mr Prince says. “RedR is bringing a change to the sector to professionalise it more, in order to improve the lives of people affected by disasters.”

In 2011, with the support of companies, RedR Patrons and the Lord Mayor’s Appeal, RedR will continue to help communities affected by disasters by providing vital relief training to local aid workers in Pakistan and Sudan through its permanent country programmes, and worldwide in response to ongoing and future disasters.

RedR will also continue take a leading role in professionalising the humanitarian sector, and aims to build on its international training capacity by establishing additional country programmes in key priority areas in east Africa.

With the number of disasters worldwide increasing, there is an urgent need to equip more local people with the vital know-how to respond to emergencies in their own backyards, as soon as they happen.

“In Pakistan, RedR trained 425 relief workers in the first four months after the flooding”

ACE is proud to be a RedR patron and very supportive of its strategic role across the world.

Central to RedR’s achievements is the continued commitment and support of the engineering sector. In order to meet its ambitious objectives over the next few years, RedR will increase its engagement with the private sector. We will work with companies to ensure that we help them meet their own corporate responsibility agendas. If you would like to find out more about the positive impact your company can have on improving humanitarian efforts globally, please contact Rose Papararo (rose.papararo@redr.org.uk; 020 7840 6006)



The Usable Buildings Trust and new professionalism

Bill Bordass of the Usable Buildings Trust writes for *Impact* on the need for building performance evaluation as it becomes a growing priority

To meet the challenges of the 21st century, new and existing buildings need to perform much better in use: as sustainable assets, for their occupiers, and for the environment. For example, UK government policy is for new buildings to be zero carbon within a decade, and for the energy and carbon efficiency of the existing stock to improve dramatically. However, at present there are major credibility gaps between expectations and

and electrical systems intended to meet exacting performance criteria and which can benefit from tune-up in operation. There needs to be follow-through and feedback.

The Usable Buildings Trust (UBT)

UBT became a UK charity in 2002. It was set up by people active in evaluating building performance in use, who had become concerned that government industry and research policy was concentrating on rethinking construction, and taking little or no account of how buildings actually worked in use. UBT promotes building performance evaluation, extracts the lessons, and takes findings to people who can make a difference: clients, designers, builders, managers, policymakers and postgraduate students, both directly and via our website.

worked with large clients, but found their procurement departments were largely focused on delivering projects on time and to budget and had much less interest in performance in use. Clients and government were also reluctant to pay, saying “why doesn’t the industry do this anyway”, without realising that industry, clients and government have become lockstepped into a dysfunctional system, from which nobody can readily escape. Even facilities management companies can find it difficult to advocate tune-ups: why hadn’t they been doing this already?

Soft Landings

UBT was unhappy with the “buildings should be like cars” analogy in the 1998 Rethinking Construction report. Buildings are not mass produced on production lines all ready to go, but are custom products more like ships, and need the equivalent of “sea trials”, in which designers, builders and operators all go out for a shakedown cruise. The sea trials idea converged with a similar initiative called Soft Landings, which UBT helped the originator Mark Way to disseminate and develop. In 2008



outcomes. For example, it is not unusual for a new British school to use three times the anticipated amount of electricity, for occupant satisfaction levels to be poor, and operating costs to climb into the sky ... and now money is short.

To respond to these imperatives, the construction industry will need to provide a very different service. At the moment, designers design (and sometimes inspect), constructors build, and everybody usually melts away after a building is handed over. This makes no sense where all the talk is of innovation and where buildings contain increasingly complicated mechanical

Making building performance evaluation routine

One of UBT’s objectives has been to make building performance evaluation a routine activity for design and building teams, so they can understand the consequences of their actions; help clients, occupiers and managers to get the most out of their buildings; and carry back the knowledge to the future benefit of their organisations, the industry and the wider community. We started by talking to designers, but they were reluctant to participate unless somebody paid them to do it and did not blame them for what they found. We



BSRIA, the Building Services Research & Information Association, joined in and hosted an industry group, where practitioners exchange information and experience and develop practical support. The Soft Landings Framework was published in 2009: this and other information can be downloaded free from www.usablebuildings.co.uk or www.softlandings.org.

Soft Landings is about changing attitudes of mind. Its activities can run alongside any procurement system, for any project, in any country. They reinforce existing processes at five critical stages:

1. Inception and briefing: setting the tone and establishing a focus on outcomes.
2. Design and construction: maintaining the focus on outcomes and managing expectations.
3. In the run-up to handover: ensuring better operational readiness, and engagement of occupiers.
4. In the first few weeks or months after handover: providing aftercare and fine-tuning.
5. In the first three years of occupation: monitoring, post-occupancy review and feedback.

Soft Landings focuses on users, managers and outcomes. It benefits from champions who can take it forward and essentially help to reinforce the “quality” leg of the quality-cost-time tripod. While cost and time tend to be the immediate concerns for builders and project

“How can we get what seems to be essential and cost-effective to happen when people think it can’t be afforded?”

mangers, what endures is the quality of the outcome.

Case studies are beginning to show that, once clients and design and building teams are up the learning curve, Soft Landings becomes win-win-win and

save-save-save. Construction costs are less, because you don’t spend money on things you don’t really need and instead get the essentials to work better. Running costs are lower, because buildings can become less complicated, and more usable and manageable. Better-tuned systems use less energy (some case study schools halved their electricity bills) and help occupiers to be more comfortable and productive. In spite of all this, it has not been easy to get client buy-in in this age of austerity, where anything new is seen as an unaffordable extra and government in particular finds it difficult to invest to save.

A new professionalism?

How can we get what seems to be essential and cost-effective to happen when people think it can’t be afforded? UBT thinks the answer is to get to where markets can’t reach: in other words, professional ethics. The purpose of any profession is to supply disinterested counsel and service to others, for a direct and definite compensation wholly apart from expectation of other business gain, in order to protect society’s larger interests. This means a responsibility to do “the right

thing”, which goes beyond the obligation to the person paying the fee.

The idea of professionalism may seem dated, because the social and political culture in the past thirty years has been to see professions as just another business. However, professional institutions already require their members to understand and practice sustainable development. Surely this must include a focus on outcomes? Otherwise, we are flying blind into the future, and risk producing buildings which not only fail to perform as intended, but could even prove too complicated and expensive for us to look after. UBT is currently exploring whether some general principles of the new professionalism would obtain widespread institutional support.

Bill Bordass
Research and policy adviser
Usable Buildings Trust
020 7722 2630
billbordass@aol.com

Bill Bordass will be speaking in the carbon debate at ACE’s annual conference.



Getting back to business

ACE Annual Conference 2011

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25 May 2011

Speakers include:
Paul Morrell, Chief Construction Adviser
Bill Bordass, Usable Buildings Trust
Ian Ballentine, Network Rail

Visit www.acenet.co.uk for more details

ACE joins the CBI British Business Bureau?

ACE's international business manager Naomi Bari writes for *Impact* on membership of the British Business Bureau

In January 2004 ACE took a significant step as a trade association and became a member of the Confederation of British Industry. This year it has taken that a step further and joined the CBI's British Business Bureau.

The CBI created its new British Business Bureau in 1991 to help reflect the importance and role of its trade association members. It focuses specifically on the work that trade associations do well, and, after recent discussions, ACE has now become a member to secure the benefits of a voice in Brussels.

"BBB serves as a vital portal to an area of political influence that is of growing significance in UK law and economic development."

Based in Brussels in the EU quarter, the BBB is close to the European Parliament and the Commission. One of the key benefits of BBB membership is that it helps to monitor EU policy developments on behalf of members. This helps to ensure that groups like ACE, who work to promote and support business in Europe, stay well informed about politics on the continent.

The BBB also offers logistical support to facilitate public affairs operations in Brussels, where many UK trade

associations have little or no individual presence. This can result in valuable strategic advice on lobbying in the EU.

ACE member firms can also benefit directly from ACE's membership of the British Business Bureau. The BBB office serves as a Brussels base for its members. This means it can be used for accessing



institutions as well as being a venue for conducting meetings and seminars.

Through the BBB, ACE intends to host a series of EU roundtable forums. The first of these is planned for June and will give ACE the opportunity to meet and share views with EU policy makers.

This serves as a vital portal to an area of political influence that is of growing significance in UK law and economic development. It is also backed by advice on the EU policy makers and processes.

As ACE looks to build support for

construction liability reform it is hoped that membership of the BBB will see that message delivered at a new level.

BBB will also facilitate the launching of ACE's water paper entitled "introducing competition into the water market".

The paper is being researched to explore the possibility of applying to the water industry some of the competitive and market forces that have been implemented within the energy sector. Prior European support for reform of the energy market makes this a strong area to promote in Brussels. The paper will look at how measures to increase competition might improve the investment decision making process, smooth the current investment cycle and increase the availability and accuracy of price signals.

With an extensive network of contacts within the EU Institutions, the CBI BBB is an excellent platform to access the EU and a great source of information on EU matters and how this affects your business.

As a member of ACE you benefit from our membership of the BBB

To book meeting room facilities and arrange seminars at the CBI BBB offices, or to register to receive one of a number of regular updates on EU legislative activity from the BBB, please contact ACE international business manager, Naomi Bari on nbari@acenet.co.uk

Good Small Business Guide: a review

Impact reviews the FSB's fourth edition of their Good Small Business Guide

There are many organisations that offer a lot of advice and information to small business. Fortunately the FSB has put a lot of that advice into five hundred pages so as to make it easier to access.

The Good Small Business Guide 2010 carries with it a great deal of hard-nosed advice about financial support for small companies, how to prepare a business plan and how to maximise strengths and overcome weaknesses. This technical advice is combined with personal and practical advice too. At one stage the book advises readers on maintaining boundaries between work and home life.

Overall, this serves as a valuable tool. It provides information and advice on how to do the things that small businesses know they should. It also acts as a reminder of the value of some areas of work, like self promotion, that many small consultancies struggle to prioritise.

Its real value, though, is probably as a first port of call when confronted with a problem. It is one thing to spend time drawing up a business plan and building good relationships with clients. It is quite another to be faced with an unexpected situation you haven't faced before.

A good example of this is maternity or paternity leave. In a company of several hundred staff this is likely to be a common occurrence. Expertise on relevant laws and benefits will be in place, possibly through a dedicated human resource team. In a company of ten staff this would be a rare incident, there would probably be no human resource specialist, and any recent legal changes might not be known in detail.

This concern applies to a great many situations, and the guide's response acknowledges its own weakness. On employment law it offers examples such as equal pay and adoption leave for consideration. It then sets out at a simple level what the law requires. It also recognises that the law changes regularly and that the detail goes further than it can.

With that in mind it is clear about

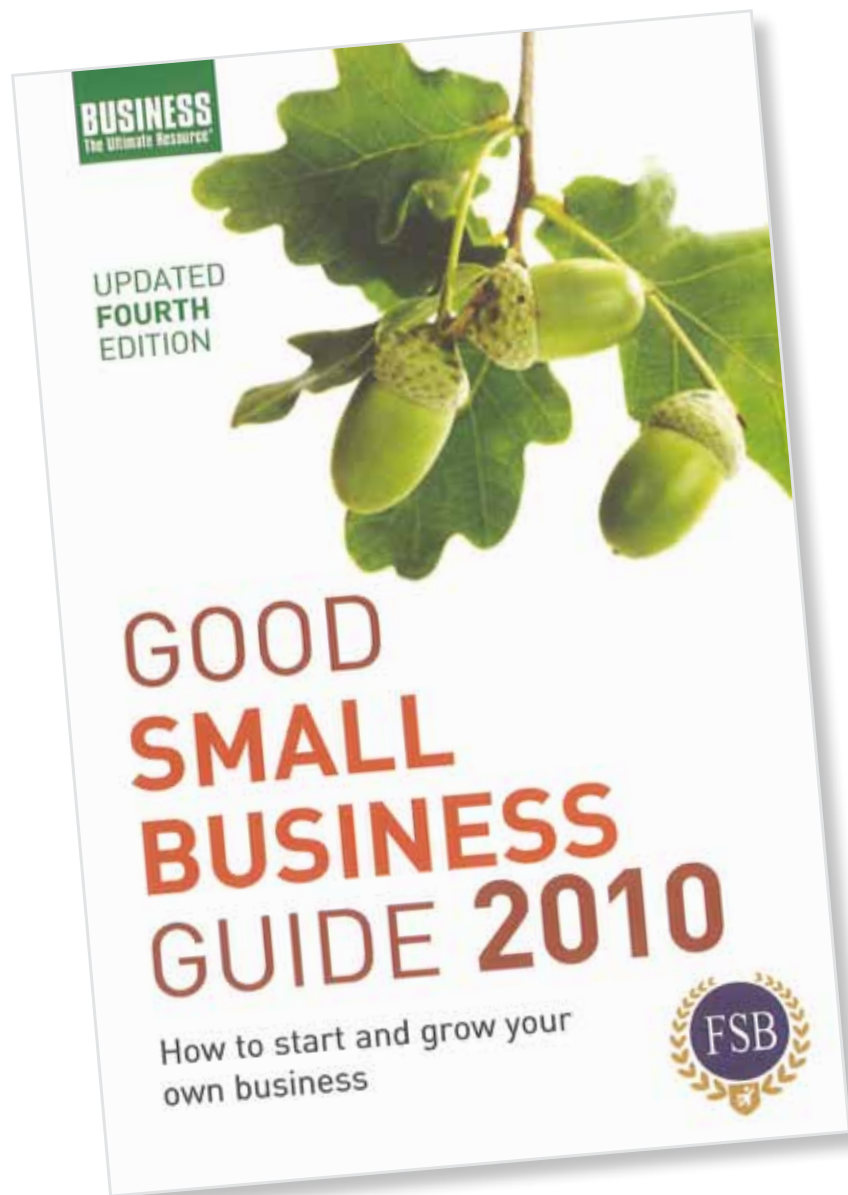
who best to consult or where to find the relevant information. Readers are told where official documents can be found easily and for free. They are also given options for seeking advice, listing among others ACAS, their company solicitor, Business Link and the Department for Business, Innovation and Skills website.

Many small companies no doubt

thrive without the aid of the FSB's Good Small Business Guide. However, it does have the potential to make life simpler, less stressful, and maybe even a little more profitable.

For further information

www.fsb.org.uk/goodsmallbusinessguide
(RRP £19.99)



Winter brings economic contraction

After starting the year with gloomy GDP figures, Graham Pontin, ACE economic analyst, reports on the economic climate

The Office of National Statistics has revised the final quarter of 2011 growth figure down from -0.5% to -0.6%. This provides a significant reminder of how important it is to ensure that economic conditions are conducive to growth. The revision also means that even if the effects of the bad weather are removed the economy still contracted by 0.1%, rather than remaining static. Such a revision will put pressure on the government to include a definitive plan for growth in the upcoming budget. However, despite a general consensus on the need for a “growth plan” to be put in place there is little consensus on the nature of that plan or the mechanisms most likely to deliver results.

The effect of this ‘near miss’ should not be understated and its effects are still being felt today. Lending conditions remain significantly constrained and the cost of financing is higher than it should theoretically be given the present level of the base rate.

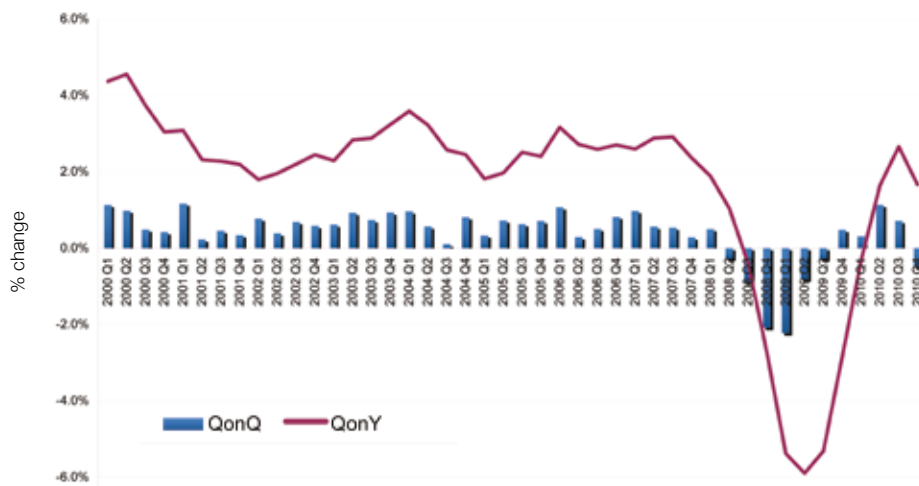
Constrained and more expensive lending impacts on economic growth in a number of ways. Firstly, as lending conditions tighten, the cash flow positions of companies become tighter, with SMEs in particular having difficulty smoothing income and expenditure. Given constrained lending, companies are more likely to hold significant reserves to mitigate against the risk

Finally, the crisis changed attitudes. Companies were no longer prepared to hold significant amounts of debt on their balance sheet as the cost of repayments increased. This meant that a number of companies issued shares to recapitalise their companies and reduce their liabilities.

It is worth noting that SMEs rarely have the luxury of such financing mechanisms. Injecting capital into these smaller businesses is generally undertaken by their owners, sacrificing the consumption of other goods and services in order to recapitalise their company.

The examples above show that the financial sector is a key facilitator of growth, and unfortunately the system can still not be considered to be in good health. The system has to adapt and learn from the mistakes it made. A co-ordinated effort by both the financial sector and government to commit to policies that ensure financial responsibility, long term stability and growth would aid this.

GDP



Source: ONS

Looking forward it is important that such plans are based on the experiences and lessons learned over the last few years. We need to ponder the market conditions that resulted in our present position, and what their continuing effects on our rate of growth are.

The financial crisis

The financial crisis shook investors, consumers and governments. It resulted in the first truly global effort to implement economic policies to mitigate against a system on the verge of collapse.

of being caught out as illiquid. The cost of holding such reserves is lower investment and spending which reduces economic output.

Another aspect is the cost of lending. With costs rising companies not only hold greater reserves, but also re-evaluate the cost and benefit of investments. An investment that was considered feasible before the financial crisis may no longer be undertaken, which once again reduces the consumption of goods and labour reducing economic output.

“The system has to adapt and learn from the mistakes it made.”

The recession

Following the financial crisis, the economy entered recession as demand conditions and confidence plummeted. Unfortunately, such conditions lead to further uncertainty and so further spending restraint. This created a downward multiplier effect, as a result, companies began to reduce staff numbers as output fell, which in turn resulted in individuals further constraining spending.

One method of mitigating this spiral is for governments to increase spending and thus improve output. Such policies can be seen across a variety of countries

with the emphasis being placed on capital expenditure. This capital spending should not only provide a much needed boost in terms of jobs and consumption but also improve the long run output and efficiency of the economy.

For an example of this, look to the regeneration of east London for the Olympics. This has provided stability for the companies involved, regenerated significant brown field sites to improve the area for residents, significantly improved transportation links in the area, and increased not only the current but future potential for commercial activity.

However, given the cost of the financial crisis, the degree to which such policies can be pursued is limited. This has meant that there is greater reliance on the private sector to lead the recovery, though to date the pace of this recovery seems very uncertain.

The tough market conditions have increased competitiveness, and there have been a significant number of companies making efficiency improvements. Over time these efficiencies should enable companies to pursue new opportunities at a lower unit cost, enhancing profit. This in turn encourages a further expansion in activity, driving recruitment, improving confidence and increasing output.

Although this process will occur, the timeline over which this process will take place is very debatable.

Expanding activities requires confidence in the market and cost effective finance availability to encourage investment, both of which are lacking given the financial crisis and concerns over sovereign debt.

“Investors are now looking for credible exit strategies from the liabilities that the public sector undertook.”

The sovereign debt crisis

The swift action of governments during the financial crisis may have stabilised the banking sector, but the liabilities of their actions remain. These liabilities now lie in the public sector and despite the initial global consensus that stimuli packages were required to mitigate the effects of the crisis and recession, the willingness of investors to watch public debt soar has ended.

Investors are now looking for credible exit strategies from the liabilities that the public sector undertook. It is for this reason that the UK government

has implemented a significant public cuts programme, to ensure continued confidence. However, whilst the UK's cuts are aimed at reducing the deficit, there is also a willingness to rebalance the economy with a shift away from publically-funded activities.

This shift not only effectively ends the support the market has had from the government, placing a downward pressure on growth, but also potentially limits the growth prospects from this sector in the future. As mentioned previously, if the private sector is able to react accordingly and address issues surrounding financing there is significant potential for profits to be made and growth to occur. The speed of this reaction will be key.

Alternatively, the government could scale back the size of the proposed cuts. However, the cost of public debt is increasing and investor confidence might result in the removal of investors' funds from the country. This would increase in the cost of borrowing.

Such actions have been seen in both Greece and Ireland, as these countries edged towards bankruptcy. The response to their economic troubles has been nothing short of historic. International institutions consisting of, and funded by, multiple national governments have stepped in to ensure the continued stability of the financial system.

One must ask how long it will be before investors have concerns about

“Expanding activities requires confidence in the market and cost effective finance.”

the stability of such institutions. A loss of confidence at this level could be catastrophic, and so it is vital that policies are put in place to ensure continuing confidence amongst investors.

The start of this process can already be seen with proposals for the European Union to have far greater monitoring controls over governments' fiscal positions. Unlocking this confidence is key to getting international capital flowing, which will in turn release significant opportunities for growth.



From the archives – The origins of ACE

As ACE nears its centenary in 2013 its head of policy and external affairs, Michael Hall, begins a regular look back at the archives to plot its history

The world in 1913 was a very different place to the world today. Tensions were building in the Balkans and military build-up across Europe foreshadowed the First World War to come. It was to be a decade of profound social, economic and political upheaval.

It was against that backdrop that the Society of Consulting Engineers was officially incorporated.

While there are suggestions that the group of men involved started meeting and discussing the industry as early as 1908, the interest group started to consolidate in 1910. It was around that time that figures within the industry began to address issues specific to those engineers that practiced as firms of consulting engineers.

Not surprisingly, and with some resonance for today, one of the first key questions for the formative association was that of eligibility for membership. The ACE was established to address the needs of a small group of what were widely understood to be consulting engineers. However, it settled on a specific definition only after proposing and rejecting several suggestions.

The final version read *“A consulting engineer is a person possessing the necessary qualifications to practise in one or more of the various branches of engineering who devotes himself to advising the public on engineering matters or to the designing and supervising the construction of engineering works and for such purpose occupies his own office and employs his own staff, and is not directly or indirectly concerned or interested in commercial or manufacturing interests such as would tend to influence his exercise of independent professional judgement in the matters upon which he advises.”*

It is worth noting the implicit commitment to the public good. Sanitation, for example, was one of the major public issues of the day. Bazalgette’s sewer network in

London was, at the time, less than fifty years old. Just as today’s engineers are grappling with climate change, engineers of the early twentieth century clearly saw improvement of society as a key role.

There is also the question of

“One of the first key questions for the formative association was that of eligibility for membership.”

independence. A concern raised at that first meeting of the ACE in July 1913 was the need for an organisation that could distinguish independent consulting engineers from those with vested commercial interests in related areas.

Today, as the market for professional services in the built and natural environment evolves, ACE once more finds itself addressing the issue of what it represents. The move to corporate membership in the early twenty-first century was a major shift in emphasis; today’s issues revolve around the nature of modern infrastructure and the services and commercial arrangements demanded by clients.

Archives repeatedly return to other key issue that exercised the first ACE committee members.

Local Authority engineers

One was the emerging trend of local authority engineers acting as consulting engineers.

One particular case involved a Mr Wordington, an employee of the

Admiralty, who had been retained by the Corporation of Leeds as a consulting engineer. Mr Wordington was said to have been earning a salary of around £1,100 per year at the time – a handsome sum equivalent to around £80,000 in today’s money.

A second incident involved Bradford Corporation offering engineering consultancy services to mill owners on a wide variety of subjects. Another complaint received by the committee involved the placing of projects in the hands of Scottish local authority employees.

The committee clearly felt that such competition from local authorities was unfair. So it resolved to lobby Parliament and brief the media on the issue.

Taxation

In 2011, the question of taxation largely focuses on income tax, corporation tax, VAT and national insurance. However, the committee of 1913 encountered a worrying threat: taxation of engineers’ fees.

One complaint received by the group concerned Parliamentary agents objecting to paying the “usual and legitimate fee” for expert engineering work, as a result of the taxing of experts’ fees. A correspondent in Scotland also remarked on the taxing of the fees charged by skilled witnesses.

These days, the question of a “usual and legitimate fee” is one governed very much by market forces and the relative competitiveness of firms in the sector. Yet the 1913 records clearly indicate concern over the erosion of incomes in the industry.

This invites parallels with the post-recession concerns of 2011, where a slowdown in public sector investment is likely to put short term pressure on earnings.

So perhaps the world wasn’t so different in 2013.

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