

February 2017

PROCUREMENT- ANOTHER RANT

Crikey January passed quickly, and has seen significant new commissions and important projects coming up over the horizon.

But I still have to rant – we need to resurrect some business traditions.

In March last year I voiced my frustration about procurement when I said that ‘process’ seems to be more important than outcome and that procurers tie themselves up in knots of beaurocratic nonsense.

Recently I have received several newcomers as visitors to the office and our discussions gravitated towards work-load, winning work in general and winning work in the public sector. All were owners and managers of SMEs.

My visitors considered that the ‘procurement industry’ is a significant hindrance, especially the general refusal of potential clients in the public sector to do anything other than rely on these new professionals. My visitors felt that an audit of procurement practices would be useful.

I have mentioned before that one can occasionally find shafts of sunlight in the public sector when the service that one offers is unique. I hope that you enjoyed Ivor’s note about Len Putt the specialist’s specialist. One of the most obvious benefits to everyone is the chance to have repeat orders which are based on past record. Surely this must be one of the oldest and best tested of working relationships between clients and suppliers in all walks of life.

Recent commissions for RML illustrate how good life can be when a simple direct route is taken by a client. RML has been appointed to design concrete skate parks, to design several slope retaining structures using our ‘soft engineering’ approach, to provide advice on eradicating Japanese Knotweed, on-site advice on environmental matters and to prepare planning applications for a variety of developments with a strong environmental flavour. The appointments involved preparing quotations for an agreed scope of work and receiving a written instruction by return. For us and the clients the acquisition costs were negligible.

Isn’t this the kind of approach that would improve performance in the construction industry?

We have observed the reverse where public authorities issue opportunities to quote. It is clear that the words and approach used indicate that the enquiry has been issued by someone who has little knowledge of what they will be buying. Lowest price still the rules in some quarters.

Putting the cart before the horse.

Some authorities are asking tenderers to allow for investigations, surveys, obtaining permissions from a variety of bodies, as well as design and construction, all in a single tender and all despite the unknowns that this must involve. Some grant-aiding bodies have adopted this approach so as to obtain an all-inclusive cost for a project before it is given the go ahead. It seems that concerns about their forward planning override all other aspects of the work such as community needs and benefits. I'd say that this really puts the cart (management) before the horse (community benefits) and tender prices increase too. My approach is to leave these 'opportunities' well alone, but it's your money and mine that is being mis-spent.



Kind regards

Idris

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WORDS OF ENGINEERS.

Travel broadens the mind.

I have found that the most useful book for engineers and about engineering abroad is 'Civil Engineering in French' by Mr A Paulus which was published by Thomas Telford in 1982, ISBN. 0 7277 0138 X.

According to an article in The Times just before Christmas a translation of an English text into German requires 30% more German words than English ones? I am sure that you know that German verbs are just impossible because they at the end of the sentence appear. Some German words can be a bit on the long side too.

The mutation of words in Welsh is just child's play in comparison, and it is easy, because the mutations improve the sound of the language. Just try it to please me, for Llanmabon (the church of St Mabon) say Llanfabon (the Welsh 'f' has an English 'v' sound). Although mutation can be a bit messy because it applies only in certain circumstances and there are several kinds all with different sounds. Welsh is very idiomatic too, instead of saying 'I have a cold' one says 'there is a cold on me'.

French is OK as long as you are prepared to wave your arms about and shrug your shoulders, but this can leave you a bit exhausted by the sheer pace of conversations in French. French is not for the physically weak or slow-witted amongst us.

Perhaps these are simple reasons why the English language is so popular, you can say what you mean in about three quarters of the time that a German engineer requires, you can use simpler sentences,

words don't change their first letters and one can stand still and speak slowly, all at the same time. There is only one form of 'you' in English and that helps a great deal.

So friends, be warned, German letters, contracts and papers will all occupy more space in your IT systems and when listening, be patient and wait for the verbs to come along in their own time. If you must use French then try to take one word at a time but I do admit that this is extremely difficult when listening to a French person, watch out for gender in both German and French (and Welsh) and capital letters for German nouns.

'Engineering in French' contains translations into German equivalents. The foreword by Professor Sir Alan Harris is a delight. He tells us for example that the French have no word for design and suggests that there is 'a lower register' of words used on site that should not be repeated in polite company. Mr Paulus was born in Belgium and after many years working in construction in the French speaking world he joined Sir M Macdonald & Partners Ltd in 1979.

Although there are a great many instances where the English, French and German words are virtually the same, beware of false friends, words that might sound or look the same but have very different meanings in each country.

RML were involved in the design of a major reclamation scheme in Metz. The Franco-German border was part of the site boundary; Metz has a colourful history as it has been both a German and a French city. The working languages were French and German. I delivered my description of our design in a mixture of both languages, with a bit of English thrown in, all of which was fun.

One finds in Mr Paulus's book the following, try getting your tongue around these in a presentation;

Tender documents

Ausschreibungsunterlagen

Site staff

Baustellenangestellten

Working drawings

Konstruktionszeichnungen

Kind regards

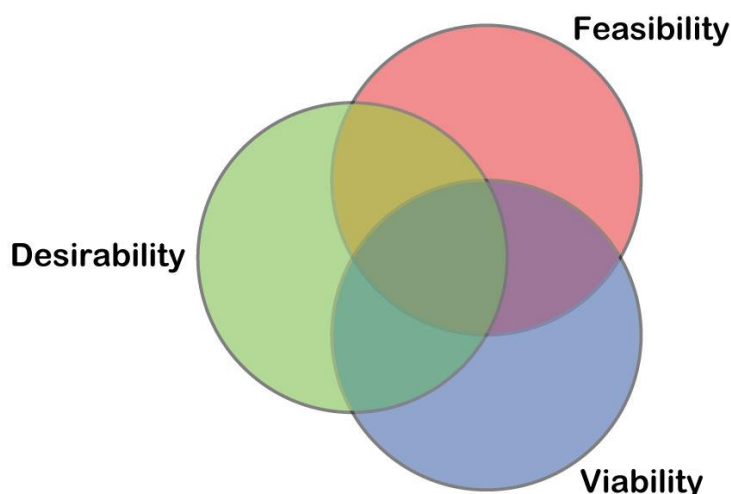
Ivor

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The significance of 'viability' in a planning application

Following a recent successful planning application for 8 houses in the Vale of Clwyd in which viability was a key determinant, I thought it would be worthy of a newsletter to discuss viability in the planning context and the Welsh Government publication from last month of **'Longitudinal Viability Study of the Planning Process'**.

Whilst the study report is mainly focused on housing developments RML considers that the report establishes and confirms a number of important factors for **all developments and developers**. The report uses the following definition for 'viability' (The Harman Report, 2012).



'An individual development can be said to be viable if, after taking account of all costs, including central and local government policy and regulatory costs and the cost and availability of development finance, the scheme provides a competitive return to the developer to ensure that the development takes place and generates a land value sufficient to persuade the land owner to sell the land for the development proposed. If these conditions are not met, a scheme will not be delivered.'

A long winded way of saying that a project is viable if it makes commercial sense for the stake-holders to proceed.

All Wales Level

On an 'all Wales' level, the report highlights a number of factors affecting the 'viability' study sites:

Paragraph 2.2.10

Of sites currently at planning stage (i.e. that either have planning permission, have planning permission subject to a Section 106 agreement, or for which a planning application is currently under consideration by the LPA), 32% have been identified as experiencing issues with viability that may potentially cause delays in delivery. The main issues that have been identified are as follows (note that some sites are experiencing viability problems as a result of more than one issue)

- *Land values (13% of sites with planning permission);*
- *Inability to meet affordable housing requirements (9%);*
- *Ground conditions (5%)*
- *Infrastructure requirements (10%)*
- *Ecology (8%);*
- *Challenging location/low market values (5%).*

Paragraph 2.2.11

For sites where no progress is currently being made, viability has been highlighted as an issue for over a third (36%); reasons include affordable housing targets being too high, sites located in low

value market areas or where there is 'housing saturation', poor quality sites (topography/environment) or where specific infrastructure requirements have been identified.

In highlighting factors raised through detailed discussions with a range of site developers (para.2.3.11), the report notes that *'applications are delayed because applicants have not recognised the viability implications of section 106 requirements prior to Planning Committee'*. 'Viability' can no longer remain as purely a checklist item and must be treated as a living part from concept to build.

Report Conclusion

The study sets out 21 recommendations, with a small number relating to developers and interested parties. Recommendation Numbers 2 and 14 respectively relates to 'Developers and Site Promoters':

2.

At candidate site submission, a Residual Land Value appraisal to be undertaken and submitted by site promoters/developers, based on methodology and requirements identified by the LPA and developed on a Wales-wide basis by bodies such as the WLGA or RICS.

14.

Viability assessments prepared to accompany planning applications should be available in the public domain in order to promote greater transparency.

Next planning update.

As the Local Planning Authorities in North and Mid Wales are currently experiencing different stages and issues with their Local Development Plans (LDP), 'viability' is undoubtedly a significant key planning issue. We'll keep you posted on the latest LDP status.

Kind regards

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