

CHAIRMAN'S FIRST QUARTER REPORT, JUNE 2020

Oliver Tolputt, Chairman, CECA NW

I am pleased to provide the following report of the first quarter, in my second year as Chairman of CECA NW, together with details of plans for the rest of the year. I am grateful for the support I have received from my fellow CECA NW directors as well as the Executive Committee and the NW membership, in delivering a programme to continue to meet members' needs and aspirations.

Even before the COVID-19 virus, Brexit negotiations and a General Election delayed work coming to market, and that has been compounded by further pressures that contractors are faced with, from the impact of reverse charge VAT and IR35, to the difficulties in securing professional indemnity insurance renewal and the reduction in the red diesel rebate.. Taken together with the familiar cocktail of unsustainable margins, late payments, zero value frameworks and all risk contracts, it is hardly surprising that civil engineering is in a parlous state. And CECA has been working to address as much of those concerns as possible.

Most recently, the CECA NW Executive Committee discussed the passing of risk throughout the supply chain to the contractor, not just from the client, but from multiple sources. A series of proposals have been developed on how we might tackle that, which we will be pursuing over the coming months

But, due to COVID-19, CECA NW has had to make significant changes to how it operates. Our commercial and legal seminars have been run as webinars, and it is encouraging that the take up has been enormous, with over a hundred delegates joining the sessions run by Geraldine Fleming of Driver Trett. We have also been forced to cancel both our North by NW dinner and the Annual Awards dinner this year, as well as the Golf Day. But we will run the 2020 awards as usual, and the winners will be presented at the 2021 North by NW dinner in Penrith on Friday 7 May, and the 2021 Annual Award dinner will take place at the Midland Hotel, Manchester on Friday 8 October 2021. The 2021 Golf Day has been booked for Thursday 8 July 2021 at Leigh Golf Club.

Client liaison meetings are still being planned, albeit on a virtual basis, with sessions due to take place with United Utilities' HARP programme, Sellafield, Transport for the North and Northern Powerhouse Rail.

We are all aware of the difficulties in recruiting and retaining staff, but these conditions make it less and less easy. This year, CECA NW Foundations went to Liverpool John Moores University and met over 40 civil engineering students who were keen and interested to work in our industry. We must not let their skills and enthusiasm go to waste.

And our members doing plenty to address that. In the North West alone, CECA NW members carried out over 300 visits to schools and colleges over the last year, meeting more than 50,000 students. But we cannot be expected to do all of that if conditions for delivering the projects that the public demands are made increasingly onerous.

The message needs to be made, loud and clear, that if firms who have taken the trouble to invest in those high quality practices are priced out of the market, then the only firms left for clients to use will be those without the accreditations and practices that keep our industry safe, innovative and effective.

CECA's new 'pulse check' survey has been invaluable in ensuring what we do reflects members' priorities, and I would urge all members to send in their feedback. And here are some of the things CECA has been doing in response to what members have raised:

- We are now advertising vacancies for members, and for people seeking work on the CECA NW section of the website, and through social media

- Developing the Talent Retention Scheme to create an online portal to support members with vacancies and individuals seeking work
- The Dayworks Schedule is now available as an electronic version, that is free for members

- Working with the CLC/Taskforce, we are tackling the following:
 - Safe operating procedures, and produced a CECA safe operating video
 - Visibility of future workloads – with the CECA pipeline information
 - Contractual and commercial concerns
 - Cost planning (in relation to COVID-19)
 - Availability of materials and PPE
 - Furloughing & unfurloughing
 - Trade credit, PII, bonds and retentions
 - Skills and training
 - Sharing best practice

- Contractor matching for CECA NW members. This new service to help balance workforce/workload capacity between CECA NW members is now live. We are contacting all client organisations and directors of major projects to ascertain if they have projects paused or shovel ready for when it is safe to resume, to build up our understanding of the pipeline of work across the region. We are contacting all members to find if they are short of capacity or have spare capacity, and arranging opportunities, where feasible, for CECA NW members to work together.

Your participation is essential to ensure we remain member-focused. After all, CECA NW is your Association and we rely on members to let us know what CECA's priorities should be. I would urge you to contact me or our director, Guy Lawson, with suggestions for us to implement on your behalf. Thank you for your continued support.

Oliver Tolputt, Chairman, CECA NW, June 2020
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