

# Scottish procurement: construction policy note CPN 4/2021

28 October 2021
Assurance of work on site

### **Purpose**

This Construction Policy Note (CPN) advises contracting authorities to review and where necessary strengthen arrangements for the inspection and assurance of construction work on site.

## Key messages

Contracting authorities should:

- liaise with main contractors to evaluate the impact of labour and materials shortages on the delivery of construction projects
- implement inspection and assurance measures as required to address any related risks to the specification and workmanship required by contracts

## Coverage

This note is for all those contracting authority staff involved in the planning and delivery of public works projects. It is applicable guidance to bodies in scope of the <a href="Scottish Public Finance Manual">Scottish Public Finance Manual</a>.

## Background

There is currently and foreseeably a shortage of available workers required to build public sector construction projects. While exacerbated by the continuing effects of COVID-19, the main causes are largely:

- insufficient new entrants replacing retiring site workers
- EU workers leaving the UK after the UK's decision to leave the EU

Materials supply issues are also placing pressures on construction project programmes, specifications and costs.

## Assuring site work

Labour shortages may mean that contracting authorities could be at increased risk of receiving projects containing latent defects into their asset portfolio. Substandard workmanship and materials could manifest in future built asset failures if they remain undiscovered.

A contracting authority which commissions a construction project to deliver an asset into the public estate is responsible for its safe use including by members of the public. While some assurance measures may transfer part of this responsibility to another party during construction, the contracting authority becomes responsible upon the transition from project to asset at handover.

Contracting authorities are therefore advised to ensure that their regime for inspecting materials and workmanship on site is sufficiently timely and appropriately detailed. This includes, where necessary, being investigative and intrusive. Issues identified timeously can normally be rectified in a more cost effective manner than after being built over.

A contracting authority's assessment of the following factors will help to determine a proportionate inspection regime:

- the impact of labour and materials shortages on the integrity of the project.
- scope to be undertaken collaboratively where possible.
- the parameters permitted under the contract (which should not be exceeded). It should provide assurance that work on site is being carried out in compliance with the specification at all times.

Further guidance is noted in Section 10 (Workmanship) of Chapter 3 (Quality) in <u>the Construction Phase Handbook of The Client Guide to Construction Projects</u>.

#### Dissemination and contact

Please bring this CPN to the attention of all those staff involved in the procurement of relevant construction projects. If you have any questions about this CPN please contact:

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